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PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, SECOND SESSION

SENATE—*Thursday, August 4, 1994*

(Legislative day of Wednesday, July 20, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HERB KOHL, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

In a moment of silent prayer, let us remember Vivian Eney, whose husband, a Capitol Police officer, was killed in the line of duty 10 years ago and whose father died 10 years later almost at the same time.

Righteousness exalteth a nation: but sin is a reproach to any people.—Proverbs 14:34.

Eternal God, sovereign Lord of history, at a time when it seems like the weight of the crises of the world and the Nation rests upon Congress, remind our leadership of the wisdom of Solomon: "Righteousness exalteth a nation: but sin is a reproach to any people."

Under the pressure of crime and education legislation, health care and welfare reform, serious crises in a number of nations, and the fall election, patient God help the Senators to hear the words of Calvin Coolidge, 30th President of the United States:

"The foundations of our society and our government rest so much on the teachings of the Bible that it would be difficult to support them if faith in these teachings would cease to be practically universal in our country." (August 3, 1923, swearing in.)

"We do not need more material development; we need more spiritual development. We do not need more intellectual power; we need more moral power. We do not need more knowledge; we need more character. We do not need more government; we need more culture. We do not need more law; we need more religion. We do not need more of the things that are seen; we need more of the things that are unseen." (From "What The Country Needs," by Calvin Coolidge.)

In His name who is love incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 4, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HERB KOHL, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KOHL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

VA-HUD APPROPRIATIONS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 4624, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4624) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. President, I have been advised that shortly the Senator from Alaska [Mr. MURKOWSKI], will be offering an amendment which I believe has some merit, but I question very seriously the method of funding, because it will have a major impact upon three projects, and one is a medical facility in Hawaii.

On a per capita basis, there are more veterans in the State of Hawaii than in any other State. More men and women have put on the uniform of this great Nation and told the world that they were willing to stand in harm's way for our people. And yet, of the 50 States, there are only two States without veterans hospitals, and one happens to be Hawaii. In addition to that, Hawaii is the only State without a veterans home.

So we do not have a veterans hospital nor do we have a veterans home for long-term care. Yet we have more veterans in the State of Hawaii on a per capita basis than any other State.

Mr. President, we have waited a long time, and the hospital facility in Hawaii is a unique innovation. We will be using one wing of the Tripler Army Medical Center. We are going to make use of an old military hospital. We will have a new facility, and this will be for long-term care, exactly what the Senator from Alaska is proposing to do.

If the amendment of the Senator from Alaska is presented to the Senate, considered, and passed, it will be an unfair and devastating blow to the men and women from the State of Hawaii who have waited all these years for what all other States take for granted.

So I hope that when the time comes this body will reject the amendment of the Senator from Alaska.

I thank the Chair very much.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Dakota [Mr. DORGAN].

Mr. DORGAN. Mr. President, I ask unanimous consent to be able to speak for 9 minutes as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

PRESCRIPTION DRUGS

Mr. DORGAN. Mr. President, I ask unanimous consent to use some information that I used in the committee to demonstrate the price of prescription drugs on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, Senator PRYOR and I recently held a hearing in the Governmental Affairs Committee on the issue of international prescription drug prices. We are in the throes of trying to figure out how to deal with escalating, ever-increasing prices in the U.S. health care system. As you know, we have plan after plan out here for debate. We are under enormous pressure to do something on health care reform, and the central engine of this is to do something about skyrocketing prices that are pricing health care out of the reach of too many American people.

There has been little discussion about one component of skyrocketing costs which I want to call to the attention of colleagues.

Senator PRYOR has done an enormous amount of valuable work in this area, and I have assisted him when I was on the House side and now on the Senate side. We jointly chaired a hearing last week that I want to bring to the attention of the Members of the Senate.

Prescription drugs are enormously valuable to those who take them to deal with some health problem or another. They save lives. They extend lives. They are very valuable.

We want to encourage new research and development into prescription drugs. We do that in many ways—tax breaks, very generous tax credits, and other ways. The Federal Government does an enormous amount of research and development on new drugs and so do the prescription drug manufacturers. This is not about whether prescription drugs are good. They are. They help people. The question is, how are they priced? Prescription drugs are not a luxury. They are a necessity for those who have been prescribed the drug by their doctor.

I want to tell you about a woman in her mid-eighties who I met in North Dakota. She is a women with a low income. She said:

> I have heart disease and diabetes, but I cannot afford the drug that my doctor tells me I need to take to stay well. I just don't have the money, so what I do is I buy the prescription the doctor asks me to buy and I take only half the dose so it will last twice as long. It is the only way I can afford it.

Prescription drug prices have increased dramatically in recent years.

We asked a very simple question in last weeks hearing. Why is it that we pay such a much higher price for drugs in this country versus other countries?

I want to show my colleagues a couple of demonstrations of that. The General Accounting Office compiled some data—which I do not have with me on a large chart—that shows 20 of the top 100 selling prescription drugs in the United States. It has the manufacturers wholesale prices for the same dosage, of the same drugs, from the same manufacturer in the United States, Canada, Sweden, and the United Kingdom. The price for almost every drug is highest in the United States, sometimes several times as high. At the hearing, GAO presented data that shows that drug prices in the United States are higher than those in Canada, England, Sweden, Germany, Italy, France, and I could continue. Why is it that we pay more, not just more, but much more, for exactly the same drugs? Let me demonstrate this.

This is Premarin, the top-selling drug in this country. Premarin is an estrogen drug. This bottle of Premarin, produced by the same company, put in the same bottle, in the same quantity and in the same dose, sold for the prices on this chart.

That bottle of Premarin is sold in Sweden for $93, in the United Kingdom for $100, in Canada for $113, and in the United States for $297. Same bottle.

This is a bottle of Xanax. Xanax, of course, is used to treat ulcers and is the second biggest selling drug in this country.

Let us take a look at the price for Xanax. This is GAO information for the same drug. If you bought this bottle, same dose, same manufacturer, you pay $10 for it in Sweden, $15 in the United Kingdom, $20 in Canada, and $56 if you were in the United States.

Why do we pay so much more for the identical drug?

Zantac, this bottle, same drug, same manufacturer, same dose. In Sweden, $64; United Kingdom, $84; Canada, $102; the United States, $133. Why? What would give rise to asking Americans to pay so much for the same drug.

Let me show you one last bottle, something a lot of Americans are familiar with. Valium. Many say Americans take too much of this. Valium deals with anxiety.

This bottle, exactly the same drug, produced by the same company, is sold in various countries. If you buy this bottle of this identical drug in this dosage, you pay $4 for it in Sweden, $4 in England, $9 in Canada, and $49 in the United States.

By what justification would this bottle be sold by the same company for $4 in Sweden and $49 in the United States? By what authority, by what justification, are drug manufacturers overcharging in the United States, not just double, not just triple, but in some cases 10 times for the same product produced by the same company, in many cases an American company?

Well, we held a hearing on this question. The answer is the drug companies do not know. They did not send their executives to the hearing. They sent a trade organization executive who told us he does not know.

I think I know. In virtually every other country in the world, they say you can make a profit, you can recover all of your costs, plus make a profit. But in our country, we say we do not care what you charge. Katie bar the door. Prescription drug manufacturers charge whatever they want to the American consumer. Therefore, the American consumer pays 50 percent, 100 percent, 200 percent, 1000 percent more for exactly the same drug made by the same company.

Now if we go through health care reform and say this does not matter to us, there is something fundamentally wrong.

Do you know if the American consumer had bought the same menu of prescription drugs but did not buy them here they would have saved billions of dollars. If they went to Canada to buy all their prescription drugs, the same drugs, they would have spent $7 billion less. Or, if the American consumer could have gassed up the car and gone to the drugstore, but actually had driven to the United Kingdom, they would have paid $11 billion less for purchasing exactly the same drugs?

Now, when we finish health care reform, we ought to address this question. Is there justification to have these companies put the same pill in the same bottle with the same label at the same strength and say:

> You, American consumers, line up over here. All the of the rest of you, we are going give you a sale price, but you Americans, we are going to gouge you. You get the privilege of paying the highest price in the world for your drugs. And when you are done, thank us for all the research and development we use to justify it.

Well, it is not justified. We pump billions into research and development in lucrative tax breaks and tax credits. The U.S. Government pumps billions in to Government supported research and development, and the drug manufacturers do as well. But these medicines ought to be priced fairly when they are sold across this world.

Let me make one final point. I appreciate the indulgence of my friends.

I was at a restaurant last Saturday night in Minot, ND. I ordered some walleye pike and mashed potatoes. The waitress, as she delivered the food, said:

> I know this is unfair of me, but you are Senator Dorgan and I have got to say this to you. I am 23 years old and I have seizures, not a lot of them, but it affects my health. I cannot get insurance anyplace, and this restaurant does not offer health insurance. I know that you are lobbied by all kinds of organizations and they are putting things on TV that I see.

She said:

> Just remember when it is quiet, when you are thinking about this health care issue, remember there are people like me out there

who are not making a lot money and simply cannot purchase health insurance.

As we go through this health reform issue, let us remember people like that. Let us remember the people who, every day, are buying prescription drugs. Let us remember the low-income individuals whose doctor prescribed a prescription drug, and who are driving to the corner drugstore and are now paying double, triple, or 10 times what the consumers in the rest of the world are paying.

And it is for the woman I described before, from a central North Dakota town, at the age of 85 or so, who has heart disease and diabetes, who decides she can only take half the dose her doctor prescribed so her medicine will last twice as long because she simply cannot afford it. That is wrong.

Let us address health care generally. Let us deal with prices and access and quality health care. We should do that.

I commend the President, I commend Senator MITCHELL, and I commend the Democrats and Republicans who say this is an issue we need to address. But let us not address it and forget this issue, either. Let us decide in the next couple of weeks to ask difficult questions on this floor.

I hope to bring a proposal to this floor that says: By what justification would we allow corporations to continue to overcharge American consumers for needed prescription drugs?

Mr. President, I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from West Virginia.

Mr. ROCKEFELLER. Will the Senator yield for a question?

Mr. DORGAN. I am happy to yield.

Mr. ROCKEFELLER. Mr. President, I am very interested and agree very much with what the Senator from North Dakota said.

It also interests me that those same drug companies that are charging so much more to us than they do to others for the same prescription drugs, that in addition to that, they get enormous tax breaks from the taxpayers of the United States, because so many of those drugs are produced in Puerto Rico. They get billions of dollars of tax breaks for making drugs not on our continental shores, and yet they still do that.

That reminds me of another thing. And this is interesting because this deals with something that the Senator and I were working on recently, product liability. The Senator from North Dakota was primary in causing me to take the Food and Drug Administration part out of product liability.

But what was fascinating to me in that whole debate, I say to my friend from North Dakota, was that those, of course, were drug companies we were talking about for a large part, but they never in any way lobbied for the position which I was trying to maintain for them. There was no help whatsoever. They never showed up. I never saw them. They were never there.

It strikes me as ironic, and the answer is in your charts. They are making so much money. They say they want to do research, but when it came to somebody on the floor trying to get them a chance to do more research, they were disinterested. So I think they must be making enough money.

Mr. DORGAN. I would say to the Senator from West Virginia, in 1992 the pharmaceutical manufacturers made triple the average rate of profits of all the top 500 companies in this country, and the head of one drug company made more money than the combined salaries of every Member of the U.S. Senate.

With respect to this question of drug prices in other countries, I am reminded of the old Tom Paxton song, "I Am Changing My Name to Poland."

The solution? Some on this floor would stand up and argue until they are blue in the face that they would not accept any price controls under any conditions. Maybe we ought to allow some sort of purchasing co-op to go over and buy these drugs in Germany and resell them here at half the price.

What is wrong with that? If it is a global market, maybe we ought to be able to go over and purchase the same drug in Germany at half the price and ship them back here and sell them to the American consumer. We should not have to go that route, but maybe that is one of the suggestions we ought to talk about in the next couple of weeks.

Mr. ROCKEFELLER. I thank the Senator.

VA-HUD APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. The Senator from Alaska [Mr. MURKOWSKI] is now recognized to offer an amendment, with a time limitation thereon of 90 minutes, to be equally divided and controlled.

Senator MURKOWSKI.

AMENDMENT NO. 2450

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 2450.

The amendment is as follows:

> On page 13, line 4, after the colon, insert the following: "*Provided further*, That no funds provided under this head may be used for the construction of acute care, inpatient hospital capacity:".

Mr. MURKOWSKI. Mr. President, my amendment is a very simple one. It would prohibit fiscal year 1995 funding to construct three VA inpatient hospitals. The amendment would make $87 million allocated by the committee to low priority inpatient projects available instead for outpatient care and long-term care patients of a nursing home or domiciliary type.

I offer the amendment for a simple reason, that is the need for veterans' outpatient care facilities exceeds dramatically the need for inpatient care facilities. So what we have here is a question of what are the veterans' most important needs?

The Department of Veterans Affairs agrees with the assessment that, indeed, the emphasis and priority should be on outpatient care. The Department's system for setting construction priorities assigns the lowest weight to inpatient projects or hospitals and the highest weight to outpatient projects.

It has been observed by some that it takes 1 to 2 miles to stop a freight train, 3 to 5 miles to stop a moving tanker at sea, but it is almost impossible to stop VA hospital construction once it is proposed. A VA hospital involves Members in individual States—in this case California, Tennessee, Hawaii—and obviously they can say they brought back a VA hospital to their State. That is a worthwhile and justifiable goal. But the question we must ask ourselves is, Is it needed? Is it the highest priority for the veterans?

As we address our obligation to America's veterans, we can never properly repay them for the sacrifice they made. Our job is to take the funding available and prioritize how it is used as veterans' needs change. And needs are changing. The Appropriations Committee agrees that it is unwise to proceed with more inpatient hospitals. I quote from their report as follows:

> The committee does not believe that it is prudent to begin design and construction of new medical center hospitals at this time, pending enactment of health insurance reform legislation. VA's future is unclear. Demographic information statistics are likely to change under a reformed health insurance system.

The committee report uses those words to discuss a proposed new hospital in Florida, a hospital requested by the administration but not funded by this bill in reality. I believe those words also apply to the hospital projects which are funded by this bill in Hawaii, Tennessee, and California.

My amendment says wait. Wait and see how the VA is going to fit into the national health care system. We might have some idea in a relatively short period of time. No one knows what will be in the health care bill approved by Congress this year. Thus, no one knows the health care environment within which the VA will soon be competing for patients. I want to stress that because reform is a departure, an expansion, if you will, of the thought process associated with the VA: That you have veterans out here and you have a VA system here and the two are locked in together.

After we adopt national health care, that is not necessarily going to be the case. Veterans are very likely going to have the alternative of selecting other medical care facilities, hospitals in their community. So the VA is going to have to compete and it is going to be very difficult for the VA to compete initially because they are not geared up to compete. They are a cost-plus Government facility and have been since they were initiated.

So, with the VA having to compete with the private sector, very likely, one wonders the justification of building new hospitals at this time. Again, as I intend to reflect further, I am going to stress the need—are new hospitals indeed a priority? What is the greatest need? Is it hospitals? And the answer is clearly no, it is outpatient facilities.

I believe there is universal agreement that the VA must expand its ability to provide outpatient care if it is going to meet its responsibility to American veterans. That change to an outpatient focus must come in either the current health care system, as I said, or under a reform system.

My amendment would make the policy decision to focus VA construction on outpatient care rather than inpatient brick and mortar. As we look at the VA entering the potential field of competing under a national health care plan, let us look at what American medicine has done. They have made a transition to outpatient care and the VA also must make that transition.

I know many Members of this body are fearful of offending the veterans organizations or the veterans themselves because there is always the implication that somehow we are reducing the VA health care system when we question any expenditure or any projects. Yet, what we have to do is attempt to meet the changing needs of our veterans and those changing needs are not the tremendous acute care system we have built up to respond to the need for reconstruction of veterans after injuries from war. We now need outpatient care in their communities. We need domiciliary and nursing home care as they age.

It is interesting to note, the average age of the Second World War veteran: 72 years old; Korean veteran, 62 years old; Vietnam veteran, 48 years old. These veterans need domiciliary care, they need outpatient care, and they do not need new hospitals.

My amendment does not specify which outpatient projects would be funded. I simply seek a change in policy. I leave it to the VA and the appropriators to implement. As I said, as a practical matter this amendment as it stands now will affect three projects.

Let us look at these three projects.

There is a new hospital in Honolulu. I am very sensitive to that because the proposal is to name the hospital after the late Sparky Matsunaga, a former Member of this body who was a good friend of mine.

But nevertheless, there is a legitimate question as to whether or not this is a needed hospital. And there is a new hospital at Travis Air Force Base in California and a replacement bed tower in Memphis, TN. I would like to talk about these projects one at a time.

First of all, we have three proposed hospitals: Honolulu, Travis, and Memphis. Starting with Honolulu, we find we have vacancy rates, roughly 43 percent at Tripler Army Hospital, where veterans are now treated, and in the private sector in Honolulu, on the Hawaiian Islands, a 33-percent vacancy rate.

The $171 million Honolulu project would add a new wing to the existing Tripler Army Hospital.

Let us look at the treatment that Hawaiian veterans are receiving at Tripler under a sharing agreement with the Army.

Hawaii takes great pride in its health care system which provides, I might add, universal coverage to Hawaiian citizens, including Hawaiian veterans. The Hawaiian experiment is something we have observed as we have looked at our national health care system.

The VA project draft environmental impact statement confirms that the Honolulu area has 2,643 acute care hospital beds to meet an existing demand for 1,779. That leaves 864 beds currently available for inpatient care. Do we need more? Clearly, we do not.

By the year 2010, demand for beds is projected to increase only to 1,954, still almost 600 beds less than existing capacity.

If this VA project is built in Hawaii, the Federal Government will be adding 105 acute care hospital beds in a community that is projected to use only 73 percent of the beds it already has. It would build new VA hospital beds in a State where veterans already have universal access to care. They can go anywhere and they probably will.

The cost if this project is built will be paid not just from taxpayers' dollars. The real cost of the project will be paid by veterans nationwide who will very possibly be turned away by the VA because outpatient clinics remain unbuilt. These clinics will remain dreams if unneeded inpatient hospitals and other buildings consume VA's limited construction funding. I might add, in this bill, there are only two outpatient clinics newly requested by VA.

Let us turn to Memphis. It is rather interesting. The VA justifies a second project, a $94 million bed tower in Memphis on the basis of perceived risk of earthquake exposure. Let us take a look at this relative to the vacancy rate. In Memphis, the vacancy rate is 43 percent. In the community, the private sector, they have a vacancy rate of 30 percent.

If we go over to Travis, which I will touch on later, we have in the area of San Francisco, Palo Alto, and Livermore basically three VA hospitals. We are proposing to build a fourth one. Look at the vacancy rates: 23 in San Francisco, 22 in Palo Alto, and 30 in Livermore, and 30 percent in the private sector. We could probably accommodate the veterans' needs with two hospitals based on the current vacancy rate. So you have to look at the reality associated with need, not just the mandate to respond to the question of bringing a hospital home.

Let us look at Memphis. This is rather interesting because the VA hospital in Memphis is perceived to have an earthquake risk. But we note that the VA's hospital in Martinez, CA, was identified as an earthquake risk and the VA closed that hospital, as they appropriately should have. The VA did not choose to close the hospital in Memphis.

If this hospital really places the lives of veterans and staff at risk, I think the VA ought to close it now. The fact that it is still open speaks, I think, eloquently to the VA's assessment of the actual danger in an area where the last major earthquake was in 1812. We probably have in Alaska 10 earthquakes a day.

I note when my staff asked if the VA had considered contracting for the use of existing vacant beds in private Memphis hospitals, they were told that those beds were unsuitable because they did not meet VA seismic standards, yet those private hospitals remain open with no plans for replacement.

I also note that the independent budget prepared by the veterans' service organizations asked the VA to change its standards for seismic safety because these standards are more stringent than private sector standards. These standards compel the VA to spend limited resources to conform to a standard that the rest of the Nation's health care system does not even attempt to meet. I also note that the occupancy rate of the VA medical center in Memphis is only 57 percent and that the community, private sector hospitals have a vacancy rate of 30 percent.

So, Mr. President, if this project is funded, the VA, again, will build excess hospital beds in a community that already has more beds than it uses.

Again, this hurts the private sector, and under the national health care plan, the veterans are going to have the option to go wherever they wish anyway. So I suggest that it may reduce the requirement for VA hospital inpatient care.

So, again, I note that this is an unneeded project, imposing a double cost to our Nation. Taxpayer dollars would be spent on unneeded hospital beds and, again, veterans will be turned away by the VA because the expenditure of limited dollars on unneeded hospital projects. Inpatient facilities will prevent the use of those dollars to build urgently needed outpatient projects.

Let us go to Travis Air Force Base, CA, which is the third project, which will be a $163 million wing to an existing Air Force hospital. This project would replace the hospital in Martinez that was closed due to the earthquake danger.

The proposal sounds fine up to that point. The hospital was closed several years ago, but it is interesting to note what happened to the veterans who were using that hospital. The veterans who had been treated in the closed hospital are now being treated on a contract basis in private hospitals, at the existing Travis Hospital, and other VA hospitals in the San Francisco Bay area. Some of these veterans are certainly put out or necessarily inconvenienced by this change.

There are now three VA medical centers in the San Francisco Bay area: Palo Alto, San Francisco, and Livermore, probably within 60 miles of one another. These hospitals are treating the veterans who used to be treated at the now closed Martinez hospital. They are not overcrowded. The occupancy rates ranged from 70 to 78 percent in 1993.

If the VA were designing a system of care from scratch, I do not think they would put four hospitals in an area knowing that the VA's greatest unmet need is outpatient clinics rather than hospitals. I acknowledge for veterans in central and northern California, a new hospital at Travis would be more convenient, but, again, our resources are limited. And I will say again, we have entered an era when our Nation has too many hospitals. The private hospital occupancy rate in the Travis area is only 70 percent. Hospitals are consistently closing in the private sector, and we should not be building new ones at taxpayers' expense.

We all know we can never build enough hospital beds convenient to all our veterans, but if we continue to build hospitals instead of outpatient clinics, we will never make a medical care system, as opposed to a hospital system, accessible to America's veterans, and the VA health care system will die on the vine if it is left in the position of competing with the private sector without the convenience of the outpatient centers.

I know that I will hear the argument that it is already too late for this amendment. I will hear the argument that ground has been broken at Travis and money has been spent on engineering work in Memphis, but construction at Travis is for auxiliary buildings and has just begun. If we do not stop now, Travis will be back next year for $156 million in addition to the $7 million in this year's bill. Memphis is still in the paper stage. If we do not stop now, Memphis will be back for another $20 million. If we do not stop now, VA inpatient construction will be like a 300-pound man's plan to lose weight—a good intention topped off by a hot fudge sundae for dessert.

We cannot wait for tomorrow to change the VA's course. There will always be the special case calling for just one more inpatient hospital, just like there is always a reason to put a diet off until tomorrow. Now is the time to change the VA's course.

Mr. President, one might say, well, the Senator does not have a hospital in this bill. He does not have a bone to pick, so to speak. Let the record note that this Senator last year attempted to strike 18 beds from a new Department of Defense hospital in my State of Alaska at Elmendorf Air Force Base. We simply did not need it. People of Alaska understood that. The veterans in Alaska understood that. This Senator understood that. So I am trying to practice what I preach when I suggest that these hospitals are simply not needed.

Mr. President, now is the time to change the VA's course. This appropriation is the camel's nose under the tent for these projects. If we do not change the course now, next year we will see the entire camel inside the tent, and that camel will consume VA construction funding for years to come.

This bill appropriates $87 million for inpatient projects, but the future cost of these projects is an additional $316 million at least. Once the camel is in the tent, these projects will consume all of the money available for major construction for almost 2 years unless the VA construction budget is substantially increased, which I doubt. I believe that such an increase is unlikely.

If my amendment is rejected, we will postpone for 2 years the day when the VA can again begin to address the pressing need for more outpatient clinics. Rejection of the amendment would mean that the Senate will be trading away, trading away, Mr. President, outpatient clinics and long-term care facilities that can be constructed quickly and which could meet pressing current needs. Instead, veterans will get inpatient hospitals that will not be open until the turn of the century. These hospitals will provide excess hospital beds to communities that are already burdened with more beds than they need.

I would again remind my colleagues of the action taken by the Appropriations Committee in striking the Florida hospital which was authorized by the Veterans Committee but Appropriations said no; they felt it was not needed. So these may be subject to that at some point in time in the future.

Mr. President, a few weeks ago the Washington Post reported that the George Washington University Hospital here in Washington, DC, was abandoning a project to rebuild its hospital and instead would build a large new outpatient clinic. This change in plans reflects reality and responds to the changes in the practice of medicine in our country today. A private hospital must respond to changing conditions or go out of business. Congress can use appropriations to shield the VA health care system from the realities of modern medicine for a while but only for a while. In the end, even the VA must conform to standards of practice for modern American medicine. And that means outpatient rather than inpatient care.

The more time that passes before the VA makes this change, the less the VA will be able to meet the health care needs of America's veterans as they change. That outcome will defeat the purpose of the health care system that Congress has created to serve America's veterans. That is the reason, Mr. President, I urge my colleagues to join me in support of this amendment.

You have seen the charts. You have seen the examples. You know what the need is. You know what the occupancy rate is. So let us really put America's veterans first, not just the bricks and mortar of unneeded hospitals.

I know some Members will come to me after the vote and say, "Well, Frank, we were with you in spirit. You are probably doing the right thing, but we cannot be seen as voting against veterans' needs or the veterans' organizations." I know that the staffs that are working and listening and watching this debate are probably thinking, what kind of an effect would a vote to halt these additional inpatient hospitals have. How would it look to the veterans and their organizations and how would it impact the support that the individual Members of this body enjoy from veterans?

Well, I think it is better that those staffs ask the question: What are we doing today to meet veterans' changing needs, and can we best meet those needs by building more hospitals or more outpatient facilities? The answer is clearly outpatient facilities.

Finally, Mr. President, my amendment is grounded on two principles: First, VA construction should focus on critical needs for delivering VA care in the century to come. We must focus on ambulatory care and long-term care, not brick and mortar and more hospitals. Second, because resources are scarce, veterans will suffer if money is spent on lower priority projects.

Mr. President, I urge adoption of my amendment, and I look forward to the debate about to ensue.

Mr. ROCKEFELLER. Mr. President, first of all, I bring greetings of the morning to Senator MURKOWSKI and John Moseman and Chris Yoder. I listened with great interest to what they said.

I wish to say in the beginning that I am going to oppose Senator MURKOWSKI's amendment, but I cannot think of a committee chairperson who has a greater honor to work with somebody so good as Senator MURKOWSKI and the people who work with him for veterans in our country. I admire the Senator greatly, and I admire his staff greatly. I would care to say before I oppose his amendment, which I will now do, that at the proper time I am going to move to table his amendment.

As chairman, Mr. President, of the Committee on Veterans' Affairs, I am in fact very pleased that the committee has supported the projects that are the subject of Senator MURKOWSKI's amendment. I am not neutral on them. I am pleased. I am very glad about it. And that the Appropriations Committee requested funding for the projects that Senator MURKOWSKI now opposes.

This amendment would prohibit the use of funds for VA medical facility projects that were carefully evaluated, and I can go into that well, and that were determined to be needed by the Veterans Administration, by the Committee on Veterans' Affairs, and by the Appropriations Committee. These were not haphazard decisions. They were carefully thought through. With one exception, the projects were requested in the President's budget for fiscal year 1995.

While the hospital at Tripler Medical Center in Honolulu was not in this year's budget, it received design funds in 1993 and had been scheduled to receive construction funding in 1997.

The projects in Honolulu and Travis, CA, will provide access to acute care for large numbers of veterans in the areas to be served. Without them, veterans in these areas will not have access to VA inpatient services.

These projects also afford opportunities for joint ventures with the Army and the Air Force. I would say, Mr. President, that increasingly we have hospitals where there is cooperation between the military and the VA. I visited one in Albuquerque. They are superb. Cooperation between the services and the veterans hospitals is a very good combination. It is the wave of the future. Both the Department of Defense and the Department of Veterans Affairs have determined that the facilities at Travis and Honolulu are needed.

The project at Memphis, TN, involves the correction of serious seismic deficiencies and will, in fact, result in a reduction of the number of beds at the facility. It will not create new beds, but rather will make the Memphis facility safe.

I was interested in the graph about the 1811–1812 earthquake involving Memphis and radiating out, even covering my own State of West Virginia. I really need to say for the record, Mr. President, that I think in the East there is no site, no place, no terminus which is more vulnerable, more dangerous, more thought to be imminently dangerous, than the terminus in the Memphis, TN, area. It is talked about frequently, and it is the eastern danger point, not perhaps on the level of Alaska or other places. But in the East it is a place which the professionals worry about.

I frankly agree with Senator MURKOWSKI that the Veterans' Administration must adapt to changing health care practices and demographics. I think he is totally right. The criteria used by VA to select projects for construction do in fact, in my judgment, reflect transit health care and the transit veterans population. While we must look toward the future, we cannot overlook the veterans in need of health care today.

It was interesting to me that the Senator from Alaska referred to the need for inpatient facilities. That is the mantra of our Veterans' Committee meetings. We have a lot of inpatient facilities. But we need outpatient facilities. The care they offer can be much more efficient and convenient. Technology in medicine has made this possible.

I point out to my friend from Alaska that in the President's —it is no longer the President's; it is the Mitchell bill in the health care reform effort. Outpatient facilities are emphasized in the so-called investment fund which the Veterans' Committee voted for. The Senator from Alaska did not vote for that, and I have to say that I think it was more or less a party line vote, and therefore, can reflect some nuances in that sense. But outpatient is in part what the investment fund is trying to provide for.

That is a lot of money, over $3 billion, that we are asking for in health care reform so we can in fact make the veterans hospitals more competitive with nonveterans hospitals.

We need to be able to offer better services particularly for women veterans. There are a lot of women soldiers. While there are relatively fewer women veterans, that number is growing. We need to be good at competing with non-VA hospitals in general and in women services, preventive care, and things of that sort.

So I think that we are trying to reflect future needs and our needs for today. All indications are that these projects are needed today and that they will contribute to VA's ability to compete in a reformed health care environment tomorrow.

The Appropriations Committee considered the issues now raised by Senator MURKOWSKI during the appropriations process and, on that basis, chose not to fund an inpatient facility in Brevard County, FL.

The Appropriations Committee concluded, however, that the projects that are the subject of this amendment are needed. I listened to Senator MURKOWSKI's remarks carefully, and he has not shown that the proposed projects are unnecessary. He does not want them, but he has not shown that they are unnecessary. Nor has he offered alternatives to the care that the veterans in those areas do, in fact, need.

The level of funding provided for construction of VA medical facilities is already minimal. It is a fight for every dollar every year. Budget authority for major projects has declined from $369 million in fiscal year 1994 to $208 million—a $160 million decrease—in fiscal year 1995.

The projects to be funded will not create excess capacity or facilities that are inconsistent with VA's mission under health care reform.

I strongly urge my colleagues to reject the proposed amendment and will have more to say at the proper time.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. Mr. President, I yield the distinguished Senator from California 10 minutes, or more if she needs it.

The PRESIDING OFFICER. The Senator from California [Mrs. FEINSTEIN], is recognized.

Mrs. FEINSTEIN. I thank the Senator. I thank you, Mr. President.

I rise today in strong opposition to the amendment offered by the Senator from Alaska.

On the eve of our effort to put together a health care package, to make health care accessible to everyone, this amendment would simply make acute medical care less accessible to our Nation's veterans. For the men and women who have served this Nation in times of war, and have stood ready in times of peace, this amendment would simply leave them out in the cold. Mr. President, that is wrong.

Let me discuss the facility in California, the funds for which would be eliminated as a result of this amendment. Included in the bill before us is $7.3 million for initial work on a replacement facility which would be located at the David Grant Medical Center at Travis Air Force Base in Fairfield, CA.

Mr. President, north of the San Francisco Bay area, and the Livermore facility, this would be the only veterans hospital in the entire northern California catchment area of over 420,000 veterans and a geographical area that is bigger than most States.

The military has, for years, had a strong presence in northern California, with Mare Island Naval Shipyard, McClellan Air Force Base, Beale Air Force Base, the Alameda Naval Air Station Complex, Oak Knoll Naval Hospital, the Presidio of San Francisco, Castle Air Force Base and others. These bases have been welcome neighbors to the communities of the bay area, and have been a true asset to the State of California and I fought hard for them to remain open, but many of them are being closed.

As result of the military presence, though, northern California will remain home to more than 420,000 veterans.

I would like to submit a list, or table 1A1, of the Martinez medical-surgical population by county for the RECORD, if I may.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.A.1.—MARTINEZ MEDICAL/SURGICAL DPPB BY COUNTY

[1990 revised population estimates]

County	1990 Veteran population estimate	Percent of county in Martinez DPPB	Martinez 1990 estimate DPPB
Alameda	127,881	43.07	55,083
Alpine	169	8.70	15
Amador	5,158	60.19	3,104
Butte	23,773	58.69	13,951
Calaveras	5,778	43.75	2,528
Colusa	1,575	75.00	1,181
Contra Costa	92,978	87.88	81,708
El Dorado	19,005	45.92	8,726
Glenn	2,654	70.00	1,858
Humboldt	15,056	8.92	1,342
Lake	8,615	48.68	4,194
Lassen	4,015	6.17	248
Mendocino	10,532	11.86	1,249
Merced	15,659	5.31	832
Modoc	1,477	7.58	112
Napa	15,550	38.30	5,956
Nevada	12,392	24.32	3,014
Placer	22,981	50.14	11,522
Plumas	3,321	7.19	239
Sacramento	132,955	83.54	111,073
San Joaquin	48,947	30.14	14,755
Shasta	20,605	64.47	13,284
Siskiyou	6,689	10.53	704
Solano	46,243	85.90	39,724
Sonoma	46,638	9.73	4,536
Stanislaus	35,556	20.26	7,202
Sutter	7,922	64.75	5,130
Tehama	6,928	66.67	4,619
Trinity	2,277	58.49	1,332
Tuolumne	7,697	23.38	1,799
Yolo	13,580	76.80	10,429
Yuba	7,571	65.54	4,962
Total	772,177	53.93	416,411

Source: Population from revised 1990 census. Percent of veteran population provided by Planning Systems Support Group, Gainesville, FL.

Mrs. FEINSTEIN. Mr. President, this documents a large number of counties in which veterans are a substantial part of the population.

Unfortunately, the Martinez VA Medical Center in Martinez which served much of this population, was closed in March 1991 due to seismic deficiencies. Because of the closure, the region's veterans were left without acute medical care. Medical services for area veterans previously offered by the Martinez VA Medical Center could not be adequately met by redirecting patients to other area hospitals. Waiting periods and appointments were too long and found to be unacceptable for effective health care, and the travel to San Francisco—the closest VA medical center—was too difficult and too long for many of the patients.

In November 1992, after much deliberation, the VA announced plans to build a new 243-bed hospital adjacent to the David Grant Medical Center at Travis AFB to replace the sorely missed Martinez facility. This facility is a very unique joint venture between the Air Force and the VA.

It is the goal of both departments to combine and colocate staffs and resources to provide cost-effective, quality care. Today, the Senator from Alaska is making the argument that this facility is unnecessary. I want to explain why it is necessary.

The area that was served by the Martinez facility, and will be served by the Travis facility, and it is one of the largest—as I have pointed out, in terms of geography and population—in the entire Nation. Over a quarter of the population in this service area live in Sacramento County, which is over a 2-hour drive from the nearest VA acute-care facility.

I do not know how many of my colleagues have ever visited northern California, but there is a lot of area north of San Francisco, and it requires a lot of driving time from one place to another. And having no hospital to serve this region, those distances are only increased.

According to the VA, northern California is one of the most underserved areas in the entire VA system. It is the only catchment area in the country in which emergency services are not available 24 hours per day, and on weekends and holidays.

To compound this situation, there have been recent base closures of Oak Knoll Naval Hospital in Oakland, the Letterman Army Hospital at the Presidio, and the Letterman Army Institute of Research. So all of the facilities in the San Francisco Bay area, essentially, are slated for closure.

Since Martinez closed, the VA has gone to great lengths to provide for the health care of the region's veterans, but hospital beds have been lacking, and the need for the new facility is long overdue.

Mr. President, I, my colleagues in the House, Congressmen HAMBURG and FAZIO, as well as Senator BOXER, have appealed to the VA and argued that the region's veterans deserved better. Secretary Jesse Brown and the Veterans' Administration heard these appeals and included $7 million in this year's budget.

Construction efforts, up until late last year, had been at a standstill. But I was pleased to join Vice President GORE and my House colleagues in June at a groundbreaking ceremony for this hospital. The Travis hospital should be open by the end of 1998. But more important than the ceremony, and the work that will soon begin, was the opportunity I had to meet with some of the area's veterans that will benefit from this facility.

The funds in this bill are a big step in returning quality acute medical care to the veterans of northern California, care that many of them need and, to a great extent, care that we are obligated to provide.

Anyone that thinks that the Travis facility or any of the other hospitals are Government largess only need to speak and talk to some of these veterans to know the need for these hospitals.

We should be sending a clear message to our Nation's veterans that they will not be forgotten, having served so bravely for our country. But this amendment sends just the opposite message.

I urge my colleagues to oppose this amendment and support the motion to table.

I thank the Chair and yield the floor.

Mr. ROCKEFELLER. Mr. President, I yield 10 minutes to the Senator from Hawaii.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Hawaii [Mr. AKAKA] is recognized.

Mr. AKAKA. Mr. President, I rise to oppose the amendment offered by the junior Senator from Alaska, which would strike funding in this bill for all new inpatient construction projects, including the long-planned Spark M. Matsunaga VA Medical Center in Hawaii.

Mr. President, the $33 million provided in this bill for the Hawaii hospital would simply allow VA to continue work on this long-awaited facility. Congress has already appropriated $37 million in design, planning, and construction funds for the facility in previous appropriations bills. The funding in this measure would keep the hospital on track to meet the anticipated 1998 completion deadline, and help avoid further delays in this long-overdue project.

Mr. President, the issue here can be stated simply: Unlike virtually every other State, Hawaii does not have a veterans hospital. Although VA operates 171 medical centers throughout the Union, including a hospital in Puerto Rico, the Department has never established a medical center in the Aloha State. Consequently, Hawaii's 120,000 veterans, and thousands more veterans who live throughout the Pacific basin, lack fundamental access to an integrated health care system that is devoted solely to their special needs.

Hawaii veterans, like so much unwanted baggage, are shuffled among several, often incompatible health care providers. This highly fragmented health care system—consisting of private contract providers, a VA outpatient clinic, and Tripler Army Medical Center—is not conducive to the provision of top-quality health care. To make matters worse, at Tripler, which currently provides most inpatient care to veterans, veterans are assigned the lowest priority of care—behind active duty personnel, their dependents, and military retirees. In addition, as a military facility that is designed for a younger, active duty population, Tripler does not offer the type or range of services, such as geriatric care, required by an older, sicker veterans population.

VA itself has long recognized the inadequacy of the current arrangement in Hawaii. Twenty years ago, VA promised to establish inpatient beds in the E-wing of Tripler that would be devoted solely to the needs of veterans. An agreement was signed between VA and the Department of Defense in 1981 to this effect. However, because the military delayed making the E-wing space available to VA, this initiative was eventually abandoned.

In 1987, this broken promise, plus reports of unsatisfactory, even abusive, treatment of veterans at the military hospital, impelled my predecessor, Spark Matsunaga, to convene the first of several congressional hearings in Hawaii. That hearing revealed major deficiencies in services provided veterans at Tripler, and led to the formation of a blue-ribbon VA task force to assess the adequacy of Hawaii veterans health care. The task force confirmed the hearing results, and strongly recommended that a 165-bed, freestanding VA medical center be established in Hawaii to address these shortcomings. This recommendation was initially supported by VA's chief medical director, the Department's top health care expert, and eventually endorsed by Administrator Turnage, Secretary Derwinski, and, most recently, Secretary Brown.

The results of the 1987 hearing, as well as the findings of the VA task force, have been confirmed by subsequent congressional hearings and departmental reviews. The one inescapable fact that arises from these investigations is that Hawaii veterans do not have equitable access to VA services. This is why VA has supported establishing the Matsunaga VA Medical Center, and why Congress has, through periodic appropriations, and by the simple expedient of naming the facility after my predecessor, encouraged development of this project.

Ever since it was first proposed in 1987, the Hawaii project has been threatened and delayed by frequent internal reassessments, and by at least six major design and scoping changes. These changes have incrementally delayed the operational date of the hospital by least 5 years, from 1993 to 1998. Consequently, even if VA manages to adhere to the latest construction schedule, Hawaii veterans will have waited 12 years since this particular project was first authorized. Incredibly, if one counts the original Tripler E-wing initiative that was proposed in the 1970's, veterans will have waited a quarter of a century for the Government to fulfill its pledge to bring a veterans inpatient facility to Hawaii.

Thus, Mr. President, to cancel the project now, as this amendment would do, after all Hawaii veterans have been forced to endure, after all the studies and reviews and hearings that have been conducted on this subject, after all the promises that have been made and broken, would be unspeakably cruel, pointless, and wasteful.

Mr. President, the Senator from Alaska has referred to the need to move toward outpatient modalities and away from inpatient care. In his "Dear Colleague," he states:

> Health care reform would make VA's transition to ambulatory care even more important because a VA still imprisoned by its hospital buildings will be unable to compete successfully for patients.

Mr. President, I have no quarrel with this statement. I agree with my friend from Alaska that ambulatory care is the wave of the future. However, all of the viable health care reform plans before us call for significant additional resources to establish outpatient clinics. The Clinton health plan, for example, as well as the blueprint offered by the majority leader, proposes a special $3.5 billion investment fund, above and beyond funding for current construction projects, to help VA to adapt to a competitive environment. Everything that I have read indicates that by far the largest component of this investment fund will be earmarked for new outpatient facilities. Therefore, it seems we already have plans to deal with the ambulatory care issue; there is no need to divert funds from the fiscal year 1995 major medical construction account for this purpose.

Moreover, with specific regard to Hawaii, it should be kept in mind that outpatient clinics traditionally function as satellites of medical centers. That is, the services they offer are designed to complement and supplement the inpatient services offered through medical centers. In Hawaii, there is no shortage of VA outpatient care; what is lacking is the full range of hospital-based services that support outpatient clinics. Thus, ironically, the Senator from Alaska's call for more ambulatory services actually supports the need to establish a VA medical center in Hawaii.

My colleague from Alaska has also referred to a 1992 GAO study that recommended against building additional VA inpatient beds in Hawaii. The GAO report supported this conclusion with two assumptions. The first was that new VA inpatient beds were not necessary because Hawaii's near-universal health care coverage would reduce demand for VA services.

Mr. President, this is a false assumption, because Hawaii's health insurance system would not improve access to care for veterans who typically use VA programs and facilities. These include veterans who need rehabilitation, long-term care, and many forms of specialized care that VA routinely provides, such as care for the elderly and those who require mental health care or spinal cord injury treatment. I should also point out that while Hawaii veterans are eligible for state health care benefits like any other resident of the State, the State will not reimburse VA any costs associated with VA expenditures on behalf of a veteran. If the State were to undertake additional, unplanned responsibility for veterans care, the viability of the entire State insurance system could be undermined. In any case, it would be patently unfair to ask Hawaii residents to foot the bill for health care services that are the statutory responsibility of the Federal Government, and for which they already help fund through Federal taxes.

Mr. President, the GAO report's second assumption was that so-called underused inpatient bed capacity at Tripler Army Medical Center could be used to treat veterans. My question is, who would operate these beds, VA or Tripler? If Tripler, then implementing the GAO's recommendations would effectively result in supporting the status quo, under which veterans are forced to seek treatment through a highly fragmented care offered through multiple, autonomous providers. Aside from ignoring years of exhaustive congressional and VA investigations, this option dismisses the testimony of veterans themselves about the inadequacy and low priority of care they receive at Tripler. On the other hand, if VA itself is expected to operate and staff these excess beds itself, we would face the impossible problem of administering a hundred beds located in many different parts of the military hospital complex. Establishing an identifiable VA presence would be very difficult under such circumstances.

Mr. President, let me conclude this point by saying that the House and Senate Veterans' Affairs Committees received strong and convincing testimony opposing the GAO's conclusions, from both the Department of Veterans Affairs and veterans service organizations.

On another issue, the Senator from Alaska has alluded to the fact that funding for the hospital was not requested in the administration's fiscal year 1995 budget. This is strictly true; however, VA requested funds for the Hawaii hospital, and included the facility in its 5-year plan, but was overridden by OMB in the final budget submission. This does not vitiate the fact that the agency charged by statute to promote the welfare of veterans supports the hospital. We have been told on many occasions by Secretary Brown and his predecessors that the hospital is an important and medically necessary project.

In any event, Congress has its own obligation to decide how best to spend scarce resources with respect to veterans, as well as to correct past inequities. By naming the hospital after Senator Matsunaga, and by previously appropriating funding for the medical center, Congress has already gone on record as supporting the need for a veterans hospital in the 50th State.

So, in conclusion, Mr. President, I urge my colleagues to oppose this amendment. At least with respect to the Hawaii project, this amendment is terribly misguided. The need for the hospital has been well documented by VA and Congress. The project has been endorsed on a bipartisan basis by Secretary Brown and his predecessors. Congress has previously appropriated funding for the hospital, and, 4 years ago, unanimously voted to name the unbuilt hospital after our late colleague, Senator Matsunaga. Let us not insult his memory, or the good judgment and compassion of this body, by denying health care equity for Hawaii veterans, as this amendment would do.

Thank you, Mr. President. I would like to express my appreciation to Senator MIKULSKI, the manager of this bill; Senator ROCKEFELLER, the chairman of the Veterans' Affairs Committee; and, my senior colleague, Senator INOUYE, for their unyielding support and leadership on this issue.

I yield my time.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER Mr. President, I might inquire from my colleague. I have two relatively short sets of comments that I wish to make, and that would be pretty much it for me.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I wonder if the Chair would advise us of the remaining time on each side.

The PRESIDING OFFICER. The Senator from Alaska retains 18 minutes 50 seconds; the Senator from West Virginia has 17 minutes and 55 seconds.

Mr. MURKOWSKI. Mr. President, let me respond to my good friend from West Virginia. I anticipate at least one other Senator speaking on behalf of my amendment, and I would imagine we will probably use close to 12 minutes or so of our remaining 18 minutes. But I would reserve the remainder of my time to accommodate our side.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, let me talk a little bit about BARBARA MIKULSKI, the Senator from Maryland.

I need to say, first of all, that I was enormously pleased with the fiscal year 1995 appropriations for the Department of Veterans Affairs.

Yesterday, we were talking on another subject that had to do with ethanol and methanol, and I made reference to the fact that the Senator from Maryland has a very, very complex sort of interstitching of agencies' requirements that she has to balance and try to do the best by the people of the United States and the people that she represents in Maryland so well.

In fact, over the years, the chair of the VA-HUD subcommittee, who is Senator MIKULSKI from Maryland, has shown absolutely unfailing support for veterans, and I cannot help but be grateful for that.

This year is no exception. Her strong commitment to veterans is clearly exhibited in print in the appropriations bill which comes from her sense of priorities of where money ought to go.

She deserves tremendous credit for what went into this bill. It has been a particularly difficult year fiscally for her. The Senator's subcommittee allocation was, in fact, $316 million below that of her House counterpart. So she had less to work with than her House counterpart. It was $729 million below the President's request. So she was already scrambling as she began this process.

That she paid such close attention to the priorities in the Veterans' Affairs Committee was very, very important and, in particular, I want to acknowledge the increased funding in the bill for VA medical research. Senator MIKULSKI clearly recognized the importance of veterans medical research.

With respect to VA medical care, I note that her bill provides increased funding for medical care for women veterans, which is a subject she is very strong on; expanding programs for homeless veterans, something she cares about, as we all do in the committee. Defer the waiting time for the blind. That would not spring out to the casual observer, but it did for her, and it causes untold good for veterans needing that kind of service. Establishing up to five centers of excellence in the area of mental illness at existing VA facilities. And something very small, but very big, putting up more money to install phones at the bedsides of our veterans.

It is really quite amazing when you go to a veterans hospital. If you go to any nonveterans hospital, beside every bed is a telephone. If you go to a veterans hospital, beside every bed there is no telephone. You think of veterans in a long-term care capacity in the hospitals. Their years are declining. They feel cut off from their families. They cannot communicate. They are isolated. So their self-esteem and morale goes down. When you put in a telephone, you cannot correct that entirely, but you can do magic, and I have seen it. I have seen it myself, because of the money that the Senator from Maryland has made available.

So, in fact, our program and our goal is to put a telephone by every single bed in every single VA facility in the United States of America.

If I wanted to, and I will not do this because I do not have the time to do this, but there was a memo that my chief of staff, Jim Gottlieb—who I can spend many hours praising, too, as well as Valerie Kessner—Jim Gottlieb and his staff wrote me a memo, and in fact it is very interesting because it is a memo to me. It is not to be shared with my colleagues.

But it was written really sort of in awe at what Senator MIKULSKI was able to do. It just goes one item after another saying, "In your letter to her, you requested this, and this is what she did." Time after time after time after time, she came through. There is no way that veterans can understand what a champion they have in the Senator from Maryland.

So I applaud Senator MIKULSKI. I applaud her committee for their extraordinarily good work under very difficult financial circumstances. I look forward to working with Senator MIKULSKI on veterans issues in the future. Veterans just need to know, whether they reside in Maryland or wherever they may reside in this country or across the world, that they really have a champion in BARBARA MIKULSKI.

Ms. MIKULSKI. Will the Senator yield?

Mr. ROCKEFELLER. Yes.

Ms. MIKULSKI. I know it is not for a question, but I would like to thank the Senator for his enormously kind and generous words and to his staff that has worked so cooperatively. And real kudos to the authorizing committee, both to you and to Senator MURKOWSKI.

Because what we tried to do was follow the authorizing committee and then, in anticipation of what you and Senator MURKOWSKI pass, then for us to fund it. But because the policies were rational and compassionate, because the funding limits again were not a wish list but an achievable and affordable list, we were able to make these significant gains, and we looked forward to it.

I feel the debate today, again, was in the spirit of the way the committee operates. These are very serious policy decisions that will be debated both this year and next year.

I thank the Senator for his kind words and the effective leadership and stewardship that he provides, as well as the ranking Republican member on the bill.

Mr. ROCKEFELLER. I thank the Senator very much in many, many ways.

Does the Senator wish to speak?

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I certainly want to commend my colleagues, the Senator from West Virginia and his staff, and the comments made by the Senator from Maryland, who I have the most affection for and who has been so kind and accommodating to the Senator from Alaska.

I would like to again point out to my colleagues that what we are attempting to do here is to change the priority from building three hospitals that are not needed to what is needed; and that is outpatient facilities. This Senator is trying to focus in with the appropriate committees to direct the construction of what is needed by America's veterans. So I hope we understand each other. I hope we recognize that, as I attempt to point out the realities, Mr. President, that are reflected in these charts that address average utilization.

In San Francisco, in the VA hospital, 23 percent underutilized; Palo Alto, 22 percent. These are vacancies. These are the vacancy rates—30 percent, Livermore; and in the private sector around Sacramento and in the general area, 30 percent. Those are facts.

Now one could quickly see we could close two hospitals and accommodate the veterans, not perhaps as well, but we certainly would have the beds. Now I am not suggesting we do this.

The same thing is true in Hawaii, 43 percent vacancy rate; the community has a 33 percent vacancy rate.

And in Memphis, TN, we have not heard from anyone from Tennessee. But these are factual realities—43 percent vacancies, 30 percent in the community.

Now there is not a city in this Nation, Mr. President, that does not need more outpatient clinics. Why are we not giving them to them? Because we are hellbent on bringing back hospitals for inpatient care that is not the priority of the veterans.

How many outpatient clinics could we get for the $400 million total cost of these three hospitals? How many could we get?

Well, Mr. President, when we closed the Martinez, CA, hospital, they put up a new outpatient clinic, put it out in about 18 months. Do you know what the cost was? Twelve million dollars.

For the money for these hospitals in this bill we could pay for 34 clinics like Martinez—clinics that would be available in a few years, not at the turn of the century. That is what the Senator from Alaska is appealing for our colleagues to consider as they reflect on this upcoming vote.

My good friend from West Virginia mentioned the earthquake exposure associated with the proposed hospital in Memphis. I point out to you a rather curious thing, and that is in this area where the intensity of the last New Madrid earthquake was. Seven or greater, there are approximately six other VA hospitals. They are not proposing that they should close those hospitals because of the earthquake exposure; they use earthquake risk just to justify the new hospital in Memphis itself.

Now in the intensity level 6 area of that quake, which obviously has less intensity associated the further out you go, VA has eight more hospitals.

But the point is, the VA and others are looking to justify a new hospital, so they are saying it is of great exposure for a earthquake. I will not dispute that in general terms. But the reality is there are other hospitals in the same area that are exposed to the same intensity and we are not rebuilding those, and some of them are of similar construction.

So it is not appropriate to argue that they were built necessarily with all the latest earthquake engineering that would ordinarily go into them. So we have an inconsistency.

Mr. President, as we look at Travis, the necessity of a fourth VA medical center in the San Francisco Bay Area, I recognize it would be convenient to have another hospital in the area. But it is more convenient to have outpatient clinics.

Now, the good Senator from California spoke about reduction in the military facilities in California. Everybody knows that. Bases are closing.

Do you know what is also closing with those bases? Department of Defense hospitals. Every major base in California has a hospital. What is going to happen to those hospitals?

Well, I assume they will be declared surplus. The better ones, perhaps, will be turned over to the communities. So we are going to have more beds.

So, on one hand, in California we are about to build a new hospital, while we have the Department of Defense closing bases, we have excess hospitals, we have excess hospital capacity. It simply does not make sense.

The private sector would look at it and make very simple decision: Let us wait and see what comes up in the Department of Defense disposal, how many of those medical facilities can we use as opposed to building a new hospital.

And to suggest that those veterans are not being served now does not reflect reality. There is no shortage of beds in the Travis area. The hospital vacancy rate in the Vallejo-Napa area is 29 percent and 30 percent in Sacramento. And remember, only 9 percent of America's veterans look only to the VA for their health care and the VA provides only 30 percent of Federal dollars spent on veterans health care.

So one could make a good argument, Mr. President, that we should wait until this thing settles down; that we should wait until we can make a determination just how, under the national health care plan, the VA is going to fit in. Because it is going to have to compete and veterans are going to have a choice.

I know what we are up against here. We are up against a tough lobby. We are up against a sensitive issue that says VA is sacred. We do not touch VA hospitals. We do not touch matters affecting individual Members. But I would urge the Members that have spoken—my friends from Hawaii, who I have the greatest respect for, the senior and junior Senators; the Senator from California—as we reflect on the need. The needs are there, but the needs are not hospitals. The needs are outpatient. For heaven's sakes, let us meet those needs.

Further, Mr. President, as we look at Hawaii—and the staff has provided me with a GAO report from a House hearing on May 6, 1993.

It reads as follows:

> The administrator of Hawaii's Health Care Planning Agency states that there is no shortage of acute care beds in Hawaii. Excess capacity is so prevalent that local officials estimate it could take as long as 15 years before a certificate of need is approved by the Health Planning Agency for construction of additional acute care capacity.

I ask unanimous consent that an excerpt from this GAO report delivered 11 o'clock, Thursday, May 6, 1993, under the title "Veterans Care" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> In Hawaii, about 25 percent of the veteran population lives on the outer islands. Because there is no VA hospital in Hawaii, veterans are authorized to use either the Tripler Army Medical Center, which was renovated in the late 1980's with adequate capacity to meet VA's current and anticipated needs, or community hospitals on Oahu and the outer islands. The administrator of Hawaii's health planning agency told that there is no shortage of acute care beds in Hawaii. Excess capacity is so prevalent that local officials estimate that it could be as long as 15 years before a certificate of need is approved by the health planning agency for construction of additional acute care capacity.

Mr. MURKOWSKI. Under "Appendix 1, VA Health Care in Hawaii: Construction of Additional Acute Care Beds Not Needed," the GAO report, VA's planned medical center in Hawaii, page 17:

> The renovated Tripler facility was constructed with adequate bed capacity to meet present and future acute care needs of Hawaii's veterans. * * * Tripler has enough acute care beds in currently closed [Mr. President, currently closed] medical, surgical, and psychiatric wards to meet VA's projected workload, even under VA's inflated bed needs projections. * * *
>
> As a result, construction of additional acute care beds would create additional excess capacity in an already underutilized hospital.

Is that justification for a new hospital? I want to see an appropriate memorial to the late Sparky Matsunaga as well as every other Member. But what is the need in Hawaii?

In addition, Tripler has 68—right now—68 unused beds suitable for the care of veterans located in renovated wards that are fully equipped but closed off because of low demand and staff shortages. I quote from the GAO:

"Demand for VA-sponsored care at Tripler has consistently been well below the 69-bed constructed capacity, averaging about 40 patients per day."

We should not be building hospitals for long-term care. We should be building nursing homes, domiciliaries, but not hospitals. The cost per bed and the return to the veterans simply is not there.

Again, I reflect on the age of the veterans: Second World War, 72; Korean war, 62; Vietnam war, in the mid-40's.

The needs of the veterans are changing. We must change with those needs and provide what is necessary and that is outpatient care.

Now is not the time to build hospitals. Now is not the time as we transition into the national health care system where the VA is going to have to be competitive, to move on a $400 million commitment. We should look at the needs of the veterans as they relate to outpatient care. And we should be looking to the closed Department of Defense hospitals which are coming up to evaluate how they can be fitted in to meet veterans' care needs as well.

Mr. President, I reserve the remainder of my time to accommodate Senator STROM THURMOND who I understand is on his way to the floor at this time.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alaska controls 7 minutes.

Mr. MURKOWSKI. Mr. President, in order to accommodate my friend, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. Mr. President, I will just conclude my wrap-up, which will not take long, and then the Senator from South Carolina can speak and then we can proceed to a tabling motion and a vote.

The Senator from Alaska has made some thoughtful and interesting points. It is true there is excess inpatient capacity in the VA system today. But while there is excess inpatient capacity on a systemwide basis, it does not mean that it exists in each and every area. Reducing care in underserved areas is not going to be helpful in solving any kind of problem. Now, and in a reformed health care environment, VA will have to provide access to acute care. In the health care reform movement there is $3 billion put aside—more than that—which will be used to increase the availability of outpatient care. I encourage the Senator from Alaska and others to support the veterans' part of health care reform so that $3 billion can be used to increase outpatient care. That is the whole point. That is the whole point.

We cannot, however, in underserved areas, just stop providing inpatient care where that is needed. I agree in principle that VA needs to direct resources to outpatient and long-term care. That is absolutely true. I think the answer to insufficient funds for outpatient and long-term care is to increase the funds available for that as in health care reform, not to eliminate funding for needed inpatient facilities.

Just a word on the three projects and I am finished. With respect to the Travis, CA, project, the projected need by the year 2005, in terms of beds in the area served by the proposed Travis project—is for 243 beds. The project will add 203 beds to the David Grant Medical Center Hospital and will transfer use of 40 existing beds from the Air Force to the VA. It replaces a 359-bed facility at Martinez. In this sense, VA is limiting the creation of new beds.

The Air Force maintains a high vacancy rate at the David Grant Medical Center, and they do that for a very special reason which has to do with potential conflict. They have excess capacity there and it is needed because in the event of conflict and casualties, they need to have that excess. We build that kind of formula into our thinking for potential conflict.

VA's costs for fee-based care increased from $1.8 billion in 1991 to $9.3 billion in 1993, after the Martinez Hospital was closed. The Senator from California [Mrs. FEINSTEIN] made reference to this.

Veterans testified at a House Veterans' Affairs Subcommittee field hearing about having to wait 6 months for appointments; having to wait 6 hours to see a doctor; having to travel all day, and stay overnight to get treatment. Clearly, there is not sufficient access to inpatient care for the 400,000 veterans in that area. Hence the need for Travis.

With respect to Honolulu, as both Senators from Hawaii indicated, there is no VA hospital in Honolulu and no veterans home. The acute care provided to veterans through agreement with the Tripler Army Medical Center and contracts with private hospitals is dependent on the willingness of those hospitals to continue caring for veterans. VSO's, Veterans Service Organizations, have complained that the care given to veterans by these facilities is inadequate and that these hospitals do not have the expertise in geriatric care that VA hospitals can provide. I cannot speak to that from personal experience, but that is what they say.

People say Hawaii has universal health care, and it is approaching it.

Universal health care in Hawaii or elsewhere will not preclude the need for VA health care services. I strongly defend the Hawaii project.

Finally, Mr. President, with respect to the Memphis project, the project will replace the existing bed tower with a seismically safe one containing fewer beds than are in the existing tower, thereby reducing the inpatient capacity of the hospital by almost 300 beds, moving in the right direction.

As chairman of the Veterans' Committee, I do not want to be the person to say that the facility located in the New Madrid fault zone is safe enough. I do not care when the last earthquake was, it is a projected hot spot. I do not want to say it is safe enough when the Department of Veterans Affairs has a structural safety committee comprised of experts to make those decisions and to make recommendations, as they have, and we have followed them.

If we can increase safety and reduce inpatient capacity at the same time, I think that is a worthwhile project.

So I think we have covered our bases on this, Mr. President. I hope our colleagues will support my motion to table, but I will not make that motion to table until the Senator from South Carolina, who wishes to speak, has done so.

Mr. MURKOWSKI. Mr. President, I believe this side has 7 minutes left. I yield 3 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from Alaska controls 6 minutes 40 seconds, and he is yielding 3 minutes to the Senator from South Carolina?

Mr. MURKOWSKI. Four minutes. I need a couple minutes to wrap up.

Mr. THURMOND. Mr. President, I rise in support of the amendment of my colleague from Alaska regarding a moratorium on the construction of acute care, inpatient hospital capacity. I know the distinguished ranking member of the Senate Committee on Veterans' Affairs has given thoughtful consideration to this issue, and I applaud him for his leadership in this area.

As we consider the future medical facility needs of veterans, I am concerned that facilities may be constructed that may not be fully utilized. The Department of Veterans Affairs must give greater consideration to outpatient treatment centers, clinics which provide greater accessibility, and nursing home care facilities.

The Veterans' Affairs Committee has received reports from the General Accounting Office and the VA inspector general on areas where improvement can be made in the execution of the major construction program. Last year, the committee expressed its dissatisfaction with the VA construction planning and management process. The committee directed the Secretary to request an independent review of the construction program and to report the findings of this review to the committee prior to the submission of the fiscal year 1995 budget. To the best of my knowledge, Mr. President, this report has not been received by the committee. I believe the prudent course of action for the Congress and the Department is to not begin new construction for acute care facilities until improvements can be implemented. I further urge the Department to comply with the committee directive before undertaking new in-patient projects.

The Annual Report of the Secretary of Veterans Affairs for fiscal year 1993 has this statement on its cover—"Putting Veterans First." While I support the Secretary in this view, I fear that too often when it comes to major construction, the Department of Veterans Affairs takes the approach of putting buildings first. That report indicates an overall inpatient bed vacancy rate of 23 percent. I would note that Memphis has a vacancy rate of 43 percent.

In the Independent Budget for the Department of Veterans Affairs, a proposal prepared by a consortium of veterans groups, there is a recommendation for increasing the major construction appropriation. However, that document states that the majority of the Independent Budget recommended appropriation is for leases for outpatient clinics and nursing homes. It states "In these uncertain times, the Independent Budget co-authors believe that leasing is preferable to new construction. [This] offers an affordable * * * solution to the immediate need for VA capacity in the outpatient and nursing homes venues." Thus, Mr. President this demonstrates the veterans groups understand the uncertainties of the role of the Veterans Affairs medical system under health care reform and the wisdom in not beginning new construction of inpatient facilities. They also recognize the need to move resources to out-patient and long-term care. The amendment would address both of these concerns.

Let me emphasize that I have supported the Veterans Affairs medical care system, and will continue to do so. I have encouraged the Department of Veterans Affairs to take measures that will result in the most prudent use of our scarce Federal resources. I encourage my colleagues to join me in supporting the amendment.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska has 2 minutes 20 seconds remaining.

Mr. MURKOWSKI. Mr. President, I want to thank my good friend from South Carolina, who truly is a veteran and has supported veterans' benefits. He is a World War II veteran, having gone into Europe in a glider, and probably has had more reflection on the Second World War than any Member of this body.

In the brief time I have, I think the Senator from West Virginia had made a point to the Senator from Alaska relative to the situation in California where you have to stand in line for 6 hours. If we had outpatient facilities, veterans would not have to stand in line for 6 hours, and that is the point that the Senator from Alaska is attempting to make.

The cost of the Memphis project alone, $94 million, would fund high-priority, VA-requested outpatient clinics in Fort Myers and Gainesville, FL; Hampton, VA; and San Juan, PR. These are the needs. The VA suggests those are the needs. The outpatient clinics are projected to provide over 330,000 outpatient visits a year. That is almost 1,000 veterans served each day for the same cost as replacing a building that is treating only 368 veterans.

So my amendment would prohibit spending money specifically on new inpatient-care hospital capacity. It would have the effect of transferring to outpatient and long-term care construction the $87 million that would otherwise be spent on inpatient hospitals in Honolulu, Travis, and Memphis.

These hospitals are going to require an additional $316 million in the future to complete. Are we going to change our minds now or later? The amendment is necessary because the VA has an enormous, unmet need for additional outpatient capacity. The outpatient facilities are a higher priority than the inpatient hospitals, and the amendment is good policy because the hospitals in question are currently not needed and the capacity of the existing hospitals is not being met.

Mr. President, as we attempt the realities of rolling uphill on veterans' issues, let us start where the real need is by supporting the amendment of the Senator from Alaska in getting on with the business of providing outpatient facilities for America's veterans. I thank my colleague. I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROCKEFELLER. Mr. President, I move to table the amendment of the Senator from Alaska, and I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator has 3½ minutes remaining.

Mr. SIMPSON. Mr. President, I would applaud my colleagues on both sides of the aisle for their hard work and dedication to veterans' programs and benefits. They have also worked diligently and carefully to preserve adequate funding for the Housing and Urban Development Agency, and the other agencies covered in this bill.

I would simply like to focus some of my comments on the VA portion of this bill, and to point out that this bill provides for a total of $37.4 billion for the Department of Veterans Affairs, including $19.3 billion in mandatory programs.

That is an increase of approximately $1 billion over the current budget, and $314 million over the budget request.

This amount will cover increases for veterans' compensation and pension programs, for medical care, and for VA major and minor construction projects.

It is the VA construction portion of the bill that I would like to address. There is $362 million in this bill for VA construction projects. Many of these projects are surely worthy and necessary. But, I question whether we should appropriate such large sums of funding for a VA health care system when we stand on the verge of our full debate about national health care reform.

Whether the VA system evolves into a group of health plans or whether it contracts with other providers remains to be seen. Regardless of what shape the VA takes, the VA will have to compete with other health plans to deliver services. I have called on the VA Department to describe for the Congress just exactly what is needed in order to make the transition from a provider of services to a payer for services. I foresee the VA acting as a managed care delivery system under national health care reform. In order to do that, the VA should start focusing less on physical structures—such as the construction projects contained in this bill—and start moving toward an emphasis on paying for care and services for veterans. I believe that this would increase and improve access and quality of care to veterans. Surely, that is what all of us would like to see.

Accordingly, I will support Senator MURKOWSKI's to increase funding available for outpatient and long-term VA health care by $87 million. These resources will be paid for by reducing funding for low priority inpatient hospitals by an equal amount. This amendment is necessary to demonstrate to the VA that it must begin the transition now to providing access and outpatient care to all veterans deserving of it. We must stop focusing on new buildings and increased construction projects and start focusing on caring for veterans, whether that care be in a VA hospital or in another quality hospital in a community. The Murkowski amendment will ensure that the veterans' care and needs come first. That is why I support it.

In closing, let me simply reiterate—I feel this is a fine piece of legislation that will give full adequate care to deserving veterans as well as to provide for other agencies. I do hope that it can be modified to better deal with the concerns I have outlined in support of the Murkowski amendment.

Mr. SASSER. Mr. President, I rise today in opposition to the amendment offered by the junior Senator from Alaska. This amendment would eliminate the already very modest funding for Veterans' Administration inpatient construction.

The Senator from Alaska argues that the projects targeted by his amendment would unnecessarily increase the

VA's inpatient capacity. But the majority of the funding his amendment would eliminate is for vitally needed seismic corrections at the VA medical center in Memphis, TN. This project does not increase inpatient bed capacity, but rather would bring the Memphis center into compliance with current seismic standards. In fact, this project will decrease the center's inpatient capacity from 763 beds to 453 beds. The 453 bed capacity meets the minimum requirement established by the Veterans' Administration using a methodology developed jointly by the VA and GAO.

The VA can not fulfill this Nation's obligation to veterans in Tennessee and surrounding States without this project. There are no other VA medical centers in the area which can take on the mission of the Memphis center. The medical center provides all levels of medical, surgical and psychiatric care, as well as serving as a referral center for eight States for both chronic and acute spinal cord injury patients. The center also provides extended care in intermediate and nursing home settings to a population based of over 200,000 veterans. However, the medical center must be brought into compliance with seismic standards in order to safely continue its mission into the next century.

I strongly urge my colleagues to vote to table the Murkowski amendment.

Mrs. BOXER. Mr. President, I urge my colleagues to vote against the Murkowski amendment, which would prohibit funding for the construction of new inpatient Veterans' Administration hospitals. Among the projects this amendment would terminate is the 243-bed Travis VA Medical Center.

This vitally needed facility will benefit more than 400,000 veterans in Northern California who have been without an acute care medical facility since the Martinez Hospital was closed in 1991. The Travis Medical Center is not really a new hospital, but a replacement for the Martinez facility.

This May, Vice President GORE broke ground on the Travis facility. The hospital is a joint venture between the Air Force and the VA and will cost far less than building separate VA and Air Force hospitals. For that reason, it was hailed by Vice President GORE as an example of reinventing government in action.

I want to make very clear to all Senators that the Travis VA Medical Center is not a frivolous, unneeded, Congressional add-on project. It was included in the President's budget and is a high priority of the VA. This hospital is the culmination of a four-year community effort to bring a VA facility to northern California to serve the more than 400,000 veterans residing there.

Building this facility will also jump-start California's ailing construction industry. Construction of the hospital will generate over 1,000 badly needed jobs. This region of the State has been battered by economic hard times and base closures. The closure of nearby Mare Island Naval Shipyard is expected to result in 10,000 additional layoffs. The unemployment rate for the building construction and trades union membership in Solano County is over 30 percent.

The corollary benefits to California's economy are important, but ultimately, I believe that this project should be supported to fulfill the promise our government made to the veterans of northern California. Over 400,000 veterans currently lack access to an acute care facility. That is not fair and it is not right.

I urge my colleagues to oppose this amendment.

Mr. ROCKEFELLER. I yield back the remainder of my time. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The yeas and nays have been ordered. The clerk will call the role.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—62

Akaka
Baucus
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
D'Amato
Daschle
DeConcini
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gramm
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mack
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—36

Bennett
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
Danforth
Dole
Durenberger
Faircloth
Gorton
Grassley
Gregg
Hatch
Helms
Hutchison
Kassebaum
Kempthorne
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Heflin
Lott

So the motion to lay on the table the amendment (No. 2450) was agreed to.

Mr. ROCKEFELLER. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I ask unanimous consent that the pending amendments be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2451

(Purpose: To provide that none of the funds made available in this Act to the Department of Housing and Urban Development may be used to provide any individual assistance or benefit to any individual or entity in the United States unless the Federal entity or official to which the funds are made available takes reasonable actions to determine whether the individual is in a lawful immigration status in the United States)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. BRYAN, and Mrs. FEINSTEIN, proposes an amendment numbered 2451.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC.   . None of the funds made available in this Act to the Department of Housing and Urban Development may be used to provide any individual assistance or benefit to any individual or entity in the United States unless the Federal entity or official to which the funds are made available takes reasonable actions to determine whether the individual is in a lawful immigration status in the United States: *Provided*, That in no case may a Federal entity, official, or agent of any Federal entity or official discriminate against any individual with respect to filing, inquiry, or adjudication of an application for funding made available in this Act on the basis of race, color, creed, handicap, religion, sex, national origin, citizenship status or form of lawful immigration status: *Provided further*, That for purposes of this section, the term "individual assistance or benefit" does not include search and rescue, emergency medical care, emergency mass care, emergency shelter, clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services, warning of further risks or hazards, dissemination of public information and assistance regarding health and safety measures, the provision on an emergency basis of food, water, medicine, and other essential needs, including movement of supplies or persons, or reduction of immediate threats to life, property, and public health and safety: *Provided further*, That, notwithstanding any other provision of this section, a homeless individual may, for a period not to exceed 45 days, receive assistance from funds made available under this Act to assist homeless individuals pursuant to the Stewart B. McKinney Homeless Assistance Act, regardless of the immigration status of such individual.

Mr. REID. Mr. President, in this morning's Washington Post, there were two stories probative of this matter before us. One story deals with the fact that the world may have, by the year 2030, 3 billion people more than now exist.

In addition, Saturday's New York Post newspaper indicated that Immigration and Naturalization's hands are tied as alien thugs laugh at deportation laws. It goes on to state that that is what is actually happening. They do not bother to show up. Immigration does not have agents to go get them. They just disappear into the woodwork. One of the INS agents says: "Morale at the Immigration and Naturalization Service is at an all-time low and other agents are defecting in droves to other Federal agencies."

I have here a letter from Michael Antonovich, who is supervisor of the Board of County Supervisors in Los Angeles, which says in one paragraph, referring to the vote that took place earlier this year dealing with immigration: "The decisive vote for this reform demonstrates the need for a HUD policy revision which would permanently bar illegal aliens from residing in our scarce and critically needed public housing."

Mr. President, we have reached a crisis as a result of our failed immigration laws. Twenty-five percent of the Federal prison inmates are foreign born. Taxpayers are being stuck with literally billions of dollars in costs for people who are not legally within the country for their health care, education, public housing, and other social benefits. For example, In L.A. County, 70 percent of the babies that are born there are born to illegal immigrant mothers.

Mr. President, we in the United States cannot take in the rest of the world. Billions of people would like to come here. We have to do the best we can with the people that are here. Even in spite of the fact that we are doing the best we can, we still have the highest rate of growth of any modern industrialized nation in the world. Our infrastructure is deteriorating. Sewer and water systems are at capacity. Highways, roads, and bridges are in need of repair. Our system of public recreation is at a breaking point. Our public parks—parts of them—are being closed because they are in a state of disrepair. We do not have money to repair our national parks. People have to get tickets or numbers so that they can go through our wilderness areas because they are so overcrowded.

Mr. President, this amendment, which I will speak very briefly about, is as a result of the fact that the chairman of the Appropriations Subcommittee, the manager of this bill, the Senator from Maryland, has agreed to accept this amendment, for which I am grateful.

I want to state that this amendment does just a few things. It requires Federal authorities to take reasonable action to determine whether recipients of housing benefits are of lawful immigration status. Currently, there are no regulations requiring the agency to make any verification determinations before benefits and assistance are distributed. A significant number of unlawful immigrants end up in our public housing, taking housing that people who play by the rules are not able to get because the funds run out.

With our homeless shelters, even though my amendment takes care of emergencies—that is for 45 days—there are really no questions asked. There are no regulations requiring that Housing and Urban Development make any verification and determinations before benefits and assistance are distributed.

This should be of interest to Congress, because 14 years ago, in 1980, a law was passed requiring the implementation of regulations. In 1986, 8 years ago, a law was passed requiring the implementation of a regulation. We still do not have one, even though I received a telephone call today from the Secretary of Housing and Urban Development saying they were going to issue one today. I do not have it yet. I understand that one is out, and I am happy about that.

This, Mr. President, is something that should have been done years ago. This amendment simply requires that a reasonable standard be instituted when distributing housing benefits; that is, that reasonable actions be taken to determine that an applicant is of lawful immigration status. That is not asking too much. It puts into law a protection against discrimination and the distribution of these funds by including a clear nondiscrimination clause. We have done it before. We did it in the emergency supplemental earthquake bill. We did it in the agriculture appropriations bill. There is no reason we should not do it today.

This amendment would require HUD to implement a modest policy of enforcement with respect to the distribution of housing benefits. Again, under current law, no such regulations exist covering the distribution of funds to illegal immigrants.

I say to my friend from Maryland—and she is a veteran legislator, as am I—I understand the difficulty the chairman will have holding this amendment in conference. I understand that. But I want my friends in the other body, and those in this body, to understand that I will be back. If we do not get this in conference—and I know that my friend, the esteemed Senator from Maryland, can only do so much—there is going to be a housing authorization bill coming through this body later this year.

I will be back because this is only fair. This is a modest approach. This is not immigrant bashing. This is making those people who play by the rules get what they are entitled to.

I yield the floor.

The PRESIDING OFFICER. Is there additional debate on the amendment of the Senator from Nevada?

Mr. SIMPSON. Mr. President, I support this amendment. I am not a cosponsor. I would like to do so and ask unanimous consent that that be the case.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I think that Senator REID is on the right track. This amendment will require HUD to make a reasonable effort to determine the lawful status of persons applying for housing assistance. This is a consistent tack of his approach, and I think he has finally jarred the bureaucracy at HUD that has existed through several administrations.

In 1986 Congress told HUD not to give housing benefits to illegal aliens. HUD did not respond during the Reagan administration, nor did it respond during the Bush administration. Now apparently, I ask my friend, have they now responded with the regulations that they were supposed to do 8 years ago?

Mr. REID. Mr. President, I respond, through the Chair, to my friend from Wyoming that yesterday I was told there would be a regulation issued in the next few weeks. Toward the end of the day, I was told it was only a matter of days until OMB was going to authorize the issuance of regulations.

This morning I got a call from Secretary Cisneros. And, I would like to add that I believe his leadership has been instrumental to moving forward with a regulation. He was on a plane flying someplace, but he said that the regulation was issued last night. My staff has informed me the regulation is on its way to our office, but I have yet to see it.

I do not know if it has been issued. If it has been finalized, I hope it is fair and reasonable. After 14 years I hope they had plenty of time to work on it.

I would say on the record I appreciate very much the assistance of my friend from Wyoming for his support for this amendment. In particular, I appreciate the support of his staff. His staff has been involved in immigration matters for many years and his staff was like having an encyclopedia for my staff. They were willing to assist when issues were raised and, through the Chair, I say to my friend from Wyoming that I express appreciation for the assistance his staff gave my staff in arriving at the point where this amendment is now being accepted.

Mr. SIMPSON. Mr. President, I do appreciate those remarks and I know better than anyone the remarkable work this staff does for me and gives me the ability to function in this area fraught with emotion, fear, guilt, and racism.

I applaud the Senator from Nevada. He put this amendment on the earthquake relief bill and the agricultural supplemental appropriation. It is also appropriate here.

I do hope it will be held in conference. I do know our chairman, Senator MIKULSKI, will make that effort, as she does with all the work we do here in the Senate.

The PRESIDING OFFICER. Is there further debate?

Ms. MIKULSKI. Mr. President, I rise in support of the Reid amendment, as manager of the bill.

It requires HUD to take reasonable steps to make sure that recipients of HUD funds are legal residents of the United States.

The language is comparable to that which we included in the Northridge earthquake supplemental and in several other appropriations bills.

I believe it is a good amendment and consistent with sound housing policy and good immigration policy.

We have a significant waiting list for housing and housing subsidies, particularly where we want to reward work, and they should go to those people who are American citizens, and in terms of immigration policy we need to reward those who are willing to stay around the world and not come in under illegal auspices.

Therefore, I intend to support the amendment. It has been cleared on both sides of the aisle. I, therefore, urge its adoption.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from Nevada.

The amendment (No. 2451) was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Maine [Mr. COHEN] is recognized.

Mr. McCAIN. Mr. President, I ask unanimous consent to speak for a few minutes or so and then yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Arizona.

HAITI

Mr. McCAIN. Mr. President, in this morning's New York Times, there is an article which I ask unanimous consent to be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOP U.S. OFFICIALS DIVIDED IN DEBATE ON INVADING HAITI

GOAL IS TO REMOVE JUNTA—MILITARY AND DIPLOMATS WEIGH THREAT VS. BRIBE—CLINTON SAYS FORCE IS AN OPTION

(By Elaine Sciolino)

WASHINGTON, August 3.—Despite winning approval of the United Nations Security Council for an invasion of Haiti, the Administration is split over whether to set a deadline for carrying it out, senior Administration officials said today.

This division became evident, officials said, at a meeting of Mr. Clinton's top national security advisers on Tuesday at the White House. The meeting had been called to draw up recommendations for the President.

Defense Secretary William J. Perry opposed a recommendation that would set a deadline for an invasion if the Haitian military leaders do not leave, the officials said, Mr. Perry and much of the United States military want to avoid an invasion and are willing to explore ways to induce Haiti's leaders to leave for a comfortable life in exile.

But Deputy Secretary of State Strobe Talbott, who has emerged as the State Department's chief policy maker on Haiti, argued that offering incentives to the leaders was morally repugnant, senior officials said, Mr. Talbott was said to favor an early invasion.

In a sharp exchange, Mr. Perry countered instead that Mr. Talbott represented a strange morality. He argued that it would be immoral for the United States not to do whatever it could to avoid the loss of lives of American soldiers and the expenditure of taxpayers' money, officials said.

At a news conference tonight, President Clinton laid out the "fundamental interests" that he said would justify an invasion, saying he was keeping his options open.

"We have kept force on the table," he said. "We have continued to move it up as an option as the dictators there have been more obstinate. But it is permature in my judgment to go beyond that now."

He also said that while he welcomed Congressional support for a decision to invade, lack of it would not prevent him from acting. The Senate today passed a non-binding resolution requiring Congressional approval before an invasion.

"I would welcome the support of the Congress and I hope that I will have that," Mr. Clinton said. "But like my predecessors in both parties, I have not agreed that I was constitutionally mandated to get it.

A number of participants at the meeting on Tuesday agreed with Mr. Perry's analysis, senior officials said.

The views of the two officials reflect the extremes of the Administration's thinking on how best to restore Haiti's exiled president, the Rev. Jean-Bertrand Aristide.

Mr. Talbott is said by his colleagues to favor an invasion soon, within the next several weeks; Mr. Perry, while not opposed totally to the use of force, wants to exhaust all other steps first, even if that means promising Haiti's top three military officials that they will not be punished for their repression.

RELUCTANCE MAY RUN DEEP

There is little consensus within the Administration on whether Haiti's leaders will accept any offer to depart. Many senior State Department and intelligence officials, as well as William Swing, the United States Ambassador to Port-au-Prince, do not believe the men will leave, but add that the Administration must exhaust every possibility before an invasion.

Mr. Perry declined to comment on Tuesday's meeting, saying through a spokesman, Dennis Boxx, "We're not going to get into a discussion of the conversations at principals meetings."

In a brief telephone conversation, Mr. Talbott also declined comment.

In Tuesday's meeting, Mr. Perry argued most strongly against a deadline for invasion, saying that would artificially constrain the Administration's room for maneuver. "Perry felt that it put the United States into a box," said one senior Administration official. "And the Pentagon doesn't like boxes."

But even Gen. John Shalikashvili, Chairman of the Joint Chiefs of Staff, was said by Pentagon officials to be resigned to the fact that an invasion was becoming more likely.

Secretary of State Warren Christopher also attended Tuesday's meeting, but he allowed Mr. Talbott to take the lead for the State Department in the discussions, a senior official said.

FIRST, TRY THREATS

Although the officials were unable to come up with a plan, analysts are refining different possible tactics. One is to induce the peaceful departure of the military leaders—Lieut. Gen. Raoul Cédras, the leader of the ruling junta; Col. Michel Joseph François, the police commander, and Gen. Philippe Biamby, the army chief of staff.

According to one idea, the Administration would send an envoy to warn the three men that if they did not leave voluntarily within a specified time, an American-led coalition would remove them, senior officials said.

Under that plan, the men would be told that Washington would arrange their departure, providing transportation, visas, safe havens in third countries and assistance in withdrawing their assets from frozen bank accounts. The men and their families would be given guarantees that they would not be prosecuted either in Haiti or in the country that agreed to take them.

THEN, TRY MORE THREATS

According to a second plan, the United States envoy would simply inform the three officials that they had to leave or risk an invasion. If the officials agreed but asked for help, a meeting would be arranged to discuss arrangements for their departure.

One senior official said the Administration planners had not ruled out a pay-off to get the men to leave, but other senior officials insisted that the Administration has rejected any such bribe. If the Administration decides to use secret United States funds to induce the men to leave, it would require a formal Presidential "finding" in advance.

Such a finding, a formal statement of the national security justification for a covert activity, is required before the Central Intelligence Agency can pay for it. The Administration is also required by law to inform Congress of any such finding.

One official said that the Administration could not even open discussions about financial inducements without a finding.

LOOKING FOR A MEDIATOR

A third plan would encourage the United Nations or another country or countries to take the lead in easing the departures of the three men, senior officials said.

Venezuela and some other Latin countries, uncomfortable with the idea of a United

States invasion of Haiti, are discussing sending a mission to Haiti to urge the military leaders to leave.

A complication may have arisen in the case of the Dominican Republic. Although President Joaquín Balaguer opposed the return of Father Aristide to Haiti, he was pressed by the Administration to close his border with Haiti and accept military help in monitoring the border to prevent shipments of gasoline and other embargoed products.

Mr. Balaguer was re-elected in May, but the results were disputed. On Tuesday, Dominican election officials finally declared him the winner, but Washington has charged that the election was tainted by fraud and has called for new elections.

A State Department spokesman, Michael McCurry, today predicted a deterioration in relations with the Dominican Republic. "Those who are calling for new elections seem to us to have a very good and strong argument," he said, adding that the decision to certify the election would be a "detrimental factor" in ties between the two countries.

But Mr. McCurry said the Administration did not link the election dispute to Dominicans' cooperation in sealing the border, and other officials said the Dominican Republic could provide a safe haven for one or more of the Haitian leaders.

Mr. McCAIN. Mr. President, the article in the New York Times describes a dispute in the highest councils of this Government between the Secretary of Defense and the No. 2 person at the State Department, Mr. Strobe Talbott. I have no reason to believe that this account is inaccurate.

Mr. President, the dispute is described as Secretary of Defense Perry having strong misgivings about setting a date for an invasion of Haiti. He reflects not only his own views but that of the military establishment whose task it will be to carry out this onerous mission.

Mr. President, according to this news report, Mr. Talbott said that it was morally repugnant to talk with the Haitian dictators, that it was wrong to attempt to persuade them to leave, and that we should go ahead and set a date for an invasion and indeed invade Haiti.

Mr. President, I am deeply disturbed. I am terribly alarmed that at the one of the highest positions of our Government an individual who chose not to serve himself in another unpopular war has decided that we will not exhaust every avenue before risking the lives of young Americans in conflict in Haiti.

Mr. President, I opposed Mr. Talbott's nomination the first time. I got 9 votes. The next time I got 31 votes. I believe the next time Mr. Talbott's name comes before the body there will be a sufficient number to reject whatever position that he is nominated for.

Mr. President, we should exhaust every possible avenue before we send our young men and women into conflict where they may die or suffer injury. Mr. Talbott's disregard for exploring every option indicates a fundamental misunderstanding of what is at risk when people go into combat.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor.

VA-HUD APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order the Senator from Maine [Mr. COHEN], is recognized to offer an amendment.

Mr. COHEN. Mr. President, I ask unanimous consent that the underlying committee amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2452

(Purpose: To eliminate funding for section 8 housing subsidies financed by pension funds)

Mr. COHEN. Mr. President, I send to the desk an amendment on behalf of myself and Senator MACK and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] for himself and Mr. MACK proposes an amendment numbered 2452.

Mr. COHEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . On page 18, line 19, strike "$10,600,000,000" and insert "$10,250,000,000".

On page 20, line 8, strike all after the comma, and all through line 11 before the semicolon.

Mr. COHEN. Mr. President, last year the Congress appropriated $100 million for this demonstration project. In an attempt to encourage pension fund investments in what I believe to be traditionally high-risk public housing projects. The Department of Housing and Urban Development requested this set aside as a means of subsidizing pension fund investments in multifamily housing projects. Essentially this project transfers the risk from pension managers to taxpayers.

It is my understanding, Mr. President, that to date, there has been no reporting back on the project from GAO, as was required in last year's bill. And I would repeat that again. It was required in last year's bill that GAO report back to us. There is no data available to bolster our confidence in expanding this demonstration project, yet this bill triples the funds appropriated for this experiment and further exposes the Federal Government to liability if the project goes sour.

The decision to triple the funding—without any evaluation of the risk associated with this expansion—borders on recklessness in light of the serious policy implications of economically targeted investments.

I do not think it comes as any surprise to anyone of us that cash-strapped municipalities, States, and now even the Federal Government are looking to the assets of pension funds—totaling in the trillion of dollars—as an attractive resource of capital for a variety of projects. Many see this pot of money as a lucrative and untapped source of funding for infrastructure projects.

I tell you I am very concerned, Mr. President, about the long-term implications of this growing use of public and private pension funds to meet political and social goals. First and foremost, I am concerned that Government-dictated investments such as this may not be in the best interest of the current and future retirees who are the beneficiaries of these pension funds.

To illustrate, a 1983 study by Alicia Munnell, the current Assistant Secretary of the Treasury for Economic Policy, found that public employee plans participating in targeted investments earned from 2 to 5 percentage points less than funds without these investments. In testimony presented to the Joint Economic Committee last month, the chairman of the Cato Institute pointed to a 1993 study which found that "the greater the political influence on public-employee pension fund investment decisions, the lower the return."

At the same hearing, Olena Berg, Assistant Secrtary of Labor for Pension and Welfare Benefits even stated that "we cannot deny there are risks associated with economically targeted investments [ETI's]." She further acknowledged "that there may be pressure to do these projects for reasons other than their attractiveness as investments."

I wonder if the architects of this demonstration project have paused to ask themselves why there are trillions of dollars of assets in pension funds. The strict fiduciary standards of ERISA have required pension fund investment managers and trustees to invest prudently and for the exclusive benefit of plan participants. This standard should not be compromised.

The Clinton administration has never shied away from the fact that they view pension funds as a convenient source of public funding. In fact, in his book "Putting People First," President Clinton proposed a $20 billion investment program funded by pension funds. The administration has been roundly criticized for this proposal.

As David Sertner of AARP noted in a Washington Post article "when you talk about using pension funds for broader social purposes, you create an inherent conflict between what is good for the retirees and what may be good for some social policy." Despite considerable opposition to the idea of using pension funds for Government spending the administration apparently has not abandoned its plans.

In a letter just this week from HUD Secretary Cisneros to the Senate Banking Committee he praises the demonstration project for among other reasons, "encouraging pension funds to invest some of their $4 trillion in assets which make up one-third of all assets in America, back into the economy."

This statement is telling and revealing in several respects:

First, where does Mr. Cisneros think pension funds are invested now? They are invested in the U.S. economy already. Pension funds are not stuffed in some bureaucratic mattress in Washington; they represent working assets in every town and city in America. Highjacking pension funds for Government spending will simply take money from where it is currently invested. There is no free lunch. Redirecting pension investments is a zero-sum game. Mr. Cisneros statement also confirms the worst fears of many that the administration has not abandoned its desires to tap pension funds.

The fact that this bill triples funding for last year's so-called demonstration project before any evidence that this project works or could work shows quite clearly that those of us who saw last year's $100 million appropriations as the nose under the camel's tent were not overreacting.

We have gone from $100 million to now over $300 million. We should also expect, that when this bill comes back from conference, we could be higher than we are right here in the Senate proposal.

This bill and Mr. Cisneros' letter demonstrates beyond a reasonable doubt that we are moving quickly down the path of targeting pension funds for Federal spending.

If we do not stop this dangerous course of action now, we will rue the day. And I assure you that we will be hearing from the thousands of pensioners in this country.

There is already tremendous and understandable anxiety about the solvency of our Nation's pension system. As Mark Ugoretz of the leading association of large employer pension funds, The ERISA Industry Committee stated,

> We're very leery of it because pension funds are the last big pot of money in the country, people are nervous about the sanctity of pension funds.

The pension system is already under assault. We ought not further undermine confidence in the system by looking wistfully or lustfully at pension funds as the way to bolster the Government's coffers.

I would also suggest, Mr. President, that this program not only establishes a dangerous precedent in terms of Federal pension policy—it sets an equally dangerous precedent in terms of Federal budget policy.

I am very concerned that next we could even be asked to mandate that pension funds must invest in infrastructure. If we permit this new form of off-budget spending, we will have created a huge loophole on how to get around budget rules.

Directing pension funds for public purposes would be yet another example of a long line of spend-now, pay-later policies that the Federal Government has regretfully adopted over the years. Using pension funds to finance public spending would seriously undermine the integrity of the spending caps established in the 1990 budget agreement and renewed last year. If such a breach is permitted on this appropriations bill, we will have opened the floodgates to another means of circumventing what little budget discipline that currently exists.

Tim Fergusun of the Wall Street Journal recently wrote that "Broader objectives for pension moneys other than simply maximum return are a bud always waiting for a political bloom." My concern, Mr. President, is that if we triple the appropriations for this program without first adequately evaluating the success of its first phase, this bud could grow into a beanstalk that reaches far beyond our fiscal control. I urge my colleagues to support this amendment.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I am taken aback by the statement made by my good friend from Maine, with whom I have served for many years in the Congress, first in the House of Representatives and then here in the Senate. I have known the Senator from Maine ordinarily to be very careful in his utterances and statements, and I do not find that in his statement today.

Let me just mention two or three items. First of all, the Senator from Maine referred to Government-dictated investments. However, this program will be entirely voluntary. No pension fund will participate in this unless the fund makes the decision to do so.

He then indicated that this program would strip fiduciary responsibilities of pension funds required under ERISA. The pension fund demonstration statute specifically requires that all ERISA standards apply to every pension fund investment made in this demonstration. The Secretary can further require all investments of the program to meet specific standards with respect to securitization and underwriting.

I have read the Senator's books and I have never, even in his novels—I have to confess that I have not read his poems—but even in his novels, I do not find the kind of overstatement that I heard here. I believe the Senator referred to this program as one that would hijack pension funds.

And then, finally, the Senator's argument is, "Well, this is a slippery slope. The next thing that is going to happen is that you are going to be mandating that pension funds invest in social purposes." That is certainly not in this legislation.

This legislation is voluntary. It requires the application of ERISA standards. There is certainly no hijacking of pension funds. I must say, I am somewhat taken aback and even disappointed by the Senator's kind of purple language.

Congress enacted the Community Investment Demonstration as part of the legislation we passed in 1993. This gave to the Secretary of HUD the flexibility to test new approaches in addressing the need for affordable housing. What we are seeking to do is to leverage additional resources by entering into unique private-public partnerships.

What is authorized is the use of project-based section 8 assistance to encourage pension funds to invest in affordable housing. Section 8 makes it possible to invest safely and profitably in affordable housing.

In setting up this legislation, we carefully considered the concerns that the Senator has raised about the interests of pensioners. Obviously, it is an important concern. Indeed, first and foremost, the pension fund managers are under fiduciary responsibilities to address those very concerns and interests, and nothing in this legislation abridges or compromises those fiduciary responsibilities.

Now the use of the section 8 assistance is important with respect to the economics of the investments in affordable housing. Those subsidies, of course, provide a Federal guarantee for the rents on some of the units in the project—a maximum of 50 percent of the units in the project. The statute requires, as I have said, that no investment will be permitted unless it meets the requirements of the Employee Retirement Income Security Act of 1974.

Furthermore, HUD has set up the demonstration to ensure that pension fund applicants or their partners have demonstrated experience in the development of affordable housing. It is all designed to ensure that the investors who undertake this are sophisticated and that they are protected under the legal requirements of ERISA. We also limit how much funding can go to a particular pension fund.

The Secretary of HUD, Secretary Cisneros, has just announced the first six recipients of the pension fund demonstration funding. These recipients will finance affordable housing in 20 different States and over 100 different communities.

I have here the list of those pension funds or real estate investment companies that are participating. Some of our largest pension funds, or retirement systems, are doing so. They are managed, of course, by highly sophisticated investment managers. Their decision to participate was entirely voluntary.

Now, the Senator referred to a letter from Secretary Cisneros. I just want to quote a part of the letter that he did not quote. Secretary Cisneros writes:

> The pension program has attracted the interest of many pension funds across the country. Just 30 days after the Department began accepting applications for participation in this program, requests for assistance have far exceeded the funds available. We have received hundreds of phone calls from pension fund representatives interested in participating in this first funding round, and many of those who felt unprepared to apply now inquired about the possibility of applying in the future.

Of course, what the demonstration does is, in response to the Federal commitment, attract additional funds for affordable housing. So you are leveraging the amount of money that is going into affordable housing. It does involve the use of Federal resources, obviously. There is an appropriation in this bill in order to do that. The use of those Federal resources is then matched by the private investment undertaken by these funds. This significantly enhances the ability to address the affordable housing issue well beyond what could be achieved using the Federal funds directly, without endangering the pension funds.

These pension fund managers have to make sure that investments meet ERISA standards and satisfy their fiduciary responsibilities. The Senator has raised the question, "Where is this going to go?" It is going to go right where it is. We are not mandating that pension funds participate.

The Senator raised that possibility. I am against that possibility. I do not think that possibility would have any chance whatever of being adopted and I do not support it. You can raise it as a scarecrow to try to, in effect, taint this program. But that is not this program—that is not this program. This program is not about hijacking pension funds. This program is not about Government-dictated investments. This program is not about stripping ERISA and fiduciary responsibilities.

This program is a terrific opportunity to get at the affordable housing issue—in effect, to maximize our resources—at the same time that it represents a prudent investment for the pension funds. And for the life of me, we ought to be welcoming this. We ought to perceive this as an important step—as an imaginative and innovative step forward. What in the world is wrong with a program that helps us to move against the affordable housing issue and at the same time protects, through its requirements, the safety of the pension investment funds? It seems to me it represents a very constructive line of thinking.

The fiduciary's investment duties under ERISA are not affected. The demonstration will generate new construction and help to meet the affordable housing problem through the incentives in the program. The program represents a Federal outlay—there is no question. But the outlay will enable many funds to seriously consider this as a wise and prudent investment.

So, I am very much opposed to this amendment. I really have difficulty understanding why it is here, because it seems to me we have a program in which the investments can earn competitive risk-adjusted rates of return. With this program, we have a way of boosting the economy, and we have a way of getting at our affordable housing problem.

The demonstration is entirely voluntary on the part of the pension fund managers who have to make the prudent judgments. There is no compromising of those standards. If pension funds voluntarily decide to participate, and if they are required to adhere to prudent investment rules, and if we can get a significant additional expansion of activity addressing the affordable housing program, why should we not be for it? It seems to me there is every reason to be for this demonstration and I very much hope the Senate will reject the amendment.

The PRESIDING OFFICER. Is there further debate?

Ms. MIKULSKI. Mr. President, I, too, rise to oppose the Cohen-Mack amendment. The proponents of this amendment argue that we have appropriated too much money for this program.

First, let me set some facts straight. No. 1 we cut the President's budget request for the program by $164 million, or 32 percent. We are also, in this legislation, $75 million less than what was proposed by the House.

The Senator from Maine is correct, we did increase the funding in the appropriation, but I want the record to show we cut the President's request by 32 percent and we are also $75 million less than the House.

What we followed was the authorization framework, which we anticipate will be passed in a matter of days. The authorizing framework provided in the bill $350 million. Less than 3 weeks ago the Banking Committee—chaired by Senator SARBANES who just spoke, with the ranking minority, Senator D'AMATO—reported a bill to the full Senate with the same amount as proposed in the VA-HUD appropriations. So we are not trying to puff anything up.

The other point I want to make is the language on this particular program in the VA-HUD bill says, "up to $350 million." So we are providing flexibility so if a housing authorization gets enacted—and we believe that it will—less than $350 million can be spent. It can be adjusted downward but it cannot be adjusted upward. So we have that ceiling there.

Second, in terms of the fiduciary requirements, the other Senator from Maryland, who chairs the Housing and Banking Committee, made the point that this program needs to follow all the fiduciary rules and make the same independent determinations based on factors such as prudence and diversification as would be done by any other pension funds.

We have a letter spelling out that criteria from Olena Berg, who is the Assistant Secretary for Pensions at the U. S. Department of Labor.

I ask unanimous consent that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
August 1, 1994.

Hon. BARBARA A. MIKULSKI,
Chair, Subcommittee on VA, HUD, and Independent Agencies, Appropriations Committee, Hart Office Building, Washington, DC.

DEAR CHAIRPERSON MIKULSKI: I am writing in support of the Community Investment Demonstration Program under section 6 of Public Law No. 103-120, the "HUD Demonstration Act of 1993," and the President's 1995 budget request to increase the authorized and appropriated funding for this Program. The Senate is currently considering an increased authorization under the VA, HUD and Independent Agencies appropriations bill.

As the Assistant Secretary of Labor charged with administration and enforcement of significant provisions of the Employee Retirement Income Security Act of 1974 (ERISA), I am responsible for the protection of the retirement savings of over 40 million private sector pension plan participants. Generally, ERISA requires that private sector pension plan managers and trustees invest plan assets prudently and for the exclusive benefit of plan participants.

This Program, which provides incentives for pension funds to invest in affordable multifamily housing through the use of targeted Section 8 subsidies, does not affect a fiduciary's investment duties under ERISA. Each pension fund or intermediary that participates in the Program does so voluntarily. Moreover, before making any economically targeted investment, the fiduciary must make the same independent determination based on factors such as prudence and diversification as must be made in connection with any other investment by a pension fund.

The Program is designed not only to expand the investment opportunities available to pension funds, but it will also generate the new construction and rehabilitation of affordable multifamily housing that is critically needed in our communities. These activities will also create construction jobs, and further stimulate the kind of meaningful economic growth the Department vigorously promotes.

Most pension funds do not invest in multifamily housing at all; many will seriously consider doing so as a result of the incentives of the Program and an increase in the Program's subsidy. The Program will encourage pension fund investments in affordable multifamily housing for American workers and their families.

Today, pension fund assets exceed $4 trillion and represent more than 20 percent of all U.S. financial markets. The capital allocation decisions of these funds have a dramatic impact on the nation's economic vitality. Furthermore, in my view, pension investments that can both earn competitive, risk-adjusted rates of return and promote a healthier economy over the long-term such as the Program, will especially serve the interests of pension plan participants.

Congress should be commended for showing leadership in the creation of this project, and I urge you to continue the Program. If you have any questions about my views relating to the Program, or my agency's enforcement of ERISA, please let me know.

The Office of Management and Budget advises that this report is in accord with the program of the President.

Sincerely,

OLENA BERG.

Ms. MIKULSKI. Now, we acknowledge the validity of the concerns of both the Senator from Florida and the Senator from Maine that taxpayer dollars be used—but also pension funds be used—in a wise and prudent way. The Senator from Maine has an outstanding record on identifying issues related to waste, fraud, and abuse. And when he raises a question I think we need to look at the validity of that. Before we take action on the bill, I am going to suggest the absence of a quorum so perhaps we can talk and arrive at some other type of resolution to this other than a straight up or down vote.

Excuse me, I did not realize the Senator from Florida has joined us. I know he has been involved in Whitewater. Let me withhold my request until the Senator from Florida has his day—or 15 minutes—or whatever he chooses. Then I suggest we have a quorum call and see if there is another way of accommodating it.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I thank the Senator from Maryland for withholding that request. I also express my appreciation to her for the work she has done on this bill. It is only that I feel so strongly about the direction of housing policy that I felt the need to offer, with Senator COHEN from Maine, this amendment.

This is a demonstration program that was enacted less than 1 year ago, which has real problems in the way it is being implemented. First of all, it is not a competitively awarded program. Rather, the contracts are essentially being given out on a first-come first-served basis. That is not smart. We do not need to be giving this money to this program in this manner.

We appropriated $100 million last October. The pension funds selected to participate were only announced on Monday of this week. HUD has a huge unobligated balance of $32.3 billion in prior fiscal year funding that it is carrying forward. They cannot handle the money they already have been given for existing programs. What makes us think that they will do a better job this year?

The current appropriation more than triples the funding for this pilot program to give it an additional $350 million. The House, by the way, has already appropriated an additional $414 million. Many of us on the Banking Committee thought this would be a one-time-only appropriation. We wanted to take a careful look at this program and determine whether or not it was going to work well. The original legislation calls for a GAO report at the conclusion of the demonstration. With this funding, it looks as if there will never be a conclusion; therefore, never a GAO report and never really an analysis of the program.

With this renewed emphasis on project-based assistance and long-term contracts, we take power away from the individual. We say to them that we would rather give the money to developers, not to tenants. That leaves the people who are in need of housing without a choice when their units are not maintained, and they can either leave the unit and lose the rental assistance or put up with substandard housing.

We know from past experience that this is not the direction in which we want to go with our housing policy. The Congressional Research Service agrees that this is not a good idea, and I quote:

> The demonstration returns the basis of rental subsidies to the projects, i.e., developers, and it takes away from the targeted population of low-income housing.

I suspect that each of us involved in this debate has taken the time to go out and visit public housing communities throughout our States. I can still see those faces of those people and the anger and frustration they feel at being locked into a project-based facility. They have no other resources and they are, in essence, being told they are going to stay in that unit because they do not have any other resources.

If the resources were focused to the individual, when the developer failed to carry out his or her responsibility, the tenant, empowered with a voucher, as opposed to a project-based certificate, could say, "Fine, I will go find some other place to live." I think that is the kind of emphasis and kind of direction we ought to be giving to our housing program.

Moreover, there is no reason to target pensions as a source of capital for investment in low-income housing. What makes their money any different than other sources of capital? What troubles me is that this is being seen as a model for a great deal of expansion into the realm of socially correct investment for pension funds. To me, that spells CRA for pension funds.

Given that we are dealing with the safety and security of our retirees, I do not think this is wise, and neither does CRS. CRS writes that to the extent that scarce section 8 subsidies are earmarked for project-based rather than tenant-based use, it may be more useful to restrict them to specific types of projects than to specific types of funding, or funding sources.

At a minimum, housing policy would benefit from an explicit discussion of the rationale that motivates the demonstration's use of project-based subsidies. I understand from HUD most of the applicants for the $100 million we have already appropriated are public employee pension funds. They are not subject to the strict guidelines of ERISA, which aim to protect the beneficiaries of those funds. To me, that raises the question of how advisable these investments really are.

The point there, what concerns me, is that we are targeting this to pension funds. For years, there has been a hesitancy for lending institutions to involve themselves in long-term rental units. The reason they have done so is because of the risk that they believe is connected with that. It seems to me one could make the argument that a $100 million pilot project makes sense, to see whether it works or not. But to go from where we are today to a program that will probably be somewhere in the neighborhood of a half billion dollars by the time this appropriations bill works its way through the Congress is just the wrong thing to do.

Nobody has truly assessed the risks that are related to this kind of an investment for a pension fund. You are talking about employees and companies who have set aside their resources for retirement. And it is interesting; as I understand it, I believe only five out of the six that have been approved for this $100 million—in fact, five out of the six are not covered by ERISA, which says that most of the pension funds, in essence, see this as a risk.

So, Mr. President, I just urge my colleagues, I think this is a terrible mistake. I can spend time talking about where to put the money. I have some priorities that are of deep interest and concern to me. But the reality is that this is a bad idea, and even those who believe we ought to go forward, I believe, ought to stick with the pilot project.

Let us see how it works. Let us get that report. Let us make a determination about its risk. Let us really get into the debate about how we can help the people who want help the most. Is it to go out and build more federally financed projects under these vouchers, these certificates? Is it reasonable that we ought to go in that direction, or should we spend the money in giving vouchers to the individual, empower that individual, give them the opportunity to make the choice? Why should we say that that ought to go to the developer?

Again, I just stress to my colleagues, I can remember talking with the people in my hometown who lived in project-based facilities. They were desperate to get out. I suggest there is not a soul in this Senate, Member or staff, who would want to spend one night in some of those facilities, and those people have no option, no choice, no way to get out. I just think it is wrong for us to kind of steamroll another $350 million here for a project that has not been tested and was established as a pilot project to begin with.

I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President will the Senator from Maryland withhold a few moments? I want to make a couple of comments.

Mr. President, the senior Senator from Maryland apparently was offended by my use of "purple language." I might also say I am concerned about red ink.

Mr. SARBANES. Will the Senator yield?

Mr. COHEN. In just a moment.

Mr. SARBANES. I was not offended; I was surprised.

Mr. COHEN. Nothing is to be taken as a surprise any longer. In any event, I think the implication was that I was quoting something out of context from a letter from the Secretary of HUD.

Mr. SARBANES. I did not make that implication.

Mr. COHEN. I would like to submit the full letter for the RECORD, so there is no perception on my part to just quote a part of the letter in order to come to a different conclusion than is warranted. So I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
Washington, DC. August 1, 1994.

Hon. CHRISTOPHER BOND,
Ranking Minority Member, Subcommittee on Housing and Urban Affairs, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR BOND: I am pleased to inform you that tomorrow HUD will be announcing the selection of pension funds to participate in the Section 8 Community Investment Demonstration. The following are the selected pension funds and the amount of project-based rental assistance setaside they are approved to receive:

Board of Pensions and Retirement of the City of Phiadelphia, in partnership with the Redevelopment Authority of the City of Philadelphia—$10 million.

California Public Employees Retirement System—$10 million.

Fund for Affordable Housing, based on Boston, MA—$10 million.

NYC Comptroller's Office, representing the New York City Employees' Retirement System, the New York City Police Pension Fund, and the Teachers' Retirement System of the City of New York—$10 million.

Equitable Real Estate Investment Management, Inc. representing the California Community Mortgage Fund (composed of CalPERS, the Los Angeles Fire and Police Pension Fund, and possibly other California-backed funds) and the Community Works Fund (composed of the Massachusetts Bay Transportation Authority Retirement Fund, the St. Louis Carpenters Fund, and possibly other Taft-Hartley funds)—$10 million.

AFL-CIO Housing Investment Trust—$50 million.

ATTACHED ARE FACT SHEETS THAT DETAIL THE RECIPIENTS' PROPOSALS

This program has attracted the interest of many pension funds across the country. Just 30 days after the Department began accepting applications for participation in this program, requests for rental assistance far exceeded the $100 million in funds available. We have received hundreds of phone calls from pension fund representatives interested in participating in this first funding round and many of those who felt unprepared to apply now inquired about the possibility of applying in the future.

As you may know, this initiative is beneficial to the American economy for a number of reasons. [For one, the demonstration has fostered the formation of public-private partnerships that are bringing new sources of capital to meet the significant need for housing in this nation. Second, this initiative leverages federal resources to attract private dollars to investment in affordable housing for low- and moderate-income Americans. Third, it encourages pension funds to invest some of their $4 trillion in assets—which make up one-third of all assets in America—back into the U.S. economy.]

Thank you for supporting this program.

Sincerely,

HENRY G. CISNEROS,
Secretary.

Mr. SARBANES. Mr. President, I say to the Senator, there was certainly not that implication.

Mr. COHEN. I thank the Senator from Maryland.

Mr. President, I am not sure whether this is a good or bad program. I am in the ironic situation where I support section 8 housing; it has worked very well in the State of Maine. This may, in fact, be a valid way of creating more opportunities in the housing market.

I have several, however, with this appropriation. First this demonstration project required the GAO to file a report analyzing its prospects. There has been no review of how the contracts were awarded. As my friend from Florida pointed out, none were awarded on a competitive basis, but on a first-come-first-serve basis.

Second, many of these contracts are, in fact, public pension funds which are not subject to ERISA. With this in mind, Mr. President, the question I have is, why are we going from $100 million to $350-million-plus in 1 year without having some kind of an outside analysis as to the validity of the projects?

Finally, I will say, if these investments really make sense, the pension programs, be they private or public, could invest in them now. They can invest in them right now, subject to the standards set up by ERISA for the private programs. Why are they not doing that? Presumably, because there is some risk involved.

Why do we need to add a taxpayer subsidy to these managers to encourage them to go into this project? I think if they make sense on their own merits, they would invest in them. But, obviously, they are not. So now we have the taxpayers being asked to come up with $300-million-plus to, in effect, subsidize the investment. While admittedly there are some protections in here for the pensioners under this legislation, I do not believe we should expand this program without a full understanding of all the risk.

But I might point out that the legislation says, "The mortgages secured by the housing assisted under this demonstration shall meet such standards regarding financing and securitization as the Secretary may establish." It does not say he "must" establish, but he "may" establish.

Second, not all of these pensions are subject to ERISA. As Senator MACK has pointed out, most of these are public pension plans which are not subject to the standard.

So I just think that we are moving awfully quickly, and it may be a good idea. It may be a good idea. But we are moving from 1 year, we are tripling the funding here, and I think it makes sense to at least adhere to last year's level until we have more information about the viability of this particular project.

I would yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER (Mr. FORD). The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to answer the Senator from Maine because he raised some important questions.

First of all, I will concede up front that if you do not have the section 8 involvement from the Federal Government, you will not get the investment in affordable housing. Affordable housing is a tough thing to do in terms of its economics. So on that basis, standing alone, the pension fund would not invest in affordable housing.

The question then becomes, since the Federal Government wants to do affordable housing, if the Federal Government provides a certain amount of contribution to achieve the affordable housing, does the section 8 assistance change the economics of the project in a way which meets the requirements of the pension fund? That is what this demonstration will do. The pension fund is not investing in a risky enterprise. The pension fund is investing in an enterprise which makes economic sense because of the Federal contribution to it.

Then you say, "Well, there is Federal money going into it." But if we are trying to build affordable housing, this is a way to get more affordable housing for the amount of the Federal investment without endangering the pension funds in any way.

Now, it is true that some of the initial recipients are State retirement systems. They, of course, are governed by State requirements, which in some instances are stricter than ERISA requirements. I would point out to my colleague that one of the funds to get an initial grant is the California Public Employees Retirement System—the most successful retirement system in the nation, public or private. CALPERS is regarded as a model with respect to investment plans.

Now, when HUD proposed the expansion of the program, one of the problems was—and it is a reasonable question—why are you back now? The Banking Committee reported out an authorization bill, as my distinguished colleague from Maryland has indicated, which increased the authorization to $350 million. That bill came out of the Banking Committee on a 15-to-3 bipartisan vote, although the distinguished Senator from Florida, who is proposing this amendment, was opposed to the legislation. The overwhelming majority of the committee supported that legislation which is now pending on the calendar.

Now, at the time we considered last year's proposal, the questions were: Will pension funds take an interest in this program? Will the pension funds analyze it and reach the conclusion that it makes economic sense, meets their fiduciary responsibilities and represents a prudent investment of the funds that they are required to manage? So one of the concerns with the demonstration was that we would set it out there and no one would come calling. After all, as I indicated earlier, the funds have to make a voluntary judgment. They have to conform to their fiduciary responsibilities.

Now, what has happened, as the Secretary has indicated in his letter, is that the program has attracted the interest of many pension funds across the country. He has now indicated that pension funds have expressed an interest far in excess of the available funds. It seems to me this is an opportunity to move forward in a very positive and constructive way with adequate protection for the pension funds and with an opportunity to get affordable housing for our people. I very much hope the Senate will reject the amendment.

Ms. MIKULSKI. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I move to table this amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is the Senator moving to table the amendment?

Ms. MIKULSKI. I move to table the Cohen-Mack amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The PRESIDING OFFICER (Mr. LEAHY). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—55

Akaka
Baucus
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
D'Amato
Daschle
DeConcini
Dodd
Dorgan
Exon
Feinstein
Ford
Graham
Harkin
Hatfield
Hollings
Hutchison
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—43

Bennett
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
Danforth
Dole
Domenici
Durenberger
Faircloth
Feingold
Glenn
Gorton
Gramm
Grassley
Gregg
Hatch
Helms
Jeffords
Kassebaum
Kempthorne
Kohl
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Heflin
Lott

So the motion to table the amendment (No. 2452) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I believe that the Senator from New Hampshire has an amendment, and we are ready to begin the debate if he is ready. If not, we can take a few minutes for a quorum call.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I know that the Senator wishes to have other issues that he wishes to bring up on the bill. I wonder if the Senator from New Hampshire would enter into a time agreement of perhaps 20 minutes equally divided.

Mr. SMITH. On this particular amendment?

Ms. MIKULSKI. Yes, on this particular amendment.

Mr. SMITH. The Senator from New Hampshire will be glad to do that. Unless others wish to speak, and I have no indication that anyone does, 10 minutes on my side is more than ample.

Ms. MIKULSKI. That would be acceptable. I know of no one. I think others are at policy conferences and will be listening to this on TV.

Mr. SMITH. I would say 20 minutes between the two sides. I will not use all of that.

TIME LIMITATION AGREEMENT

Ms. MIKULSKI. I ask unanimous consent that the Smith motion to recommit be limited to 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Ms. MIKULSKI. I further ask unanimous consent that there be no other amendments to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire is recognized for 10 minutes.

MOTION TO RECOMMIT

Mr. SMITH. Mr. President, I have a motion to recommit which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the motion.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. SMITH] moves to recommit H.R. 4624 to the Committee on Appropriations with instructions to report the bill to the Senate, within 3 days (not counting any day in which the Senate is not in session) with an amendment reducing the total appropriation provided therein to a sum not greater than the fiscal year 1994 level.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for up to 10 minutes.

Mr. SMITH. Thank you, Mr. President.

Mr. President, this is an amendment that is exactly along the same vein as several others that I have offered on all the appropriations bills as they have come before the Senate.

My intention here is to try to bring to the attention of my colleagues and to the American people that there is no way that we can reduce the deficit and the debt in the United States of America if we are not willing to at least draw the line on appropriations bills. There are 13 of them, 13 appropriations bills, and this is the 5th one that is now over last year's appropriations.

I do not see how we can realistically look at where the national debt is going, which is now $4.7 trillion. The deficits are in the $200 billion range.

And yet here we are with another appropriation bill, this one about $1.4 billion over last year.

We cannot balance the budget by limiting the growth of these appropriations bills. I know that. All of my colleagues know that. But we have to start someplace.

I remember the debate on the balanced budget amendment in which some of my colleagues who took the opposite position said, look, we do not need a balanced budget amendment. All we have to do is balance the budget. All we have to do is just exercise fiscal restraint when matters come before us. Of course, that is true. But we do not.

Let us talk specifics: The amount of the Senate bill is $89,750,637,061. The amount that was enacted in fiscal 1994 is $88,313,837,932. You subtract A from B and you get $1,436,799,129. That is the increase, $1.4 billion-plus in this appropriations bill over last year.

How in the world can we balance the budget, or even talk about balancing the budget, if we are not willing to take a stand on these appropriations bills?

We hear it time and time again, Mr. President. There is always a good reason to increase spending. There is always a thousand different things the money can be spent for. Nobody ever wants to cut the budget around here. I am trying to get the wake-up call. Hey, it is me again—SMITH—standing up before the Senate. You know what? You cannot reduce the debt, you cannot reduce the deficit unless you are willing to draw the line on spending. I am trying to get the message out.

Let me tell what happened. When the legislative branch appropriation bill came before the Senate it was $91 million over. I lost.

The Treasury-postal bill was $1 billion over. I brought that to the attention of my colleagues in the Senate. I lost.

The transportation bill was $740 million over budget. I brought that to the attention of my colleagues here on the Senate floor. We debated it. I lost.

We came to the Commerce, Justice, State appropriations bill. That one was $4.1 billion over fiscal 1994. I brought that to the attention of my colleagues here on the floor of the Senate in debate, and I lost.

Now, here we come again with this one, the VA-HUD agency appropriations of $1.4 billion.

Let us add them up: $91 million, $1 billion, $740 million, $4.1 billion, $1.4 billion, total $7.4 billion.

So far, with the appropriations bills that have been before this body, we now have five of them that are over budget to the tune of $7.4 billion collectively.

All this talk about cutting spending is falling on deaf ears, because we are not cutting spending. Anybody out there in America who thinks the U.S. Senate is cutting spending is simply dreaming, because the Senate is not cutting spending. They have increased it $7.4 billion just on these appropriations bills.

Now some say, well, you know that is a little unfair. We cannot balance the budget just dealing with these appropriations bills. But as I said before, you have to be willing to draw the line. You have to be willing to set the example. You have to be willing to say here is what we have control over, right here. This is discretionary spending. This is not entitlements.

It is a joke to hear people talk about reforming entitlements. Who in the world is going to reform entitlements, and have the courage to do it, if you cannot even vote to cut $91 million out of the legislative branch appropriations bill, which is what funds us here in the Congress. God forbid, we could take a few bucks out of what we spend in our own legislative appropriations. They have all gone down, $7.4 billion in total.

You know what is interesting about it, as I conclude this debate. What is interesting about this is, this is not $7.4 billion sitting up there somewhere in a fund and we are just going to spend it out, and spend it, pass it around. This is borrowed money. As you may recall, we have a debt of $4.7 trillion. We have a deficit. So we are borrowing money. This is not sitting up there in the fund.

How much does it cost to borrow that $7.4 billion that in the last month or so the Senate of the United States has spent more than it did last year? How much—$555 million in interest alone on what we are borrowing. That is just the interest. So you now have a half-billion dollars more in interest on that borrowed money. And yet time after time, vote after vote, we bring this matter to the attention of the Senate, and we lose.

Then Senators go back home and say the first thing we have to do is cut spending. I tell you folks, cutting spending is my No. 1 priority.

Look at the votes; look at the votes and see who has the No. 1 priority of cutting spending around here. The most votes I got on any of these proposals was 38. I do not know how that happened because most of them were a lot less.

So, the bottom line is, every Senator ought to ask himself or herself one question before voting, and this is it: Should Federal spending on the VA-HUD and independent agencies be increased by last year's level and, furthermore, should it be increased to the tune of $1.4 billion? And are you willing to borrow that $1.4 billion at 7.5 percent interest and add that to the total of the other appropriations bills that I have already outlined and already have been defeated on?

If you are, then vote "no" against Smith; do not vote to recommit the bill.

I want to point out, I am not asking the managers to cut any specific programs. I think the Senator from Maryland understands that. I am not singling out any program. I am willing to work with her or anyone else to see to it that we do this in a fair and equitable manner.

But the point is, should we increase spending over last year to the tune of $1.4 billion? I say we should not, because we ought to set the example and say that we are willing to deal with these appropriations bills in an honest way.

My motion is simple. It sends the bill back, sends it to the Appropriations Committee, with instructions that they report a bill that does not exceed last year's spending. No conditions. You work it out. If I can help, I am more than happy to do it.

Again, Mr. President, I am sending the same message that I have sent in the past, trying to bring to the attention of my colleagues and to the American people that it is impossible to cut spending if do you not vote to cut spending. It is impossible to bring down the deficit and the debt if you are not willing to stop spending or to reduce spending. Figure it out. Think of your own situation at home. If you spend more than you take in, how long can you do it in your household, and so forth?

So, Mr. President, at this point, I yield back any time that I may have remaining or yield it to my friend on the other side if she wishes it.

At this point, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Ms. MIKULSKI. Mr. President, before I comment on the impact of the amendment of the Senator from New Hampshire—this is a process question—I know the Senator from New Hampshire wants a recorded vote on his motion to recommit; am I correct?

Mr. SMITH. Yes.

Ms. MIKULSKI. It is anticipated that after we dispose of the Senator's amendment, the Senator from New Jersey [Mr. LAUTENBERG], wishes to offer a sense-of-the-Senate resolution on the issue of violence in abortion clinics, a topic that I know the Senator is keenly interested in.

I wonder if we could have a time agreement on that and then do the two votes stacked back to back, because there are Senators, I know, who are off the Hill. If the Senator wants to go ahead, that is OK with me, too.

Mr. SMITH. Let me see if I understand. Is the Senator expecting a vote on the abortion clinic amendment of Senator LAUTENBERG?

Ms. MIKULSKI. The Senator from New Jersey has advised me he, too, seeks the yeas and nays.

Mr. SMITH. So the intent would be to have my vote——

Ms. MIKULSKI. That we complete the debate on this and we set it aside with time designated for the vote; we then move to the Lautenberg debate; and then after the Lautenberg debate, we have both those back to back.

Mr. SMITH. That would obviously be a convenience to our colleagues, and I do not object to that.

Ms. MIKULSKI. I, therefore, ask unanimous consent that, upon the conclusion of the debate on the Smith amendment, it be laid aside and that debate be undertaken on the Lautenberg amendment relating to violence at abortion clinics. How much time would the Senator want?

Mr. LAUTENBERG. Mr. President, I would say 20 minutes, equally divided, would be sufficient.

Ms. MIKULSKI. I ask the Senator from New Hampshire, would 30 minutes equally divided be acceptable?

Mr. SMITH. Thirty minutes on the Lautenberg amendment? I have no indication from any Member.

Ms. MIKULSKI. I withdraw my unanimous-consent request.

Mr. SMITH. I will check on that, and I will get back to the Senator.

Ms. MIKULSKI. Let me move ahead with my debate. I think we are now just ironing out the details. I think we understand the framework. It is just the matter of the time.

Mr. SMITH. There is one Senator who may wish to speak on this. I need to check with him.

Ms. MIKULSKI. Yes; and I, too, wish to speak on that subject.

I will now return to debating or discussing the impact of the amendment of the Senator from New Hampshire.

What I would like to bring to my colleagues' attention is the impact of recommitting this bill.

No. 1, VA pension funds would go from a 500,000 backlog claims to over 1 million because the staffing and technological improvements would not occur.

No. 2, I want to be sure that everyone understands that these are service-connected vets who are forced to wait as long as 6 months for claims to be adjudicated. VA staffing would be cut by 400 people. VA would have to cut back more than 800,000 outpatient visits and 36,000 inpatient visits, again because of its impact on staffing and the ability to use technological innovation to expedite workload.

In the area of the environment, EPA wastewater construction would be cut $1 billion. It would mean a loss in construction jobs but, also, further deterioration of our Nation's water supply. Today, there is a $100 billion backlog of wastewater construction needs. One of the most significant number of requests that this Senator receives in terms of special earmarks or report language is in the area of wastewater construction because of the significant backlog. When we do wastewater construction, we do two things. We generate real jobs in the construction industry and, at the same time, we are dealing with wastewater and therefore improving our environment.

Also, EPA would not be able to fund things like climate change, the environmental technology initiative, and also begin to get a discipline on runaway contractor spending and be able to deal more effectively with waste and abuse and even fraud in these areas.

For the National Science Foundation, it would be forced to cut senior researchers, assistance to graduate students, and, even more importantly, it would mean that over 4,000 teachers would not be retrained in terms of being able to be far more effective in the classroom to teach science and math.

For Federal Emergency Management, it would cut State grants, meaning States and local governments would not get needed assistance to train and prepare for hurricanes, earthquakes, and other disasters where Americans are at risk.

As you know, we have tried to make substantial gains, despite the stonewalling of the FEMA administration, in moving it to a risk-base strategy. For homeless programs, HUD would be cut $300 million, meaning 100,000 homeless would be denied shelter.

Forty thousand families who are on the waiting list for public housing would not get into public housing, and the maintenance of public housing would further deteriorate.

The Presiding Officer, a prosecutor, a former DA, knows that often our public housing has become incubators for drug dealers. Our legislation makes important anticrime and security improvements. Finally, there would be cuts in affordable home units due to cutting the home program.

I think my colleagues get the picture. In my bill are public investments. There are public investments in housing, in cleaning up the environment, in making America safe in the area of emergencies that affect it, and also it keeps our promises to veterans. We have not just galloped ahead in a cavalier way with our spending. We faced a very tough allocation through the 602(b). I acknowledge the validity of the concerns of the Senator from New Hampshire to get a handle on Government spending, but I do think that a motion to recommit back to last year's funding levels would be misguided.

When a vote is taken on this amendment, I hope that it would be defeated.

Now, if there are no other Senators who wish to speak on this amendment, I ask unanimous consent that this amendment be set aside and that a vote occur after the debate on the Lautenberg amendment on abortion violence.

The PRESIDING OFFICER. Without objection, it is so ordered. All time is yielded back by the Senator from Maryland. The amendment is set aside, and the Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the committee amendments be laid aside so we can take up my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I thank the distinguished manager of the bill and appreciate her enabling us to get to this at this point.

AMENDMENT NO. 2453

(Purpose: To express the sense of the Senate condemning the murder of a doctor and escort serving a reproductive health clinic in Pensacola, FL, and urging the administration to take steps to protect persons who work at, and women who wish to use the services of, such clinics)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself, Mr. PACKWOOD, Mr. FEINGOLD, Mrs. MURRAY, Mr. DECONCINI, and Mrs. FEINSTEIN, proposes an amendment numbered 2453.

The amendment is as follows:

On page 91, between lines 9 and 10, insert the following:

SEC. 518. It is the sense of the Senate that—

(1) the murders of a doctor, his escort, and the wounding of another escort outside a reproductive health clinic in Pensacola, Florida, on July 29, 1994, were reprehensible acts of violence and terrorism;

(2) the Department of Justice, Federal Bureau of Investigation, and Bureau of Alcohol, Tobacco, and Firearms should undertake all enforcement and investigative activities under the Freedom of Access to Clinic Entrances Act, and any other applicable laws, that are necessary to ensure the safety of women seeking reproductive health services, their doctors, and escorts and clinic workers and to demonstrate to future potential perpetrators of such violence that these laws will be strongly enforced nationwide;

(3) The Attorney General should utilize the full extent of her authority to provide adequate protection to women obtaining reproductive health services, their doctors, and escorts and clinic workers; and

(4) all investigative and law enforcement activities undertaken by the Government in accordance with this section should be conducted in a manner that is fully consistent with the first amendment to the Constitution.

Mr. LAUTENBERG. Mr. President, on July 29 two men were killed, shot to death, while on their way to work. One was John Bayard Britton, a 69-year-old physician. The other, James Herman Barrett, was a 74-year-old retired Air

Force lieutenant colonel whose mission that morning was to try to make sure Dr. Britton got to work safely.

Every morning, before he went to work, Dr. Britton put on a bulletproof vest. Every morning, Dr. Britton had an escort whose job it was to protect him as he went to work. Dr. Britton did not practice medicine in some far off, war torn country. No, Dr. Britton wore a bulletproof vest and had an escort, and feared for his life because he worked in Pensacola, FL, and because he performed abortions.

The man charged with the brutal and senseless murders of Dr. Britton and Colonel Barrett is Paul Hill, a local leader of a radical antiabortion group known as Defensive Action. Mr. Hill and his views were well-known. He had circulated letters among radical antiabortion groups espousing his personal philosophy that killing doctors who perform abortions was justifiable.

Mr. President, like it or not, abortion is a legal medical procedure in this country. There is no reason for women who seek this procedure to be harassed.

They have been protected by decisions made by the Supreme Court. Other courts have moved the demonstrators further from the facilities they visit so that they can be free to come and go in a lawful manner as they do. There is no reason for doctors who provide legal abortion services to be threatened. But they are, routinely, day and night. And their families are harassed. And there was no reason for Dr. Britton to be shot down, but he was. He was because Paul Hill and others like him do not respect the laws of of our country.

Mr. President, Colonel Barrett's wife, June Barrett, was also shot that day. By God's grace, she was only wounded. I have not met Mrs. Barrett, but by her words and deeds I know her to be a courageous and strong woman.

I have seen her interviewed. I have read her statements.

Mrs. Barrett has vowed that she will return to work as an abortion clinic escort. She has said:

> My husband died for the cause of a woman's right to choose * * *. I'm not going to sit back in a corner and not do anything. Somebody's got to stand.

Mr. President, we in this great body have to stand. We have to do all that is within our power, the power of the Federal Government, to ensure that our doctors do not fear for their lives because they are willing to perform legal medical procedures. We need to do all that is within our power to ensure that the women of this country have access to legal medical procedures without fear of harassment and personal violence.

Mr. President, earlier this year President Clinton signed the Freedom of Access to Clinic Entrances Act or what is known as FACE. This bill made it a Federal crime to block, obstruct, or intimidate a woman seeking reproductive health services or a doctor trying to perform them. But it is clear that this law will not be enough to protect doctors and the women of our country.

That is why I applaud Attorney General Reno's decision, announced Monday, to take preemptive action across the country by posting U.S. Marshals outside of clinics that have been threatened.

Mr. President, I also compliment her decision to investigate whether RICO statutes apply to militant antiabortion groups.

Finally, I was pleased to read in this morning's New York Times that the FBI is now actively investigating whether or not there is a conspiracy among antiabortion militants to inflict violence upon doctors who provide abortion services.

We have seen the television pictures of people who hold up signs saying that the killing is justified; that this is the way to defend these unborn children. No persons can take the law into their own hands and claim to be law abiding citizens. Violence against abortion providers and women seeking abortion services is on the rise.

Unfortunately, the coldblooded killing of Dr. Britton and Mr. Barrett was not an isolated incident. Violence against abortion providers and women seeking abortion services is on the rise. Since 1984, there have been over 1,500 acts of violence near abortion clinics. Furthermore, there have been 146 arson attempts or bombings of abortion clinics since 1982.

Mr. President, let me summarize the amendment for my colleagues.

It condemns the murders of Dr. Britton and Mr. Barrett.

It urges the Justice Department, the FBI, and the BATF to undertake all enforcement and investigative activities necessary under the FACE law to prevent further abortion clinic violence.

It urges the Attorney General to use whatever authority she has to protect women and doctors who are visiting or working in abortion clinics. And finally, it states that all such actions shall be consistent with the first amendment of the Constitution.

Mr. President, let us send a signal to all women, doctors, escorts, and health care workers in these clinics across the country that their rights to obtain and perform legal medical procedures and the ability to do so safely will be protected.

I hope that my colleagues will support the amendment.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER (Mr. DORGAN). The Senator from Maryland.

TRIBUTE TO RETIRED LT. COL. JAMES H. BARRETT

Ms. MIKULSKI. Mr. President, I rise in support of the Lautenberg amendment. I think any decent American finds violence repugnant, and regardless of how one feels about the abortion issue, I know people of good will who truly support life find what happened in Pensacola to be repugnant.

As a Senator from Maryland, I pay particular tribute to retired Air Force Lt. Col. James Barrett. He was from Maryland. He lost his life while serving others.

Colonel Barrett was tragically killed on that day of July 29, 1994, outside of something called the Pensacola Ladies Clinic while escorting Dr. John Britton—who was also killed—to work the clinic.

Dr. Britton was killed, Colonel Barrett was killed, and Colonel Barrett's wife was injured. Colonel Barrett and Dr. Britton are the latest victims in a long history of escalating violence at women's health clinics. I am deeply disturbed by this violence and am saddened by the tragedy in Pensacola. The fact that Colonel Barrett was needed to escort a doctor to provide services at a women's health clinic is, in itself, tragic. But the deaths of Colonel Barrett and Dr. Britton make this tragic situation even more horrific.

I would like to put a human face on the headline. Colonel Barrett was a Marylander, and I would like to quote from an obituary written by Liz Atwood of the Baltimore Sun. She starts her article by saying:

> Retired Air Force Lt. Col. James H. Barrett helped people.
>
> He helped revive the Retired Officers Association chapter in Annapolis. He drove voters to the polls on Election Day. He gave advice to young people interested in college. If someone needed help, he would lend a hand.
>
> When he died Friday in Pensacola, FL, Mr. Barrett was still helping—escorting a doctor into an abortion clinic.

An Annapolis printer said, "He loved to help people. If a woman needed help, he would help, and that's what he died for."

Mr. Barrett was 74 years old. He was born in Annapolis, the son of a local printer. He went to local high schools and a local college and the University of Maryland. In 1939, he joined the U.S. military. He was a navigator during World War II and he fought in Korea and Vietnam. His military assignments took him throughout the world.

When he retired from the Air Force in 1969, he came back home to Maryland. He taught math and science at George Fox Middle School between 1976 and 1982.

When his first wife died, he found comfort in friends and he helped revive the Annapolis Chapter of the Retired Officers Association. There, the lovely day he met June—June Griffith Allison, a widow who retired with the rank of captain of the U.S. Public Health Service Corps; she was a nurse—the night they were both elected, that is where they met. They fell in love and, as Paul Harvey said, you know the rest of the story.

In 1992, the Barretts moved to Pensacola seeking warmer weather.

They attended the Pensacola Unitarian Universalist Fellowship Church and did considerable volunteer work.

For the past 17 months, they had served as escorts at the Ladies Center which provides gynecological services. Once a month, they would greet Dr. Britton at the airport and drive him to the clinic.

Mr. Barrett had last visited Annapolis in May. At that time, he talked with his brother about the escort work at the clinic * * * he thought it was dangerous.

His brother said: "I don't think I fully realized the risk * * * but he did."

So on Friday, Mr. Barrett was driving a pickup truck taking Dr. Britton to the Ladies Center, with Mrs. Barrett riding in the back seat of the cab. A gunman opened fire with a shotgun, killing Mr. Barrett, killing Dr. Britton, and Mrs. Barrett, a nurse in the Public Health Service Corps, retired, was wounded in the arm.

Well, Barrett is dead, the doctor is dead, and Mrs. Barrett will always carry those permanent wounds.

The family has planned a private funeral.

But while the family plans a private funeral, there should be a public outcry that in the United States of America, where we differ on these issues, we should resolve them in an area of nonviolence. I believe that nonviolence should be the norm of the day.

His wife suggested memorial donations be made to the Unitarian Universalist Fellowship Church and to the Ladies Clinic. And I believe a memorial would be for us to adopt the Lautenberg amendment. I will be supporting it.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 2453, AS MODIFIED

Mr. LAUTENBERG. Mr. President, I modify the amendment with some word changes, and I send the modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment, with its modification, is as follows:

On page 91, between lines 9 and 10, insert the following:

SEC. 518. It is sense of the Senate that—

(1) the murders of a doctor, his escort, and the wounding of another escort outside a reproductive health clinic in Pensacola, Florida, on July 29, 1994, were reprehensible acts of violence and terrorism;

(2) the Department of Justice, Federal Bureau of Investigation, and Bureau of Alcohol, Tobacco, and Firearms should undertake all enforcement and investigative activities under the Freedom of Access to Clinic Entrances Act, and any other applicable laws, that are necessary to ensure the safety of women seeking to enter reproductive health clinics, their doctors, and escorts and clinic workers and to demonstrate to future potential perpetrators of such violence that these laws will be strongly enforced nationwide.

(3) The Attorney General should utilize the full extent of her authority to provide adequate protection to women seeking to enter reproductive health clinics, their doctors, and escorts and clinic workers; and

(4) all investigative and law enforcement activities undertaken by the Government in accordance with this section should be conducted in a manner that is fully consistent with the first amendment to the Constitution.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the distinguished manager of the bill, Senator MIKULSKI, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that an article that appeared in this morning's New York Times talking about the FBI and its evaluation that a conspiracy might exist in terms of clinic violence be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 4, 1994]

FBI UNDERTAKES CONSPIRACY INQUIRY IN CLINIC VIOLENCE

(By David Johnston)

WASHINGTON, August 3.—Setting aside a longstanding reluctance to involve itself in cases of abortion-related violence, the Federal Bureau of Investigation has begun a broad inquiry into accusations that the use of force against women's clinics and their doctors is the work of a conspiracy by anti-abortion militants.

A confidential teletype sent to all 56 F.B.I. field offices on Saturday evening, one day after the fatal shooting of a doctor and his security escort outside an abortion clinic in Pensacola, Fla., said the bureau had information, "volunteered" by abortion rights groups, indicating that about half a dozen anti-abortion militants might be posing "a conspiracy that endeavors to achieve political or social change through activities that involve force or violence."

The teletype listed well-known anti-abortion figures including the Rev. David C. Trosch, Michael Bray, C. Roy McMillan, Matthew Trewhella, David Crane and Donald Spitz. All of them signed the "justifiable homicide" declaration, which circulated recently among anti-abortion militants, that supported killing doctors who perform abortions.

In a telephone interview from Mobile, Ala., Father Trosch, a Roman Catholic priest whom the church has suspended because of his advocacy of lethal force against abortion doctors, denied any conspiracy.

"The pro-aborts have been presenting this view since the killing of Dr. Gunn," said Father Trosch, referring to Dr. David Gunn, an abortion provider who was shot to death outside another Pensacola clinic in March 1993. "There is absolutely no conspiracy by anyone. I'm sure of it."

PRESSURE FROM JUSTICE DEPT.

The teletype set off the first full Government inquiry of accusations by abortion rights leaders that a campaign of terror is under way at the nation's abortion clinics, a campaign that these advocates say the authorities have failed to deal with.

The inquiry was brought on by pressure from the Justice Department, the F.B.I.'s parent, whose senior leaders, including Attorney General Janet Reno, are unequivocal supporters of abortion rights.

On Friday about 5 P.M., less that 10 hours after the killing of Dr. John B. Britton and his security escort, James H. Barrett, outside the Pensacola Ladies Center, Ms. Reno spoke with Louis J. Freeh, the F.B.I. Director. Mr. Freeh then set the investigation in motion, said one law-enforcement official, who maintained that despite misgivings of some F.B.I. officials, the Director had been eager to take on this high-profile inquiry important to the Clinton Administration.

In a series of intensive discussions that continued into Saturday, Federal agents met with representatives of abortions rights groups like the Feminist Majority, the National Organization for Women, Planned Parenthood and the National Abortion Federation. Drawing on those groups' years of encounters with anti-abortion demonstrators, the agents compiled a profile of violence to guide their inquiry.

"We believe there is a nationwide conspiracy," Kim A. Gandy, executive vice president of the National Organization for Women, said in an interview today. "The Justice Department and the F.B.I. do not have a handle on it yet. They don't know the extent of the problem."

RELUCTANCE WITHIN THE BUREAU

Not withstanding what was said to be Director Freeh's eagerness to take it on, the investigation was an uncomfortable step for many of the bureau's senior managers. Even as the most militant elements of the anti-abortion movement grew more violent, these officials had been wary of involving the bureau, for fear that it would somehow be drawn into the broader ideological clash between mainstream anti-abortion groups and abortion rights advocates.

Some of these officials feel that the line between legitimate political activity and criminality can be blurred, particularly in hindsight. They could never be certain, they say, that a future Administration that opposed abortion rights would not accuse them of improper conduct, and could never be sure that their current superiors would back them if they inadvertently overstepped the line.

Some top managers at the F.B.I. now were junior agents back in the late 1960's and 1970's who watched as the bureau was nearly ripped apart over disclosures that agents had illegally subverted antiwar and civil rights advocates. More recently, in the mid-1980's, the bureau was rocked by similar disclosures involving its antiterrorism inquiries into the Committee in Solidarity With the People of El Salvador, an organization sympathetic to leftist Salavadoran insurgents.

The current investigation is being conducted under the Attorney General's domestic terrorism guidelines, which authorize the use of investigative techniques like surveillances and interviews but limit the use of intrusive undercover tactics like wiretapping and property searches.

The F.B.I.'s legal basis for pursuing such an investigation was strengthened by the enactment of a law in May that makes it a Federal crime to block access to an abortion clinic or to use force or threats against employees or patients there.

Law-enforcement officials said today they are investigating whether Paul J. Hill, the suspect in Friday's shootings, can be prosecuted under the new law. This investigation is a departure from the usual Federal practice of waiting until a local prosecution is completed before deciding whether to bring Federal charges.

No decision has been made on whether to charge Mr. Hill with a Federal offense, which carries possible life imprisonment, the officials said. But some Federal prosecutors are pressing to go ahead before local authorities as a demonstration of the new Federal law. A Federal prosecution would not preclude a trial on state charges.

Ms. Reno had promised after the killing of Dr. Gunn to launch an inquiry into whether the law-enforcement authorities could use Federal criminal conspiracy statutes, like those used against the Mafia, in cases involving anti-abortion extremists. She was said by law-enforcement officials to be disturbed to learn after Friday's shootings at how little had actually been done.

Federal authorities had Mr. Hill under investigation for violating the new law. Justice Department officials have not fully explained why Federal prosecutors in Florida and their superiors in Washington dropped the case for lack of evidence.

The F.B.I.'s teletype adopted a careful tone. "The inquiry," the message said, "will be of short duration and will be confined solely to obtaining information necessary to making an informed judgment as to whether a full investigation is warranted."

The teletype, sent from the bureau's Washington field office, emphasized that the inquiry was to be a "measured review" of the most militant anti-abortion activists. It was sent to the personal attention of all special agents in charge of F.B.I. field offices, advising them of the 90-day preliminary inquiry, a precursor to a full-fledged criminal conspiracy investigation.

Mr. LAUTENBERG. Mr. President, I want to just mention another article that appeared in the New York Times on the 30th of July. This was right after the doctor and his escort was murdered. It talks about a meeting held in Chicago by 100 antiabortion leaders meeting at a Chicago hotel to plan their future.

But their weekend gathering . . . quickly turned into a heated 2-day debate on a chilling question that has split their ranks: Is the killing of doctors who perform abortions morally justified?

One of the people who went to this meeting who is listed here as Reverend Flip Benham, the director of Operation Rescue National, a group that once represented the most extreme end of the antiabortion spectrum, said:

I think what he's saying is heresy, it's sin, it's murder, it's wrong, and it solves nothing, only makes things worse. But I was in the minority.

I ask unanimous consent that that article from the New York Times also be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 30, 1994]

A CAUSE WORTH KILLING FOR? DEBATE SPLITS ABORTION FOES

(By Tamar Lewin)

Exactly three months ago, nearly 100 anti-abortion leaders met at a Chicago hotel to plan their future.

But their weekend gathering at the Radisson Lincolnwood Hotel quickly turned into a heated two-day debate on a chilling question that has split their ranks: Is the killing of doctors who perform abortions morally justified?

Paul J. Hill, the former minister charged yesterday with shooting a doctor and two others at a Pensacola, Fla., clinic, did not say much at the Chicago conference.

But by all accounts, his presence there—and his yearlong crusade for the proposition that killing doctors who perform abortions is justifiable homicide, mandated by the Bible—dominated the meeting. The issue has been a divisive one within the anti-abortion movement ever since the fatal shooting last year of Dr. David Gunn outside the other Pensacola clinic.

"I went to Chicago because I had to confront Paul Hill," said the Rev. Flip Benham, director of Operation Rescue National, a group that once represented the most extreme end of the anti-abortion spectrum. "I think what he's saying is heresy, it's sin, it's murder, it's wrong, and it solves nothing, only makes things worse. But I think I was in the minority."

Rick Blinn, a spokesman for Operation Rescue who was also at the meeting, said that Mr. Hill had handed out his position papers liberally and had tried, in informal conversations with those who disagreed with him, to use the Bible to defend his position.

Even the formal agenda of the meeting reflected the debate over killing: one item listed for discussion was "Violence and Nonviolence: How to Work With Disagreement," and another was "Focus Team on Marginal Killers."

Many at the Chicago meeting said they had thought the debate was purely theoretical.

"The discussion of killing was abstract, almost theological," said the Rev. Frank Pavone of Priests United for Life. "No one was at any time talking about any kind of action."

However, abortion rights groups said yesterday that it was at best disingenuous for those who engage in fiery rhetoric about "baby killers" and "the abortion Holocaust" to express surprise when their rhetoric leads to violence.

"Opponents of choice who call physicians 'baby killers' one day have no credibility the next when they issue polite statements of regret after physicians and escorts have been gunned down in cold blood," said the statement issued yesterday by the National Abortion and Reproductive Rights Action League.

And some of those who had been at the Chicago meeting were hardly ringing in their condemnation of yesterday's killings, reserving most of their outrage for those who interfere with abortion protests.

"This may be the start of the new civil war everyone has been talking about," said Don Treshman, the director of Rescue America, who was at the Chicago meeting. "As a result of the Clinton Administration's oppressive efforts to stop even peaceful pro-life activities, I fear there will be more bombings and shootings. Up to now, the killings have been on one side with 30 million dead babies and hundreds of dead and maimed mothers. On the other side, there are two dead doctors. Maybe the balance is going to start to shift."

While several of those who were present at the Chicago meeting said they were distressed by the widespread acceptance of the idea that it might be justifiable to kill those who perform abortions, none of those interviewed would identify the individuals or groups that had taken that position most strongly.

And in the wake of yesterday's shootings, most seemed eager to distance themselves from such thinking.

"I went to the meeting hoping we could agree on nonviolent actions all of us could support," said Joseph Scheidler, director of the Pro-Life Action League. "But early on, we hit the item on 'Violence and Nonviolence: How to Work With Disagreement,' and that became the issue for the rest of the weekend. I was surprised at how much support there was for Paul Hill. I had always boasted that we don't fight among ourselves in the pro-life movement, but this was very divisive."

A PERSISTENT ISSUE

The issue of violence and civil disobedience in the service of stopping abortions has been touchy for years.

Leaders of some mainstream anti-abortion groups have always been quick to condemn unlawful actions, stressing their commitment to opposing abortion through the political process and their distance from groups such as Operation Rescue, which have frequently violated the law.

Yesterday's shootings brought a new outpouring of statements denouncing violence. And the leaders of Operation Rescue National and the Pro-Life Action League said yesterday that they had argued with Mr. Hill, before, during and after the Chicago meeting, that killing doctors is not justifiable.

But while many anti-abortion leaders sought yesterday to portray Mr. Hill as a lone extremist, with no following, it had been apparent even before the Chicago meeting that Mr. Hill had some significant support.

HILL'S SUDDEN PROMINENCE

Last month, Mr. Hill circulated a petition declaring the justice of using force to defend "innocent human life."

"Whatever force is legitimate to defend the life of a born child is legitimate to defend the life of an unborn child," the petition said.

Most of the anti-abortion leaders said they first heard of Mr. Hill, who established an organization called Defensive Action, only after the shooting of Dr. Gunn last year.

Mr. Hill thrust himself into the limelight through the force of his statements in support of Michael Griffin, 32, the man convicted of the shooting.

"The first time I ever laid eyes on him," said Mr. Benham, the Operation Rescue National official, "I was in jail in Dallas, and he came on 'Donahue' saying we should kill all the abortionists."

Mr. LAUTENBERG. Mr. President, as usual, the Senator from Maryland, the manager of the bill, has a unique way of expressing things that arrests all of our attention. She speaks the truth and she speaks it with a degree of eloquence and certainly that makes her a spokeswoman for all of us at times, and I am so proud to serve with Senator MIKULSKI.

When you think about this man out there trying to perform his duty under his oath, the Hippocratic oath, under the law as represented by the Constitution, to protect the privacy of people, and to be murdered in the full bloom of life, as he wore his bullet-proof vest—the shots apparently penetrated the vest—because he knew he was in danger, he was in many ways a heroic man. He decided to do his duty as he had sworn to do under oath, regardless of the dangers that he personally faced.

So what we see, Mr. President, is the fact that even under the law someone performing a function that is protected by law could not complete it. And, boy, if anything is brought to our attention, it is that we cannot abide lawlessness, no matter how zealous, no matter how righteous those who try to intimidate, influence, assault or even kill are wont to do.

So, Mr. President, I ask that the amendment be immediately considered, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? In the opinion of the Chair, there is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. SMITH. Mr. President, there is no objection to the amendment on our side. I would say to my colleague that those of us who are prolife feel very strongly about protecting the rights of the unborn, and we also feel very strongly about protecting the rights of those who are born. Certainly a senseless murder like that is uncalled for, and we certainly do support the amendment of the Senator from New Jersey.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LAUTENBERG. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will call the roll.

The bill clerk proceeded to call the roll,

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. I know that the Senator from New Hampshire has two additional amendments that he wishes to offer and, from his perspective, achieve more fiscal control on the bill.

I wonder if the Senator from New Hampshire would agree to making a unanimous consent—or I could—that we debate both of his amendments and then have four votes stacked back to back: his motion to recommit, the Lautenberg amendment, and then, if he wishes a rollcall on his two other reallocation amendments, that we do it all at one time. And then, I believe, if there would be no other amendments, we could begin to move to wrap up the bill.

Mr. SMITH. The Senator from New Hampshire has no objection to that unanimous consent request, and no one that I know of on our side has objection to it. I would anticipate from the interest of our colleagues from my side of the debate on each of the amendments, approximately 15 minutes, maybe 20 minutes maximum on each, for my side, unless there are others who wish to speak.

Ms. MIKULSKI. I bring to the attention of the Senator from New Hampshire that it is 1:15. We could begin the votes at 2 o'clock.

Mr. SMITH. Unless somebody engages me in debate and takes more time. The presentation I would have would not be more than 45 minutes on both.

Ms. MIKULSKI. Would the Senator prefer an informal agreement?

Mr. SMITH. I would prefer informal, but the presentation would be——

Ms. MIKULSKI. I prefer informality, with the understanding the votes would occur in a stacked fashion once we have completed the debate on the two amendments.

Mr. SMITH. I have no objection.

Ms. MIKULSKI. And Senators will be so informed.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

COMMITTEE AMENDMENT ON PAGE 22, LINES 18 THROUGH 25

Mr. SMITH. At this time, Mr. President, I ask unanimous consent that the pending committee amendment be set aside and that the Senate consider the committee amendment on page 22.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 2454 TO COMMITTEE AMENDMENT ON PAGE 22, LINES 18 THROUGH 25

(Purpose: To redistribute $135,000,000 from special purpose grants to community development block grants)

Mr. SMITH. Mr. President, I send an amendment to the pending committee amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment offered by the Senator from New Hampshire.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. SMITH], for himself and Mr. MCCAIN, proposes an amendment numbered 2454 to the committee amendment on page 22, lines 18 through 25.

Mr. SMITH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 21, strike "That" and all that follows through the period on line 25 and insert the following: "That notwithstanding any other provision of law, $130,000,000 shall be used for grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974.".

Mr. SMITH. Mr. President, this amendment does not impact the overall cost of the bill. We had our presentation on that portion of the bill a few moments ago with my amendment to recommit to bring the bill back in line with last year's expenditures. This is a redistribution amendment. It does not take, add, or delete one penny from the bill. But I would encourage my colleagues to pay very careful attention to the points that I wish to make in the presentation of this amendment.

The committee-reported amendment—that is what is before you without my amendment—would earmark $135 million for 102 special purpose grants. We have heard debate on earmarking many, many times on the floor. My colleague from Arizona, Senator MCCAIN, has certainly spent a great deal of time trying to bring this to the attention of our colleagues. But earmarking is a very unfair process, and I am about to demonstrate just how unfair it is to many of my colleagues in other States. This is a situation now where the amendment that I am offering would eliminate the earmarks—not the money. It would eliminate the earmark and transfer funding to the community development block grants, and that is a program that benefits every State. I emphasize the words "every State."

Under the Community Development Block Grant Program, there is a very complicated formula, and in that formula the dollars are sent out to the various States on the basis of that formula, and every State shares in that money.

Now, what we have here is $135 million in this bill which is specifically earmarked, specifically earmarked to certain States. So, essentially, this is earmarked versus formula. It is money for some States versus money for all States. And I suppose you can say if you are one of the "some States" that is involved in getting the money, it is OK.

I would encourage you to listen carefully to what I am going to say because you still may be getting less money than you should be getting. It is an issue of fairness. That is all it is. Is it fair for a small, select group of people on the Appropriations Committee to take a pool of money, $135 million, basically saying they use the formula but not using the formula—because, if you use the formula, all States share, but what they are doing is allocating this money to some States. Is that fair? Is it fair for a small group of people to sit in a room someplace and take $135 million and give it specifically to certain States to the exclusion of others? I say it is not fair. I say it is extremely unfair. It is unfair to the people who reside in the States that get absolutely nothing and are just as entitled to it under the community development block grant formula as anyone else.

They are just as entitled to it as the recipient States. So let me read the committee report language accompanying this bill that explains the rationale for these earmarked projects. I am going to quote.

These items are targeted to address compelling local examples of important national needs in housing, and community, and economic development. Provisions included generally fall within one of the broad criteria established for eligibility under the Community Development Block Grant Program; meet the needs of low- and moderate-income persons; aid in elimination of urban slum or plight; or address pressing community development needs.

So I would think that explanation begs a very simple question. If the community development block grant criteria are being used by the appropriators to select the grants, these 102, why not just put the money into the Community Development Block Grant Program and let the States decide how to use the money? That is the way it is supposed to work.

There is nothing, in my opinion, that is more onerous and more obnoxious—I cannot think of a better word—in this whole process around here than earmarking, because it is unfair. It is unfair because a select few take a pool of money and give it to a certain State or a certain locality. I am not questioning the individual projects selected by the committee. I am not questioning the projects. They very well may be worthwhile. I am not saying they are not; probably they are. But I am questioning the process, Mr. President, because the process is wrong.

If an earmark is given to a community in, say, California, say, Los Angeles, and it was not done on a fair formula, what about Jefferson City, MO, or some other community; Detroit, MI, some other city somewhere else? What is the criteria?

The point is there is a criteria but we are not using it. The criteria is a very precise formula under the Community Development Block Grant Program that should be followed, but it is not being followed.

Let me tell you what happens in this particular example. We now have $135 million of money in a pool. We have 102 projects. Three States—West Virginia, New York, and Oregon—get one-third of the money. Three States get one-third of the money.

You do not have to be a genius to look at the makeup of the Appropriations Committee, see who is on the Appropriations Committee, and understand why these three States get one-third of the money—West Virginia, New York, and Oregon.

Fifteen States receive no money—zip, not a dime. Is that fair?

Are people in a slum in Oregon or West Virginia or New York better, any better, than people in a slum in Detroit or Washington, DC, or Los Angeles? I do not think so. I do not think that is what we are trying to do here with the Community Development Block Grant Program. But that is what earmarking does. That is exactly what earmarking does.

It is power, raw power in the hands of a select few; no votes, no public decisions. These projects just simply appear, and, if I have a powerful Senator or a powerful Congressman somewhere, we get the money. Never mind about anybody else. This is a sacred cow around here.

I will hear about this. I will hear about it because I am taking on the system here, as others have done. I am not the only one. Somebody has to take it on because it is wrong. It is absolutely wrong.

Let me tell you how badly people get burned. You might want to listen, as I am going to mention your State. I am going to go through every State. I am going to take my colleagues' time to run through every State because I want people to understand just how onerous this really is.

I said 3 States get one-third of the money, and 15 States get nothing.

Thirty States would receive more money under my amendment than they would under the committee-reported bill. I am going to outline exactly what States they are. You might say, "Well, here it is again. SMITH is mad. His State did not get enough money," or something else. That is not the point. That is totally irrelevant. It is not the point.

There is $135 million in the bill. It is supposed to go to help these people in need, and it ought to be done fairly, it ought to be equitable, and it is not because of the raw political power of a select few who sit on this Appropriations Committee that have all this power. They ignore the system, ignore the grants, ignore the community development block grant formula. They say they use it. But they do not, and they allocate the money wherever they feel like it.

There are innocent people who deserve help who get nothing, absolutely nothing. Do you think that is fair? If you think that is fair, then vote against me. But have the courage to stand up to these people and expose this for what it is. It is hurting people. That is what it is doing. It is hurting needy people. Who is it hurting?

Let us take the State of Alabama. It will sound like a political convention here as I call the names.

Alabama: Alabama gets nothing under the Senate bill. It gets $2,050,000 under my formula. So if there are poor people in Alabama who feel like they are just as poor as somebody else in New York or Oregon or West Virginia, you ought to be angry, because under my amendment you would get $2 million more.

Arizona: Arizona is going to get $1.5 million more. They get nothing under the current formula, absolutely nothing. The poor people in Arizona in any slum or run-down housing area in Arizona get nothing under the committee bill. One point five million dollars—this is not a gift. This is a fair formula. This is the way it is supposed to be done. This is the way the law is written, that this community development block grant formula is supposed to be administered. That is the way it is supposed to be done.

That is not the way it is being done because $135 million sits there.

Arkansas: They get $35,000 under the committee. They get $1.9 million under my allocation.

California: Here is an interesting situation. California, $4.5 million under the committee bill; $14.6 million under my formula, which is not my formula, it is the community development block grant formula the way it is supposed to be administered; $14 million.

Why is that? Very simple. There are a lot of people in California. There are more people in California than any other State. There are more people in California than there are in West Virginia by a large margin.

Do you want to hear what West Virginia gets? Let us drop down to West Virginia. West Virginia under the Senate bill, $19 million in these set-aside grants in West Virginia. And California gets $4.5 million.

So the people in West Virginia who are poor, live in slums, they need the money more than the people in California who are poor and live in slums.

That is what is wrong with this place. It is wrong. Have the courage to stand up and say it is wrong. I am not cutting a dime out of this bill. I am redistributing the money the way it should be done in a fair manner. Stand up and say it is wrong. Colorado, zero under the bill, $1.3 million under my formula; Delaware, zero under the Senate bill, $260,000 under my bill; Florida, $3.7 million versus $5.4 million; Georgia, zero under the Senate bill, $2.7 million under my formula; Idaho, from zero to $350,000; Illinois, $2.7 million to $7.2 million; Indiana, $500,000 to $2.6 million; Kentucky, zero to $1.9 million; Michigan, zero to $5.4 million; Minnesota, zero to $2.2 million; Mississippi, zero to $2.2 million. Are there any poor people in Mississippi out there that might like a little help? You get zip under this bill. Missouri would go from $1.6 million to $2.8 million.

Some of my colleagues who are looking at these numbers might say, "I get $1.6 million in Missouri. What is wrong with that?" Nothing, except that you could get $2.8 million if it was done fairly.

New Hampshire, zero to $410,000; North Carolina, zero to $2.4 million; Ohio, $1.5 million to $6.3 million; Oklahoma, $1.1 million to $1.2 million; Pennsylvania, $3.6 million to $8.5 million; Rhode Island, zero to $630,000; South Carolina, zero to $1.4 million; Tennessee, $1 million to $2 million; Texas, $1 million to $9 million. Are there any poor people in Texas that might like a little help? Utah, $700,000 to $750,000; Virginia, $1.6 million to $2.2 million; Wisconsin, $700,000 to $2.4 million; Wyoming, zero to $160,000.

West Virginia, under the formula, gets $19 million, but under my allocation, it would get $1 million. That is the way it should be, because West Virginia has a lot less people than some of these other States. It is not right. Yet, it goes on in here time after time after time. I have heard so many speeches in this place about helping poor people, people in need, people who needing housing; helping people get a start. Yes, if you are in West Virginia or New York or Oregon, you can get a start. You are not going to get a start if you are in one of these other States, because you will not get any money.

There are two Senators from every State, we all know that. We do not need a civics lesson here. There are 60 Senators who gain for their States by my amendment. If this amendment goes down, then those 60 Senators, or those who voted against it from those 60, cost their States whatever amount of money I read. That is the truth.

So let us find out whether they have the courage to stand up and take on the appropriators, these all-powerful appropriators that run roughshod over the rest of us and the American people around here. This is a harsh speech; I know it is harsh, and it should be harsh. People need to know what is going on around here. This is wrong. People are being hurt by this stuff. This is not a matter of cutting money out of a bill. It is a matter of providing money to people in need. It is not right. It is unfair.

I know there are times when Senators are required to put the interests of their States aside for a greater interest, and that should be the case at times. National interests should take precedence. That happens. But this is not such a time. This is not such a time when you have to put national interests above the States. There is no national interest at stake here. Zero. This is a matter of fairness. Should these three States get one-third of $135 million? Or should that money be distributed among all 50 States?

The question is whether or not you put the interests of the Appropriations Committee of the U.S. Senate ahead of the financial interests of your State and, furthermore, the very poor and the very needy people who need basic housing and help in your State. That is the issue. Do you put those needy people above the Appropriations Committee of the U.S. Senate? If you do, then you should vote for my amendment. If you feel the Appropriations Committee is more important, then vote against it. After all, I know you have to deal with them every day. They can cut your money tomorrow, can they not? That is the bottom line. Boy, they can make us pay for speaking up because they control all those dollars.

Let me tell you something, folks. If we take them on, we can win, because there are more of us than there are of them.

That is what this amendment is all about—fairness. Out of $135 million in these grants, we have in the State of Oregon, $10.4 million; and in the State of West Virginia, $19 million; and in the State of New York $15 million. So we are looking at almost $45 million that could be redistributed, along with the other money, in a fairer and more equitable way.

So that is the amendment. It is very simple. Do you want to try to help poor, needy people who need housing and other help, who are living in rundown conditions? Do you want to help them as much in Texas as in New York? Or as much in South Carolina as in Oregon? As much in California as you do in West Virginia? If you do, then take on the appropriators, just once—one time. Take them on. Say they are wrong and show them with a vote that we are sick of it. Just one time I would like to see it happen around here. Just once we might be able to change things for the better.

Mr. President, I think I have made the point. I will have the list of all the States down in the well. I want to say again that I have seen this happen a hundred times, where people pass out stuff and say, "This vote is better for your State; therefore, you should vote for it." That might be the case here with 60 Senators for 30 States; that is true. But it is not one of those cases where it is simply a matter of pulling more money. It is a case where you earned it and it is yours; it is your fair share based on the way the formula should work.

Do not put the Appropriations Committee ahead of the interests of the people in your State, especially the interests of people who desperately need this help.

Mr. President, at this time, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH. I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I would like to briefly respond to the Senator from New Hampshire. First, I am one of those "powerful" appropriators that supposedly meet in the back room to do these kinds of things. Boy, do I wish we were powerful. I wish we were really powerful so that we could meet the compelling needs of the United States of America.

We on the Appropriations Committee are continually facing enormous requests and backlogged projects that would meet real needs in communities. We found this year, in my subcommittee alone, I have 1,100 projects that total $96 billion—that is "b" as in BARBARA, not "m" as in MIKULSKI.

Mr. President, the Senator from New Hampshire talks about these 102 projects, this $135 million. He needs to hear about the other $95.9 billion that we turned down. I got 1,100 requests for these nine items and when you added them all up, they came to $96 billion. That is more than my total appropriation to fund all of veterans health care, the environmental programs, the other programs that I know are of keen interest to the Senator from New Hampshire.

We both like community development block grant money because it acknowledges the needs of primarily urban States like my own as well as rural States as his.

So the Senator needs to know we turn down many of these individual projects.

Yes, in fact, we do fund at $135 million, 102 individual projects in 37 States.

But what I would like to say further is that when we talk about this, we need to know that we have provided funds for certain of these projects, and they are of merit. They are of great merit. First of all, they meet the criteria for community development projects. We just do not make these up. They come from Senators. They come from Senators often at the request of their own State. We insist that they meet the criteria for community development block grant projects. They must either benefit low- or moderate-income persons, they must eliminate either slums or blight, and they must address other pressing community development needs.

Now, in this year's appropriation, the subcommittee has increased community development block grant money by $200 million. That is separate from the $135 million that the Senator from New Hampshire raises an objection to. So, $200 million has been added that will be distributed on a formula basis. That means we have addressed the needs of those 50 States that the Senator has expressed great concern about.

We selected these projects based on the criteria of community development block grants, and our question was, why can you not get this out of your local community? What we found is that often those projects did not have local political connections. We act when CDBG money goes to the local community. They are in some kind of value-free atmosphere where everybody lines up with the League of Women Voters on the one side, and I am a lady of the league. I appreciate that. All of this merit based kind of like NIH grant come out of the city council.

Mr. President, let us talk about the local community. The Senator from Maryland got to be a member of the Baltimore City Council because she beat two political machines. Why did I even run for political office in the first place 20 years ago willing to duke it out with the political machines when my own family warned me that it would have dire consequences? I said because there were too many people who knocked on the doors of city hall and could not get in, and I wanted to run for political office to open the doors for those who have been left out or pushed out. So let us not talk about how evenhanded local communities are. Most are and some are not.

And then there are these projects that cannot meet that need, and then there are others where the need is so great that even when they get the formula money, there is a special project of compelling human needs.

So this is what we have done. It had to meet the criteria. We asked the Senators why. They did not have local political connections or because they could not dot every "i" and semicolon to be able to move their project or maybe they have special needs which cannot be easily pushed through the regular CDBG process or because there was a backlog. So, yes, we did do it.

Let me tell you where some of these projects are. First of all, in Kansas, we fund the Hardspring School for children with disabilities. That means we do $600,000 to the city of Wichita, so little children who primarily have cystic fibrosis and other disabilities will be able to have this facility enhanced.

We talk about how in St. Louis, MO, there is capital cost to the Faith House for at-risk children. There is also money for child care for facilities at Hope House.

I worked with the Senator from Missouri, who is on the Appropriations Committee, because we believe that there needed to be special opportunities for children who would be able with some help to move into at-risk housing and then be able to transient to foster care. These were children who live in the vilest of circumstances and readily could not make it and had to be taken from their parents but could not readily move into foster care.

So we worked on these projects. We just do not make them up, and we do not give them out on the basis of goodies.

If you look at the States that did get these projects, many do not have members of the Appropriations Committee on them at all. We know that there are several of those projects that we funded that do not have either members on the subcommittee or do not have the members on the full committee.

Kansas would be one. Illinois would be another.

So I could go on about it. I understand what the Senator is saying. But these 102 projects in 37 different States each meet the community development criteria. They meet the community development criteria. We turned down $95 billion worth of requests. We think we have done a good job, and I would hope that we would defeat the Smith amendment on reallocating these because there are an awful lot of people. Many of these relate to either economic development or they help primarily children or generate jobs, for example, in the job corps project.

So I would hope that we would defeat the Smith amendment on this area.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to associate myself with the remarks of the Senator from New Hampshire. I appreciate his courage in talking about this issue and, I strongly support the concept of an orderly and rational fashion for deciding which projects are approved and which are not approved in the appropriations process.

I would also like to express my strong support for the enforcement of the Appropriations Committee abiding by the actions of the authorizing committees.

Now, I do not take any exception to the remarks of the Senator from Maryland when she says that these projects are worthwhile, that they create jobs, that they do good. There is not a doubt in my mind that many of these projects are good and worthwhile.

The question that I and the Senator from New Hampshire have is, are they more worthwhile than other projects and has an orderly process been undertaken to fund them on the basis of merit and need? Not that the projects themselves are not worthwhile. I am convinced that this is the question the American people are asking.

I would say to the Senator from Maryland, 13 percent of the American people in a poll taken last week believe that the Congress of the United States will do the right thing some of the time—some of the time. And frankly, I would say to the Senator from Maryland I have not met any of that 13 percent. Perhaps they are staff members and blood relatives of Members of this body.

But the point that the Senator from New Hampshire and I are trying to make is that Federal funds should be distributed fairly and used for the highest priorities. When the military construction appropriations conference report comes before this body for final approval, I will point out that some 62 percent of those projects went to States that happen to have, by coincidence, members on the MilCon Appropriation Subcommittee. In the earmarking on the transportation appropriations bill you will find that some 60 to 70 percent—I have not got the exact numbers—of those earmarks went—guess what?—to the districts and States of those members of those Appropriations Committee.

Mr. President, it is more than coincidental that year after year it seems by the statistics that the funds are not equitably distributed on the basis of need.

I am not seeking additional money for the State of Arizona, but I can tell you this. It enrages my constituents when they send more money to Washington, DC, in the form of their hard-earned tax dollars than comes back to their State; and that there is a predominance of earmarks, through the appropriations process, that are centered in just a few States and happen to relate to the membership of those committees.

One small example and I will stop, I say, Mr. President, because this debate goes on and, it will go on for years. We are making progress, but our progress is filled with disappointments.

Example: Thanks to the help of Senator GLENN and others, we were able to get the Senate Armed Services Committee, to adopt a set of criteria which must be adhered to in order for a military construction project to be approved by the Committee. That was adopted and in the Armed Services authorization bill. Thanks to a vote on the Senate floor, we got the same criteria put into the MilCon appropriations bill.

I deeply regret to tell you, Mr. President, that the House authorization committee refuses to agree with these criteria and, that the Milcon appropriations committee dropped them in conference, Mr. President.

In other words, the MilCon appropriations committee refuses to abide by a set of criteria which in the view of every observer is a fair and honest assessment and a process that spending requests need to go through before these projects are approved has been rejected.

Mr. President, I suggest that we made progress. I would like to thank especially the Senator from Georgia [Mr. NUNN], the chairman of the committee who helped us on that. But it also indicates we have a great deal of distance to go before we can institute throughout this body, especially where military funds are concerned, a fair and equitable process.

I know that we are supposed to have a vote in a very short period of time, but I would encourage the Senator from Maryland to look at some of the criteria that we are trying to set up, at some of the ways that we are trying to assure the American people, only 13 percent of whom think we do the right thing, so we can assure them that their tax dollars are equitably and fairly distributed that they work so hard to send to us to spend in Washington, DC.

I thank the Chair and I thank my friend from New Hampshire.

I note the presence of the Senator from Alaska, with whom I have had many vociferous and energetic disagreements, but for whom I have the utmost respect, and who would like to speak on this as well.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I thank the Senator from Arizona, but I am on a different mission.

GPO IS DOING A GOOD JOB

Mr. STEVENS. Mr. President, we have all been thinking about health care. I got to thinking last night about the health care bills that we have been asked to review, so I asked my staff to have them put on my desk.

And sitting in front of me right now are 15 of the health care bills and the reports and resolutions that have been printed by the Government Printing Office. I am not here to talk about health.

It occurred to me that we do not give credit where credit is due in the Congress. I think Members of Congress take the services of the Government Printing Office for granted. It is like turning on a light switch, you turn it on; pop, it is done.

We call on them to do things literally overnight. And to the great credit of the Government Printing Office, they do their job. They produce on time and they meet the needs of rapidly changing policy decisions here in the Congress.

In 1973, the GPO had 8,527 employees. Today, about 20 years later, more than 20 years later, the GPO has 4,299. They have almost cut their staff in half. The agency has trimmed down 381 positions just this fiscal year since October 1 of last year.

Even with the fewer staff, the Government Printing Office has developed competitive contracting programs with the private sector. It has brought in private printers. It has modernized its in-house capabilities, thanks to congressional approval to do so.

My comments today come from the fact that when I started reviewing some of these bills the last few days, I realized, though, there are those of us here who criticize the GPO—as a matter of fact, there are some who would like to do away with the GPO's ability to produce, literally overnight, documents such as these in front of me. Having these documents in hand is essential to our ability to move from various health care bills, to crime, to defense appropriation bills—and to budget documents, on our very rapidly changing schedules.

I do not think we could do our work as Members of the Senate without the GPO. I do not agree with many of the proposals in these bills, but it is the availability of reports and bills like this that give us a chance to make proper decisions. They are absolutely essential.

I will speak later about the necessity for reports on health care bills, but right now, I would say this: We are not able, those of us who live a great distance from this place, to get comments from our States and from our communities without documents like these.

I wanted to come to the Senate floor today to say, were it not for GPO's valuable assistance in providing these documents, the people in the outlying areas of this country would not even know what is in these bills.

So I hope others in the Senate will join me in saying to the Government Printing Office: You are doing a great job. And so long as you do this kind of a job, you are going to continue to have my support.

Mr President, I ask unanimous consent that a factsheet on these documents in front of me be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET

Based upon the statistical abstract of the United States for 1993, the purchasing power of the dollar in 1973 was about 3 times what a $1.00 is worth today.

In 1973, the GPO had a direct appropriation of $76 million dollars. In today's dollars that would equal $228 million.

In 1993, 20 years later GPO's direct appropriation was $119 million dollars and in 1994 the direct appropriation is $121.9.

VA-HUD APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

AMENDMENT NO. 2454

Mr. SMITH. Mr. President, I just want to make a couple of brief comments on the debate on the pending amendment and say to my friend from Maryland, who I have the greatest respect for, that her allotment here is very fair and there is absolutely no criticism intended directly to the Senator. It is the process.

My feeling is that when you have staff members on the Appropriations Committee essentially allocating these dollars rather than the formula, I think that is my concern.

I say to the Senator from Maryland, her comments on the criteria were correct and I agree with her. It is not the criteria that is the problem. It is the formula, not allocating money according to that formula.

I would just say as a reminder, in the Congressional Quarterly in July there was an article, in anticipation of this debate, in which Congressman STOKES on the House side had made a point of noting that the House did not include any special projects, no earmarks. Which was interesting, because normally it seems like it is the other way around—the House is more notorious for some earmarks than the Senate.

But Congressman STOKES said in that article, at least he is quoted as saying "I told MIKULSKI if she put them on her bill, I would do the same thing."

So I think that the point is that if somebody could just take the time to really evaluate this and look at it, I guess when you look at the population and the amounts and numbers of people who need housing and need help in the various States of the Union and you look at it—and I will just use an example, not to single anybody out.

If you look at West Virginia, approximately 4 million people; $19 million; California, 25 million or 30 million people; $4.5 million. There certainly are large cities in California that have people who are in need of adequate housing and their need would certainly benefit some of these projects.

I just think, when you look at it in that picture, it is unfair. I think the process should be changed.

But I have made my point, Mr. President. I hope that my colleagues would look very carefully at the allocations that I will have down in the well at the time of the vote on this amendment. And, again, they should understand that this is not simply a matter of getting more money from the Federal Treasury. This is an allocation of money that is there. There is a formula for it. The formula was not followed. Special privileges were granted to certain projects.

And I would say, as Senator MCCAIN repeated, the issue is not that somebody in Shepherdstown, WV, is not in need of some of these dollars. It is a question of whether or not somebody in Los Angeles is also in need of those dollars. And I think the answer is, of course, they are. Should they get that much of a disproportionate share? This is what bothers me.

I think it makes us all look bad. It opens us all up to the criticism of back-room deals. It is unfair. People are hurt by this. People in need are getting hurt.

This is not a contract to build a missile in the Pentagon. This is money to be used to house people who need housing. That is one use for the money under this bill.

So I think it is a case, as the article in the Congressional Quarterly says, that special projects get the red carpet treatment. And they are special projects because they are treated in a special way by special members of the Appropriations Committee. That is what the problem is, and I hope my colleagues will look at it. I think a vote here in the affirmative would say, without casting any aspersions at any particular Senator or any particular State, it is simply a bad process that ought to be reformed.

Mr. President, at this time I yield the floor.

Ms. MIKULSKI. Does the Senator wish to debate this particular amendment any further or is he ready to move on to the next one?

Mr. SMITH. At this time I yield back all time on this amendment.

Mr. MCCAIN. Mr. President, I rise in support of the amendment of the Senator from New Hampshire. As the Senator has stated, the amendment before the Senate would transfer the $135 million in funding for over 100 earmarked projects to the Community Development Block Grant Program.

Before I begin, I want to make it clear that I am not opposed to any individual project included in the committee report. After reviewing the list, I am certain many of the projects are very worthy and merit support. The question before us today is now we determine which projects are funded.

Should the Senate make these decisions or should the local communities who know their needs make those decisions. It is my understanding that the meritorious projects on this list could be funded through the Community Development Block Grant Program.

I firmly believe that we should put the money into the Community Development Block Grant Program which would allow projects to compete and ensure that funds go to the best and neediest project.

The Community Development Block Grant Program is one of the best examples of community empowerment within the Federal Government. Federal dollars are given directly to local communities who review project applications and determine the most appropriate use of these funds. The block grant formula is based on population and poverty statistics to ensure that the money is distributed fairly among the states. Let me say again, the Program is designed to give local people, those most affected, the ability to decide how the money should be spent.

I am sure my colleagues will agree that as the Federal budget becomes more and more constrained we must make every effort to ensure that Federal funds are distributed fairly and used for the highest priorities. Congressional earmarking distorts this process by prohibiting competition and skewing the proper allocation of Federal funds.

Of the $135 million allocated under the special purpose grants, 31 percent of the money will go to projects in three States. Only 21 projects of the 102 are from States which do not have members on the appropriations committee or in the leadership. While I am not saying this is exactly why these projects are on the list, I must ask the question—is this the proper way to allocate scarce Federal resources?

I urge my colleagues before they vote to consider how their states would fare, if the money was distributed through the Community Development Block Grant Program allocation instead of being earmarked for these specific projects.

In the case of my home State of Arizona, we would receive an additional $1.5 million dollars in community development block grant funds to help impoverished communities.

In the past, the proponents of Congressional earmarks have argued that we must continue this practice because the Federal bureaucracy is not responsive to our constituent's needs. That is not the case in this instance. Elimination of these earmarks will not result in our constituents having to lobby bureaucrats for Federal assistance. Transferring this money to the block grant program will allow our constituents to decide how to use the money themselves.

Mr. President, the Senator from New Hampshire's amendment clearly defines the issue of earmarks. Members can vote for the amendment, which would allow for funds to be used in a manner that is fair and will result in the most worthy projects being funded or, members can vote against this amendment, which would continue business as usual. I urge my colleagues to vote for this amendment and bring some order to Federal spending habits.

Ms. MIKULSKI. If the Senator from New Hampshire will recall, we had a unanimous consent agreement on the time.

I now ask unanimous consent that the amendment of the Senator on the redistribution of CDBG be laid aside and we move to the next Smith amendment.

The PRESIDING OFFICER (Mr. FEINGOLD). Without objection, it is so ordered.

Mr. SMITH. Mr. President, at this point I will withhold for approximately 5 minutes before taking the floor with that amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I seek recognition just to tell my colleagues what we are doing here. The Senator from New Hampshire will have one more amendment related to the water projects and EPA. Upon the completion of that debate, which we anticipate will not take more than 15 or 20 minutes between both of us—we are making good progress; we are having a rational and civil discussion on these national issues—we will then go to a vote. There will be four votes back to back: the motion of the Senator from New Hampshire to recommit; the amendment of the Senator from New Jersey, that has been cosponsored by the Presiding Officer and myself, on abortion violence; then the two Smith amendments on the reallocation of funds away from designated projects.

So we anticipate that we will be voting within half an hour. We are not setting a time, but we just want Senators to be aware of that. Then there will be four votes back to back.

Then, Mr. President, with the exception, I believe, of an amendment by the Senator from North Carolina, we will be done and we will be ready to move on our managers' amendment. We hope the Senator from North Carolina will be ready to move with his amendment—he often has those of great national concern—unless the Senator has reconsidered offering his amendment.

So I lay out for my colleagues that we believe the major substance has been debated. I once again want to note that our ranking Republican, Senator PHIL GRAMM, is at the Whitewater hearings. We thank his personal and professional staff on the committee for working with us. He has been consulted on all matters as they have been progressing throughout the day. I thank them for their courtesy.

So we are making very good progress, and after the completion of those four votes and the managers' amendment, if all other Senators will withhold, we will be done. It is my hope—however, if Senators persist in offering amendments, or if a Senator does, acknowledging his right to do so—we would sure like to be done before 6 on this bill. I will have been on the floor for more than 30 hours, and I am ready to wrap it up and move to conference.

So, is the Senator from New Hampshire ready?

EXCEPTED COMMITTEE AMENDMENT ON PAGE 60, LINE 7 THROUGH LINE 21

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, I ask unanimous consent the pending amendment be set aside and the Senate consider the committee amendment on page 60.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2455 TO EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 60, LINE 7

(Purpose: To redistribute water infrastructure/State revolving funds on an equitable basis)

Mr. SMITH. Mr. President, I send an amendment to the pending committee amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. SMITH] proposes an amendment numbered 2455.

Mr. SMITH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending committee amendment, strike all after "and,", and insert the following: "*Provided*, That notwithstanding any other provision of law, $500,000,000 made available under this heading in Public Law 103–124, and earmarked not to become available until May 31, 1994, which date was extended to September 30, 1994, in Public Law 103–211, shall be available immediately for capitalization grants for State revolving funds to support water infrastructure financing, and to carry out the purposes of the Federal Water Pollution Control Act, (33 U.S.C.

1251 et seq.) and the Water Quality Act of 1987 (Public Law 100-4; 101 Stat. 7):".

Mr. SMITH. Mr. President, I will take very little of the Senate's time on this issue because it is the same issue, essentially, that I just debated a few moments ago; we are just looking at a different section of the bill. The previous one dealt with community development block grants for housing and aid for poor people in slums and other areas. This one is really talking about the EPA and the Clean Water Act. It is the same principle. It is exactly the same issue. It is earmarking again.

The committee-reported amendment, the underlying committee amendment, earmarks $697.2 million for special water infrastructure projects. Here again we have a pool of money of $697.2 million for special water infrastructure projects. The amendment I am offering simply transfers this money back into the Clean Water Act State revolving loan fund, so-called SRF. That is where the money belongs. That is what the SRF is there for. That is why we have the Clean Water Act State revolving loan fund, so these dollars can be allocated in a fair and equitable way.

We did not write the act and create the revolving loan fund to have people in the Appropriations Committee staff sit down and decide where these projects would go. It is the exact same argument, only a different section of the bill, the exact same argument I made a few moments ago in the previous amendment, trying to draw the attention of the Senate and the country to the fact we are not doing business in the right way.

As I said under the previous amendment, let me say again: These projects that are funded very well may be worthwhile projects. I do not challenge that one bit. I challenge the process, the way that some States are going to get special attention, special privilege, special emphasis to the detriment of others.

I would say again, as I said regarding the previous amendment, money needed to clean up water in one State is certainly as important as cleaning up water in another State. As a matter of fact, in some cases it may even be more important to clean up a project someplace else because the pollution could even be worse than it is in another State. That is why we have the Clean Water Act and that is why we have the revolving loan fund, because these people in the EPA are trained to look at that and know where the dollars should go.

Earmarking by the Appropriations Committee staff is not the way to go. Compliance with the Clean Water Act is a national goal, and earmarks are local handouts that are not authorized. That is what they are pure and simple. They are not authorized by anybody. It is not that those who make these decisions on the staff of the committee and some Senators or Congressmen, whatever the case may be, it is not that they are incompetent or unqualified to look at these things. In some cases—in many cases—the projects are worthwhile and the decisions were made in such a way that there was a need. But the issue is, are those needs more than someplace else and should those dollars be handed out to the detriment of others?

Since all 50 States are affected by the Clean Water Act mandates, is it not fair to say that all States should receive equitable assistance through the SRF? By equitable assistance, I do not mean exactly the same number of dollars, because small States would not get the same number of dollars, but equitable on the basis of the need.

According to the Association of State Water Pollution Control Administrators, which strongly supports my amendment, by the way, the clean water SRF Program is capitalized at a $1.2 billion level but has $200 billion in outstanding needs. Think of that, capitalized at a $1.2 billion level that has $200 billion in outstanding needs.

They also note that while funding the States for water infrastructure projects has remained somewhat constant, the mandates have increased, significantly increased. So it is obvious that the clean water revolving fund is where these scarce funds are needed. Let the fund decide, not people sitting in the back room of the Appropriations Committee somewhere.

Again, let me refer to a letter that was sent to the subcommittee chairman, Senator MIKULSKI, on August 4. This came from the Association of State and Interstate Water Pollution Control Administrators. They represent all 50 States and they are against the committee position, and they state it.

So even the States that gain by the committee position, essentially through their leaders on this association, are saying that this is wrong. I give them a lot of credit for having the courage to say that. They deserve a lot of credit for having the courage to say that because it is wrong and they know it and because they are very much aware of the problems in each State, because they meet frequently and they talk about them. What they say is that they:

> * * * oppose diverting scarce Federal dollars away from the national title VI program to support individual grant projects in a few select communities.

That is the language from their letter to the Senator from Maryland. They also say:

> We are alarmed by the earmarking of title VI funds for other purposes and the shifting of programs into the infrastructure account. Authorized programs need to be supported in their own right. Robbing Peter to pay Paul, that is, removing clean water funds to pay for drinking water programs, will ultimately lead to a plethora of unfunded mandates.

So, Mr. President, I am not questioning the worthwhile aspect of these projects. It is not in the best interest of the country to continue diverting money for special purposes from nationally authorized programs such as the clean water revolving fund.

This debate is about the equitable distribution of funds versus special treatment for a few selected States. I ask unanimous consent to print in the RECORD the letter I recently referred to, sent to the Senator from Maryland from the Association of State and Interstate Water Pollution Control Administrators.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASIWPCA,
Washington, DC, August 4, 1994.

Hon. BARBARA MIKULSKI,
Chairwoman, Senate Appropriations Subcommittee on VA, HUD and Independent Agencies, Washington, DC.

DEAR MS. CHAIRWOMAN: The FY 1995 Clean Water Act appropriation urgently needs your support to assure that the Federal commitment to implementation is sustained. The program is vitally important to the enhancement and protection of the Nation's waters and natural resources. Elimination or acute under-funding will surely result in water quality degradation, jeopardizing the integrity of the program, and undermining the trust of the American public.

Clean Water Act reauthorization is extremely important to States. The Association has gone to great lengths to work with Congress and others interested in reauthorization in an effort to foster and expedite the process. While we believe that consensus is clearly possible on many issues which supports the concept of a streamlined bill, there are others—most notably wetlands—where consensus may not be possible in this Congress. It would be tragic for the entire Clean Water program to be victimized by a single interest coalition. We are, therefore, concerned that postponement of funds will result in a loss of momentum and the balance in the State/Federal relationship may not be renegotiated next year.

ASIWPCA, therefore, urges Congress not to make the State Revolving Loan Fund or Section 319 nonpoint sources (NPS) appropriations contingent upon reauthorization. Although the House Bill may be well intentioned, such action is not in the best interests of the environment or the integrity of the national program which has strong public support. There should not be a double standard, where it is acceptable to appropriate for unauthorized provisions (e.g. the Drinking Water SRF), but not for the well established and effectively managed Clean Water programs.

A strong Clean Water Act depends upon sufficient baseline funding.

$2 Billion for the Title VI SRF is of utmost importance, as the Senate Bill recognizes. Priority should be placed on funding Title VI which has a highly successful and enormous leveraging power. The 1987 Act that envisioned building the SRF to revolve in perpetuity is achievable. If the SRF is funded at the House level ($1.29 Billion) it will be extremely difficult, if not impossible, to adequately capitalize the SRF to meet over $200 Billion in needs.

Grants: ASIWPCA opposes diverting scarce Federal funds away from the national Title

VI program to support individual grant projects in a few select communities. The over $500 Million setaside in the House and Senate Bills should be administered under the Title VI SRF. It has low administrative costs, a 50 percent faster project completion rate and lower project costs than a grant program. The SRF has inherent incentives for local governments to take ownership of their facilities, to be innovative, to reduce costs, to develop appropriate user fee systems and to efficiently operate constructed systems.

Section 106 State Management should be funded at the highest possible level, due to the $400 Million shortfall in meeting 1987 Water Quality Act mandates.

At a minimum, $100 Million should be allotted for the Section 319 Nonpoint Program.

We are alarmed by the earmarking of Title VI funds for other purposes and the shifting of programs into the infrastructure account. Authorized programs need to be supported in their own right. "Robbing Peter to pay Paul" (e.g. removing Clean Water funds to pay for drinking water programs) will ultimately lead to a plethora of unfunded mandates. The result of this funding shift is that it, in essence, calls for the State to manage two statutes with the funding they previously had available for Clean Water programs alone. Priority programs, including the Title VI SRF and the nonpoint source protection program, will surely falter.

The severely constrained Title VI SRF should not be cut to provide $700 Million for a new Drinking Water SRF or $70 Million for State management of the Drinking Water Program that was previously funded in the Abatement and Control Account.

Appropriations for new programs (e.g. the Drinking Water SRF) should be entertained only after authorization occurs and not at the expense of Clean Water funds. All funding should be restored to the Clean Water Title VI SRF if Drinking Water authorization efforts fail.

The future of the Clean Water Act and a successful reauthorized Act depends directly upon continued and adequate funding in the FY 1995 appropriation. We ask your support to continue program momentum. The Association appreciates your commitment to Clean Water programs.

Sincerely,

ROBERTA (ROBBI) SAVAGE,
Executive Director.

Mr. SMITH. Mr. President, again, I say to my colleagues, why should we allow the Clean Water SRF Program to be compromised? Why do we have it? It is simply not appropriate of the policy, it is not good policy. It might be good politics if you happen to be the State on the receiving end. But it is not good policy, it is not good for overall environmental cleanup. It is not in the national interest.

I am on the authorizing committee for the Clean Water Act, the Environment and Public Works Committee. I do not recall authorizing any, not a single one of these projects. I have not seen them. To the best of my knowledge, unless someone on the Environment and Public Works Committee is also on the Appropriations Committee, I do not think they have seen them either.

Why do we exist? Many times those of us on authorizing committees who are not on the Appropriations Committee ask ourselves frequently, why do we exist, to make priorities and watch them being changed by the Appropriations Committee? That is a common argument around here that does not necessarily pertain only to this committee, but from all authorizing committees we hear the same argument. Why should some States receive so much while others receive nothing?

Here is the interesting thing. Under the Appropriations Committee amendment, 34 States—34—receive no special funding, nothing, zero. Under my amendment, 39 States receive increased funding for their SRF Program. Let me repeat that: Under the Appropriations Committee amendment, the underlying situation without my amendment, 34 States receive no funding, no special funding at all out of this money. Under my amendment, 39 States will receive increased funding for their program.

I have a list of those States and the dollars involved. I will not read them in the interest of time. I read the States in the previous debate on the previous amendment. I have the same information available to my colleagues. Thirty-nine States are going to receive increased funding, 39 times 2—what is that, 78? Seventy-eight Senators.

So I suppose if we look at the total fairness here, we should get 78 votes, but do not bet the farm on it because the pressure of the appropriators is immense. I think you are going to see a lot less than 78 votes if, indeed, we even see 50 votes. But sometimes the result is not always right. Sometimes the vote is not always right. It might be the total but it is not always right.

In this case, I believe that fairness says that we ought to get 78 votes if people really care about equitably distributing the money to clean up the water in the United States of America.

A vote against my amendment is a vote against maintaining the integrity of the whole process, the whole Clean Water Act funding program. It absolutely just devastates the process and makes it worthless. If 34 States can get nothing under the underlying committee bill, and 39 States can get something, or an increase under mine, something is wrong somewhere. Big time wrong. It is the same issue, it is the same power, it is the same appropriators, same special privileges, same closed door meetings, the same no rollcall votes, no public input, no public observation. It goes on day in and day out, year in and year out, decade after decade in this place. Would it not be nice if we could change it just once?

I, for the life of me, cannot understand why a Senator would want to vote against equitably distributing the dollars through this revolving fund to clean up the water, No. 1, just in that concept, just equitably; No. 2, would not want to vote for an amendment that would provide more dollars to his or her State. It puzzles me why that would not win with 78 votes. But it will not, I can assure you.

So in conclusion, Mr. President, let me just say, the amendment is very simple. I urge my colleagues to vote for the interests they were elected to represent which, in this case—which in this case—is the national interest and it is also in the States' interest.

Mr. President, at this point, I ask for the yeas and nays on my amendment and yield the floor.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, first I want to talk about the fact that one does not have to be an appropriator to have a water project under the State revolving fund. What we did was look at compelling needs, where a request had come from Senators. And we have had to respond after 2 years of not having an authorization on the Clean Water Act.

First, the States which receive help that do not have members on the Appropriations Committee are Illinois, Massachusetts, Kansas, Michigan, and Georgia.

I just want to take a moment and talk about Illinois.

First of all, they do not have an appropriator. What they do have in Chicago is a deep tunnel that flooded out, breaking down a whole major part of the center of Chicago's economic activity. When the deep tunnel flooded, it made national news, but it also created unemployment lines. It was in the heart of Chicago's business district. It came to a halt for weeks while they tried to clean up from the flooding in the deep tunnel.

Now, the two Senators from Illinois and the Chicago delegation have gone to the authorizing committee and said we need help for the deep tunnel. But they were not the only ones who went to the authorizing committee. Several other States have gone to the authorizing committee. But there has not been an authorization of the Clean Water Act despite its Republican and Democrat leadership in over 2 years.

I salute the efforts of Senator BAUCUS, the chairman of the committee, and Senator CHAFEE, the ranking Republican member, but that committee is bogged down—no pun intended, but it has been bogged down in its own muck and mire, and for 2 years now we have been waiting for an authorization.

Now, I will not ask the Senator from New Hampshire why they do not have one. I can only tell you they do not. Last year, the appropriators said we are not going to identify any projects.

We are going to wait until the authorizing gets done.

Well, we waited, and we waited, and we had fences, and we waited, and we waited. This year, we said, "When are you going to reauthorize the Clean Water Act?" "We are working. We are working. We are working." Carol Browner came to the Democratic caucus lunch and urged us to pass this bill—and still no clean water authorization.

Now, what are communities supposed to do, wait? We cannot wait any longer.

Let me tell who is waiting. The Senators from Alaska talked about the $15 million needed for rural Alaskan villages where waste water treatment simply does not exist. I visited that project up in Alaska. I have been to an Eskimo village. I know about the need there. So when the Senators from Alaska talked to me about it, all they needed to do was remind me—and I had the pictures to show it—for $15 million what this means.

The committee also provided a grant for Boston Harbor where taxpayers are paying an astronomical water and sewer rate, as much as $1,000 a year. When you talk to the senior citizens of Boston, they will tell you they are paying more for their water and sewer than they are paying for either their mortgage or utilities. President Bush made a commitment to clean up Boston Harbor. President Clinton has followed up on that request, and we are trying to clean up the Boston Harbor.

Finally, we are going to talk about the colonias. These are those unincorporated towns along the borders of Texas, New Mexico, and Arizona. I visited colonias in Arizona. I visited them with Senator DECONCINI, but I know of Senator MCCAIN's great concern for the people there who have conditions that are like a Third World country within the United States of America. These are ordinary people with an extraordinary situation. Do we want them to be in conditions that breed pestilence, disease? We are not a Third World country.

While we wait for an authorization, what are we going to do with these little kids, where I saw the water piling up and the fact that they had no way to deal with this? We have now children born with all types of problems. We have contaminated drinking water.

I could go through every one of these 21 projects that were requested by Members on both sides. I know what the authorizers are up against in their difficulty to move a bill. We are involved in other issues—mandates, unfunded mandates, funded mandates, what is a wetlands. Believe me, I know about wetlands problems. You cannot be a Senator from Maryland and not know of the concerns about the appropriate definition of wetlands.

So I acknowledge the problems that the authorizers have had in moving a bill. But do not punish 21 communities because they have not been able to authorize the Clean Air Act. We have been trying to move ahead to meet these identifiable needs. These are what we call the needy communities. We did not fund, again, every request we got for sewer and water. We funded only that which we knew were needy areas, where there had been other promises made like the cleanup of the Boston Harbor by President Bush, and also those where actual public health and safety are at risk, like in Alaska and along the colonias, and also where the economic development of a great American city like Chicago would be placed at risk.

So again these are not idle; they are not capricious. You did not get a designated project like this because you were a member of the Appropriations Committee. You got a designated project because you are a Member of the Senate, and you are a good Senator and you know how to make sure that where there is a compelling need we will work our best to meet it.

So, Mr. President, I really hope we defeat the attempt by Senator SMITH to reallocate this on the basis of the formula. I do not know when we are going to get an authorizing committee bill. I know, again, the chairman and ranking Republican are working very hard to do it. I look forward to that day and I will look forward to voting for it. But until that magic moment comes, I am ready to stick by what I have done in the Appropriations Committee to help 21 communities with their problems related to water, public health, and the other concerns that have great impact on the economic nature of their community.

Mr. President, I could debate this. I think we have gone over it. I wonder if now, other than Senator SMITH, and I—is the Senator ready?

Mr. SMITH. Just a couple of brief comments, and I will be finished on this side.

Ms. MIKULSKI. I wish the Senator would have those comments under the authorizing bill.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, again, the Senator from Maryland made a very compelling case on the worthiness of the projects that the Appropriations Committee funded. I do not dispute that. I indicated that before. The worthiness of the projects is not the issue. The issue is the equitable distribution of the dollars to deal with all projects in all 50 States. That is the issue.

I know this sometimes gets complicated, but the State revolving fund is set up under the Clean Water Act so that the States—not Senators and staff sitting in an Appropriations Committee room in Washington, DC—can look around, the Governors and the officials of the States can look around their State and they can prioritize what is in their State that needs help, why do they need low interest dollars, which is what the State revolving fund is—dollars provided at a low interest to these communities to clean up the water problems in the various communities in their States.

The States know better than a group of staff people in Washington, DC, what their needs are. That is why the fund was set up. That is why the fund was set up.

So under my amendment, this $697 million would go into the State revolving fund, and it would be using the appropriate distribution formula—need, population, all the factors that are factored in there. Those dollars would go on a proportionate basis to the various States so that all 50 States would share—not necessarily equally but on the basis of need.

It is not 50 divided into $697 million. But on the basis of need, these dollars would be going to those States where they need it—all 50 States. That is not happening here.

There are 17 projects totaling $697 million for special water, infrastructure projects. Are they good projects? I am sure they are. I do not dispute it one bit. I am sure there is need to clean them up. But is it fair to do it this way? The answer is no because we have the State revolving fund to prioritize these things to make the low-interest loans to the communities so that they can get help to clean up their problems with clean-dirty water. But they are not getting it.

This is a pool of money again especially targeted, special interest money, that is going to go to these 17 projects rather than spread around to the 50 States.

I again would encourage my colleagues to read the list. I am not going to read the whole list. But we are talking in some States millions of dollars. I can just indicate the number of States that have nothing. I am just looking at the paper.

Arizona has nothing under this. It gets $4-plus million. Some States go from zero to $8 million. Some States go from zero to $39 million.

The State of Ohio gets absolutely nothing under the committee bill. Under my amendment, it gets $39.553 million. If you are out there in Ohio somewhere and you have some problems with clean water, and if you live in a community with one of these problems, I think you should say to yourself, "Is there not a State revolving fund out there where we can borrow money at low interest to help us to clean their water up?" The answer is yes. There is a fund. But here is the problem. The $39.553 million could go into that fund to help you in Ohio, but it is not going into that fund because it is being specially targeted to 17 projects chosen by somebody here in Washington, DC. So the State has no say. It is really unbelievable.

In conclusion, I would say to my friend from Maryland, it is interesting. There have been some feelings here that maybe I was singling her out. Obviously, I am not because in this amendment, in my amendment, the Senator from Maryland would gain $10 million for the State of Maryland under my ratio—$10 million more than they get under her ratio. I would say in terms of the Senator from Maryland I do not think she is special-interest oriented in terms of her State. But I believe that the process is wrong.

Again, that is why we have a State revolving fund. That is why it is there. We have to put the money into the fund so that the States can loan it. It is not new money. Again, my amendment does not cut any money. It simply redistributes it.

I will have a copy of all of the States that are impacted negatively. I will have that at the desk during the vote. I hope my colleagues will read it and realize how much money your State revolving fund is losing.

Remember, this is not a special grant that is going into our State to some particular locality. This is money that you are not getting for your State revolving loan fund. If you had that money, your Governors, the people who administer this program, could then prioritize where that money could go.

Again, when I look at the State of Ohio, using that as an example, could the State of Ohio use $39.5 million more in its State revolving loan fund than it has now? Could you use that money? If the answer is yes, it seems to me the Senators from Ohio should be for my amendment.

Again, we could go on and on. There are numerous examples. Pennsylvania, zero to $27 million, and on and on. Some numbers are even more than that. It is incredible how this impacts each of our States.

Again, Mr. President, I hope that reason will prevail, although I am not optimistic. Hopefully, I have made the case on both of these amendments regarding redistribution. And hopefully people will see that this is a bad process. It ought to be changed, and the best way to change it—with no reflection on any member of the Appropriations Committee—is to send that signal here on the floor of the Senate today that this is wrong. If we send that signal, those appropriators will be back, and they will do it the right way and we will all be winners.

Again, I want to compliment those water folks for sending that letter and having the courage, even though some of them may lose a few dollars, to say that it is wrong, and that we ought to provide these dollars in the State revolving funds on an equitable basis based on the appropriate formulas.

Mr. President, I yield the floor. I yield all remaining time on our side.

ORDER OF PROCEDURE

Ms. MIKULSKI. Mr. President, I believe we have had an excellent debate here characterized by reasonableness in this vote in terms of content, style, and time.

Therefore, Mr. President, observing no other Senators who wish to speak, I now hereby ask unanimous consent that the Senate now vote on the Smith motion to recommit; to be immediately followed by a vote on the Lautenberg amendment No. 2453; to be immediately followed by a vote on the motion to table on or in relationship to the Smith amendment No. 2454; to be immediately followed by a vote on the motion to table on or in relationship to the Smith amendment No. 2455; and, that all of the above occur without any intervening action or debate; and, further, that all votes following the first vote be limited to 10 minutes in duration.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON THE MOTION TO RECOMMIT

The PRESIDING OFFICER. The question is on the motion to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 14, nays 84, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—14

Bradley
Brown
Faircloth
Feingold
Grassley
Gregg
Helms
Kohl
McCain
Nickles
Pressler
Roth
Smith
Wallop

NAYS—84

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Harkin
Hatch
Hatfield
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mathews
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stevens
Thurmond
Warner
Wellstone
Wofford

NOT VOTING—2

Heflin
Lott

So, the motion to recommit was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2453

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2453. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—98

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—2

Heflin
Lott

So the amendment (No. 2453) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I wish to announce that I will not make the motions to table the Smith amendments. They will be up or down votes on both the amendments to change designation for water projects and designation for community development.

So they will be straight up-or-down votes.

VOTE ON AMENDMENT NO. 2454

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2454. The yeas and nays have been ordered.

The clerk will call the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The result was announced—yeas 27, nays 71, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—27

Bennett
Brown
Chafee
Coats
Coverdell
Craig
Dole
Durenberger
Faircloth
Feingold
Graham
Gramm
Gregg
Hatch
Helms
Hutchison
Kempthorne
Lugar
McCain
McConnell
Metzenbaum
Roth
Smith
Thurmond
Wallop
Warner
Wellstone

NAYS—71

Akaka
Baucus
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dodd
Domenici
Dorgan
Exon
Feinstein
Ford
Glenn
Gorton
Grassley
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mack
Mathews
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stevens
Wofford

NOT VOTING—2

Heflin
Lott

So, the amendment (No. 2454) was rejected.

VOTE ON AMENDMENT NO. 2455

The PRESIDING OFFICER (Mr. PELL). The question is on agreeing to amendment No. 2455. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. LOTT] is necessarily absent.

The result was announced—yeas 37, nays 60, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—37

Baucus
Boren
Bradley
Brown
Burns
Chafee
Coats
Cohen
Craig
Dole
Durenberger
Faircloth
Feingold
Graham
Gregg
Helms
Kassebaum
Kempthorne
Kohl
Lautenberg
Lieberman
Lugar
Mathews
McCain
McConnell
Metzenbaum
Nickles
Pressler
Roth
Sasser
Simpson
Smith
Specter
Thurmond
Wallop
Warner
Wellstone

NAYS—60

Akaka
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Bumpers
Byrd
Campbell
Cochran
Conrad
Coverdell
D'Amato
Danforth
Daschle
DeConcini
Dodd
Domenici
Dorgan
Exon
Feinstein
Ford
Glenn
Gorton
Gramm
Grassley
Harkin
Hatch
Hatfield
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Leahy
Levin
Mack
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Shelby
Simon
Stevens
Wofford

NOT VOTING—3

Heflin
Lott
Riegle

So the amendment (No. 2455) was rejected.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 2456 AND 2457 EN BLOC

Ms. MIKULSKI. Mr. President, I send two amendments to the desk and ask unanimous consent that they be considered and agreed to en bloc, and that the motions to reconsider the votes be laid upon the table en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, these amendments have been cleared on both sides of the aisle. I therefore urge their adoption en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, both amendments are agreed to.

The amendments (Nos. 2456 and 2457) were agreed to.

The amendments were agreed to as follows:

AMENDMENT NO. 2456

Ms. MIKULSKI offered an amendment No. 2456.

The amendment is as follows:

On page 13, line 11, add the following: ": Provided further, that of the amount provided under this heading, $7,100,000 shall be for design of a new medical center/nursing home in Brevard County, Florida and $6,900,000 shall be for the Orlando, Florida, satellite outpatient clinic".

AMENDMENT NO. 2457

Ms. MIKULSKI offered an amendment No. 2457 for Mr. BROWN.

The amendment is as follows:

Insert at page 62, between line 13 and line 14:

SENSE OF THE SENATE REGARDING THE ENVIRONMENTAL SELF-EVALUATION PRIVILEGE

(a) FINDINGS.—The Senate finds that—

(1) The intended effect of environmental protection statutes passed over the past three decades is to improve and protect the natural and human environment.

(2) The President's National Performance Review concluded that the environmental laws and regulations implemented over the past decade have led to significant improvements in environmental quality.

(3) The National Performance Review further concludes that many of these laws, however, place a very real cost burden on local governments. Localities now struggle to comply with new requirements of the Safe Drinking Water Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, and Superfund, with little or no prospect of significant increases in federal grants and only limited availability of loans in the future.

(4) The Environmental Protection Agency (EPA) estimates that, by the year 2000, local governments will need to spend nearly $44 billion annually to meet existing requirements.

(5) The National Performance Review states: "With the opportunity to 'reinvent' the way EPA works with state and local governments, EPA has a chance to significantly increase the effectiveness of our nation's environmental programs."

(6) The National Performance Review acknowledged that there are numerous examples where the failure of EPA to devise better ways to protect the environment affordably may result in just the opposite of the intended effect.

(7) To further the goals of protecting and improving the natural and human environment, the States of Oregon, Indiana, Kentucky and Colorado have passed laws establishing an "environmental self-evaluation privilege."

(8) The EPA is currently considering modifying its existing environmental auditing policy.

(b) SENSE OF THE SENATE.—

It is the sense of the Senate that—

(1) The National Performance Review is correct in stating that EPA must recognize that increased regulatory flexibility offers tremendous opportunity for positive institutional change at federal, state and local levels.

(2) EPA must take advantage of these opportunities by finding ways to allow flexibility without compromising fairness, accountability and, above all, performance.

(3) The EPA should seriously consider the "environmental self-evaluation privilege," as enacted into law by the States of Oregon, Indiana, Kentucky and Colorado, as a low-cost opportunity to increase performance toward the intended effect of environmental protection statutes to improve and protect the natural and human environment.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote by which the amendments were agreed to en bloc.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI. I thank the Presiding Officer.

Mr. President, before we go on to other Senators who wish to offer amendments or speak, I would like to bring to Senators' attention that Senator HELMS of North Carolina wishes to offer an amendment, and, upon the disposal of the Helms amendment, it would be the intention of the manager to begin to move to ending this, to coming to final passage on this bill.

I ask any Senator who has an amendment to please begin to move to the floor so that upon the disposal of the Helms amendment we will be able to conclude any other amendments that Senators wish to offer and move to final passage.

It would be the hope of the manager of the bill that we be finished by 6 o'clock. If I have the cooperation of the Senators, I believe we will be finished no later than 6 on this bill, and preferably sooner.

I also ask both the Democratic and Republican Cloakrooms to see if there is a desire for a voice vote on final passage.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Chair.

Mr. President, I want to give what I believe is an important speech on the floor of the Senate about atomic veterans, a group of citizens in our country who I really believe have been much overlooked, and who want to make sure that we are concerned about what the effects of atomic testing were on themselves, their children, and their grandchildren.

Mr. President, I have been working very closely with Senator ROCKEFELLER and Senator DASCHLE on this issue, and we are going to have very important hearings tomorrow in the Veterans' Affairs Committee on this issue.

Mr. President, the cover of every copy of the Atomic Veterans Newsletter, the official publication of the National Association of Atomic Veterans, contains a simple but eloquent statement: "The Atomic Veteran Seeks No Special Favor * * * Simply Justice."

Mr. President, for some time I have been urging that there be a study by the Medical Follow-up Agency of the Institute of Medicine of the National Academy of Sciences to determine if there is any link between the genetic disorders and unfavorable birth outcomes affecting the families of atomic veterans and those veterans' exposure to ionizing radiation. Such a study would seek to determine whether those military personnel who took part in postwar atmospheric nuclear tests or in the occupation of Hiroshima and Nagasaki in the aftermath of the devastation of those cities by atom bombs thereby unwittingly jeopardized the health of their families and of generations yet unborn. This has long been a question of enormous concern to atomic veterans and their families. After 40 or more years, I hope you will agree that it is about time that these Americans who served this country with honor, patriotism, and devotion were given answers to questions that so far have not been a priority concern to their government.

During the past 6 months, I have had a number of meetings with atomic veterans in Minnesota and here in Washington. Many of the veterans told me of their deep concern about their children and grandchildren who are suffering from serious illnesses and birth defects, conditions that had never occurred previously in the family of either parent. Understandably, they fear these conditions are an outgrowth of their exposure to radiation and wonder if future generations will also be affected.

To me, one of the most shocking aspects of a public forum I held with atomic veterans in Minnesota, was how often veterans, widows of veterans, and those who wrote to me but were unable to attend, spoke of unfavorable birth outcomes—multiple stillbirths and miscarriages, occurring after but not before parental exposure to radiation. One widow of an atomic veteran who attended the forum was astounded to learn for the first time that the miscarriages she'd experienced could have been related to her late husband's participation in atomic testing.

Many of the accounts I have heard from atomic veterans, their spouses, and survivors are heart rending. Let me cite a couple of examples:

A Minnesota veteran, a former member of the Army's 216th Chemical Service Corps who participated in Operation Tumbler Snapper, a series of atmospheric nuclear tests held in Nevada in 1952, said that he and his wife were only able to have one child, a daughter who has had serious health problems throughout her life, including the following:

At age 14, doctors discovered breast tumors and recommended a radical mastectomy;

At age 18, doctors discovered cervical cancer and gave her cryotherapy;

At age 28, doctors performed major kidney surgery;

Last year, she was hospitalized for 2 weeks for bowel obstruction;

A few months ago she was tested for a lump on her neck;

Over the course of her life, she has had on-going, serious thyroid problems:

Her son was born with a foot deformity and a skin disorder.

Doctors have been unable to explain why she's had so many serious health problems, starting at such a young age. Her parents suspect that they are linked to her father's exposure to radiation.

An atomic veteran from Phoenix, AZ, who had served in the Navy at the Bikini tests, termed by one scholar recently as "America's Chernobyl," wrote about problems his wife had with every pregnancy. He noted that his wife had been in good health and doctors found nothing organically wrong with her to account for the problems. Permit me to quote directly from a passage in this veterans' describing his wife's pregnancy outcomes:

> 1948—We lost a baby boy; he lived 20 minutes. This was a 5½-month pregnancy:
>
> 1950—We had a premature baby boy. This was a 7-month pregnancy. He has been classified [as a] manic depressive;
>
> 1952—We lost our baby girl. She was stillborn with a short umbilical cord. This was an 8-month pregnancy;
>
> 1957—After a little over 2 months pregnancy, the doctor classified this one as a missed abortion;
>
> 1960—Our daughter was born with a cleft lip. This was an 8-month pregnancy.

The veteran also stressed that at Bikini he had worked on small boats that were later sunk because of contamination by radiation. Like other atomic veterans, he and his buddies were never informed that the ionizing radiation they were exposed to could cause any problems. There is now considerable evidence that the Navy had been informed of the hazards resulting from the detonation of the world's first underwater atomic bomb. For example, Los Alamos scientists warned the Navy that "the water near a recent surface explosion will be a witch's brew," that there would likely be "enough plutonium near the surface to poison the combined armed forces of the United States at their highest wartime strength," and concluded that an "underwater test against naval vessels would contain so many hazards it should be ruled out at this time." The Navy chose to ignore these and other warnings, and also chose to conceal from the men they were placing in harm's way the serious risks that they faced.

Mr. President, you may well wonder as I did why the study I am recommending was not performed years ago. It certainly wasn't because the Government was unaware of the concerns of atomic veterans. Pat Broudy, national legislative director of the National Association of Atomic Veterans, informs me that she has testified at 13 congressional hearings over the years and each time has urged that the Government fund a study of the children of atomic veterans. Unfortunately, all of her eloquent pleas went unanswered.

Why did this occur? Let me suggest a few possible explanations. First, atomic veterans have lacked the political clout and resources that, regrettably, are often essential if a group is to be taken seriously either by the Congress or the executive branch. Second, they were in some ways victims of the pervasive climate of secrecy during the cold war years. Thus, atomic veterans were often denied access to their own service health records on the grounds that they were classified, and there is evidence that the Navy, at least for a time, kept two sets of service health records, one unclassified and the other classified. Thus, a Navy safety regulation issued in 1947 mandated that data from physical exams required of both military and civilian personnel who might soon be exposed to radiation be made part of "special medical records separate from the normal individuals' health records" and classified as confidential. Needless to say, this secrecy made it difficult if not impossible for atomic veterans to pursue compensation claims or to learn whether their exposures to radiation posed a threat to the health of their loved ones. Finally, since there was no possibility of VA compensation for the dependents of atomic veterans even if it could be demonstrated that their health problems were related to the veterans' exposure to radiation, both the VA and the Congress apparently saw little point in studying the issue.

It would be unconscionable for us to allow this situation to continue. As a father and grandfather, I know that nothing is more important than the health of one's children and grandchildren. Imagine the pain and fear of atomic veterans and their wives who for years have lived with uncertainty about whether they would have children and grandchildren who could lead normal, healthy lives. While I fervently hope that the results of the study I am proposing will serve to allay their fears, I obviously have no way of knowing whether this will turn out to be the case. At a minimum, however, the study should answer a fundamental question that has tormented atomic veterans for so long: Did their dedicated service to the country they love place at risk their family members and children yet unborn? By having a study conducted we will ensure that these deserving veterans and their families finally receive an answer to this gut-wrenching question. We cannot and must not turn our backs on atomic veterans and their families.

Recently, the Senate passed by a voice vote an amendment to the defense authorization bill that mandated a series of studies of the health consequences of service in the Persian Gulf war with $20 million provided in funding. I wholeheartedly supported this measure, in part because I was determined that Persian Gulf veterans would not have to undergo the agony of atomic veterans who had to wait decades before the Government that placed them in harm's way sought to investigate the source and nature of their ailments and has yet to investigate the health problems of their families. I was particularly gratified that the amendment authorized a study of the health effects on the spouses and children of Persian Gulf veterans that may be linked to the veterans' service in Southwest Asia, including birth defects in their offspring.

Atomic veterans, their families, and survivors have stressed to me that they are pleased that the Government is making a concerted effort to determine whether the health of families of military personnel who served in the Persian Gulf is imperiled as a consequence of that service. Without exception, atomic veterans emphasize that they in no way begrudge Persian Gulf veterans the attention they've received in recent months from the Congress and the administration. However, atomic veterans believe that as Americans who were also placed in harm's way by their Government, without being informed of the dangers they faced, and without adequate protection, they are equally entitled to the attention and concern of the Government they served bravely and without question. The study I am proposing is intended to ensure that the Government will accord equal priority to the health of atomic veterans' families by ascertaining whether a parent or spouse's exposure to radiation decades ago has had and is continuing to have serious consequences for his or her loved ones.

Mr. President, I wish to convey my appreciation to my distinguished colleagues, Senator ROCKEFELLER and Senator DASCHLE, for their interest in and support for holding a hearing that will focus on the health problems of atomic veterans' families. I am particularly pleased to note that Senator ROCKEFELLER has scheduled a hearing of the Veterans' Affairs Committee that will focus on the health of the families of atomic, agent orange, and Persian Gulf veterans. While these three groups of veterans served their country at different times and under vastly different circumstances, they share deep apprehensions that the toxic exposures they experienced while on active duty may have seriously damaged the health of those near and dear to them and imperiled future generations. I commend Senator ROCKEFELLER for providing these men and women who have made so many sacrifices for this Nation with a unique forum to air their concerns and those of their loved ones.

Mr. President, as some of my colleagues may be aware, I had considered offering an amendment to the pending appropriations bill to require that the study I have been proposing be conducted. However, concern has been expressed to me by some of the people involved in other VA study projects who fear having to compete for scarce research dollars.

I have therefore decided that the wiser course to pursue would be to introduce separate legislation which would authorize and mandate such a study and to enlist the assistance of the Veterans Affairs' Committee chairman to achieve the result we are all seeking.

I wonder if the Senator from West Virginia would agree that this would be the most expeditious way to proceed to see to it that the study is performed.

Mr. ROCKEFELLER. Mr. President, as the Senator from Minnesota is aware, our committee will be conducting a hearing this week on the very subject he has been discussing. I have already secured the agreement of VA Secretary Brown to arrange for a panel of experts to review the science to determine whether a study would be feasible and if so, how it might be conducted. I am happy to work with my colleague from Minnesota to ensure this review is conducted by a panel of experts outside of the VA. In the event the panel concludes that such a study would be feasible, it would be my intention to incorporate the provisions of Senator WELLSTONE's legislation—requiring that the study go forward—into other legislation to be reported by the Veterans' Affairs Committee this year. Once we determine that such a study would be feasible, I assure the Senator I will be as committed as he is to seeing to it that the study is undertaken as soon as possible.

Mr. WELLSTONE. Can the Senator give me any assurances about whether there will be adequate funding available to finance the study?

Mr. ROCKEFELLER. I have discussed this matter with the distinguished chair of the VA-HUD Appropriations Subcommittee, who will work with us to make sure that funding is available for this study.

Mr. WELLSTONE. I thank the Senator.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 2458

Mr. HELMS. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending committee amendments are temporarily set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2458.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE NEED TO PROTECT THE CONSTITUTIONAL ROLE OF THE SENATE.

(a) FINDING.—The Senate makes the following findings:

(1) The GATT Treaty provides for the entry of the United States into the World trade Organization, which may have a major, permanent and adverse impact on American Sovereignty.

(2) The GATT Treaty binds the United States to a permanent international trade organization for decades to come.

(3) In the World Trade Organization, the United States will have only 1 out of 117 votes and will lose the veto power it had in the GATT Organization that the World Trade Organization replaces.

(4) Under the GATT Treaty, the United States will pay 20% of the budget of the

World Trade Organization, but will have less than 1% of the voting power.

(5) The World Trade Organization has the potential of overriding domestic U.S. law.

(6) Section 2 of Article II of the Constitution provides that the President has the "Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur".

(7) Despite the dictate of section 2 of Article II of the Constitution, the GATT Treaty is scheduled to be considered by the Senate under "fast-track" procedures, as an executive agreement.

(8) Under the "fast-track" rules, Senators are prohibited from amending the agreement and debate is limited to 20 hours on the Senate floor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that:

(1) The leadership of the Senate should protect the rights and prerogatives of the Senate and insist that the GATT agreement be submitted as a Treaty as stipulated by the U.S. Constitution, and

(2) an extension of the "fast track" should not be included in any implementing legislation for the GATT Treaty.".

Mr. HELMS. Mr. President, it occurred to me that I may have a problem on the drafting of the pending amendment.

I believe it is not drafted as a first-degree amendment. We can work this out simply.

The PRESIDING OFFICER (Mr. EXON). The amendment if and when submitted will be inserted in the appropriate place as requested by the Senator from North Carolina.

Mr. HELMS. So what the Chair and the Parliamentarian are saying is it is in order and it will be treated appropriately; is that correct? If not, I will be glad to modify it. The yeas and nays have not been obtained on it.

The PRESIDING OFFICER. The Chair assumes that the Senator from North Carolina wishes this to be treated as a first-degree amendment. If so, it will be so treated, if the Chair understands properly the request of the Senator from North Carolina.

Mr. HELMS. Do I need unanimous consent for that, I ask the Chair?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I thank the Chair. He is very accommodating.

Mr. President, this amendment brings to mind a relationship I have had in the past with giants in this Senate, including the distinguished Senator from West Virginia, Mr. ROBERT C. BYRD. I do not know how Senator BYRD is going to vote on this amendment, but I do know that he is devoted to the protection of the constitutional prerogatives of the Senate.

Mr. President, I still have a nagging in my mind about the drafting of this amendment. I do not want to proceed until I can consult with the Chair and with the Parliamentarian to make sure that everything is in order.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I was in the process of reflecting upon my own experiences that have meant so much to me through the years, an association with giants in the Senate like Senator Russell of Georgia and Senator Walter George of Georgia, Senator Sam Ervin, and others. They instilled in me a passion to protect, as best I can, the constitutional prerogatives of the Senate, not to mention the constitutional rights of the American people.

Mr. President, that is the reason I have this amendment before the Senate. This amendment simply proposes that the instrument improperly identified as the GATT trade agreement be considered by the Senate for what it really is—a treaty. It is not just a mere agreement, it is a treaty. Furthermore, Congress should certainly not extend the ill-conceived fast-track authority.

I never have liked the fast-track procedures—20 hours of debate, with no amendments being in order, and an up-or-down vote. That is no way to legislate a treaty. It is not an appropriate way to legislate an agreement.

I wonder how many Senators even know what is in this massive document by whatever name, treaty or agreement or whatever. How many Senators have considered the implications of the New World Trade Organization, of which we will inescapably become a member?

The Senate has held but one brief hearing—that is all—on the question of a potential assault on the sovereignty of the United States of America.

Mr. President, this document creates the new international institution called the World Trade Organization. It replaces the old GATT organization—GATT stands for the General Agreement on Tariffs and Trade.

The United States automatically—automatically—becomes a permanent member of the World Trade Organization. This new international organization will administer a broad array of provisions regarding intellectual property rights, agricultural commodities, financial services, textiles, and it will supervise the settlement of most trade disputes. The World Trade Organization will have expansive authority over most areas of the international economy.

I think it would be fair to describe the new World Trade Organization as a United Nations for world trade, combined with a world court.

Mr. President, history will demonstrate that this Senate has rejected the concept of a world court time and time again. Take a look at the history; take a look at the precedents. The United States joined the World Bank by treaty. The United States joined the United Nations by treaty. The United States joined NATO by treaty.

Yet, here we are proposing to rush this GATT instrument through on that fast-track—20 hours of debate, no amendments, an up-or-down vote, bang, bang, bang. I may be shouted down, voted down, all the rest of it, but in the judgment of this Senator, this instrument, this treaty, should be considered for what it is: A treaty requiring unlimited debate and a two-thirds vote among Senators present and voting.

There are many apprehensions about this new, powerful World Trade Organizations.

For openers, I confess to unalterable opposition to world government—always have and always will—and also to any organization where the United States has one vote and no veto, but pays 20 percent of the cost of operating the organization. And that money comes from the pockets of the American taxpayers who are going to be gypped in the end, I fear, by this instrument which is being rushed through the U.S. Senate on a fast track.

Mr. President, for the record, let me try to identify just a few of the reasons why I think the World Trade Organization should be considered as a treaty.

First of all, the State Department acknowledges eight factors that should be used to determine whether an agreement should be considered by the Senate as a treaty. Now, this is the State Department. They put out a little pamphlet. If you do not have one, call down there and they will send one up.

Here is what the State Department specifies in terms of whether an instrument should be treated by the Senate as a treaty:

1. The degree or commitment or risk for the entire Nation.

Mr. President, I have to say the WTO certainly contains substantial commitments in that regard.

2. Whether the agreement is intended to affect State laws.

Well, that is an absolute given. It is going to happen.

3. Whether the agreement can be given effect without legislation by Congress.

Obviously, the World Trade Organization will have permanency and authority on its own.

4. Past United States practice as to similar agreements;

5. The preference of Congress;

6. The degree of formality desired;

A new international organization is pretty formal, I would say.

7. The proposed duration of the agreement;

The World Trade Organization is going to be around for a long time, interfering in the sovereign rights of the United States of America and its States and its people.

> 8. The general international practice as to similar agreements.

I do not know of another country that has approved this except as a treaty. There may be one, there may be more, but every country I know about who is already a member of WTO will do it by treaty. But here in the United States we are going to do it by fast track, we are going to do it as an agreement, we are going to rush through it in 20 hours and bang, bang, we are going to have an up-or-down vote and everybody goes home for Christmas.

Obviously, most of these criteria speak for themselves and support my feeling, at least in my own mind, that the WTO ought to be treated as a treaty.

Mr. President, I have a copy of an excellent letter from Mr. Laurence Tribe, a constitutional expert in the view of a lot of people. Sometimes I do not agree with him but I respect him, and in this instance I believe he is right on target. The letter was written to Senator BYRD and is dated July 19. Let me read a couple of paragraphs. He said:

> Dear Senator BYRD, I write to express my concern that in the rush to achieve a major advance in the regime of international trade, some proponents of the Uruguay Round of the General Agreement on Tariffs and Trade [GATT] appear to be ignoring vital constitutional safeguards for the role of the Senate as a deliberative body and for the sovereign authority of the 50 States as semi-autonomous entities within the Federal system.

I am going to have the whole letter printed in the RECORD in just a minute. Later on he said:

> As I wrote in the 1988 edition of my treatise, "American Constitutional Law," that the power to conclude executive agreements coincides perfectly with the treaty power seems untenable, since such a conclusion would emasculate the Senatorial check on executive discretion that the Framers so carefully embodied in the Constitution.

That is exactly what I am saying. Mr. Tribe, you and I agree absolutely. That is on page 229 of his book entitled "American Constitutional Law." Then I continue, and I am quoting from Tribe's letter:

> To be sure, what is proposed in this instance is not simply an executive agreement but an agreement that is to be implemented by congressional legislation. Thus, my problem is not with any circumvention of article I, under which the Congress is empowered to regulate foreign commerce, but with the circumvention of article II, section 2, clause 2, under which the power to make Treaties is expressly conditioned on the proviso that "two thirds of the Senators present concur."

Later on in his letter Mr. Tribe says.

> * * * it is hard to imagine what kind of agreement must be regarded as a Treaty, and subjected to state ratification as such through the Senate, if the Uruguay round is not to be so regarded. However inconvenient, the structural safeguards of the Constitution must not be ignored.

Finally, in his letter to Senator BYRD, a copy of which was sent to me, he said,

> * * * I thought it important to share with you, and with your colleagues, my very grave misgivings about how the Clinton administration appears to be proceeding with this matter, insofar as the role of the Senate is concerned.
>
> Sincerely, Laurence H. Tribe.

I ask unanimous consent that this letter be printed in the RECORD at the conclusion of my remarks, and I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. A third point, to get back to my dissertation, Mr. President, is that the World Trade Organization sets up a formal, permanent voting structure very, very similar to the United Nations. However, the United States has only 1 of 117 votes in the World Trade Organization, and the United States has no veto, which is the main difference with the United Nations.

Many important votes will be cast in the next 10 or 25 years, by the World Trade Organization. There are certain to be votes to amend and votes to interpret the provisions of the WTO. But this treaty—and I use the word "treaty" advisedly because I believe that is how it should be considered by the Senate of the United States—this treaty will affect our sovereignty and therefore should be considered under the constitutional treaty provision. The laws of the United States could very well otherwise be overruled by the World Trade Organization. And I do not think any Senator wants that to occur.

The World Trade Organization requires that any trade dispute covered by the GATT provisions must be brought before a World Trade Organization dispute settlement panel, which is equivalent to an international court. I have already paid my respect to the concept of an international court, as have many other Senators.

Mr. President, just envision these World Trade Organization panel decisions. They will be automatically adopted unless the winner agrees to drop the case, and that is highly unlikely to happen. It is a stacked deck, do you not see? And we ought not to walk blindly into it—20 hours of debate, no amendment, one up-or-down vote.

If the United States loses a case before a World Trade Organization panel, then we either change our law, pay compensation—a payoff—or we face retaliation. So the United States will face incredible pressure to change our laws which may offend somebody somewhere else in the world—Third World countries or whatever. It is like having a gun held to the head of Uncle Sam: "Change your law, give us money, or we will shoot." It seems to me that the sovereignty of the United States is unquestionably at risk.

Some claim that there is no sovereignty problem—you will probably hear that later this afternoon—because the United States can then just simply ignore a bad decision and not change our law.

What kind of reasoning is that? Our sovereignty, it seems to me, is affected when the courses of action that the United States can take are so restricted. I think NEWT GINGRICH bounced around all over the lot a little bit on this question, but at a hearing, GINGRICH once said:

> We are transferring substantial power to an international body that can coerce us to change our behavior.

Of course, NEWT GINGRICH was right.

Mr. President, a brief comment about this fast-track business. The fast-track law requires trade agreements to be considered, as I have said several times, under strict time limitation, no amendments and 20 hours of debate. And only the members of the Finance Committee or the Ways and Means Committee can add amendments to the draft implementing bill. When it gets out on this floor, forget it. All Senators are equal, but some are more equal than others, particularly in a matter like this.

Mr. President, the administration is seeking a 7-year extension of fast-track authority which would apply also to labor and environmental matters. I am fully aware that the Senate draft implementing bill does not include any fast-track extension, but I am concerned that it may somehow be stuck in the bill when the unofficial conference committee meets. I hope that my fears are unfounded in that regard because it should not be allowed to happen.

In my opinion, the fast-track law is an abdication of congressional responsibility, and I will go to my grave believing that. At the very least, we should debate the extension of the fast-track law. It should not be slipped into the GATT implementing bill which is, itself, subject to the fast-track. So we are hemmed in.

How can we represent the people of the United States in a fashion of this sort? In summation, this World Trade Organization proposal is so important that it should be considered as a treaty so that it does not sail through like a ship passing in the night.

I urge the Senate to support this sense-of-the-Senate resolution to retain the constitutional prerogative of the Senate.

I yield the floor.

EXHIBIT 1

HARVARD UNIVERSITY LAW SCHOOL,
Cambridge, MA, July 19, 1994.

Hon. ROBERT BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: I write to express my concern that, in the rush to achieve a major advance in the regime of international trade, some proponents of the Uruguay Round of the General Agreement of Tariffs and Trade (GATT) appear to be ignoring vital constitutional safeguards for the role of the Senate as a deliberative body, and for the sovereign authority of the fifty States as semi-autonomous entities within the Federal System.

As I understand the GATT implementing legislation, which would become federal law once approved as a fast-track executive agreement by simple majorities in the House and Senate, the resulting legal regime would entail a significant shift of sovereignty from state and local governments to the proposed World Trade Organization (WTO), in which the interests of these entities would be represented exclusively by the U.S. Trade Representative (USTR). Having read the December 15, 1993, version of the Final Act Embodying the Results of the Uruguay Round, and having examined the letter of July 6, 1994, sent by some forty-two state attorneys general and the attorney general of Puerto Rico to President Clinton, I do not pretend to have mastered all of the details of how the new trade system would work. However, I share a number of the concerns expressed by the attorneys general and, more importantly, I see no way to avoid the conclusion that the legal regime put in place by the Uruguay Round represents a structural rearrangement of state-federal relations of the sort that requires ratification by two thirds of the Senate as a Treaty.

As I wrote in the 1988 edition of my treatise, American Constitutional Law, "[t]hat the power to conclude executive agreements coincides perfectly with the treaty power seems untenable, since such a conclusion would emasculate the Senatorial check on executive discretion that the Framers so carefully embodied in the Constitution." (Pg. 229.) To be sure, what is proposed in this instance is not simply an executive agreement but an agreement that is to be implemented by congressional legislation. Thus my problem is not with any circumvention of Article I, under which Congress is empowered to regulate foreign commerce, but with the circumvention of Article II, Section 2, Clause 2, under which the power to make Treaties is expressly conditioned on the proviso that "two thirds of the Senators present concur."

Even after the Seventeenth Amendment was ratified in 1913, making the Senate a popularly elected body rather than body composed of individuals chosen by the State Legislatures, the Senate remains the principal body in which the States qua States are represented in our National Government. Article V continues to provide but one exception to the general proposition that the Constitution may be amended whenever proposed changes are ratified by three fourths of the fifty States: "no State, without its Consent, shall be deprived of its equal Suffrage in the Senate." That singular exception bespeaks the enormous structural significance of the Senate as a forum for protecting the rights and interests of the several States and their local subdivisions.

Thus if there is any category of international agreement or accord that must surely be submitted to the Senate for approval under the unusually rigorous two-thirds rule of the Treaty Clause, that category must include agreements like the Uruguay Round, which represents not merely a traditional trade agreement but a significant restructuring of the power alignment as between the National Government and the States.

I am, of course, aware that we have, as a Nation, fallen into an almost habitual pattern of regarding trade agreements as proper subjects for enactment through the concurrence of the President and a majority of both Houses of Congress. By and large, that pattern has served us well—and, in most instances, it may be fully consistent with the letter and spirit of the Constitution. But it is hard to imagine what kind of agreement must be regarded as a Treaty, and subjected to state ratification as such through the Senate, if the Uruguay Round is not to be so regarded. However inconvenient, the structural safeguards of the Constitution must not be ignored.

As you may recall, I was a strong supporter of the North American Free Trade Agreement (NAFTA) and testified in the Senate that the federal courts cannot constitutionally compel the USTR, when submitting the NAFTA for consideration by Congress, to accompany that instrument with an environmental impact statement, even assuming such a procedure to have been mandated by Congress in the National Environmental Policy Act (NEPA). On that occasion, while I was most sympathetic with the environmental concerns of those who sought judicial compulsion to obtain an environmental impact statement, I was unwilling to sacrifice basic separation-of-powers principles to achieve environmental aims.

So too here. For while I am likewise a strong supporter of the free trade principles of the Uruguay Round and would be sad to see those principles receive a setback in the Senate, the issue is not one of policy preference; it is one of fidelity to the Constitution. As such, I thought it important to share with you, and with your colleagues, my very grave misgivings about how the Clinton Administration appears to be proceeding with this matter insofar as the role of the Senate is concerned.

Sincerely,

LAURENCE H. TRIBE.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, let me indicate to the manager, Senator MIKULSKI, that I will not be offering either a crime amendment or an amendment on Bosnia. They are on the list. I am not going to offer those amendments.

Ms. MIKULSKI. I thank the Republican leader.

Mr. DOLE. I will wait until the next bill.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I would now rise to address the important issues raised by the Senator from North Carolina in the amendment which is now pending, the sense of the Senate regarding the need to protect the constitutional role of the Senate. I think we could all agree on that.

I, however, will state, not in extensive form, the simple fact that the Uruguay Round legislation, which has just been approved by the Committee on Finance and which is being approved by the Committee on Ways and Means, which will be transmitted to the President and returned to us as a statute which we will vote upon under the fast-track, as it is called, arrangements, is entirely an exercise in the constitutional role of the Senate, is quintessentially such. The Constitution gives the Congress the authority to regulate commerce with foreign nations, and the Uruguay round of the General Agreement on Tariffs and Trade concerns commerce with foreign nations.

The present arrangements, Mr. President, go back to 1934 with the enactment of the Reciprocal Trade Agreements Act of 1934. We have 60 continuous years of experience under this arrangement in which the President negotiates trade agreements and, as has been the case under the fast-track provision, the Congress embodies those agreements in legislation which we consider and debate and vote on. Indeed, the one distinctive feature of the present arrangement is that Congress, actually in the form of the two committees with jurisdiction over trade—Finance in the Senate, Ways and Means in the House—draft the legislation, send it to the President, and he sends it back to us.

The Senator from North Carolina, my friend and long-time colleague, is particularly concerned about the World Trade Organization and whether or not that requires approval in the mode of a treaty. And he introduces a letter from Laurence H. Tribe, who is the Ralph S. Tyler, Jr., professor of constitutional law at the Harvard University Law School, in which Professor Tribe indicates in his opinion that it ought to be considered such.

I would state with equal confidence that confining the World Trade Organization to a treaty is to exclude the House of Representatives, which has equal authority in these matters, concerning trade and tariffs. And inasmuch as tariffs are a revenue, it is the constitutional prerogative of the House that they should originate in the House.

The Department of Justice was apprised of Professor Tribe's views.

May I say that it is a pleasing experience to hear the Senator from North Carolina citing Laurence Tribe. It is not every day that we have that here in the Senate.

The Department of Justice, the Assistant Attorney General in the Office of Legal Counsel, Mr. Walter Dellinger, has prepared a memorandum for the U.S. Trade Representative, Ambassador Kantor, on the subject of whether the GATT Uruguay round must be ratified as a treaty. They say emphatically no. This is an executive agreement for which we will enact a statute. The World Trade Organization simply formalizes the informal negotiation setting and dispute resolution arrangements that have been in place in the GATT since the failure of the Senate to approve the International Trade Organization in 1947, if I am correct.

The Bretton Woods agreement in 1944 established three economic institutions for the post-war period: The International Bank for Reconstruction and Development, which we know as the World Bank; the International Monetary Fund; and the International Trade Organization. The latter died in the Finance Committee, and 2 days ago it came to life again. That is perhaps not a very accurate metaphor. But in any event, what we set out to do 50 years ago at Bretton Woods is now soon to be accomplished.

The memorandum of law from the Assistant Attorney General notes:

> As this office pointed out nearly 40 years ago when first considering the constitutional issues posed by the GATT, it has been a well established principle of our constitutional law that the Congress, as distinguished from the Senate alone, may direct and participate in the making or implementation of certain international agreements.

That was a memorandum for the Attorney General from J. Lee Rankin, then Assistant Attorney General. This was the Eisenhower administration. When this issue first came up, they said it is perfectly straightforward.

The measure we will have before us in a few weeks comes to us because the Senate directed the President—authorized, if you like—to negotiate this trade agreement, not once but twice—under President Reagan who first proposed it, then President Clinton who needed an extension last July.

I cannot think there is any question of this matter. We have 60 years of practice. We have opinions that go back to the Eisenhower administration. We have the Supreme Court in the Curtiss-Wright decision in 1936.

I will not delay the body with two such distinguished persons here, the ranking member, former chairman of the Committee on Finance, and the chairman of the Committee on Foreign Relations.

Mr. President, I urge rejection of the amendment and in time will ask that it be tabled.

Mr. PACKWOOD. Mr. President, I join my good friend and distinguished colleague, Senator MOYNIHAN, chairman of the Finance Committee. And Senator PELL, I believe, is going to speak to this issue, also.

There is no strict constitutional definition of what a treaty is and what an agreement is. Over the years, just since 1946, the United States has concluded 732 treaties and 12,968 other international agreements.

You could attempt to parcel and divide these and put one on one side and one on the other and say this is a treaty and this is an agreement, and you would be hard pressed to find any distinguishing lines between some of them as to when one is a treaty and when one is an agreement.

The Israel Free-Trade Agreement, was an executive agreement. The Canadian Free-Trade Agreement was an executive agreement. The North American Free-Trade Agreement, was an executive agreement. The principal difference being that a treaty is submitted only to the Senate and takes a two-thirds vote, and an executive agreement has to be passed by both the House and the Senate and takes only a majority vote.

So why are things in some cases submitted as treaties and in some cases submitted as agreements? It is not whether there is something in it that is going to diminish our sovereignty, and if we are going to do that, that should be a treaty. It is not whether we are permanently binding or not permanently binding ourselves to something.

As a matter of fact, for those who are worried about the Uruguay round agreement and the so-called World Trade Organization, which we used to call GATT—perhaps we made a mistake in calling it the World Trade Organization. GATT did not seem to excite anybody. The General Agreement on Tariffs and Trade was hardly a frightening dragon. The World Trade Organization has a certain world body concept to it that many have expressed concern with. But it is the same organization.

But for those who are worried about it, who think we are giving up our sovereignty, we can withdraw with 6 months' notice. Six months and we are out. It is not as if we have permanently placed our army under the command of some U.N. authority. It is not as if we have given—and our good friend from North Carolina talks about 117 to 1—the Supreme Court of India the power to permanently alter the laws of the United States. There is no overriding decision of the World Trade Organization—if they voted against us 117 to 1, that cannot change a single law in the United States unless Congress changes it. This organization does not have the power to change U.S. laws.

Are we always going to win every argument in the World Trade Organization? No. We have lost some in GATT. As a matter of fact, in the Canadian Free-Trade Agreement, in the United States-Canada Free-Trade Agreement, there is a binational panel. There is a binational panel between Canada and the United States to resolve disputes.

There is one dispute with which I am very familiar. It involves softwood lumber, a big product in my State. We have had an argument with Canada as to whether or not they are unfairly subsidizing their lumber. It has gone to a binational Canadian-American panel. The panel has decided against the United States. But we always maintain our sovereignty. We can get out of the Canada-United States Free-Trade Agreement anytime we choose. That panel cannot force us to change U.S. law. Are we in good conscience bound to observe it? Probably in good conscience we are because many times the panel is going to rule in our favor.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. PACKWOOD. Yes. I am happy to yield.

Mr. MOYNIHAN. Would he not agree that it is in our national interest to observe it?

Mr. PACKWOOD. The Senator has asked me a tough question because my State of Oregon did not like the outcome. Trade with Canada is in our national interest, and I have heard my good friend say many times that our trade with the Province of Ontario is bigger than our trade with any country, including Japan; just one Province, the Province of Ontario in Canada.

Is my State prospering generally from the agreement with Canada? Yes, we are. Are we prospering from the agreement with Mexico? Yes, we are.

I will give you an example. Freightliner, which make those big trucks on the highways, have a large plant in Portland. They are the biggest manufacturer of those trucks, bigger than International Harvester. They have plants in the Carolinas. Prior to the North American Free-Trade Agreement, they used to send their trucks in kit form to Mexico to be assembled because of domestic content laws and what not. With the North American Free-Trade Agreement, they are going to make the trucks in the United States, send them down whole, and sell them through a distribution network. They have just recently announced a major expansion in the Portland plant. Is it good? Yes. Is it working out well? Yes.

I have a company in Medford, OR, called Sabroso that makes fruit purees. They are the principal maker of the basic baby foods for Heinz, Gerber, and Beechnut. They take peaches and apples, and they make the puree. They also make a fruit kind of soda pop.

They are not even on the main railroad. Medford is a good size town. If you want to go overseas, you have to go to San Francisco or Portland and get on another plane. About 60 percent of their sales are foreign sales. In their factories they are making labels in Portuguese, Italian, and Spanish. You think of this company that makes baby food and you think of the Latin American market. They regard this as a bonanza out of Medford, OR.

So is trade good for the United States? Yes. Could this have been submitted as a treaty? Probably; yes. It has been submitted as an agreement. It is hard to distinguish one from the other.

The principal reason trade agreements have traditionally been submitted as agreements is that they heavily involve implementing legislation, usually involve tariffs, and from the standpoint of comity, involve the House of Representatives. And if the House were not involved in it to start, it could play havoc if the Senate forced down their throats a major trade agreement and we said to the House of Representatives, no-no, we are only going to do it in the Senate. It does not make sense.

So out of necessity and comity, frankly, we need the House on this. This is not a unicameral legislator. They are submitted as agreements and the House must approve it.

So I hope that we will table the sense-of-the-Senate resolution of the Senator from North Carolina. Does he have a theoretical point that this could have been either? Yes. Should this agreement be defeated because we choose to consider it as we have considered every other trade agreement? No.

I thank the Chair.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, this amendment raises several issues of concern to the Foreign Relations Committee. First, it suggests there is a potential threat to U.S. Sovereignty posed by the World Trade Organization. The committee held an extensive hearing on this subject, and I am fully satisfied that the WTO does not present any threat to U.S. sovereignty.

The WTO does not affect Congress's sole right to change U.S. law nor does it create a new powerful international organization. The WTO reaffirms current GATT practice of making decisions by consensus. In the rare instances that the WTO would vote, the voting procedures in the WTO would strengthen the hand of the United States and weaken the power of smaller countries by requiring a higher majority for decisions than is currently required in the GATT. In addition, under the rules of the WTO, any provision or amendment affecting substantive U.S. rights and obligations expressly requires U.S. approval.

Second, the amendment suggests that existing procedures under which trade agreements are treated as executive agreements rather than as treaties be changed. It is my view that Congress has been well served by the current practice of considering trade agreements as executive agreements and placing them in the primary jurisdiction of the Finance Committee. In addition, in terms of the impact of U.S. law, there is no difference between an executive agreement authorized under fast track procedures and a treaty.

Finally, the amendment recommends terminating the current fast-track procedures that have been followed for trade agreements for decades. These fast-track procedures have served the United States well by facilitating the negotiation of trade agreements and giving the United States credibility that agreements made at the negotiating table will not be reopened. If the United States did not have the fast-track authority, I cannot imagine we would have the Uruguay round agreement, which took 8 years to complete, today.

I urge my colleagues to defeat the Helms amendment.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman of the Committee on Foreign Relations for his thoughtful, accurate statement. The committee did indeed hold hearings on this matter.

Before moving to table, I want to point out that—inadvertently, I am sure—the amendment of the Senator from North Carolina suggests that under the GATT agreement, the United States will pay 20 percent of the budget of the World Trade Organization. We will pay 15 percent. That represents our share of world trade. The amount of moneys involved are $8 million, $9 million. Also, my friend from North Carolina mentioned the concerns of the attorneys general of the United States—of the various States—about the matter, and they were properly concerned. They are vigilant with respect to States' rights. They have met with our Trade Representative, Ambassador Kantor, and they have agreed with changes we made in the implementing legislation, which is how the process works. It is a statute to fully satisfy their concerns.

I ask unanimous consent that at this point a letter from Michael Carpenter, attorney general of Maine, chairman of the National Association of Attorneys General, and some of his colleagues, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MAINE, DEPARTMENT OF THE ATTORNEY GENERAL,
Augusta, ME, July 27, 1994.

Hon. MICHAEL KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR KANTOR: As the Attorneys General of our respective states and as the leadership of the National Association of Attorneys General (NAAG) workgroup on trade issues, we write to express our satisfaction with the proposed amendments to the GATT implementing legislation and statement of administrative action that our respective staffs have developed over the last ten days. The NAAG workgroup on trade issues has convened nearly daily since our July 15 meeting in Washington with your General Counsel, Ira Shapiro, to review the provisions which have been negotiated by our staffs.

The document which has been developed not only meets essential needs of the states but has also had the important byproduct of fostering the type of productive communication and interaction between your office and the states that gives us confidence that not only the letter, but the spirit, of this agreement will be adhered to.

The specific benefits of our agreement for sates importantly include:

the right of states to specific notice, information and participation in key proceedings affecting their state laws;

substantial protections for the states that level the playing field between state and federal government where the federal government seeks to overturn state law in U.S. District Court, including a bar on retroactive relief; and

the elimination of the private right of action so as to bar either the private sector or foreign governments from preempting state or local laws.

We would be remiss if we did not acknowledge the fine work that U.S. Senator Kent Conrad has done in championing these issues. His contribution to the process has been immeasurable.

The major points of our agreement should not belie the importance of the dozens of specific provisions which give clear and effective meaning to these federal obligations. In summary, in a separate communication, we are strongly recommending to our colleagues, the Attorneys General of the other states who joined us in initiating this dialogue, that this comprehensive agreement be supported as one that effectively preserves for the states a meaningful role and significant opportunity to defend and protect state law.

Sincerely,

MICHAEL E. CARPENTER,
Attorney General of Maine, Chair, NAAG Trade Workgroup,
CHARLES W. BURSON,
Attornery General of Tennessee, NAAG President,
HEIDI HEITKAMP,
Attorney General of North Dakota, Vice Chair, NAAG Trade Workgroup.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the memorandum of law from the assistant attorney general concerning Professor Tribe's letter be printed in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF LEGAL COUNSEL,
Washington, DC, July 29, 1994.

Re whether the GATT Uruguay round must be ratified as a treaty.

Memorandum to Ambassador Michael Kantor, U.S. Trade Representative.

From: Walter Dellinger, Assistant Attorney General, Office of Legal Counsel.

This is to provide you with the views of the Office of Legal Counsel on the question whether the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) requires approval as a treaty by a two-thirds vote of the Senate. In our opinion, the Uruguay Round may constitutionally be adopted in the manner in which trade agreements of this kind are ordinarily approved—that is, by passage of implementing legislation by simple majorities of both Houses of Congress, together with signing by the President.[1]

In a recent letter to Senator Robert Byrd, Professor Laurence H. Tribe took the position that "if there is any category of international agreement or accord that must surely be submitted to the Senate for approval under the unusually rigorous two-thirds rule of the Treaty Clause [U.S. Const., Art. II, §2, cl. 2], that category must include agreements like the Uruguay Round, which represents not merely a traditional trade agreement but a significant restructuring of the power alignment as between the National Government and the States." See

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[1] Footnotes at end of article.

"Leading Scholar Says Uruguay Round Must Be Ratified As Treaty," Inside U.S. Trade at 1–2 (July 22, 1994) (Tribe Letter). Professor Tribe contends that the legal regime that would ensue from the enactment of the GATT implementing legislation "would entail a significant shift of sovereignty from state and local governments to the proposed World Trade Organization (WTO), in which the interests of these entities would be represented exclusively by the U.S. Trade Representative." Id. at 1. Professor tribe concludes that "the legal regime put in place by the Uruguay Round represents a structural rearrangement of state-federal relations of the sort that requires ratification by two thirds of the Senate as a Treaty." Id.

We disagree. As this Office pointed out nearly forty years ago when first considering the constitutional issues posed by the GATT, "it has been a well established principle of our constitutional law that the Congress, as distinguished from the Senate alone, may direct and participate in the making or implementation of certain international agreements." Memorandum for the Attorney General J. Lee Rankin, Assistant Attorney General, Office of Legal Counsel, re: Constitutional Aspects of the General Agreement on Tariffs and Trade 24 (November 19, 1954) (Rankin Memo). In particular, Congress has frequently enacted major international trade agreements that apply to the States, including agreements that raise the possibility that State law might be challenged as inconsistent with our international obligations.[2] "Every recent trade agreement entered into by the U.S. has imposed obligations on the states. This includes the Tokyo Round (1979), the U.S.-Canada Free Trade Agreement (1988) (CFTA) and the North American Free Trade Agreement (1993) (NAFTA) . . . [U]nder NAFTA, the states assumed the obligations of the trade agreement, including the possibility that a state law could be challenged, as inconsistent with U.S. obligations, in dispute settlement proceeding[s] brought by Canada or Mexico." Memorandum to Walter Dellinger, Assistant Attorney General, Office of Legal Counsel, from Ira Shapiro, General Counsel, United States Trade Representative, at 1 (July 24, 1994) (Shapiro Memo).[3] See also The Constitution of the United States of America: Analysis and Interpretation, S. Doc. No. 16, 99th Cong., 1st Sess. 523 (1987) ("the most copious source of executive agreements has been legislation which provided authorization for the entering into of reciprocal trade agreements with other nations"); Restatement (Third) of the Foreign Relations Law of the United States §303(2) (1987) ("the President, with the authorization or approval of Congress, may make any international agreement dealing with any matter that falls within the powers of Congress and of the President under the Constitution").

The Constitution itself recognizes the possibility of international agreements other than "treaties" in the sense of Art. II, §2, cl. 2. In limiting the powers of the states, it provides that "[n]o State shall enter into any Treaty, Alliance, or Confederation," but continues that "[n]o State shall, without the consent of Congress . . . enter into any Agreement or Compact . . . with a foreign Power. . . ." U.S. Const., Art. I, §10, cl. 1, 3. Thus, while a state may not enter into a "Treaty" with a foreign power, it may (with Congress's approval) enter into an "Agreement or Compact" with one. "Unless, therefore, the position is taken that the Federal Government does not have the power to use techniques of agreement made available to the states . . . the conclusion is inescapable that the Federal Government was intended to have the power to make 'Agreements' or 'Compacts.'" Rankin Memo at 26. Accordingly, from the beginning of the Republic to the present, Presidents and Congresses have elected enter into international agreements in preference to formal treaties.[4] The State Department advises us that from January 1, 1946, to December 31, 1993, the United States concluded 732 "treaties" (in the sense of Article 2, §2, cl. 2) and 12,968 other international agreements, the overwhelming majority of which were based at least in part on Congressional legislation, principally legislation delegating to the President the authority to conclude international agreements.[5]

Further, the Supreme Court has recognized "the power to make such international agreements as do not constitute treaties in the constitutional sense. *United States* v. *Curtiss-Wright Corp.*, 299 U.S. 304, 318 (1936); see also *Weinberger* v. *Rossi*, 456 U.S. 20, 30 n.6 (1982) "We have recognized . . . that the President may enter into certain binding agreements with foreign nations without complying with the formalities required by the Treaty Clause"); *Dames & Moore* v. *Regan*, 453 U.S. 654, 679 (1981) (although settlements of U.S. nationals' claims against foreign countries "have sometimes been made by treaty, there has also been a longstanding practice of settling such claims by executive agreement without the advice and consent of the Senate.").[6] In *Field* v. *Clark*, 143 U.S. 649 (1892), the Court sustained legislation that authorized the President to impose tariffs in order to secure reciprocal trade with other countries. The Court summarily rejected the claim that the legislation represented an unconstitutional delegation to the President treaty-making powers, *id.* at 694; see also *Hampton & Co.* v. *United States*, 276 U.S. 394, 410–11 (1928). The Court has also stated, in holding that a later Act of Congress may override a treaty, that the participation of the House of Representatives in enacting such legislation "does not render it less entitled to respect in the matter of its repeal or modification than a treaty . . . If there be any difference in this regard, it would seem to be in favor of an act in which all three of the bodies [i.e., the President, the Senate and House] participate." Head Money Cases, 112 U.S. 580, 599 (1884) (emphasis added). *See also Edwards* v. *Carter*, 580 F.2d 1055, 1064 (D.C. Cir.), cert. denied, 436 U.S. 907 (1978) (treaties and legislation are alternative, concurrent means provided in the Constitution for disposing of territory belonging to the United States).[7]

Accordingly, "it is now widely accepted that the Congressional-Executive agreement is a complete alternative to a treaty: the President can seek approval of any agreement by joint resolution of both houses of Congress instead of two-thirds of the Senate only. Like a treaty, such an agreement is the law of the land, superseding inconsistent state laws as well as inconsistent provisions in earlier treaties, in other international agreements or acts of congress . . . [T]he constitutionality of the Congressional-Executive agreement is established, [and] it is used regularly at least for trade and postal agreements."[8]

We do not understand Professor Tribe to be arguing that trade agreements must in all cases be approved by two-thirds of the Senate. Rather, he appears to be claiming that the GATT Uruguay Round has some specific feature that requires that it—unlike other trade agreements—be ratified in the manner prescribed by the Treaty Clause. See Tribe Letter at 2 ("the Uruguay Round . . . represents not merely a traditional trade agreement but a significant restructuring of the power alignment as between the National Government and the States"). We are hard pressed, however, to identify with any certainty what is assertedly distinguishing feature of the GATT Uruguay Round is, or why it should entail the constitutional consequences that Professor Tribe seeks to draw from it.[9]

Conceivably, Professor Tribe might mean only that the GATT Uruguay Round will change the relative balance of control over various trade-related matters between federal and state governments. But such a shift would in itself raise no serious constitutional issues: it has long been settled that if federal legislation is within the substantive scope of a delegated relations.[10] To deny that the GATT Uruguay Round falls within the substantive scope of Congress's combined powers under the Interstate and Foreign Commerce Clause, U.S. Const., Art. I, §8, cl. 3, would be a radical attack upon the modern understanding of federal power: it would be an attempt to carve out of the scope of the Commerce Clause matters that are part of or closely related to that Clause's core meaning, which is that Congress can control the conditions of all trade and commerce that affect more states than one. We doubt that Professor Tribe is taking so extreme a stance.

While Professor Tribe says little about the specific nature of "restructuring of the power alignment as between the National Government and the States" that, in his view, triggers the application of the Treaty Clause, he does claim that enactment of the GATT implementing legislation "would entail a significant shift of sovereignty from state and local governments to the proposed World Trade Organization (WTO), in which the interests of these entities would be represented exclusively by" USTR. Tribe Letter at 1. We assume, therefore, that it is this particular feature of the GATT Uruguay Round that, in Professor Tribe's opinion, implicates the requirement for Senate approval under the Treaty Clause. Professor Tribe thus appears to be arguing that because the GATT Uruguay Round would diminish state sovereignty while augmenting the authority of the WTO—a foreign forum in which the states would be unable to represent themselves—that agreement can only be adopted in accordance with a procedure that provides maximum protection to the states. That procedure is found in the treaty ratification process, in which the states, by virtue of their equal representation in the Senate, are peculiarly well positioned to defend their own interests.

We do not dispute that "the Constitution's federal structure imposes limitations on the Commerce Clause." *Garcia* v. *San Antonio Metro. Transit Auth.*, 469 U.S. 528, 547 (1985). We also agree that state sovereignty within the federal system is "protected by procedural safeguards inherent in the structure of the federal system." Id. at 552; see also American Constitutional Law at 315, 480. Finally, we agree that among the procedural devices in the Constitution for protecting the rights and interests of the states, the equal representation of the states in the Senate is particularly important. See *Garcia*, 469 U.S. at 551–52; Tribe Letter at 1 (Senate has "enormous structural significance . . . as a forum for protecting the rights and interests of the several States and their local subdivisions").

We do not understand, however, why the asserted transfer of state authority to the WTO (even were this the case) should require the approval of two-thirds of the Senate, rather than a majority of both Houses of Congress.[11] As Professor Tribe himself has pointed out, *Garcia* "strongly . . . reaffirm[ed] a broad view of federal power." American Constitutional Law at 394. Congress's powers vis-a-vis the States are no less "broad" under the Foreign Commerce Clause than they are under the Interstate Commerce Clause.[12] If the Constitution permits Congress, when acting under the Interstate Commerce Clause, to affect the scope of state authority by majority votes of both Houses (together, of course, with Presidential approval), we see no reason why the states should be entitled to a different and more protective procedure when Congress affects them by acting under the Foreign Commerce Clause.[13] In both contexts, the states may rely on their influence on the legislative process. See *Garcia*, 469 U.S. at 556 ("[t]he political process ensures that laws that unduly burden the States will not be promulgated"); see also American Constitutional Law at 315–16.

Furthermore, we understand that the federal-state relationship under the proposed WTO agreement is not relevantly different from what it was under previous trade agreements. The scope and obligations of the WTO agreement are largely equivalent to those of the NAFTA. The dispute settlement procedures in the two agreements are also quite similar, and are quite close to those included in the CFTA. Moreover, "the relevant statutory provision[s] in the [Uruguay Round implementing legislation] are virtually identical to those of the NAFTA and CFTA, and largely the same as those of the 1979 Act implementing the Tokyo Round." Shapiro Memo at 2.[14] Accordingly, we find no reason here that requires Congress to proceed in this case by the treaty process, rather than by bicameral consideration, as in the case of the earlier trade agreements.

An examination of the dispute resolution procedures in the GATT Uruguay Round Agreement shows that those provisions do not represent "a significant shift of sovereignty from state and local governments" to the WTO. Tribe Letter at 1. Annex 2 of Uruguay Round Agreement sets forth rules and procedures to be followed in disputes over covered agreements. See Final Act Embodying The Results Of The Uruguay Round Of Multilateral Trade Negotiations, Marrakesh, 15 April 1994, Annex 2. A Dispute Settlement Body (DSB) is established to administer the rules and procedures. In certain circumstances, disputes are referred to expert panels, which report their findings and conclusions of law to the DSB. Appeals from panel cases are available. "Where a panel or the Appellate Body concludes that a measure is inconsistent with a covered agreement, it shall recommend that the Member concerned bring the measure into conformity with that agreement." Annex 2, art. 19(1) (emphasis added). Should a Member fail to bring the measure into compliance, it may be required to negotiate compensation for the complaining party or parties. Art. 22(2). If no satisfactory compensation is agreed upon, a complaining party may be authorized to suspend application of concessions or other obligations under the covered agreement. Art. 22(2), (6). Suspension of concessions or other obligations is only to be applied until compliance is secured, or the Member complained against "provides a solution to the nullification or impairment of benefits," or "a mutually satisfactory solution is reached." Art. 22(8). Of particular relevance to the states, "[t]he dispute settlement provisions of the covered agreements may be invoked in respect of measures affecting their observance taken by regional or local governments or authorities within the territory of a Member. When the DSB has ruled that a provision of a covered agreement has not been observed, the responsible Member shall take such reasonable measures as may be available to it to ensure its observance. The provisions of the covered agreements and this Understanding relating to compensation and suspension of concessions or other obligations apply in cases where it has not been possible to secure such observance." Art. 22(9).

These provisions make it clear that a decision by a DSB panel or Appellate Body is non self-implementing, and in particular that a panel decision does not operate directly upon the states to invalidate or supersede local law. Rather, the question whether to conform state law to a recommendation included in a panel report is purely a matter to be decided domestically. In the first instance, the state legislature itself might decide to apply the panel recommendation to its own law. Alternatively, Congress might achieve that result by a specific act of preemption, or the federal government might bring suit under the implementing legislation. This is not an enlargement of federal power at the expense of the states, since Congress might independently take these actions under the Commerce and Supremacy Clauses, U.S. Const., Art. II, §8, cl. 3, Art. VI, §2, even in the absence of the Uruguay Round Agreement. Further, rather than choosing to displace state law, the federal government might agree to pay compensation to the complaining party, or devise some other mutually satisfactory solution that did not affect state law. As another alternative (albeit not the preferred one), the federal government might submit to retaliatory measures by the complaining party, in the form of the suspension of concessions or other trade benefits. The affected states may of course seek to use their influence on the legislative process to secure the outcome most satisfactory to them—which may consist in the federal payment of compensation or in the loss of trade rights, rather than the alteration of state law.

Professor Tribe might be taken to be arguing that the GATT Uruguay Round gives Congress legislative authority to displace state laws that Congress would not have had in the absence of that executive agreement. Given the breadth of Congress's authority under the Interstate and Foreign Commerce Clause, however, we can see nothing in this agreement that would add any lawmaking power to those Congress already possesses, since the matters covered by the agreement appear to fall within the regulation of commerce. While it may be true that the agreement provides Congress with reasons to enact legislation that it had not previously had (e.g., the desire to maintain a particular regime for international trade), that is not to say that Congress's powers to legislate under the Commerce Clause have been augmented.

Thus, the Uruguay Round agreement's dispute resolution procedures do not, in our judgment, represent a loss of state sovereignty either to the federal government or to an international trade organization. Even assuming that the states may not represent themselves before a DSB panel or Appellate Body, it is Congress, not the DSB, whose decision with regard to state law is dispositive Accord Shipiro Memo at 2. Nothing in these arrrangements requires Congress to deal with the GATT Uruguay Round Agreement as a "treaty" rather than as a trade agreement like NAFTA or CFTA.

FOOTNOTES

[1] It is important to note that the implementing legislation for the GATT Uruguay Round provides that Congress specifically "approves" the trade agreement negotiated by the President. This was also the case for earlier trade agreements, including the Tokyo Round, the U.S.-Canada Free Trade Agreement, the U.S.-Israel Free Trade Area Agreement, and the North American Free Trade Agreement. See, e.g., North American Free Trade Agreement Implementation Act, Pub. L. No. 103–182, §101(a), 107 Stat. 2057, 2061; United States–Canada Free Trade Agreement Implementation Act of 1988, Pub. L. No. 100–449, §101(a)(1), 102 Stat. 1851, 1852, reprinted as note to 19 U.S.C. §2112; see generally 19 U.S.C. §2903(a).

[2] Professor Tribe acknowledges that "we have, as a Nation, fallen into an almost habitual pattern of regarding trade agreements as proper subjects for enactment through the concurrence of the President and a majority of both Houses of Congress." Tribe Letter at 2.

[3] The U.S.–Israel Free Trade Area Agreement may also be mentioned here.

[4] See Louis Henkin, Foreign Affairs and the Constitution 173 (1975).

[5] In our judgment, the longstanding practice of regarding trade agreements as subject to the ordinary procedures of bicameral passage and presentment to the President offers significant support for the conclusion that it is sufficient here. Even prior to the Trade Act of 1974, "approval of trade agreements had taken one of three forms: as a treaty made with the advice and consent of two-thirds of the Senators, as a congressional-executive agreement authorized in advance by omnibus legislation, or as a congressional-executive agreement authorized after negotiation by a joint resolution or by implementing legislation approved by a majority of both houses . . . [T]he drafters of the 1974 Act created a new legislative mechanism. Known commonly as the 'fast-track' procedure, this device structured the President's discretion to negotiate trade agreements in exchange for a congressional commitment to approve or disapprove those agreements quickly and without amendment." Harold Koh, *Congressional Controls on Presidential Trade Policymaking After "I.N.S.* v. *Chadha"*, 18 N.Y.U.J. Int'l L. 1191, 1201–02 (1986). Like other major post-1974 trade agreements, the GATT Uruguay Round Agreement is proceeding on the "fast-track" procedure, which of course involves bicameral passage.

[6] The Court in *Rossi* and *Dames & Moore* was apparently referring, in the statements cited above, to international agreements that the President entered into on the basis of his inherent powers alone. Such "sole" executive agreements may function much as treaties do, and can even preempt inconsistent state law. See *United States* v. *Pink*, 315 U.S. 203 (1942); *United States* v. *Belmont*, 301 U.S. 324 (1937).

As Professor Tribe notes, the GATT Uruguay Round proposal involves an executive agreement that was negotiated pursuant to Congress's authorization and that would be implemented by legislation enacted by both Houses. See Tribe Letter at 1 ("what is proposed in this instance is not simply an executive agreement but an agreement that is to be implemented by congressional legislation"). Such international agreements would, if anything, be even more likely to prevail over inconsistent state law than "sole" agreements. See *Barclays Bank PLC* v. *Franchise Tax Board of California*, No. 92–1384, slip op. at 31–32 (June 20, 1994) (declining to address whether "the President may displace state law pursuant to legally binding executive agreements with foreign nations made 'in the absense of either a congressional grant or denial of authority, [where] he can rest only upon his own independent powers'" (quoting Youngstown Sheet & Tube Co., 343 U.S. 579, 637 (1952) (Jackson, J., concurring))).

[7] Presidents and members of Congress have also maintained that the same objects can be achieved by legislation as by treaty. "When the Senate failed to ratify a treaty for the annexation of Texas, President John Tyler advisor the House of Representatives: 'The power of Congress is, however, fully competent in some other form of proceeding to accomplish everything that a formal ratification of the treaty could have accomplished. . .'". Louis

Henkin, Constitutional Conflicts between Congress and the President 227–28 (1991). President Tyler's view accorded with that of Senator John C. Calhoun, who asserted that the annexation of Texas could be accomplished by legislation. "It is now admitted that what was sought to be effected by the Treaty submitted to the Senate, may be secured by a join resolution of the two houses of Congress incorporating its provisions. This mode of effecting it will have the advantage of requiring only a majority of the two houses, instead of two-thirds of the Senate." Quoted in Myres S. McDougal and Asher Lans, Treaties and Congressional-Executive or Presidential Agreements: Interchangeable Instruments of National Policy; I, 54 Yale L. J. 181, 181 (1945). See also Pub. Papers of Harry S. Truman 323 (1947).

[8] Foreign Affairs and the Constitution at 175–76; see also John H. Jackson, The General Agreement on Tariffs and Trade in United States Domestic Law, 66 Mich. L. Rev. 250, 253 (1967) ("[i]t is generally settled that under our Constitution international 'treaty' obligations can be established . . . [by] an executive agreement of the President, acting under authority delegated by an act of Congress"); Treaties and Congressional-Executive or Presidential Agreements, 54 Yale L. J. at 239 ("practice under the Constitution . . . has confirmed beyond doubt . . . that the treaty-making power is no barrier to Congressional authorization or sanction of agreements"); *Congressional Controls on Presidential Trade Policymaking After "I.N.S.* v. *Chadha"*, 18 N.Y.U.J. Int'I L. at 1195 n. 13 ("[t]reaties and congressional-executive agreements are now generally treated as interchangeable instruments of U.S. foreign policy").

We need not consider here whether treaties and legislation are interchangable instruments in all contexts. The State Department informs us that in 1949, the Legal Adviser opined that "[t]he correct test to be applied in determining whether what are called 'executive agreements' are an acceptable constitutional alternative to treaties, is whether constitutional authority other than the treaty making power exists for the President to negotiate and conclude the agreement and for Congress to enact any legislation which may be necessary fully to carry out the agreement." In the case of trade agreements such as the GATT Uruguay Round, such authority plainly exists: in the President, by reason of his authority to conduct the United State's international negotiations, see, e.g., *Dep't of Navy* v. *Egan*, 484 U.S. 518, 529 (1988) (Supreme Court has "recognized 'the generally accepted view that foreign policy was the province and responsibility of the Executive.'") (quoting *Haig* v. *Agee*, 453 U.S. 280, 293–94 (1981)); *Alfred Dunhill of London, Inc.* v. *Republic of Cuba*, 425 U.S. 682, 705–06 n. 18 (1976) ("the conduct of [foreign policy] is committed primarily to the Executive Branch"), and in Congress, by reason (among others) of its power to regulate foreign commerce, see, e.g., *California Bankers Ass'n* v. *Schultz*, 416 U.S. 21, 59 (1974).

[9] We note that the leadership of the National Association of Attorneys General (NAAG) workgroup on trade issues; which represents the state Attorneys General on this matter, has written to the U.S. Trade Representative to say that the implementing legislation and statement of administrative action that will be submitted to Congress "meet essential needs of the states." Letter to Honorable Michael Kantor, U.S. Trade Representative, from Michael E. Carpenter, Attorney General of Maine, Chair, NAAG Trade Workgroup (July 27, 1994).

[10] See, e.g., *Perez* v. *United States*, 402 U.S. 146, 150–54 (1971); *Wickard* v. *Filburn*, 317 U.S. 111, 118–29 (1942), *Darby* v. *United States*, 312 U.S. 100, 114–15 (1941), *Steward Machine Co.* v. *Davis*, 301 U.S. 548, 587–90 (1937). Professor Tribe, of course, recognizes this fact: "So long as Congress act within an area delegated to it, the preemption of conflicting state or local action—and the validation of congressionally authorized state of local action—flow directly from the substantive source of power of the congressional action coupled with the supremacy clause of article VI; *such cases may pose complex questions of statutory construction but raise no controversial issues of power.*" Laurance Tribe, American Constitutional Law 479 (2d ed. 1988) (emphasis added).

[11] We are aware of no evidence in the Framers' or Ratifiers' debates or in The Federalist that the requirement of two-thirds Senate approval for treaties was bottomed on the desire to protect the sovereignty of the states. "President Washington stated in [1796] that it was 'well known' that powers such as the treaty power were granted to the Senate on the insistence of the smaller States, which claimed that their sovereignty and political safety depended on equal participation in those powers." The United States Senate (1787–1801), S. Doc. 19, 99th Cong., 1st Sess. 15 (1985). But Washington was apparently referring to the small states' fear that the larger states might combine together to obtain treaties for their own commercial advantage, see id. (reviewing original materials). Thus, requiring treaties to be approved by a Senate supermajority seems to have been a device for protecting the smaller and less populous states from trade arrangements that favored the larger states, rather than a means of guarding state sovereignty from usurpation by the national government.

[12] "In 'the unique context of foreign commerce,' a State's power is further constrained because of 'the special need for federal uniformity.'". *Barclays Bank*, slip op. at 11 (quoting *Wardair Canada, Inc.* v. *Florida Dep't. of Revenue*, 477 U.S. 1, 8 (1986)); cf. *Reeves, Inc.* v. *Stake*, 447, U.S. 429, 437–38 n.9 (1980) ("Commerce Clause scrutiny may well be more rigorous when a restraint on foreign commerce is alleged").

[13] Indeed, if this were so, then all trade agreements affecting state sovereignty would have to be submitted to the Senate as treaties—a conclusion we have considered and rejected above.

[14] Indeed, if anything, the implementing legislation for the GATT Uruguay Round may well build in greater protections for the states than earlier trade legislation. See Shapiro Memo at 3-4.

Mr. MOYNIHAN. I will soon move to table the amendment, but I do not want to interfere with the time of the distinguished former President pro tempore.

Mr. THURMOND. I would like to speak on this matter.

Mr. MOYNIHAN. Then I will withhold my motion.

The PRESIDING OFFICER (Mr. PYROR). The Senator from South Carolina [Mr. THURMOND] is recognized.

Mr. THURMOND. Mr. President; I rise today in support of the amendment by my friend from North Carolina. Recently, I offered an amendment to the foreign operations appropriations bill regarding a similar subject. As I stated then, I have serious concerns over the World Trade Organization, known as the WTO and the effect that it will have on the sovereignty of our Nation.

The WTO will be the arbitrator of trade disputes between signatory countries. While the WTO will not have the authority to change our laws, it will be able to pressure the United States enough to make us change our laws. The decisions handed down by the WTO will be voted on by the member countries. Each country gets one vote and, except in some cases, a majority vote rules. While the WTO has been described as a United Nations of trade, the U.S. will not have veto power over WTO decisions. All decisions are final.

The U.S. will have four choices of action if the WTO rules against our country. We can either: First, leave the WTO, Second, pay tariff penalties to other countries, Third, not enforce our domestic laws, or Fourth, change our laws to comply with the WTO ruling. Most of the Federal, State, and local laws that would be contested have been enacted to protect the rights, safety, and health of our workers and the environment of our country.

One argument used to justify the WTO is that other countries would not impose harsh penalties against the U.S. since we have such a lucrative marketplace. However, I do not think any of us can really be sure how the developing nations of the world, which account for 83 percent of the WTO membership, will vote when a situation arises.

I want to repeat that—how the developing nations of the world, which account for 83 percent of the WTO membership, will vote with when a situation arises.

Mr. President, those of us who were serving the Senate during some of the previous GATT rounds have heard many of the same arguments that the Clinton Administration is making with regard to this agreement. In fact, the claims regarding the Uruguay round are strikingly familiar to those made by the Carter Administration at the close of the Tokyo round talks in the late 1970's. At that time, we were told that bold new steps, such as those incorporated into the Tokyo round, were needed to eliminate our trade deficit and to make America more competitive in the global marketplace. Yet, Mr. President, the exact opposite happened. I repeat. The exact opposite happened. After implementation of the Tokyo round, the United States trade deficit grew from $14 billion in 1979 to over $115 billion in 1993. Further, we saw a major decline in the steel, textile, apparel, and electronics industries. During this same time, these industries were struggling to survive due in part to the closed markets of other countries.

Mr. President, I think this amendment is a good amendment, and I hope my colleagues will see fit to support it.

Now, this amendment provides under the findings after paragraph 3 that in the World Trade Organization the United States will have only 1 out of 117 votes. I want the Senate to hear that. It will have only 1 out of 117 votes and will lose the veto power it had in the GATT organization that the World Trade Organization replaces.

Mr. President, it also provides in paragraph 4 under the GATT treaty, the United States will pay 20 percent—I repeat, 20 percent, of the burden of the World Trade Organization. We will have less than 1 percent of the voting power. We will pay 20 percent of the burden and have 1 percent of the voting power.

The World Trade Organization has a potential of overriding U.S. law. Do we want that to be the case? Do we want the World Trade Organization to override domestic law? Mr. President, that is what it will do. Why should we relinquish that power to any World Trade Organization, or any other organization to override our laws?

Now, under the Constitution we have a right to make treaties. Why not let the President submit this as a treaty and let the Senate consider it? We think that is the right way to do it.

I also wish to remind the Senate that under the fast-track rules, Senators are prohibited from amending the agreement and debate is limited to 20 hours on the floor. We will not have the opportunity to make an amendment under the fast-track. You vote for it or you vote against it.

And we think that is a mistake to pass this under the fast-track rule. We think it is a great mistake and, therefore, we feel that this WTO organization which has 117 members can pass a law that will override the laws of the United States and we do not even have a veto. I repeat, and Senators better wake up here and see what they are doing. We pass a law that will override the laws of this country and do not even give us a veto. Are we not foolish to do such a thing? I repeat. This is a dangerous situation, and I would hope that the amendment of the Senator from North Carolina will be agreed to.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, while we are waiting for one more Senator to come and speak on the Helms amendment, as the manager of the VA-HUD appropriations, I wish to announce to my colleagues that knowing of no other amendments it would be my hope to move to third reading after the disposition of the Helms amendment. I will have a committee amendment, en bloc.

So, therefore, if Senators have anything else they want done, they have to tell us right this minute, and I would hope that Senators will stay on the floor so we could complete our action on both the Helms amendment and my bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I congratulate the distinguished Senator from North Carolina [Mr. HELMS], for his pursuit of this important matter. I strongly support his amendment. The agreement that has been negotiated by the executive branch is far-reaching in its scope and establishes a powerful new international institution which impacts on our Nation's economy, its laws, and, indeed its sovereign powers. It impacts on this institution also. I have grave institutional concerns in regard to this matter. It needs the full attention of every Senator and ought to be debated at length.

The World Trade Organization, which is established by this international agreement, apparently has the potential power to affect U.S. laws. Will this organization, which would include the United States as a member with 1 vote among 117 countries, be able to overturn U.S. laws, environmental laws, fuel efficiency regulations, and many other laws? That is the accusation made by the growing number of critics of this agreement. Senators need to fully understand the implications of the mandate being given to this new organization.

The cost of the agreement will be very large. The Congressional Budget Office puts the cost at $40 billion over 10 years, and $10 billion over the first 5 years because of lost tariff revenues. So there is a very significant negative economic impact, certainly in the first decade.

This body, under the fast-track procedures—which I voted against—will have no ability to amend the agreement. It rolls through here with a maximum of 20 hours of debate on the Senate floor.

There are serious economic, institutional, trade, and constitutional issues at stake here. Most Senators, I believe, have not had the opportunity to examine the details and the implications of the agreement.

Some Senators have raised the question as to why it should be considered in the form of a treaty, rather than an executive agreement. It binds the nation internationally in a way that has many serious implications for our Nation, and in matters of this weight the Framers intended that a higher standard, super-majority was needed.

Why should this body rush into approving this agreement this year? I hope that the administration will not send up the agreement this year. Congress can wait, and I think it ought to wait, until next year, next spring, after a full investigation of the ramification of this agreement. In any case, implementing legislation is not needed until July of next year. Most other nations, I understand, have not approved this agreement. I understand that many other nations are treating this agreement as a treaty in their constitutional processes. I wonder how many of them have these "fast-track" procedures.

The Senator from North Carolina is rightly concerned over the way this body is being forced to handle the agreement. We are being forced to handle it partly through our own fault, too, may I say to my friend. I agree with him. However, I do think that most Senators should not be forced to vote on his amendment at this time because they do not now have sufficient information to make a judgment on the matter. I do not have sufficient information to make a judgment on this matter, and I am sure there are others in my same predicament. It will take further study, serious study and reflection on their part to make a decision on whether to support the GATT agreement.

So I respectfully suggest to the Senator that he withdraw his amendment at this time and that the Members of this body make a major effort over the next weeks and months to understand the implications of their vote.

I am concerned that if we have a vote today, it will certainly have the effect of locking some Senators in on their vote, Senators who may not have had an opportunity to study the implications. Others have studied it and they have made a decision. I respect their decision, those who disagree with me on it. But, as one Senator, I certainly have not had the opportunity.

I will vote with the Senator, if he persists in going through with the vote, but I hope and respectfully urge that he will not press this to a vote today and that he will withdraw his amendment.

He made a good statement. Others have made statements on it. I respectfully recommend that he not pursue the matter further and that he withdraw the amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, the Senate has just heard how and why the distinguished Senator from West Virginia has earned the respect and admiration of so many of us. When I list the truly great Senators with whom I have had contact and served, I always begin with the name of ROBERT C. BYRD.

Frankly, he and I have discussed exactly what he has proposed. I agree with him. We have made our case and it is a matter of record.

I might add, Mr. President, that more and more Senators every day are looking into the World Trade Organization. We have had at least two luncheon meetings attended by 30 or 35 Senators, most of whom left absolutely astonished.

I think it is wise to defer further consideration and to give time for the Senate to think about it and specific Senators to learn about the World Trade Organization.

Having said that, I thank the distinguished Senator from West Virginia. He has been a wonderful friend to me and I appreciate what he said.

I will withdraw the amendment.

The PRESIDING OFFICER. The Senator from North Carolina has that right. The amendment is withdrawn.

The amendment (No. 2458) was withdrawn.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his withdrawing of the amendment.

The PRESIDING OFFICER. The question before the Senate now is the first excepted committee amendment.

The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I now ask unanimous consent that the remaining committee amendments be considered and agreed to en bloc, and that the motions to reconsider the votes be laid upon the table en bloc.

The PRESIDING OFFICER. Is there objection. Without objection, it is so ordered.

So the excepted committee amendments were agreed to en bloc.

CLEAN FUEL TECHNOLOGY

Mrs. BOXER. Mr. President, recent interest over gasoline additives and clean-fuel vehicle requirements in California and the northeast and mid-Atlantic States have renewed debate over the ever-expanding clean fuel technology issue.

Electric vehicles have received strong endorsements this year from both the California Air Resources Board and Ozone Transport Commission, representing the 12 northeast and mid-Atlantic States and the District of Columbia. Zero emission vehicles, of which electric-powered vehicles are the only practical means available, are a critical part of these States' efforts to achieve improved air quality for their citizens. It is time that we move seriously to not only support greater research and development in clean fuel vehicles, but to stimulate fleet purchases of these vehicles, aid the critical infrastructure development and support our States' efforts to deal with the Clean Air Act requirements to improve their air quality.

I ask unanimous consent to submit for the RECORD a copy of a recent article in the New York Times titled, "The Truth About Electric Cars." This article dispels some of the myths that no one will buy electric vehicles because they will be too expensive and because motorists want to drive more than 100 miles in a day. That is not the case. Electric vehicles—buses, cars, and utility vehicles—will provide an important part of our comprehensive plan to clean up tailpipe pollution. People will buy them, too, some perhaps because it's a good thing to do for the environment but also because consumers will want this "clean" technology: no oil filters, smelly fuel pumps, and broken fan belts.

All one has to do is see the people on the street of Santa Barbara, CA, wave on the diesel transit buses so they can catch a ride on the clean electric buses to know that there is a market for electric vehicles in America's cities.

There being no objection, the article was ordered to be printed in the RECORD.

The Truth About Electric Cars

(By Noel Perrin)

THETFORD CENTER, VT.—In 1998, New York State is to join California, Maine and Massachusetts in requiring auto makers begin selling electric cars. Not many—just 2 percent of the cars a manufacturer sells in the state that year. But that's still too many for the oil companies, which don't want to lose any part of their gasoline market. In their campaign to prevent the New York regulations from going into effect, these companies have been running scare ads.

The ads focus on money. They could hardly focus on quality, because the quality of modern electric cars is too high. When Popular Science test-drove a General Motors Impact earlier this year, a prototype, it reported that the vehicle was "not so much a surprisingly good electric car, but possibly the best-handling and best-performing small car that G.M. has ever turned out."

A Mobile ad I saw in June quoted a study asserting that electric cars could cost at least $10,000 more to manufacture than comparable gas-powered cars, and maybe as much as $27,000 more. Who would pay that much? Almost no one. Therefore, the ad maintained, the auto companies will artificially reduce electric-car prices to the level of gasoline-powered cars—and lose money on every one. They'll then recoup their losses by raising prices on all other cars.

The Mobil ad predicted that if the new regulations go into effect, everyone in New York buying a gasoline car in 1998 could get zapped an extra $600. Forty-nine conventional-car buyers all handing over $600 to subsidize one environmental maniac who wants an electric car. Even the math is a little funny here. When I multiply $600 by 49 people, I get $29,400. I thought the maximum difference was $27,000, and the more probable difference around $10,000. If it's $10,000, the zap per gasoline-car buyer drops to $204.

But never mind the math. The whole premise is absurd.

Take my electric Audi, my beautiful, steel-gray commuter car. Last year I paid $10,250 for it. I can and do drive to work in it, zipping down the interstate at 60 miles an hour. True, I can't drive very far—about 45 miles before recharging overnight. But that gives me enough power for short trips around town, and the cost of recharging is negligible. No one has given me a subsidy. Granted, mine is an old Audi, built in 1983 and converted to electric in 1992 (not by me). But it's unlikely that I could find a 1983 gasoline Audi in perfect order for $250.

Or take the current stock in trade of Green Motorworks, an electric-car dealer in southern California. Its cars start at $9,995.

But Mobil isn't talking about used electric cars nor about converted gasoline cars like my Audi, or like the Electric Leopard at Green Motoworks. It's talking about new electric cars, built from scratch in 1998. It's claiming they will cost from $10,000 to $27,000 more than comparable cars with combustion engines.

Can this really be true for a car that is simpler in design? That does not yet enjoy the economic advantages of mass production but will well before 1998? Compare a gasoline engine and an electric motor sometime and see which has more moving parts. Consider which vehicle needs a catalytic converter on the tailpipe—and which one needs a tailpipe at all, or a muffler, or a fan belt, or antifreeze, or motor oil.

Oh, I admit the oil companies are getting some support from Detroit. There's a man at Ford, and a very high-ranking one, who says that a decent electric car would cost $100,000 to build. Chrysler is selling a few electric vans right now. The price: $100,000 each. Scary.

But Detroit is not the only place where cars are built. There's France, for example, where automobiles got their start 100 years ago. Both Renault and Peugeot Citroën will begin production of electric cars next year. Peugeot Citroën plans an initial run of 10,000 cars.

Now listen to Jean-Yves Helmer, the head of Peugeot's car division. "The production cost of an electric car is lower than a standard car," he said in an interview in Automotive News this spring. Mr. Helmer expects to be selling electric Peugeots and Citroëns in France next year for $10,700. He thinks he could price them the same in the United States. What about the scare-figures thrown around by Mobil and Ford and Chrysler? "Their cost estimates seem to be highly inflated," he says politely.

And an electric Peugeot at $10,700 is still not going to be the cheapest electric vehicle in the world. There's a company in Taiwan that expects to be making and selling an electric car for just under $5,000. (I admit it's a smaller vehicle than I have any interest in owning—about the size of a golf cart.)

So whom do you believe? The oil companies with their somber predictions? Or Mr. Helmer, who will be ready to sell inexpensive electric cars next year?

GORTON AMENDMENT NO. 2449

Mr. GORTON. Mr. President, today I thank the chairman and ranking Republican for accepting my amendment, which is designed to allay the fears of thousands of retired Americans in my State and across the Nation who live in 55 and over communities. I have received nearly 2,000 letters from concerned residents of 55 and over communities in Washington about a proposed rule published by the Department of Housing and Urban Development on July 7, 1994.

The rule proposes to enforce a provision of the Fair Housing Act that requires private 55 and over communities to provide their residents with "significant facilities and services designed to meet the physical and social needs of older persons." I believe, as do my constituents, that the Department's proposed rule goes too far in mandating that all 55 and over communities provide expensive facilities and services and make these services accessible to older persons with mobility, visual, and hearing impairments. HUD's proposed rule would require these communities to have facilities and services more extreme than those required under current law and above and beyond those required by the Americans With Disabilities Act.

The list of examples published with the Department's proposed rule includes adult day health facilities, outpatient treatment facilities, congregate dining facilities, and counseling and support services for diseases affecting senior citizens. Not only are the items on this list extremely expensive to provide, but the list is taken directly from section 202 supportive housing for the elderly—a federally funded public housing program. Clearly, Mr. President, privately owned and operated 55 and over communities catering to low- and moderate-income seniors cannot be expected to have the same facilities and services as federally funded housing projects. I understand that this list is intended only to provide examples of those facilities and services which will meet the new requirements, but, my constituents are rightly concerned that it will simply be used as a checklist by fair housing investigators.

While I understand that the Department, in publishing the proposed rule, is complying with section 919 of the Housing and Community Development Act of 1992, I am not certain that it was truly the intent of Congress to mandate these expensive facilities and services for communities catering to retired Americans. My constituents rightly believe that they have the intelligence to decide for themselves whether they need to live in a community with facilities and services designed for the ailing and disabled without the assistance of the Federal Government.

The residents, owners, and operators of 55 and over communities throughout the Nation are justifiably concerned that HUD's proposed rule, if enacted, will regulate them out of existence. Most of the retirement communities affected by the Department's proposed rule are low- to moderate-income mobile home parks and condominium complexes. The residents of these communities can clearly not afford the extravagant facilities and services the Department provides as examples of those meeting the requirements of the proposed rule. My constituents have informed me that if the proposed rule is enacted, they will be forced drastically to increase rents, or give up their exemption from the Fair Housing Act.

The Department, in anticipation of these concerns, has scheduled a number of public hearings to provide the owners, operators, and residents of 55 and over communities the opportunity to express their specific concerns. This is the right thing to do. I thank the Department for its cooperation and consideration in responding to my concerns and those of my constituents. I am pleased that the Department has agreed to hold a hearing in Washington State and another in the northeast in addition to those already scheduled in California, Florida, and Arizona.

The purpose of my amendment, then, is simply to allow for a greatly extended public comment period to provide the residents of these communities an opportunity to inform the Department of their specific concerns, to provide the Department ample time to take these concerns into consideration, and to allow Congress time to decide whether it truly intended that such strict requirements be placed on America's retirement communities. To accomplish this end, my amendment will withhold funding for the publication, implementation, and enforcement of HUD's proposed rule until July 1, 1995. I believe this to be a reasonable request, given the amount of anger, frustration, and fear raised by the Department's proposed rule. I thank the chairman and ranking Republican for accepting my amendment, and I hope that they will make every effort to hold the amendment in conference.

EPA'S GREEN LIGHTS PROGRAM: A MODEL FOR GOVERNMENT-INDUSTRY COOPERATION

Mr. BINGAMAN. Mr. President, we are considering today the appropriation bill for VA–HUD and Independent Agencies Subcommittee which includes funding for the Environmental Protection Agency [EPA]. As chairman for the Alliance to Save Energy, a nonprofit coalition of business, government, environmental, and consumer groups dedicated to the efficient use of energy, I am very familiar with energy efficiency programs and would like to highlight one exemplary program that is contained in the bill before us today—the U.S. EPA's Green Lights Program.

Senator JAMES JEFFORDS of Vermont, alliance co-chairman, and I believe the Green Lights Program is a model program for all agencies because it is cost-effective, builds partnerships with U.S. businesses, and secures voluntary commitments from industry to prevent pollution and save resources. This is the kind of partnership building President Clinton has urged all agencies to pursue to achieve the goals and missions of this administration.

Since the inception of EPA's Green Lights Program in 1991, the number of projects undertaken by U.S. businesses has grown from 258 in March 1992 to more than 6,000 in March 1994. This increase is remarkable. It shows that U.S. businesses prefer to work with Government in a way that encourages cooperation and consultation rather than adversarial and regulatory approaches.

The Green Lights Program creates jobs and export opportunities for American companies by expanding the market for energy efficiency and environmental technologies. Here are a few statistics on the growth of equipment and hardware installed by the Green Lights Partners in the past 2 years between March 1992 and March 1994. EPA shows an approximate 18.8 percent growth in energy efficient lamps; approximately 23.7 percent growth in electronic ballasts; and a 245-percent growth in occupancy sensors. Every time a homeowner and business buys new efficient technologies, they are helping an installer or factory worker earn a living.

The Green Lights Program is improving the environmental and economic competitiveness of U.S. businesses. Investing in pollution prevention lowers energy costs for U.S. business and can decrease the amount of emissions causing acid rain and smog that pollute our air and water systems. Upgrades completed by Green Lights Partners have already prevented approximately 385,000 tons of CO_2, 1,300 tons of No_x, and 24.5 tons of SO_2. With a combined budget of only $22.4 million for 1993 and 1994, EPA's Green Lights Program has avoided an investment of $161.5 million in new utility powerplants and saved its partners $43.4 million in electric bills per year.

The Green Lights Program demonstrates how voluntary partnerships between Government and industry can accomplish more than command and control measures. Together, this unique partnership is helping the environment and our economy by manufacturing equipment, installing hardware, saving energy, and reducing emissions.

FAIR MARKET RENTS

HOUSING PROJECT LOCATION

Mr. BINGAMAN. Mr. President, I rise today to address two issues regarding the Department of Housing and Urban Development. No. 1, which the good manager of the bill has already raised, is that of fair market rents. HUD had proposed, and the subcommittee had originally included, a change in the calculation of the fair market rent for the section 8 certificate program. The change would have reduced the fair market rate ceiling from the 45th percentile to the 40th percentile. I, along with others, contacted the chair of the subcommittee when it was brought to my attention that this change would have devastating effects on the housing authorities in New Mexico.

In the case of the Bernalillo County Housing Authority, for example, the cap on fair market rents for two-bedroom apartments is currently $450. The HUD proposal would have dropped that cap to less than $400. In Bernalillo County, which is enjoying an economic boom, correspondingly high occupancy rates, and increasing rents, this change would have dramatically reduced the available suitable housing for subsidized tenants.

I am, therefore, relieved that, in response to my concerns and those of other Senators, the manager of this legislation has decided not to adopt the HUD recommendation in this area. I greatly appreciate this decision, and believe that it will help hundreds of families in New Mexico secure safe, affordable housing.

The second issue I would like to raise, and perhaps take up again when this body considers the Housing Choice and Community Investment Act of 1994, is the issue of housing project location. In the South Valley of Bernalillo County, an application for funding to construct affordable housing was recently rejected by HUD. The reason given for its rejection was that it was situated in a minority area. Although I understand the intent of HUD is to prevent the concentration of public housing solely in minority areas, this intent must be balanced against the legitimate needs of the community to be served. In the case of the South Valley, the majority of the population is Hispanic, and it is therefore impossible to locate public housing in a nonminority area of the community. Yet, the residents of the South Valley wish to live in safe, affordable housing within that community. They do not wish to leave the community for other areas of Bernalillo County, nor do they wish to move to Albuquerque. They want their housing needs to be addressed within their own community.

I have contacted Secretary Cisneros about this issue, and it is my hope that it can be resolved quickly. If not, however, I believe that we may need to revisit this issue when we consider housing authorization legislation later this session. Ensuring that our housing programs meet the needs of our communities is simply too important an issue not to address.

Again, I thank the good Chair for keeping the needs of New Mexicans in mind during the development of the legislation before us. I yield the floor.

SOUTH VALLEY WATER PROBLEM

Mr. DOMENICI. Mr. President, I am extremely pleased this bill includes $12 million in funding for the South Valley of Bernalillo County, NM, and I thank the distinguished chair for the subcommittee and the ranking Republican member for their favorable consideration of this urgent funding. The South Valley area has been settled since the 1700's and includes the three historic villages of Atrisco established in 1692, Los Padillas established in 1699. The South Valley is home to 12,000 people. The vast majority are Hispanic and many are poor. More than half of the children attending the area's two main elementary schools were eligible for free lunches through the Federal school lunch program, indicating household incomes under 130 percent of the poverty level.

For almost 30 years the South Valley community has suffered the health hazard of inadequate sewer and water facilities. Drinking water wells and septic tank leach fields are practically on top of each other. I am sure you can appreciate the tremendous health hazard this represents.

The septic tanks in the South Valley are contributing significantly to the aquifer's depletion and pollution. This is very serious because the aquifer is the water supply for the entire Albuquerque area. The water table in the aquifer has dropped 30 feet during the last decade. These facts support the conclusion that the problem is getting worse and so is the general quality of life in the South Valley.

I am aware that it would take more than $10 billion to help every community in need of a sanitary wastewater treatment system.

The Appropriations Committee last year made $500 million available for wastewater treatment for communities with special needs. That money is scheduled to become available this fall for projects that have been authorized. Thus far this year, the House-passed VA-HUD appropriation bill leaves available, subject to authorization, the fiscal year 1994 $500 million communities with special needs account.

The Senate Appropriations Committee made wastewater treatment a higher priority, and identified specific projects that would receive funding in both fiscal year 1994 and fiscal year 1995. I am pleased that they included $12 million in fiscal year 1995 for the South Valley.

Taking 10 billion dollars' worth of need and prioritizing the top $500 million or even top billion dollars worth of projects is a thankless job.

If the test is: Congress should help those who help themselves, the South Valley residents should be helped.

If the test is: first projects to get an authorization passed by either body, the South Valley should be included in your bill because S. 1685 passed the Senate in November of last year. In fact, it passed the Senate twice and authorized $25 million for the South Valley.

If the test is taking a lemon and making lemonade, the South Valley should be at the head of the line.

If the test is emergency, the South Valley check should be in the mail.

The situation is so bad there is almost a daily story in the New Mexico newspapers.

"South Valley Residents Blame Water for Girl's Illness."

"Residents Learn to Live in Sewage."

"Living in a Cesspool."

For almost 30 years this community has suffered deteriorating housing stock, and the health hazard of inadequate sewer and water facilities.

The situation is so critical that there is a moratorium on building desperately needed multifamily housing units. These are units that could greatly improve the housing stock and quality of life in the South Valley neighborhoods.

The wastewater needs of the South Valley are diverse and will require several different approaches. While these are the starkest examples, the valley's problems are diverse. Some parts of the valley are semiurban and could be hooked up to the Albuquerque city system. Other sections of the South Valley would be best served by community-cluster style systems like the vacuum systems and constructed wetlands. In the least densely populated areas of the South Valley it makes sense to continue onsite water wells and wastewater disposal systems.

Making lemonade out of a lemon. Two elementary schools and a community center in the South Valley were having to pump their septic tanks daily in order to avoid sewage rising to the ground surface. Bacteria were found in the well of one of the schools about 2 years ago. One of the schools, Los Padillas School, had been using bottled water to drink and to prepare school lunches. The teachers used this dire situation to get the students interested in science. All of the kids learned about the dangers of unsafe drinking water. They learned about the constructed wetlands vacuum technology to treat their waste and to provide them with clean healthy drinking water.

Helping those who help themselves. In these tight fiscal times, it can be said that Congress helps those who help themselves. If this is the test, South Valley should be helped. This community has been untiring in its efforts to help itself. So many times its efforts have been ignored or rejected.

Nevertheless, its leaders should be commended. They never gave up.

The leaders of South Valley and I have been meeting on a regular basis for 9½ years to develop an action plan to address this problem. I particularly want to mention the hard work in New Mexico at the State legislature and in local government. Speaker of the House, Ray Sanchez; Senate President pro tempore, Manny Aragon; State Representative Kiki Saavedra; State Representative Delano Garcia; former county commissioner Orlando Vigil, county commissioner Al Valdez and county manager Juan Vigil have all worked tirelessly.

Their hard work has led to successes at the local level. These include the following: In 1991, the Bernalillo County Commission adopted a one-eighth cent tax on gross receipts in and for the unincorporated area of the South Valley to finance solid waste, water, and sewer. In the 2 years that this levy has been on the books, $1.5 million has been raised in annual revenue and $900,000 has been designated to assist residents in hooking up to water and sewer systems already in place. Some of this $900,000 has been used to upgrade substandard on-site wells or septic systems.

A partnership in the making. The city of Albuquerque, in partnership with Bernalillo County, has contributed its resources in the areas of research planning and education. The University of New Mexico—Institute of Public Law—provided a joint study for the New Mexico Legislature which led to an appropriation of funds for this project.

The New Mexico Legislature appropriated $4 million in 1992; $5 million in 1993; and $8 million in 1994, demonstrating the seriousness of the problem and the State's commitment to a solution.

Users of a new system will also bear a portion of the burden for the improvements. If the city is the provider, total user fees may total almost $3,500 for hookup to both water and sewer service. These costs do not include the cost to extend lines from the house to the water meter and sewer stubout.

While average incomes range from $18,000 to over $40,000 per household, it would be difficult for most homeowners to pay these substantial costs out-of pocket to ensure a sanitary liquid wastewater disposal system and safe drinking water supply.

Given the magnitude of the costs, grants and direct appropriations are needed in order to keep rates from being prohibitively high. The revolving loan fund has not been used because there is no way the residents could pay back the loan; the rates would be so high that the people who need the wastewater system could not afford it. The South Valley is not part of Albuquerque city and city officials believe that the city is already subsidizing the South Valley residents.

In addition, the Revolving Loan Program cannot make a long-term commitment for future funding of a phased project. The funds for both water and sewer problems are eventually needed. We are trying to secure funding for wastewater first through the committee's efforts to address such problems in communities with special needs. My point, however, is that the loan fund is not the answer for all of the above reasons.

Clearly the legislature is doing its part in this worthy partnership which would use both State resources and Federal resources. Even with the State appropriations the South Valley still needs $35 to $40 million to meet its water and sewer treatment needs—as much as $25 million is needed for the wastewater portion of the project.

Dozens of programs on the books but none of them can help the South Valley. Over the years, the community has investigated using the State revolving loan fund, Economic Development Administration programs, rural development programs under the Department of Agriculture, all of the EPA programs, HUD programs, and the Community Development Block Grant Program. The South Valley is ineligible for all of them because it is either too close to Albuquerque and therefore not rural enough, or too close to Albuquerque and therefore, when viewed as a region, is not poor enough. Or the needs of the South Valley are too big and would swallow up entire programs' nationwide budgets. Frankly the existing programs, with their restrictions about being too urban, or too well off, aren't the important criteria. It has simply been too long since the Federal Government joined the State and local partnership.

The Senate has passed a South Valley authorization. Action is needed in the House. Last year, the Senate passed S. 1685 which authorized this project. That bill is being held at the House desk. I have urged the House to pass this or include similar language in one of the bills now being considered. This authorization, if it is enacted into law, will end 30 years of frustration, denial and avoidable health problems in this community. Thank you, Mr. President.

TWIN LAKES

Mr. WALLOP. Mr. President, I would like to bring a matter to the attention of the Chairman, my colleague from Maryland. We have, in Sheridan, WY, one of the most egregious situations of unelected Federal bureaucrats imposing their will on the citizens they are supposed to serve, that I have seen.

Let me briefly outline the situation. In 1987, under the Safe Drinking Water Act, EPA began threatening the city of Sheridan, WY, with large fines if they continued providing raw tap water to residents in Big Goose Valley. EPA, for the first time in its history, chose to mediate the Safe Drinking Water violations.

That mediation process included representatives from EPA, in addition to the State, county, and city officials, and water users. They all determined that Twin Lakes enlargement was the best water supply option for the regional system.

An administrative order signed by all the parties in November 1988, specifically supported the regional water system concept and the funding application to the Wyoming Water Development Commission. Twin Lakes enlargement was the water supply component provided in that system and the funding application.

EPA then strong-armed the city of Sheridan into passing a capital facilities tax in order to pay for the project. I quote from a July 19, 1989, article in the Sheridan Press entitled "EPA To File Suit if Tax Is Rejected." Al Smith, regional counsel for EPA's Denver office said "If the tax fails, immediately the EPA will file a lawsuit in Federal court in Cheyenne."

Sheridan responded to the Federal threat and passed the tax, even though they have a history of rejecting such things. Twin Lakes enlargement was the firm water supply option the people assumed during that vote.

However, now that the water supply component is urgently needed to complete the project, the same EPA which bludgeoned the city under the Safe Drinking Water Act is obstructing the project under the Clean Water Act.

However, they are not doing so in a straightforward manner. The Army Corps of Engineers is actually in charge of issuing the 404 permit pursuant to the Clean Water Act. The Corps originally recommended against issuance of the permit for Twin Lakes enlargement because it would inundate 23 acres of wetlands. Since the Governor of Wyoming objected to the recommendation, the final decision was bucked up to Colonel Schaufelberger, Omaha Division Commander for the Corps, who has been working with Sheridan to come up with a plan that was actually permittable.

Colonel Schaufelberger and the Corps have worked with Sheridan officials to minimize the impact on wetlands even further and finally found an acceptable alternative which would only inundate 9 acres of wetlands and which avoided three large areas of the highest quality wetlands.

After all this work and expense—and I can assure you that Sheridan has spent a whole lot of money just trying to comply with Federal dictates—EPA said no to the new plan because it inundates 9 acres of wetlands. Because EPA said no, the Corps will not issue the permit.

Sheridan area residents are in the unfortunate position of not being able to even talk with or receive feedback from the real decisionmakers for this permit. EPA has been hesitant to meet with State or local officials because "this is a matter between the applicant and the Corps," they say. That would be fine, except for the fact that all EPA has to do is threaten a veto, as they are doing here, and the Corps refuses to issue a permit.

After having said all that, I understand that EPA now will meet with the permit applicants in Denver next Thursday. But quite frankly, based on prior behavior it is hard to hold any hope for quick resolution of this matter.

There is, however, a real need for a quick resolution. There are people online right now in need of a water supply. The only way the city can meet their needs is to continue to buy temporary water while they try and deal with the Federal hurdles being thrown in their way.

Let me make it perfectly clear that this is not a disturbance of pristine land. Twin Lakes is a enlargement of an existing reservoir in a previously disturbed area. There is no environmental opposition. In fact, local environmentalists are supportive of the idea.

Under the latest plan, the revised proposal would impact approximately 9 acres of wetlands. That's 9 acres of wetlands located 9,000 feet above sea level and frozen solid nine months out of the year. The impact on these wetland can and will be mitigated. The Sheridan Area Water Board has invested a lot of time and money coming up with a good mitigation plan. But that is not good enough for EPA.

EPA, by the position it has taken, is forcing Sheridan to take agricultural rights out of use. That alone has a detrimental effect on the tax base on also would result in wetlands being destroyed. EPA doesn't seem to care. EPA has been rigid, unyielding, and unreasonable in this situation.

Ms. MIKULSKI. I fully appreciate the Senator's point of view and I can assure him that I do not think the Federal Government should be allowed to deal with State and local officials and water users in such a way. The city of Sheridan has real and immediate water supply needs that must be met. I would propose that EPA join all interested parties in resolving this matter by October 1, 1994, or they report to me and to my colleague from Wyoming, Senator WALLOP, as to why this is not possible.

Mr. WALLOP. I thank the Chairman for her help on this matter. I am confident that if EPA makes a good-faith effort to help, rather than hinder this process, then the Sheridan Area Water Board can work with the State of Wyoming and the Corps of Engineers to complete the project, meet the water needs of the citizens, and mitigate the impact on wetlands. Sheridan residents should no longer suffer the expense and frustration they have suffered at the hands of EPA.

WIND TUNNELS

Mrs. BOXER. I want to call Senators' attention to a provision of the VA-HUD appropriations bill that provides $400 million for initial construction of two new wind tunnels. This project was recommended by the recently completed national facilities study conducted jointly by the Departments of Commerce, Defense, Energy, Transportation, and NASA.

These wind tunnels—one subsonic and one supersonic—will provide facilities for flight testing and simulation that are unmatched anywhere in the world. When operational, these wind tunnels will give our Nation's ailing aerospace industry the edge it needs to compete in this highly competitive global market.

It should be emphasized that the $400 million appropriated in this bill will not complete construction of this project. In fact, NASA estimates that the total cost will approach $2.5 billion. I strongly support the committee's view that the Federal Government cannot be expected to bear this cost alone.

The wind tunnel project must be a cooperative effort between Government and industry. It is simply too large and expensive for aerospace manufacturers to undertake alone. I believe that the national interest in completing this project is so important that the public should be willing to contribute a fair share.

The committee appropriately urges NASA to move ahead quickly on this important project. The report accompanying this bill directs NASA to determine wind tunnel site selection criteria and to establish a budget plan, including cost-sharing agreements, by March 1, 1995. It is my hope that this accelerated timetable will encourage NASA to give this project the attention that it deserves.

On the issue of site selection, I should report that a number of Californians have been working hard to bring this project to the NASA Ames Laboratory in the bay area. I believe that NASA Ames would be an excellent location for wind tunnel construction because of its proximity to aerospace engineering centers on the Pacific coast and its location in the Silicon Valley, the hub of the most advanced high-technology projects in our Nation.

I look forward to working with NASA and bay area economic leaders to bring this important project to California.

Finally, I want to take this opportunity to commend the committee for its wisdom in pressing ahead with this important project.

EARMARKS

Mr. BROWN. Before this amendment is adopted, I would like to address a question to my distinguished colleague, Senator MACK. I continue to be very concerned about earmarks and pork that is contained in appropriations bills. I believe that many earmarks skew spending priorities and force the administration to expend taxpayer dollars on nonpriority projects. The managers amendment now at the desk contains language mandating funds from the Veterans Affairs construction budget be spent to begin construction on a medical center/nursing home in Brevard County, FL, and a satellite outpatient clinic in Orlando, FL. It is my understanding that the Appropriations Committee had intended to note its support for these projects in its committee report and that due to some error, they were omitted. Further, I am informed that the Veterans Affairs Department has stated that building such facilities is one of its top priorities and would be funded as a priority even without a specific reference in the bill. I ask of the Senator from Florida, is that the case?

Mr. McCAIN. I join my colleague in posing that question.

Mr. MACK. To answer the Senators from Colorado and Arizona, that is indeed the case. As my friends can see, this is not an earmark that circumvents the normal merit-based and competitive selection process. The Veterans Affairs Department attests that these facilities should be built expeditiously and that they are the department's top priorities and these projects would be funded if the Appropriations Committee made no recommendations on this issue.

Mr. BROWN. I thank my friend. I know he shares the concerns of Senator McCAIN and myself regarding potentially harmful earmarks and I appreciate him clarifying that this amendment in no way reprioritizes the spending of VA money contained in this act. I thank the Senator from Florida and the managers for their cooperation .

EPA CLUSTER RULE

Mr. BUMPERS. Mr. President, I have watched with great interest the development of regulatory procedures at the Environmental Protection Agency, especially as they relate to areas important to my State. In my opinion, the concept of regulation contained in the cluster rule process held great promise. At the outset, I saw this procedure as a way to most efficiently and effectively incorporate all environmental-related activities of a particular industry within a common framework necessary for environmental protection and, at the same time, be sensitive to economic realities.

Therefore, it was by no coincidence that my curiosity was heightened when the first industry selected for cluster rule proceedings was the pulp and paper industry. In Arkansas, the pulp and paper industry reaches from the forested delta bottomlands along the Mississippi River across the State to the west. The industry in Arkansas employs more than 37,000 people and is the second largest employer in the State.

There are 10 bleach mills in Arkansas, but the effect of the cluster rule goes far beyond these few facilities and their employees. It also touches on the thousands of individual landowners who may own 50 or 60 acres of forested land that rely on the pulp and paper industry as their market. In many, many cases, these individual landowners look upon their relatively small tracts of land as their retirement program, or their investment to make sure their children can go to college. Without a viable market for their forest products, these people's hopes for their children's education and perhaps their very retirement is at risk. That is another reason the implementation of the cluster rule in this instance is important to me and my State.

In addition, there are thousands of other jobs in the service sector and other areas that are directly or indirectly tied to the pulp and paper industry. In many cases, these jobs are part of the small business community. I serve as chairman of the Senate Committee on Small Business and I know very well how sensitive these small businesses are to shifts in an area's overall economy and what can happen in the jobs market when a major employer is forced to scale back or shut down it's operations.

As this brief description reveals, the pulp and paper industry is an integral part of my State's economy and it is reflected in job opportunity, quality of life, and the generation of revenues that help provide services at the Federal, State, and local levels of government. To me and to the people of Arkansas, protection of the environment is also an integral part of our values, and we exercise that protection from our pristine mountain streams to our extensive wetland resources in areas of bottomland hardwoods. Our soil, our water, and our air are next to our children, most precious. After all, it is those children and grandchildren who will inherit those natural resources and we will be judged largely by how well we have conserved and protected them from unbridled, short term economic gain.

Now comes the cluster rule process at the Environmental Protection Agency and the imposition of that process on only one industry, the pulp and paper industry. No one would, or should, argue with the notion that this industry, like any other industry, must properly contribute to environmental protection. As I stated earlier, I thought the cluster rule would give this industry and the regulatory agency a meaningful tool that would benefit all parties and, most importantly, the environment. For these reasons, it is extremely important that the Environmental Protection Agency proceed with the cluster rule with the best information available. This rule, in this instance, is a test case. If the cluster rule doesn't work for the pulp and paper industry, it will be considered a failed effort that we cannot afford.

Senator MIKULSKI, the distinguished chairwoman of the Appropriations Subcommittee on HUD and Veterans Affairs, has included language in the committee report directing the Environmental Protection Agency to review all data and information provided by industry and to reassess the costs and benefits which will be obtained in the development of the cluster rule. I commend the chairwoman for her work and wish to associate my remarks with the action she has taken and reaffirm my sentiment that the Environmental Protection Agency has much at stake and cannot afford to make a mistake.

We have heard a lot lately about risk, cost/benefit, and other factors to be considered in the promulgation of regulations related to health and the environment. We in the Congress and those in the regulatory agencies have a serious responsibility to ensure protections to the health of our citizens and the health of our environment. We also have a responsibility to be fully informed when we make decisions in order to avoid unnecessary burdens to the regulated community or counterproductive results when those decisions are finally executed.

The language offered by the distinguished chairwoman is common good sense that simply states that the Environmental Protection Agency should make fully informed decisions. If the pulp and paper industry, or any industry, is required to spend billions of dollars in capital improvements in order to comply with Government regulations, it is simply fair to ask the agency developing those regulations to make sure those levels of investment are necessary to achieve the goal which we in the Congress have directed them to pursue. This is especially true when the cost of compliance is so great that enlightened business decisions within the affected industry may require the closing of facilities, the end of employment opportunities, a downturn in regional economies, and a ripple effect that extends to small individual landowners and small individual businesses.

We all hear from our constituents about the burden of Government regulation. We hear about the cost of new requirements in the debate of unfunded Federal mandates and we hear about the oppressive paperwork necessary to apply for a single loan guaranteed by the Federal Government. The cluster rule, if properly executed, can do much to help streamline the regulatory process in a manner consistent with the principles of good Government. The Environmental Protection Agency has before it an opportunity to show it can work cooperatively with industry in a way conducive to true environmental and economic protection. I want to see that cooperative effort succeed.

THUNDER CHILD TREATMENT CENTER

Mr. SIMPSON. The Thunder Child Treatment Center is a native American residential substance abuse treatment center located near Sheridan, WY. The leadership and administration of this private, not-for-profit center is comprised of representatives from each of the 10 tribes in the Montana-Wyoming region. It is the first and, to this date, the only coalition of area tribal representatives working closely together to promote alcohol and drug abuse treatment services for all of the tribes in the region. It should be noted that the center has achieved a 95 percent completion rate in its programs. This figure is truly astonishing when compared with the 37 percent completion rate that is found at non-native specific centers.

Since 1971, Thunder Child has been housed at the Veterans Administration Center in Sheridan, WY. In recent years, however, the Department of Veterans Affairs has notified Thunder Child that it needs to reclaim this space. That is why there is such an urgent need for new facilities at this time.

The Thunder Child Treatment Center authorized for $2 million under the Indian health service amendments of 1992. Congress subsequently appropriated $1 million for Thunder Child in 1992 through a special purpose grant in the VA, HUD, and independent agencies appropriations bill. At that time, you were very instrumental in obtaining these funds. At the same time, Thunder Child has also been raising matching funds for the project through a capital campaign development program. To date, over $2 million has been raised in contributions and pledges to construct a new facility. However, an additional $1 million is still needed to complete construction of this project. The Senator's assistance in securing these funds would be deeply appreciated.

Ms. MIKULSKI. I certainly understand the value of funding this project. As indicated, there will be discussions regarding the allocation of these special purpose grant funds when this bill goes to conference. I assure the Senator that I will do my very best to try to find additional funding for this worthy effort.

COORDINATED TRIBAL WATER QUALITY PROGRAM

Mrs. MURRAY. Mr. President, I want to thank the committee for its hard and diligent work on this bill. In particular, I appreciate an earmark of $500,000 for the Coordinated Tribal Water Quality Program for fiscal year 1995.

Twenty-six tribes participate in the model Coordinated Tribal Water Quality Program. This program is an important investment in tribal personnel infrastructure providing significant benefits not only to Washington State, but to the entire Pacific Northwest. The tribes are using these funds to restore health to watersheds in the Pacific Northwest through intergovernmental planning approaches.

It is my understanding that the $500,000 earmark in the committee report is not intended to preclude the Coordinated Tribal Water Quality Program from applying for additional funds through the normal administrative grant process.

Ms. MIKULSKI. The Senator is correct. The $500,000 is intended to be a floor for multi-media funding for the Coordinated Tribal Water Quality Program. I know that the program has received significant funding during the last 2 years and want to ensure that it receives at least $500,000 in fiscal year 1995. I am aware that last year the committee did not direct funding to specific multi-media projects and that the Coordinated Tribal Water Quality Program still qualified for a grant of more than $2 million. The committee has no intention of precluding the program's ability to apply for more multimedia funding through EPA's grant process and wish it success in that effort.

Mrs. MURRAY. I thank the Senator from Maryland for the clarification of this matter.

COMMUNITY INVESTMENT DEMONSTRATION

Mr. BOND. Mr. President, I want to express my concern over the $350 million appropriation for the section 8 community investment demonstration contained in H.R. 4624, the HUD–VA fiscal year 1995 appropriations bill. This program was enacted as part of the HUD Demonstration Act as a demonstration to examine the feasibility of attracting pension fund investment for the development of affordable housing through the use of section 8 project-based assistance.

While I do not support zero funding of this demonstration, I emphasize that this program is a demonstration and not a permanent program that has received the full endorsement of Congress as a permanent policy choice. We need to look at a number of issues in this demonstration, including the cost to the American taxpayer and the measure of risk to pension funds that invest in this demonstration. Most significantly, pension funds represent the security of retired individuals and that our first obligation is to ensure that these funds are protected from risk of loss. In addition, I stress that this demonstration should not be viewed as a first step to requiring the investment of pension funds in social welfare programs. I know that this policy has been suggested by several Members of the House of Representatives; it is a suggestion that I vehemently oppose.

COMMUNITY INVESTMENT DEMONSTRATION INITIATIVE

Mr. D'AMATO. Mr. President, first of all I would like to commend Senator MIKULSKI and Senator GRAMM for their commitment and work in developing this legislation under very tight fiscal restrictions.

The bill proposes to significantly increase the authorization for a program that was authorized as a demonstration program, the section 8 community investment demonstration, from $100 million to $350 million. While I support creative ways of providing affordable housing for low-income tenants, I understand and share many of the concerns that have been raised today by Senator COHEN and Senator MACK.

I understand that this program was authorized as a demonstration last year. This program should continue to be administered as a demonstration, as intended. There remain many questions and issues that must be examined before this program should be assumed a full and ongoing program. First of all we must be certain that we are aware of the risk posed to pension funds and the nature of that risk. We must not rush into a new program without proper assurances that we are not posing unneeded risk to pension fund programs around the country.

While I understand the many benefits of this program, I will work to make sure that a responsible study is done on this demonstration that will help Congress make funding decisions on this program next year and in the future.

COMMUNITY DEVELOPMENT BANK FUNDING

Mr. BRADLEY. Mr. President, things are finally beginning to turn around in urban America. We have finally taken some small, tentative steps to give children a safe and nurturing environment, to help communities repair themselves, to help individuals find and get to jobs, to help poor people develop assets for the future, and to restore strong financial institutions that help communities save their own money, invest, borrow, and grow.

Communities are pulling together around their applications to become empowerment zones and enterprise communities, through which we will invest $1 billion for six of the innovative programs I proposed. Community schools will be an important part of the crime bill. And in this bill, we have finally made a small downpayment to bring basic financial institutions back to impoverished cities and rural areas, along the lines of the Community Capital Partnership Act that I introduced a year ago. I want to thank my distinguished colleague from Maryland, who chairs the subcommittee, for including $125 million for the Community Development Financial Institutions Fund for fiscal year 1995. I am confident that by the time this appropriations bill comes through conference, we will have completed action on the legislation authorizing this fund.

Most of us take basic financial institutions for granted. We have savings and checking accounts, our bank lends our money to businesses in our communities, and we borrow ourselves when it comes time to buy a home or we have an inspiration to start a business. But in most American cities, the only financial institution they know is the check-cashing cubicle, which charges up to 5 percent just to cash a government check, and takes the money back out of the community. People who want to save have nowhere to go and businesses have no access to capital. Within the 165 squares miles that make up the areas most affected by the Los Angeles riots, there are 19 bank branches, as compared to 135 check cashing establishments.

People who want to borrow have even fewer opportunities. They can buy a car or furniture on time, or on a rent-to-own plan, but if they want to borrow to get ahead, by starting a small service business or a store, they're out of luck. The McNeil-Lehrer Newshour recently interviewed some ambitious entrepreneurs in rural Arkansas, one of them a woman named Jesse Pearl Jackson, who owns a beauty salon. She needed a loan for new equipment, and when she went to a bank, she says the loan officer "laughed me clean out the door. She said, 'You want money for what?' She said, 'You don't walk in here and ask me for an application for a loan. That's not the way you do it.' I said, 'Well, if you'll tell me what to do, then I'll come back, and I'll do it right the next time.' She was laughing so hard and making fun of me so bad I never went back." There is money to be made here, for any bank willing to take entrepreneurs like Ms. Jackson seriously, but large financial institutions without roots in the community are unlikely to see those opportunities.

But there are islands of hope for people who want to save and invest in troubled communities. Last year I visited La Casa de Don Pedro, which operates a credit union in a very poor section of Newark. La Casa is a multi-purpose community organization that just happens to have a credit union. While I was there, a stream of members poured into the small building which houses the credit union, day care center, and other programs, depositing $20, $50, and $100 at a time. I did not see any banks in the vicinity of La Casa. If it were not for the credit union, many of the community's residents would have no place to deposit their money, secure small loans, or take advantage of other services we often take for granted.

This fund does not, and should not, seek to create organizations that will be perpetually dependent on government for support. Instead, it seeks to reach in at a point of leverage in capital-starved communities and get them started. It does not set development strategies for either the institutions or the communities they serve. Instead, it lets those involved in the struggle for economic recovery find their own path.

I am pleased that there has been such widespread support for the idea of expanding community financial institutions, even though it is a relatively new idea to many people. I still hear some wariness, though, about this investment from people who argue that poor people do not save and that distressed communities do not have the resources to support economic development.

The evidence contradicts this cynical view. In Paterson, NJ, last year, I visited one of the few banks that had not left that city. I struck up a conversation with a customer, who volunteered that she was depositing $1 hundred. Surprised, I asked her how much she generally saved in a week. She told me that she and her husband had five children and earned $20,000 last year—below the poverty line. But even on this income they saved $3,000 that year, for health emergencies, for college, or to give their children a chance at a better life. Their experience tells me that saving for the future is a fundamental value of our country, not limited to the middle class, and that if we all had access to the institutions that make capitalism work, we could all be a part of vital, self-sufficient communities.

A VICTORY FOR ETHANOL

Mr. PRESSLER. Mr. President, yesterday's vote to table the Johnston amendment was a great victory for agriculture. As a result, the United States will be able to meet competitively future energy needs with cleaner burning fuels. The administration is to be congratulated.

I have not always agreed with the administration on various issues. The President delivered on his words to farmers to promote ethanol. I praise President Clinton for his leadership, hard work, and support for ethanol.

The new EPA's renewable oxygenate standard [ROS], was developed to allow renewable fuels, such as ethanol, a competitive role in the reformulated gasoline market. The proposed standard is the result of years of work and countless staff hours. Simply put, the rule is designed to develop fuels that are environmentally sensitive, renewable, and good for the economy.

Mr. President, ethanol is one of this Nation's most efficient sources of energy. The EPA has stated that the renewable oxygenate standard has both immediate and long-term environmental benefits.

USDA studies have shown that the renewable oxygenate standard can reduce farm program costs by $2.3 billion between 1995 through 1999. These savings are projected to accrue from higher prices for corn as a result of the standard. Our farmers need higher prices for their crops.

Increasing ethanol use will provide additional markets for South Dakota corn growers, benefit the State's agricultural economy, and decrease the U.S. dependency on foreign oil. If other States follow South Dakota's lead, ethanol production and consumption will benefit the economies of communities nationwide.

Ethanol will help us meet our Nation's future fuel needs. Ethanol is good for the economy. It is good for agriculture. It is good for the environment. I will continue fighting as hard as I can to ensure that our ethanol industry continues to grow.

Also Mr. President, I want to congratulate my distinguished colleague Senator GRASSLEY in the strongest terms possible. Probably no other Senator worked harder or with more commitment than my friend Senator GRASSLEY. He has devoted countless hours during these past weeks to help defeat the Johnston amendment.

As modest as he is, I know he would not take credit for yesterday's victory. Yet credit is what he deserves. He deserves the gratitude of Senators supporting ethanol and of all farmers.

THE 55-AND-OVER COMMUNITIES

Mr. GORTON. Mr. President, I would like briefly to thank the chairman and ranking Republican for accepting my amendment today. To date, I have received nearly 2,000 letters from constituents who are deeply concerned about the implications of the Department of Housing and Urban Development's proposed rule on 55-and-over communities. The owners, operators, and residents of 55-and-over communities across the Nation are fearful that the Department's proposed rule, if enacted, would regulate their communities out of existence.

I believe that the concerns raised by my constituents are justified. In response to these concerns, my amendment will allow for a greatly extended public comment period to provide the residents of 55-and-over communities an opportunity to inform the Department of their specific concerns, to provide the Department ample time to take these concerns into consideration, and to provide Congress time to decide whether it truly intended that such strict requirements be placed on America's retirement communities. This is a reasonable request, given the amount of anger, frustration, and fear raised by the Department's proposed rule.

I believe that individuals are better suited to make decisions about how to live their lives than is the Federal bureaucracy.

Clearly, retired Americans have the intelligence to decide whether or not they need, or even want, these additional resources. Seniors have earned their retirement, and they have earned a right to live in the communities of their choice.

I thank the Department for its cooperation and consideration in responding to my concerns and those of my constituents. And I am pleased that the Department has agreed to hold a public hearing in Washington State in addition to those already scheduled in California, Florida, and Arizona.

Again, I thank the chairman and ranking Republican for accepting my amendment.

Mr. BAUCUS. Mr. President, I rise to congratulate my friend, the distinguished Senator from Maryland, for her work, under difficult circumstances, on the VA, HUD, and independent agencies appropriations bill. Faced with a tight Senate budget cap and besieged by diverse constituencies, she has managed to distribute funding in this bill equitably. It is quite an achievement.

As chairman of the Committee on Environment and Public Works, I have a particular interest in this bill's appropriation for the Environmental Protection Agency, and I would like to highlight the EPA funding today.

The bill provides $7.4 billion for EPA in fiscal year 1995. This is $295 million more than the President's budget request, $465 million above appropriations provided by the other body, and $833 million above EPA's current budget. I know that Senator MIKULSKI's subcommittee worked diligently and made difficult choices in winning this increase in the EPA budget, and I commend them all for their good work.

These achievements are particularly significant in light of the fact that the Environmental Protection Agency currently suffers from budget shortfalls that prevent it from fulfilling many of its responsibilities. Underfunding has resulted in the following problems: Large backlogs in EPA permit programs; weak or nonexistent penalties for environmental lawbreaking due to lack of funds for enforcement; decaying laboratory infrastructure; failure to complete review of pesticide and generic chemicals; and unmet statutory deadlines for promulgating regulations.

All this creates risks to public health and to the ecology. It also creates enormous uncertainty for business, making it more difficult for industries to conduct long-range planning. Senator MIKULSKI's work on this bill will help us to mitigate these problems, making our people healthier and our firms more profitable.

I would like to highlight two areas in which the subcommittee's decision to make EPA funding a top priority will help.

Sound Science—Many Senators have raised concerns about the EPA's need to use better quality science as it writes regulations. For example, one of our top concerns in reforming the Safe Drinking Water Act was to promote greater use of sound science. With the funding this bill provides, the Agency will be able to upgrade its laboratories and produce the high-quality science our colleagues are demanding not only in the drinking water program, but in all areas.

Unfunded Mandates—Many State and local officials complain that the Federal Government requires them to do too much and pays for too little of those requirements. Many of these claims are exaggerated.

But there is no question that the Federal Government should provide more funding to local governments to implement Federal programs. The increase in EPA's appropriations this year will help address the problem by providing additional grants and loans to local governments.

Once again, Mr. President, I congratulate Senator MIKULSKI for her fine work on this bill. I appreciate her efforts and I will support the bill.

Mr. HARKIN. Mr. President, I urge that the VA-HUD appropriation conferees consider increasing the FHA base loan limit toward the House position of $101,575. Under current law, the base limit is $67,500. That has been the limit for 15 years, since 1979. Raising the limit will allow many moderate income families to buy their own homes. Historically, the considerable majority of the families that use the Federal Housing Authority guarantees are first time home buyers.

In Iowa, there is a strong need to build single family housing in inner city areas on single vacant lots. That is important to eliminate blight and to develop a balance between rental and family owned housing. I believe that providing that balance is an important goal. It is difficult to convince builders to build such new housing without the availability of FHA guaranteed mortgages at a level that can cover the realistic price for developing such homes.

Again, I urge that the members of the VA-HUD Subcommittee consider the need to raise the FHA base loan limit to the House level.

Ms. MIKULSKI. Mr. President, we are now in the final minutes of the VA-HUD appropriations. I would like to take this opportunity to thank my colleagues for their cooperation. I would like to thank the majority leader, Senator MITCHELL, and his staff, as well as the Republican leader and his staff, Howard and Elizabeth Greene.

I would also like to thank the members of my own subcommittee staff: Kevin Kelly, Carrie Apostolou, Chris Gabriel, and Juanita Griffin for all of their help. And special kudos to Stephen Kohashi and Steve McMillin of the staff of the ranking minority member, Senator PHIL GRAMM.

The Senator from Texas, the Republican minority member, has been tied up in Whitewater. I have had the full cooperation of the other side of the aisle, and other members of the subcommittee also helped me to do some of the heavy lifting. I am very appreciative.

Having said that, Mr. President, I know of no further amendments to the bill. Therefore, Mr. President, I move the adoption of the committee amendments.

The PRESIDING OFFICER. The committee amendments have been agreed to.

Ms. MIKULSKI. If there are no further amendments, I now ask for third reading.

The PRESIDING OFFICER. There being no further amendments, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Ms. MIKULSKI. Mr. President, I now ask that we go to final passage, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX], the Senator from Alabama [Mr. HEFLIN], and the Senator from Tennessee [Mr. SASSER] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. SASSER] would vote "aye."

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] and the Senator from Mississippi [Mr. LOTT] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 9, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—86

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Shelby
Simon
Simpson
Specter
Stevens
Thurmond
Warner
Wellstone
Wofford

NAYS—9

Brown
Faircloth
Feingold
Gregg
Helms
Kohl
Roth
Smith
Wallop

NOT VOTING—5

Breaux
Heflin
Jeffords
Lott
Sasser

So the bill (H.R. 4624), as amended, was passed.

Ms. MIKULSKI. Mr. President, I now move that the Senate insist upon its amendments to H.R. 4624 and request a conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. PRYOR] appointed Ms. MIKULSKI, Mr. LEAHY, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. KERREY, Mrs. FEINSTEIN, Mr. BYRD, Mr. GRAMM, Mr. D'AMATO, Mr. NICKLES, Mr. BOND, Mr. BURNS, and Mr. HATFIELD conferees on the part of the Senate.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I yield to the Senator from Michigan.

CORRECTION OF VOTE NO. 261

Mr. RIEGLE. Mr. President, on the previous rollcall vote, No. 261, I was present and went up to the clerk to record my vote "no." The official record has me listed as absent. Therefore, I ask unanimous consent that the official record be corrected to accurately reflect my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIEGLE. I thank the Chair, and I thank the Senator from West Virginia.

Mr. BYRD. Mr. President, I highly commend the chairlady of the subcommittee, the distinguished Senator from Maryland [Ms. MIKULSKI], for the truly outstanding job that she has done in shepherding this bill through the committee and in managing the bill on the floor.

The VA/HUD appropriations bill is in many ways the most complex of the 13 appropriations bills. It provides funding for a broad range of activities, covering activities that are as diverse as consumer information, Federal housing, NASA, the space program, and the National Science Foundation, EPA's programs, including environmental cleanup, and veterans' programs.

Senator MIKULSKI assumed the chairmanship of the VA/HUD subcommittee in 1989, the same year that I became chairman of the committee. She immediately went to work to master the issues and the difficult task of balancing the competing priorities that are necessary in order to forge the necessary consensus for enactment of this major appropriations bill.

Without exception—without exception—each year Senator MIKULSKI has brought to the Committee on Appropriations and to the Senate a bill that is the best that could possibly be expected under the fiscal constraints that the subcommittee must face. This year, as I said, is no exception. The 602(b) allocation of the VA/HUD subcommittee in outlays was $316 million below that of the House subcommittee, and yet the distinguished chairman was able to provide necessary resources to fund the priorities within each of the departments and agencies over which the subcommittee has jurisdiction.

Once again, I want to commend Senator MIKULSKI for her excellent and masterful handling of this legislation. She is entitled to the admiration and thanks of every Member of this body. I admire her for her spunk, for her courage, and for her willingness to take on the tough battles. I think of her as one who, in Roman times, if she were asked to guard a gate, would be there, alive or dead, when the hour came. I commend her.

Ms. MIKULSKI. Mr. President, I thank the Senator from West Virginia for his kind words. I have had an excellent teacher with Senator BYRD as the chairman of the Appropriations Committee. I hope I can continue to live up to the traditions of the committee.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I know the Senator from Arizona [Mr. DECONCINI], is seeking recognition. I ask unanimous consent I be recognized immediately upon the conclusion of his remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I thank the Chair.

I thank my friend from Vermont for letting me have a few minutes. Before the Senator from Maryland leaves, I wish to add my commendations and congratulations to her. She has a tough, tough bill, a tougher one every year. It takes, I would like to say, almost as big a hit as the Treasury does in the budget allocation, but because her bill is so much larger dollarwise, indeed, it is a tougher bill, I must say, in the allocations.

I thank her and her staff for the consideration they have given to this Senator, but I also thank her on behalf of this body for taking on this bill and putting together a very, very difficult legislative appropriation that does, indeed, set priorities, and one of those priorities that the Senator from Maryland has never forgotten is the veterans of our great Nation. Under severe, difficult times of allocation, she and the ranking member have continuously been able to eke out, and sometimes add to, the recognition of the need of the veterans of our Country. I thank her for that. I know she is recognized in that community as well as many other areas she deals with in this bill.

Mr. President, I do thank my friend from Vermont.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, on behalf of the majority leader, I ask unanimous consent that at 9:30 a.m. Friday, August 5, the Senate proceed to the consideration of Calendar No. 527, H.R. 4606, the Labor-HHS appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENEVA MINISTERIAL ON BOSNIA

Mr. DECONCINI. Mr. President, more than 19 years have passed since the signing of the Helsinki Final Act and it is with much regret that I reflect on our current policy toward Europe. I see little, if any, commitment to the principles which that document set forth. It is of little comfort that we are not alone—Europe, too, has abandoned these principles. As Chairman of the Helsinki Commission, which monitors and encourages compliance with CSCE documents like the Final Act, I am very much saddened by this fact, and, as a human being, I am enraged by it.

Last weekend, the Contact Group countries, met at the level of foreign ministers to decide on a united response to the Serb rejection of the peace plan offered them. The Contact Group decided to tighten the sanctions on Serbia once again, and put off to later any consideration of more punitive measures.

Let me say a few things about this. First, this plan was offered on a take-it-or-leave-it basis. A deadline was issued. Failure to meet that deadline with an unconditional yes carried specific consequences. The Bosnians agreed, and I must say I am surprised they did, after giving up 50 percent of their country, and the Serbs did not. As usual, the contact group weakened once again when the Serbs called their bluff. Is this the consequence those responsible for genocide should face?

Second, we decided to impose sanctions on Serbia more than 2 years ago. Implied with that decision is a decision to enforce them. Improved enforcement of sanctions cannot be used, time and time again, as a policy option. The fact that we resort to this option over and over demonstrates the emptiness of our Bosnia policy.

Third, this whole charade encourages Serb aggression and genocide to continue. The international community has so little credibility that the Serb militants assume little risk in calling our bluff. In fact, they probably calculate that the response of the Geneva ministerial would have been tougher on them had they not escalated the threat of reprisals by blocking and attacking aid convoys, shooting at relief flights, and renewing attacks on Gorazde. They were obviously right.

In the meantime, in areas of northern Bosnia which the peace plan gives to the Serbs, the militants feel they can continue to consolidate their holdings with renewed ethnic cleansing campaigns. Just recently, we have heard of horrible atrocities being committed against those few non-Serbs living around Bijeljina. A few weeks ago, it was Banja Luka. This should come as no surprise to us. We have seen, every time, we have relented, that the Serbs come back with more hostility and more aggression. This should not and does not come as a surprise. If we are unwilling to protect the areas of Bosnia and Herzegovina the Serbs are supposed to give back, they know we will do little to stop atrocities from occurring in areas we will allow them to keep.

Early on, we tried to attribute inaction to a desire to be patient and to offer in good faith a way out for the Serbs by playing a third-party mediator. The events of the past few weeks, however, have shattered any explanation of that sort. There are only two explanations for the results of the Geneva ministerial—we just do not care if genocide is happening in Europe, or, worse than that, we want the Serbs who have executed that policy of genocide to emerge the victors. There is no other explanation that this Senator can tell.

Mr. President, Congress does not have to be part of this cynical game. We can act. We can agree that the arms embargo on Bosnia and Herzegovina will be lifted, even if only unilaterally. Selected yet substantial NATO airstrikes against Serb positions, I feel, would be more effective, but we can only urge that action. Lifting the arms embargo, we can actually do. But not even the U.S. Congress seems willing to take that decisive action. Today the DOD conferees are meeting to hammer out yet another convoluted formula which once again, will probably allow the United States and its allies to do nothing but look even more ludicrous.

Our credibility is on the line if we fail to lift the embargo and lift it now. The Serbs rejected the peace plan because they know our ultimatums mean nothing. They know they can get away with all the ethnic cleansing they want. We have run out of excuses. We should begin right now, this week, to take meaningful steps to allow the Bosnians their right to defend themselves adequately with no more delays.

Let them have the dignity to at least die defending their own country.

DEMOCRACY ON TRIAL IN TURKEY

Mr. DECONCINI. Mr. President, this day marks a sad milestone on Turkey's path toward democracy. Today, before a court in Ankara, six Kurdish parliamentarians face capital punishment for expressing political views deemed treasonous by Turkey's civilian and military leadership. Altogether, 13 duly-elected deputies of the Democracy Party [DEP] have been thrown out of parliament, including six who fled the country so they could not be silenced.

Mr. President, I am flabbergasted that such a spectacle is taking place in Turkey, a staunch friend, a NATO ally, and CSCE participating state whose officials regularly express commitments to democracy and international human rights standards. This trial will take place before the world press and hundreds of lawyers, foreign parliamentarians, human rights activists and others on hand to demonstrate their concern and support. In addition to starkly illustrating how free speech and political activity is restricted in Turkey, the trial will bring attention to other underlying obstructions to democracy.

Mr. President, I was initially dismayed at the widespread popular support for the Government's dogmatic campaign against the DEP members. But what is becoming increasingly clear is that public opinion is being openly manipulated by major media outlets controlled by government or other political sources.

With respect to Kurdish rights issues and the war in southeast Turkey, informed debate has fallen victim to inflammatory prefabrications or severely restricted information. I believe, as long as major media sources remain controlled by political and military interests, and journalists and others remain silenced, informed public debate will be impossible.

Mr. President, free expression and an unrestricted press are prerequisites of democratic societies. The Turkish press must be enabled to report responsibly on Kurdish issues and other human rights concerns.

The DEP trial will also likely underscore the deficiencies of the Government's unrealistic military approach to the Kurdish question—a cornerstone of which is the criminalization of Kurdish-based political parties. When political parties are banned, the pattern in Turkey is that like-minded groups form on their heels or members move to more extreme parties. It would seem that allowing Kurds to form legal political parties would be a plausible way of diminishing support for the PKK and other extremist groups.

The CSCE Copenhagen Document clearly outlines commitments taken by 53 participating states regarding unrestricted political party activity. The campaign against the Democracy Party and its predecessors raises serious questions about the Government of Turkey's commitment to these principles.

Mr. President, while the start of this political trial marks a dark day for Turkish democracy, one can hope that the attention drawn by this event will bring added pressure on the Government to pursue nonmilitary resolutions of the Kurdish crisis and to address other pressing rights issues.

I would remind my colleagues, that two of the deputies face the death penalty for statements made at a Helsinki Commission briefing right here on Capitol Hill in the Rayburn Building.

I find it truly unfathomable that a professed democratic government could press capital charges against elected parliamentarians simply for their speeches or writings which advocate neither violence, secession nor solutions outside of a democratic framework. On this inauspicious occasion, I urge my colleagues to join me in expressing to the Government of Turkey our disappointment at their irrational campaign to squelch free speech.

This is one of the greatest atrocities that is occurring. Several of these parliamentarians came before the Helsinki Commission of the U.S. Congress. They did not advocate a violent overthrow of the government. They did not advocate any treasonous activities toward the government, and yet now their party has been banned, and they are under indictment, and some of them have fled the country because they spoke out to a committee of the U.S. Congress.

Once again, I thank sincerely my friend from Vermont.

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I want to commend the Senator from Arizona for his comments. He has been a voice at times in a lonely place on the subject, from the early days of the Helsinki Commission on through.

He is certainly as aware of the situation as any Member of the Senate, not only because of his personal interest and the travels he has made there, and personal observations, but as chairman of the Senate Select Committee on Intelligence. I think the Senate should listen to him.

I have refrained reluctantly from supporting unilateral action of the United States to lift the arms embargo. I must say that I no longer feel comfortable doing that. We have waited for the others to join with us in lifting the embargo. These people should be allowed the means to defend themselves.

Should we have to vote again on the question of whether we lift the arms embargo, I suspect I will be changing my vote.

MORNING BUSINESS

Mr. LEAHY. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein for up to 10 minutes each, and that the Senator from Vermont be recognized first for such time as he may need.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE

Mr. LEAHY. Mr. President, there are going to be a number of people speaking here this evening on the subject of health care. I would like to speak briefly.

I was thinking this morning when a group of us met to discuss health care—Senator JEFFORDS of Vermont and I, and a number of CEO's of companies, including Ben and Jerry's—I said at the time that we hear those people who oppose health care reform—they come and they speak. They holler, they have ads, they spend millions of dollars to speak out against it. They forecast disaster if we pass universal care.

Some of these same people are the same ones who said that if President Clinton's budget passed, we would have massive tax increases and a job-killing recession; everybody would be out of work; taxes would go up; the place would be a disaster.

What happened? Just the opposite happened. The budget passed. For the first time in 12 years deficits started coming down. Employment is up; inflation remains under control. Do you know what about those big tax increases is true? There were some Americans who were taxed. The top 1.2 percent of Americans finally started paying their fair share. What do we get? We get 3.8 million new jobs in the private sector. Incidentally, that is a year of new jobs; 1½ million more jobs than in the 4 years previously.

So when we hear these doomsayers come in and say, "Oh, we want health care for the poor people. We understand that Americans might be out of a job temporarily, and may lose their health care. We understand you may need it. We want it for you. Of course, we want it, but not quite yet, not quite in this form. We must make some new change. We must do something different. Of course, we want you to have health care. Of course, we want you to have this. But it is not quite right yet."

Baloney, Mr. President. Look at the people who are saying this. The people who are saying this are the people who have health care. The people who are saying this are the people who have a great deal of money. The people who are saying this have a vested interest in keeping the status company a status quo, that as tens of thousands of Vermonters know, they have no health care coverage, and tens of millions of other Americans have no health care coverage.

The people who are saying this are not the people who have a child with a serious illness and they cannot get insurance for that child. The people are saying this are not the people who have a preexisting condition and now know that they cannot get health insurance. The people who are saying this are not the people who have a spouse diagnosed with an illness a few weeks after they lost their job and they cannot get health insurance for them. Those are not the people. But the people who do not have the health care coverage are very real, and there are millions of them in this country. Do you know what this reminds me of, Mr. President? Back before I was born, they had the great debate over Social Security. While I understand we are dealing with a different type of system, the arguments are so strikingly similar. Back then, they said, first, we have to do something for these elderly, something for these people who retire, something for these people who are suddenly thrown out of work—but not yet. Can you imagine if the Congress of the United States and Franklin Delano Roosevelt just said, "I guess you have a point"? We would not have Social Security yet.

I have been here, Mr. President, for 20 years, and I have heard talk of going forward in health care. But it always has to be pushed off, for some reason, to a later time. When I was a child, Harry Truman was President, and he talked of health care.

The time is now. Both bodies have before them health care legislation, and we should go forward. I see on the floor my good friend from Massachusetts, the senior Senator from Massachusetts, the man who has led a crusade for health care. You do not see him standing here and saying: Well, let us wait another year, study it another year. He knows, as I know, as all of us know, that we have to face up to the issue now.

Mr. KENNEDY. Will the Senator yield on that point?

Mr. LEAHY. Yes.

(Mr. REID assumed the chair.)

Mr. KENNEDY. I appreciate the kind remarks of the Senator. As the Senator may remember, it was in 1912 when President Teddy Roosevelt called for comprehensive universal care. As the

Senator pointed out—I was listening to him talk about Harry Truman—Harry Truman was asked what his greatest disappointment was, and he said it was the failure to get a national health care program.

Now we have had the President's program for 9 months and we have had both the Finance Committee's and our committee's; the programs have been out for several months. It is very interesting that—and the majority leader has made his presentation to the Senate and has introduced his plan—we have yet to have the plan of the Republicans. I know they had made a presentation in June of this year, and 44 Members signed on. We are talking about the Members on the opposite side saying they want to take all of this time because they want to find out what is in it. Yet, 44 of them signed on to a program that has not even been introduced yet.

I just am wondering whether the Senator would agree with me that the American people will know what dilatory procedures are and what dilatory processes are about and would he agree with me that they are going to be watching this debate and holding us to a very high standard? Given the fact that the future of every family in America, in a very real way, is going to be decided in the next 3 weeks—really, in the next 21 days here—on this floor of the U.S. Senate and also on the floor of the House of Representatives.

Mr. LEAHY. I could not agree more with my friend from Massachusetts. I suspect that the American people know the arguments that have been heard and have been discussed. The Senator from Massachusetts, through his chairmanship and his committee, brought to the floor of the Senate a bill. He probably does not want to think of the number of hours, days, weeks and months of hearings he had. I daresay that my friend from Massachusetts has heard every single argument for or against every single aspect of health care during that time. And he, like myself, is ready to start voting. I suspect, Mr. President, that the American people are saying that we have heard the arguments, and now we would like to know are you going to stand up and vote or not. It is put up or shut up time.

Mr. KENNEDY. Further, we had a very interesting markup of some 10 days. It was well-attended by our Republican colleagues. Just about every member of our committee attended from the earliest of morning until late into the evenings. I would say that of the 15 major kinds of policy areas, we were able to get bipartisan support on about 11 of those. We were not able to agree with regard to the issue of shared responsibility and also with regard to the issue of cost containment, trying to get a handle on the continued escalation of costs which are affecting so many American families. But we were able to reach some common ground in these other areas. Some were important with regard to cost control that we supported. It was supported virtually unanimously by all the members to give the authority to the health board that was established initially in the President's program—the responsibility that if the costs were rising and going out of the projection, they would be able to make a submission to the Congress on how the benefits could be adjusted in order to meet the amounts which had been initially recommended in terms of total health care costs. And this was a tough cost containment provision that Republicans and Democrats worked toward.

I noted this when the Senator was talking. In listening to him talking about the challenge which is before us, I gather from his speech—and I am just wondering whether it is true—that he is really trying to call on the best instincts of all of us in this institution to try to find common ground, such as in the great areas of knocking down the walls of discrimination on the basis of disability, gender, race, religion, or ethnicity, ending a war in Southeast Asia, and many of the other very, very important areas. Ultimately, even in the Social Security area in the 1930's, about three-quarters of the House of Representatives' Republicans, after resisting the mandate, the shared responsibility, there were 188 votes among Republicans in the House of Representatives that said "no" in terms of universal coverage. But three-quarters of them ended up in support of the Social Security.

We had similar resistance in terms of the Medicare debate in 1964 and 1965. The Senator may remember that between September of 1964 and the spring of 1965, I think there were 16 Members of the Senate that switched their positions and voted in favor of Medicare. One of them was not the Republican leader. It is, I think, a historical fact that he opposed Medicare because of a shared responsibility. But sometime between then and now, his views have changed.

Mr. LEAHY. Mr. President, in fact, I will note what my friend from Massachusetts said about this being a matter where we should come together and seek common ground. I think of, again, using the Social Security analogy under the leadership of President Franklin Roosevelt. As I understand it, the first check went to a woman in Vermont. If it was somebody in Vermont in the mid-thirties, I can guarantee to the Senator from Massachusetts that she was a Republican, because virtually everybody in the State was at that time.

But the point I make is, it is not just Democrats, it is not just Republicans, it is not just Independents, who have the sick child, or the aged parent, or the spouse who needs health insurance or is out of a job, or a sibling, or anyone else. It is all Americans who face this potential.

We do not pass health care legislation to protect Democrats or Republicans or Independents or black, white, yellow, North, South, anywhere else. We do it for all Americans. We are the wealthiest, most powerful Nation on Earth, but we lag behind the rest of the industrialized nations in how we protect our people from the surge of health care costs.

I took the floor earlier simply because I planned to speak after the Senator from Massachusetts. We had nobody here, and I spoke. I am going to yield the floor very quickly with this thought, only to say this morning at our meeting I mentioned Ben Cohen was there. I have been knowing Ben Cohen for a long time. He and Jerry Greenfield started out with a gas station a block from my office in Burlington, VT. Then they started making ice cream. Some was good. Some was terrible. It was trial and error. Now it is all good ice cream called Ben & Jerry's. This is not a walking ad.

Mr. KENNEDY. I am ready to sign on.

Mr. LEAHY. They said they would put in health insurance for their employees, and they have done it. They set it up.

I tell my friend from Massachusetts, you cannot imagine any smaller company. Here were two guys with a mail order catalog trying to figure out how to make ice cream; they have health insurance for their employees. Now, they are a well-respected company, and they were able to beat out most of the competition. Never once, of any size, small to large, did they question the fact they had a shared responsibility to provide health insurance.

There were a dozen other companies who were there to say the same thing.

I think that is what we must know. We are in this, all of us, together.

I thank and I applaud my friend from Massachusetts for his constant leadership.

Mr. KENNEDY. Mr. President, if the Senator will yield further, we took notice the other day in the Senate where a young enterprising businessman, Mr. Scalar, who started Burrito Brothers here, and now that business has taken off. They are going to have a $200,000 profit, the first profit this year. And you can just see the success over the period of about the last 18 months to 2 years. Everything is really falling in place. Sales have been going up. There has been interest in franchising this program. And here they are, providing health insurance for their employees.

They made the judgment as a matter of policy when they started that they were going to do this.

Then we have this gigantic pizza consortium, which not only are providing for their workers overseas and expanding significantly overseas in Belgium, the Netherlands, Germany, France, and in Japan, and are willing to pay over there, but then are taking on a leadership role to try to defeat the President's program here at home. And, with some exceptions, they are refusing to provide the kind of coverage here at home for American workers that they were doing overseas for other workers.

Sure, they take care of their executives. And if you stayed in there long enough they would make a contribution to supplemental kinds of insurance. But for those workers, the overwhelming majority of their workers, American workers, they were saying no, they are not going to provide for their American workers here at home, and they were going to provide overseas.

I just saw our good friend from Hawaii on the floor.

So I called around to the various Pizza Huts in the area. I think I am only a few cents off, I think it is the 14-inch pizza that I think was $11.09 out in Arlington.

Then I called and found out that in Hawaii, which has the fastest growing, most favorable small-business climate of any State in the country, and has comprehensive coverage, which includes even the smallest businesses of two or three individuals, and I found out that pizza out there was $3 more. And I thought, my goodness, I bet that is probably because they had a mandate.

So then I called up to Alaska that does not have a mandate, and found out they were $4.50 more—$4.50 more—and they have no mandate up there.

The point is, seeing our good friend and colleague from Hawaii, one of the strong supporters of the program of universal coverage here, that, first of all, I think it is an unfortunate judgment and decision that Pizza Hut made in terms of providing comprehensive coverages for their foreign workers and not providing it here at home, and then taking the leadership position on that, and then effectively intimidating the television stations around here with threats of libel for a commercial that the CEO of Pizza Hut, when we watched it in our committee, could find differences in terms of emphasis, but he did not criticize the underlying message of that commercial.

Mr. LEAHY. Mr. President, I note also on that that the profit margin, as far as fast food, is about the highest in pizza. If they were all mandated to give the insurance the way we talked about, it probably would not add to the same pizza that the Senator from Massachusetts talks about—may have added 10 cents or 15 cents to it.

Does anybody suggest that people are going to stop eating pizzas because they are 10 cents more?

With that I yield to my friend from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, the fact is that we had heard the comparison of those that opposed this program suggesting that the price of pizza will go up to $19 because that is what it costs overseas. That is completely inaccurate.

The basic calculation, given the labor costs as a percent of total costs, and adding the additional cost of the health care figured into it would probably be 40 cents more per pizza here in the United States. We reviewed that during the course of the hearing.

Mr. President, I will just take a few moments. I see my friend and colleague from Hawaii, who has provided very, very important leadership on this whole issue both in educating many of us who have had the good chance to review the health care system in the State of Hawaii. We hear a great deal about how the States can be incubators, how the States can really be resources for examining ideas, and how we ought to be able to look to the States, and we rarely—although not entirely infrequently—but we rarely have the kind of example for a health insurance program with shared responsibility to take action to benefit all of the States, like we have had in Hawaii.

Effectively, they have had a system of shared responsibility. They have shared responsibility. The program has been in effect for, I believe, probably close to 20 years and has had an enormous impact on the health of the people and the cost of health care.

It has a great emphasis, and I know all the Senate will benefit from listening to our friend and colleague on the preventive aspect of health care, giving encouragement to bring people into the health care system rather than waiting until they move into a more serious illness and sickness. And then what they have been able to do in terms of the cost, and in a climate which has been one of the most constructive and positive climates for the expansion of small business.

We are not dealing with an issue, although we will hear this is some new program, new idea. We have seen the examples of Hawaii and, quite frankly, more recently the adoption in the State of Washington, a down payment on some of this program by my own State of Massachusetts, elements of the President's program, and in different forms and shapes in a number of other States.

I will not delay the Senate other than to just, as we move on into this process, draw attention once again to what is happening in our country with the increasing number of uninsured. It is large, and it is growing. Particularly vulnerable among this group are the children, the 12 million children in our society who do not have health care. Some of the poorest children get the coverage in terms of Medicaid. We have 12 million that do not get it, and that number is growing—that number is growing.

And then, if we look over at what has happened across the industrial countries of the world and what is being expended, here we are, the No. 1, with that number escalated.

No, you will say, there has been a modification of the increase in the health care. And this particular year we saw that as well. When we were debating cost containment in the late 1970's under President Carter, there was a slowdown in terms of the escalation and increase clause. Once that program was defeated the escalation started right up again. I daresay we have learned that lesson once. I do not think we have to learn that again.

Mr. President, I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mr. GORTON. I thank the Chair.

(The remarks of Mr. GORTON pertaining to the introduction of S. 2363 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KENNEDY. Mr. President, I see our good friend and colleague, Senator PELL, on the floor to address the Senate on the health care issue. Because Senator PELL has a special credibility on this issue, hopefully, sometime this evening, he will share with us his early support for universal coverage and comprehensive health coverage when he first began his illustrious political career.

I see Senator AKAKA has returned to the floor, so I leave it up to the Chair how it wants to decide.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii seeks recognition.

Does the Senator from Rhode Island seek recognition?

Mr. PELL. I do, but I would be happy to defer to the Senator from Hawaii.

Mr. AKAKA. The Senator may go ahead.

Mr. PELL. I thank the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

HEALTH CARE REFORM LEGISLATION

Mr. PELL. Mr. President, for almost 34-years, I have spoken on the Senate floor about a variety of subjects, ranging from war and peace to the need for certain projects in my home State of Rhode Island. And over my own 34-years here I have listened to the views and exhortations of eight Presidents, hundreds of fellow Senators, and hundreds of thousands of Rhode Islanders on subjects large and small. I have seen and participated in the development and passage of countless bills, from legislation that has changed our Nation, like Medicare, to legislation of purely local or limited interest. It is from this vantage point that I observe where we are today, and where we hope to be tomorrow.

Never in all my years in the Senate has a moment arrived so full of promise and opportunity. We are on the brink of history—of passing, or failing to pass—legislation to reform our Nation's health care system, legislation that will touch every American in a deep and personal way. Never before, perhaps, have we tried to do something quite so ambitious, and so right. And never before have we had to summon such political courage, standing up to vested interests that are paying mightly to prevent Congress from threatening their financial interests in order to better serve the American people's best interests.

But that is where we are today. And depending on the courage, the commitment, and the principles of the Senators and Congress, people the American people have elected, we will emerge in a few short months either victorious, and on the road to quality health care for all—or defeated and facing a crumbling system that may not be reformed, in our lifetime. For if we fail, with a President and administration totally dedicated to health care reform, and with the American people wanting health care reform, it will be another generation at least before any other President or Congress can summon the political courage to try again. In my view, the moment is now, and the time is here. It is an idea whose time has come.

Mr. President, I have often said—when asked how I decide how I will vote—that I will decide based on the best interests of our Nation and our State. And that on purely economic matters, I often put aside my personal views for the good of the people of our State. And that on matters of conscience, I believe that the people of Rhode Island have elected me to use my best judgment, to strip away the rhetoric, to address the facts, and to vote for what I truly believe to be in the best interest of our people. And in the almost 34 years I have been doing this, I have never before seen the two issues—our economic well-being and the moral thing do to—coverage so completely as they have on the issue of health care reform.

That is why the issue of health care reform—despite its extraordinary complexity—is actually a pretty simple one for me.

I believe that every American deserves to have quality health care when he or she needs it. I believe that every child in this country should have access to needed medical and preventive services. I believe that every pregnant woman should have medical care early and as needed during pregnancy. I believe that no one should be denied medical care simply because they cannot afford to pay for health insurance, and that is the case today. I believe that our health care system—while it offers the best and most advanced health care in the world—is too expensive, too complicated, and too inaccessible for far too many Americans. And I believe that the business of business, rather than the business of medicine, has been the impetus for many of the changes that have taken place in our health care system up to now. It is time for us to change that.

Mr. President, early in his administration, President Clinton sent to the Congress his own health reform legislation. And during this 103d Congress, more than 100 bills have been introduced on the subject of health care reform, each reflecting the views and preferences of its sponsor and cosponsors. In addition, virtually every business group, health professional group, and consumer group in this country has offered its own suggested health care reform plan or comments on someone else's plan. It would seem impossible for anyone to reconcile all those views and interests into a single bill that everyone can support.

And yet, that is exactly what the majority leader has done. He has looked at the issues that the American people care about, and he has listened to the concerns of every Senator. He has crafted a bill that asks those of us who want to do much more to be patient, and to accept less. He has crafted a bill that asks those who want to do much less to rise to the occasion and accept more. It was not an easy task, and the result is not perfect. But the Mitchell bill will get us on the right road—the road of quality health care for all—and in the end, it deserves every Senator's support.

And getting on the right road now is critically important. In my own State of Rhode Island, 89,000 of our citizens do not have health insurance; 15,000 of those people are children, and a full 79 percent of our uninsured are in families where at least one family member works.

Mr. President, in my State of Rhode Island, 8,000 people lose their health insurance every month. And they lose it for the same reasons that Americans all across the country lose their health insurance, because they got sick, or changed jobs, or lost their job, or because their employer stopped providing insurance, or because they simply couldn't afford the rising premiums any longer. In fact, the average health care payment paid by Rhode Island families in 1993 was $7,655, or 12.6 percent of family income. This is a 140-percent increase from what these families paid in 1980. And by the year 2000, the average Rhode Island family will have to pay $14,574 each year for health care, another 90-percent increase over 1993.

The situation in my State, Mr. President, like the situation in so many others, demands action now. And I applaud the President and Mrs. Clinton for not allowing the naysayers to deter them from this critically important work. And I applaud the majority leader for recognizing that compromise is an art that can give birth to great things, and in this case, and with his plan as a beginning, I believe that it will. And I applaud the Senator from Massachusetts [Mr. KENNEDY] for the skillful, able way he guided the legislation through the Senate.

Mr. President, I am one who hopes that changes can be made in the Mitchell bill when it comes before the Senate in the coming weeks. I would like to see universal coverage happen sooner, I would like to see costs contained more tightly, and I would like to see greater employer responsibility. But in the end, I believe that we must send to President Clinton a health care reform bill that guarantees every American that this country—the wealthiest Nation on earth—will not turn its back on any of us when we are sick.

We have the best chance we have had since the founding of our Nation to achieve this objective. It is my greatest hope that we can seize the moment. And in doing this, let us be sure that our focus is on the objective and not be too concerned with the route to it. Whether it takes a little more or a little less time is not relevant when compared with the importance of our objectives—universal medical coverage.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 10 minutes.

HEALTH CARE REFORM

Mr. AKAKA. Mr. President, our country, the House of Representatives and the Senate will soon be considering an issue that will make a huge difference in our country's future, and that is health care reform. I cannot help but reach back a year or so and think about how this all began; how President Clinton gave the responsibility to the First Lady to begin to think about health care for our country and how the First Lady recruited leaders throughout the country, experts in the health field, and people who were consumers, to come together to share their thoughts about our health care needs. This was the beginning of a great movement of minds in our country.

We have met many times with the First Lady, Hillary Clinton, with her staff, and we have also contributed with our own thoughts.

What we will be considering as a health care act are really parts that have come from many minds throughout the country—from the consumers, from the providers, and from the legislative people in the Congress.

What will occur will be the making of decisions, of putting parts together into a health bill that will help our country.

I want to commend our President for his insights, his leadership, his vision, and also Hillary for her expertise and many others who have helped her in this effort.

I also want to commend our leader here, Senator KENNEDY of Massachusetts, for his leadership in this health care movement. I also commend our leader for his, what we call, compromise bill which has lessened the opposition to the bill and which makes it very possible for its passage in a week or so. I also want to commend Senator MOYNIHAN for his efforts.

This great movement is one that has been going on for 18 months of study and analysis. After a broad public discussion, countless town meetings, and other local gatherings, after listening to what Harry and Louise have to say about health care, and after the greatest effort at public outreach this country has ever witnessed, the time has come for Congress to act on health care.

Mr. President, I have joined today's debate on health care because the State I represent, the State of Hawaii, leads the Nation in ensuring that basic health care is available to all its people. The Hawaii system delivers high-quality care, without high costs, despite the fact that Hawaii's cost of living is among the highest in the Nation.

I am here to tell you, Mr. President, that Hawaii has achieved the American health care dream—near universal health care coverage for its citizens—and we achieved this because of what we call shared responsibility by employers. There is no reason why the rest of the country should settle for anything less than what Hawaii enjoys.

I remember back in 1973 when the idea of a prepaid health care act was introduced in Hawaii and about the difficulties that we had with our providers and with the consumers about the cost of health care in Hawaii. We had a difficult time.

What is happening to us today reminds me of what happened to us in 1973. It is very, very similar. People were scared. Small business was scared, and they felt that they could not make a go out of contributing and sharing this responsibility.

For 20 years, Hawaii has maintained a model health care system. The cornerstone of our system is the Hawaii Prepaid Health Care Act. This law requires all of Hawaii's employers—except for certain family-owned businesses and employers who compensate through commissions—to provide health insurance to their employees.

As a result, Hawaii has one of the healthiest populations in the Nation. A study by the Journal of American Medical Association found that Hawaii has one of the lowest infant mortality rates in the Nation. Our death rates from chronic health problems, such as cancer and heart disease, are also among the lowest. In Hawaii, life-threatening conditions are usually detected earlier, which reduces premature death and shortens hospital visits. Because our population has ready access to doctors, we use hospital and emergency rooms less often.

Our system is based on preventive medicine. As a group, Hawaii citizens are very healthy people. We are the closest thing you will find to a health care paradise in America today.

The employer mandate that we have discussed in the Senate and which many people, I would say, are afraid of today is the cornerstone of Hawaii's health care system. Without shared responsibility by employers, the dream of universal coverage would never be realized.

Hawaii is the last State accepted into the Union, but we are the first State to achieve near universal coverage. Americans should not accept anything less than what Hawaii has achieved.

Opponents of health care reform and the employer mandate allege that business cannot afford to pay for coverage for their employees. They contend mandating that employers provide health care insurance will lead to widespread business failures. Yet, Hawaii's requirement that employers provide health insurance has not led to a disruption of Hawaii's small business sector. Small business dominates our State, and our employer mandate has not undermined our business climate. Our small business in 1973 was scared of the system, and today, Hawaii's employers pay 30 percent less on premiums than the rest of the country.

Compared to health care in Hawaii, the Mitchell plan is modest. It is not radical. It is not revolutionary. It will bring our country in line with every developed nation in the Western Hemisphere that guarantees their citizens basic and affordable health care.

The Mitchell bill is a giant step forward for millions of middle-class Americans who simply cannot afford to get sick. It is a good bill, and Americans will have better health care once we enact it, and we should enact it.

I will tell you, Mr. President, that should we not enact this health care bill, we would be encouraging—now get this—we would be encouraging quackery in our country. I can see where, if we do not pass this bill now, that people in our country will not be going to see doctors, they will not be going to hospitals, they will be taking care of themselves, they will be going to people who claim they have the solution to cure all ailments, and this is what I mean by quackery. People will do this should we not pass this bill.

It is so important, Mr. President, that we provide a health care act for every citizen in our country. They deserve it. We need to do it for them, and we can do it.

I urge my colleagues to support the Mitchell bill. It is the best bill that we have now. It will lead to great leaps in health care and the best health care in our country and in the world. Our leaders have done a great job, and I ask my colleagues to support our leaders, support our President, and to vote "yes" on full coverage health care for every citizen in our country.

Mr. President, I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from Illinois is recognized.

Mr. SIMON. Madam President, I am pleased to join my colleagues in speaking on this health care bill.

Let me talk just real candidly to those who may be viewing this on television, because they may see some empty seats here and there is nothing pending and they are wondering why are we speaking. Real candidly, we are speaking to try to reach the American public.

We are hearing right now from the special interests who profit by the status quo, and we are hearing from people who are confused, and a great many people are confused by the present situation and the present proposals. What people have to understand is that the 83 percent of the American public who are covered by insurance can keep the insurance they have right now, provided it gives basic benefits that are outlined in the legislation.

But we have to join every other Western industrialized nation that covers all of their people. The Mitchell bill—and Senator MITCHELL has worked hard on this—is a good beginning, but we ought to do better than that, real candidly, and I hope we can strengthen it. I hope the message can come from America out there, from American citizens that every American citizen ought to be covered. The new Times poll of the Nation says 79 percent of the American public believe that coverage for all Americans is very important, 17 percent believe it is somewhat important. That is a total of 96 percent. I cannot remember any controversial issue that was anything like that. Three percent say it is not important, and 1 percent have no opinion.

Ninety-six percent of the American public believe health care coverage for everyone is important. And it is not simply these statistics. It is the woman in Wausau, WI. My uncle and aunt had a 50th wedding anniversary, and I went up there. The night before the event, I went to a restaurant with a cousin of mine, Ted Albert, and his wife Joan, and a woman recognized me in the restaurant and came up to me and said, "My daughter has lupus. She is 25 years old. We can't get health insurance."

It is the woman in Putnam County, IL, who came up to me, carrying a disabled child, saying, "My husband and I have health insurance but we have exceeded the $100,000 limit. We have now lost our home. We owe $16,000. What can you do to help us?"

I had to tell her I cannot do anything. And I had to tell her every other Western industrialized nation would protect her but the United States does not protect her.

About 3 weeks ago, I went over to the building I think they call the "Building of the States" to do a TV satellite program where you put the earpiece in and you answer questions from a Chicago television station. I was on the air for roughly half an hour. And when the program was over, the woman behind the camera came up to me and said, "Ten years ago I had a serious problem." She looked very healthy to me now. She said, "I can't get health insurance. What happens to me if I have to go to the hospital?" And she started to cry.

Those are the kinds of people we ought to be keeping in mind. That is why we have to pass coverage for every American. To say that we are going to achieve 95 percent—and that is a goal not likely to be achieved, but to say that we want to get 95 percent, that means we are leaving 12½ million Americans out. And who are the 12½ million Americans that are going to be left out? I do not know. But I do know that every economic study suggests that when you do not cover all Americans the costs go up, the costs escalate for everyone.

Mr. KENNEDY. Will the Senator yield?

Mr. SIMON. I would be pleased to yield to a person who has done more over the years to push health care in this Senate than any other.

Mr. KENNEDY. I thank the Senator for his remarks.

I see our good friends, Senator REID and Senator DASCHLE, on the floor. I just wanted to mention, I think the 95 percent is really a point on the way to universal. That is the way certainly I look at it and I hope others will look at it.

But I might just say, when the Senator was mentioning lupus, as we know, that primarily affects women. Nine out of 10 people who get it are women of childbearing age. We do not adequately give that priority.

The Senator was there when we passed a modest program to try to help and assist in developing the epidemiological histories in terms of lupus and other diseases. But the Senator is talking about a bare point.

I want to mention, even though these programs do not include a feature of the system of our friends to the north—and I just use this as an illustration—some years ago—it was actually at a hearing outside of Chicago, IL—we had individuals who were under a comprehensive universal system. This was the Canadian system. We are basically talking about a universal system and also cost controls, which the President is committed to.

One of the extraordinary things that we learned at that hearing where we met parents of children who had, in this instance, spina bifida, but also other kinds of very heartbreaking and wrenching children's diseases.

The parents—I can still remember the hearing, even though it was probably now some 20 years ago—the American parents, one was a schoolteacher and the other was a construction worker. The construction worker—it was during the winter—was out of work and he was trying to take care of the child. The mother was a teacher. But eventually the costs got so high—the tears came down their faces—that, having been wiped out financially, were then forced under the Medicaid Program to give that child up and put it in an institution.

The family that was there from Canada, a husband and wife, talked about how they had adopted five children out of institutions into their home after their children had grown up, and the only thing that the province provided was the health care needs. They were glad to provide the roof. They were glad to provide the food. They were glad to heat the home. They were glad to try to provide some of the clothing that had been passed down because they had had six children and their children were just getting ahead and leaving home.

It was the most extraordinary act of generosity. I asked these parents, I said, "Why did you do it?" And they said, "We wanted our children to know what love and caring that the Bible teaches is all about and we thought that was the best way to do it."

The difference that it made to those children who were taken out of institutions and put in homes, the costs that were being saved for the taxpayers in doing that in a humane way, the health benefits to those children, because we all know that the children improve twice as fast when they are growing up either with the parents or with nurturing loved ones, I mean it was a win-win-win situation.

That ought to be the nature of the debate that we are talking about next week. How unfortunate it is, as we are coming on the eve of what hopefully will be one of the great important debates, as Social Security and Medicare were, as we are listening to those who say we cannot wait to read this line by line and go through every single little page to find out and challenge people how to do it. I think that attitude demeans what this institution is about when it is at its very best.

I am wondering whether the Senator would not agree that we ought to be trying to find ways to provide the kind of relief to families that are being impacted by sickness, illness, disease with preexisting conditions, recognizing that it is hard enough when these families are faced with the emotional and physical difficulties, but then to be saddled as well by the loss of their job or their insurance coverage or their bankruptcy, which is virtually intolerable.

It seems to me that if we can really recognize that finally—if the Senator would agree with me—it is not only the dollars and cents, we will not hear so much the discussion and talk. But it is a very important discussion and talk about what it means to American families to be free from that fear. We cannot put a dollar sign on it. We will be challenged day in and day out. What is the cost of this, and what is the cost of that?

I wonder if the Senator would agree with me that part of this whole great moment—and I think it will be a great moment, enormously important—is that we really put the American people first, we put sensible health policy second, and that we put the sense of compassion in terms of funding this and making commonsense judgments about these issues as a bottom line, and get about the business of American health care.

Mr. REID. Will the Senator from Illinois yield?

Mr. SIMON. Let me respond to the Senator from Massachusetts, and then I will be pleased to yield to my friend from Nevada.

I could not agree with the Senator from Massachusetts more. I did not happen to see President Clinton's press conference last night. But he had a man there who was not able to afford to go to a physician.

Incidentally, those without health insurance go to a physician half as often as those of us who have coverage.

His wife was ill, and they felt they could not afford to go to a physician. They found out finally—when she got so bad that she had to go—that she had cancer. She insisted that he get on this bus express. And while he was on the bus express he learned that his wife had died of cancer.

It is stories like that over and over again.

Mr. KENNEDY. I have in my pocket the response of Mr. Cox to the suggestion of our minority Republican leader. Since the Senator initiated that discussion, he may want to share that with us now, and it is right on the point.

Mr. SIMON. Let me read this. I am going to yield to my friend from Nevada.

Let me add that if groups as varied as the AFL–CIO, the American Association of Retired Persons, and the American Medical Association all say we ought to have universal coverage for all citizens, I have to believe the U.S. Senate ought to see the wisdom of that.

Let me just read this.

> On the Today Show this morning, Republican Party Chairman Haley Barbour said John Cox's problem would be solved by the Republican proposal. Senator Bob DOLE said, "Our bill fixes the Cox case."

John Cox was the man whose wife died of cancer. John Cox responded this afternoon.

> Bob DOLE said his plan would resolve my family's problems. But I don't think that is true. From what I am told, the DOLE bill would not have made the insurance companies cover my wife's cancer right away, and it could have put the entire burden of paying for health coverage on my family. That is what this is about, making sure that everyone has coverage for what they need, when they need it, affordable coverage you cannot lose no matter what. That is what my wife wanted. That is what I want. And that is what President Clinton said he wants when I met him yesterday.
>
> Delay cost my wife her life. I want Bob DOLE to understand that delays can cost lives. I wish they would stop with the politics and pass this now. That is what my wife wanted, and that is why she told me to make this journey.

Then there is a little addendum by whoever put this out, how the DOLE plan would fail to solve Daniel Lumley's health insurance problem. Daniel Lumley is not the person involved in that. He is another one.

Mr. REID. He is the man missing the arm, who was at the press conference.

Will the Senator yield? I wanted to comment, with the permission of the Senator from Illinois and my friend from Massachusetts.

One of the interesting things about Senator MITCHELL's bill, which is going to be before the Senate next week, is that it is deficit neutral. It will not cost any more money.

If we do nothing with health care this year, 1994, we are not going to be able to do anything in any year. Health care costs in America will go up over $100 billion. We will not have any better health care as a result of health care costs going up over $100 billion. The money is going into red tape, fraud, and abuse, which this legislation which the majority leader has introduced will go right to the heart of.

So we will take care of some of the problems with health care costs in this country, which are bad. We have had two special sessions in the State of Nevada as a result of health care costs. The Nevada State legislature was called into special session twice by the Governor in the past 3 years because of the high cost of health care which is causing the budget to be out of whack. And it is going on in State governments all over the country.

So we should talk about costs because, if we do not address health care costs in America this year or within the next 3 weeks, I really feel sorry for the economy of this country in the next decade because I do not think we will be willing to address it if we lose this golden opportunity.

I thank the Senator for yielding.

Mr. SIMON. I thank my colleague. I agree with him.

What I said is we have to get 100 percent coverage rather than 95 percent. Senator MITCHELL is in a very delicate and difficult situation. He has to get votes. He has sounded out our colleagues. He has come up with the best bill that he thinks can pass. But I believe if we hear from the American public, and they say to us, we want health insurance for all Americans—and I will be happy to debate anyone any time on that proposition—I think this Senate can do better.

Finally, Madam President, I want to tell about one woman who testified. Senator KENNEDY had her come before our committee. I think she was from Kentucky or Tennessee, I forget. She works at a Kentucky Fried Chicken; works about 30 hours a week at the minimum wage. She has no health insurance coverage. For her heart condition she is supposed to buy two kinds of medicine, each of which costs about $60 a month, for a total of $120 a month.

She has to choose, because she has to pay rent and other things. This is a woman I would guess to be 60 years old. I hope she does not feel offended by my guessing her age. But she has to choose between food and her heart medicine, and she has chosen food.

What a terrible tragedy. We can do better in this country. I hope we will.

Thank you, Madam President.

Mr. KENNEDY. Could I ask the Senator just a very brief question?

First of all, I thank the Senator from Illinois for bringing up that case. There was a certain sense of humor in that case. These hardworking people have been working all of their lives down there. She was divorced. So when asked what was the worst thing that happened to her, she said losing her husband was bad, but losing her health insurance was the worst thing that happened to her.

It is an extraordinary person that has worked her whole life receiving, at that time, I think about $2.75 an hour, trying to make ends meet in this country, and facing these kinds of frustrations.

I thank the Senator. Senator REID has put his finger on another very important area; as the Senator is also concerned about health care costs, what failing to act would mean in terms of the Federal deficit.

We find that the largest growing programs in Federal spending is the growth in Medicare and Medicaid, and if we are not going to be able to get a handle—and they are about a quarter of all of the kinds of health expenditures we have. Therefore, we are talking about getting a handle on the costs. We have to, obviously, deal with those issues.

I am wondering if the Senator does not feel that the failure of taking action has not only the health implications we have talked about, and what the impact will be on real people and their lives, on children, and on hardworking men and women, people that are playing by the rules of the game, working 40 hours a week, 52 weeks a year trying to look out after their family; will the Senator just tell us what his sense is of what the result of failing to act on the Federal deficit will be, and what that has to do with the terms of economic strength and vitality of this Nation and its ability to provide jobs and compete internationally and offer a sense of hope to our fellow citizens?

Mr. REID. I say to my friend from Massachusetts that I serve on the Appropriations Committee. In the past 12 years, domestic discretionary spending has gone from 25 percent of everything we spend—and domestic discretionary spending is for education, research at the National Institutes of Health——

Mr. KENNEDY. These are programs like, for example, the guaranteed student loan program, the Pell Grant Program; about $11 billion in the NIH in terms of research in cancer and heart programs; even the $400 billion in legal services to make sure that the neediest people in our country are going to be able to get lawyers, to be able to ensure that their rights are going to be protected in the court systems. These are the kinds of things—and the National Endowment of Humanities and for the Arts that provide help and assistance to virtually every community.

When you are talking about discretionary, it is not just about pushing around some other kind of program. These are matters that really reach out and have some impact in terms of the people, and to mayors and communities, and also to States.

I did not want to interrupt, but I thought it was important that people understand what these programs are.

Mr. REID. These programs help people. For example, in addition to the programs the Senator from Massachusetts mentioned, there is our National Park System. We are closing parts of our national parks because they are so rundown and deteriorated that we cannot repair them. We used to spend 25 percent on domestic discretionary spending. It is now down to 12 percent. We finished a conference on energy and water dealing with the Bureau of Reclamation and programs of that nature. These programs are being cut to the heart, programs that help people all over this country.

So why are these programs being so impacted? Our friends from the other side of the aisle—continually, I hear them say we have to do something about entitlements. Well, over 80 percent of entitlement spending is for Social Security and Medicare and Medicaid. We are not going to do anything about Social Security. We will have the entitlement commission's meeting, and there will be changes made, perhaps. But the bulk of the changes they are talking about are in health care programs. Why? Because the cost is escalating.

I have here a chart that shows that the United States spends far more on health care than any other country. When I say "far more" than any other country, I mean there is not a close second. Look at this chart. In the United States we spend almost $3,000. The next is Germany down to $1,600. We may not like the health care that is delivered in the United Kingdom, but look at the pittance they spend.

So the question I answer is that health care has everything to do with the deficit. It has everything to do with the deficit—not only the Federal deficit, but in State and local governments.

Madam President, under the order now standing, I ask unanimous consent to be recognized in my own right.

The PRESIDING OFFICER. Without objection, the Senator is recognized.

Mr. REID. The challenge has been provided to us here tonight—the challenge of health care for the American people; the citizens of this Nation. Our constituents, we believe must be provided with affordable, quality health care that is always there, whether they change jobs, get sick, or become disabled. Today's system is rigged against American families and small businesses.

Every month, Madam President, 2 million Americans lose their health coverage, and 100,000 of those 2 million will never get it back. We talk about universal coverage. This bill we are going to debate next week gets us to 95 percent, and we are going up. I think we realistically have to understand we are never going to get 100 percent. They do not have it in Hawaii; they have 98 percent. Even with Social Security here in America, which has been in existence for 60 years, it is only 98 percent. But we are on the road to virtually having everybody covered. That is the way it should be if we do something with this legislation. If we do not, the number of those insured will continually go down. Now we are down to maybe 82 or 83 percent coverage. The uninsured is going up and up. The sad part about it, Madam President, is that the uninsured are not people who are not working. Sixty percent of the uninsured are working people.

Health care costs have shot up more than 400 percent in the past decade; in 10 years, they have gone up over 400 percent. It is easy to say those words. It is hard to understand what they mean, because we are talking about escalating costs, not in hundreds, not in thousands, not in millions, not in billions, but in trillions of dollars. Next year, America will spend $1 trillion in health care costs.

By the end of this decade, the cost of our family health care will double—a 100-percent increase for each family. The yearly cost—as indicated by the senior Senator from Rhode Island—for every American family by the year 2000 will be $15,000. Bureaucratic red tape is a big villain. For small businesses with fewer than five employees, administrative costs consume over 40 cents of every dollar. Insurance companies employ 2.4 million people, more people than are working for the entire Federal Government.

I talked to a Las Vegas orthopedic surgeon today, and he said, "Harry, I am tired of being told what I can do or cannot do by some clerk from an insurance company." Major medical decisions are not being made by the medical profession anymore; they are being made by some clerk working for some insurance company. That is what this health care debate is all about. It is not about the scare tactics that have been propounded by the insurance industry by spending millions and millions of dollars on radio and television. It is about making health care affordable to the American public so that small businesses can afford to have health insurance for their employees.

The entire country of Canada, our sister nation, employs fewer administrators for its entire health care system than does the State of Massachusetts Blue Cross program. The whole State of Canada has fewer employees administering health care than the State of Massachusetts Blue Cross program, which covers 2.7 million people.

Despite all these facts, some say there is still no health care crisis. Madam President, there is a health care crisis. I did not know 1½ years ago of the depth of the health care crisis, but I have learned what the health care crisis is about by meeting people from the State of Nevada.

The State of Nevada is no different than the rest of the country. I frankly wish it were, but it is not, and that scares me.

I have met, for example, a woman by the name of Erin Dowell. I met her first here in Washington. She came here to testify about the extraordinary cost of her health care. She was here to talk about her health care costs being almost $½ million, a 27-year-old woman, who was a cosmetologist. She fell and was injured. She became part of the State of Nevada industrial insurance system and her industrial injury was taken care of. But by the time she got this industrial accident taken care of, she had lost her health insurance. She had no health insurance. Then this young woman got leukemia, a disease from which my father-in-law died.

She was one of those people who was caught between the rocks. She could not turn anywhere for help. She was sick. She eventually—and I say eventually, because it took a long time—qualified for Medicare coverage. But during the period of time, Madam President, that she was trying to find what nook and cranny she fit in, she qualified for a bone marrow transplant, and she had a perfect match, but the health care providers could not get it worked out in time. By the time they were ready, she had had a condition where her leukemia had flared up again. It exacerbated. They could not do the transplant.

I saw her here in Washington, a vivacious, pretty 27-year-old woman. I saw her less than a month later in Reno, NV. She was real sick. I went to her home and visited with her. I could not tell if she was the same person. She was hopeful then. She said maybe I can get better and maybe they can do the transplant.

Well, Erin has given up. Erin is not going to take anymore chemotherapy. She cannot take anymore of it in her own mind. She said all she has left is hope and $1 million in medical bills.

I have learned, Madam President, that there are lots of Erin Dowells, and that is too bad but there are. But I also learned—I am not going to give any more examples of the learning that I have had in this area dealing with individuals. But I am going to talk about a small, nonprofit agency in Nevada that served the Hispanic community and had 23 employees. They were all low waged. The highest wage they paid was $4.50 an hour. They had willing employees because they felt they were doing the right thing for their community, and in addition to the $4.50, they had health insurance.

Well, came time to renew their health insurance and you know what happened? No thanks. The insurance company will not renew. Why? Because they had preexisting disabilities? What were they? Two pregnancies and another had diabetes.

I recently started wearing glasses and my Las Vegas ophthalmologist as I was leaving the office asked to speak with me. He said: "Harry, I have 27 employees. I was just told by my insurance company they are not going to rewrite my policy and I had my office manager check around. I cannot get anybody to rewrite it. Why? Because one of the 27 got cancer during the past year."

I went to a radio station for an interview. Someone I knew for many, many years he was interviewing. He was not interviewing me. He worked at the radio station. He said: "Harry, can I talk to you." I sat down and talked to this man. He did not cry. I felt like crying. Here is a man who said his wife has 18 months to live. He makes $13,000 a year at that radio station. They offered to give him raises and a promotion. He cannot take it because he would be making too much money and it would cancel out his public assistance for his wife who has 18 months to live.

We are talking about individuals, nonprofit agencies, a doctor with a thriving practice, a prominent ophthalmologist in Las Vegas, and talking about a poor man whose wife has 18 months to live, and we are saying there is no health care crisis?

This is a crisis. It is robbing individuals of their dignity. These are not isolated cases.

You know, Madam President, I do not know if Erin Dowell is a Democrat or Republican. I have never asked her. I do not know if my ophthalmologist friend is a Democrat or Republican. I never asked him. I do not know that the people that work at that nonprofit agency dealing with the Hispanic community are Democrats or Republicans. We can take a vote and I do not know who would be the most. I do not know whether my friend who works at the radio station is a Democrat or Republican. You see, sickness, disease, and bad luck strikes Democrats and Republicans alike.

I think that it is a crying shame for Erin's sake and the sake of others in America that we are making this a political issue. This should be the high point of my congressional career, to be able to participate in a debate dealing with making health care affordable and dealing with the economic crisis that faces Americans as a result of the health care crisis—the costs of it. But it is not. It has become a nitpicking, partisan debate, and that is too bad. We must have health care reform.

The majority leader has offered to this body, to my State, to this country a fine start. Our end goal is quality, affordable, accessible health care for all Americans where we can have portable health insurance policies, take care of preexisting conditions, provide prescription drugs for seniors, improve long-term care, and achieve cost containment generally to help the kids without insurance.

This is a historic time in our Nation. We should be working together. I think we can reach these goals. If Congress can keep a reform bill moving forward which seeks to provide health security for all Americans, it will be one of the most significant accomplishments in the history of this Nation. We should draw together and realize that people who get sick and are hurt or are injured and, I repeat, have bad luck—we do not know whether they are Democrats or Republicans, and we should not, and that is how we should approach this legislation.

I call upon my friends on the other side of the aisle to come forward and work with us and bring health care reform to this country.

DESALINIZATION RESEARCH AND DEVELOPMENT ACT OF 1994

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 532, S. 617, the Desalinization Research and Development Act of 1994; that the committee amendments be agreed to, and the bill, as amended, be deemed read three times, passed, and the motion to reconsider be laid upon the table; and that any statements appear in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the committee amendment was agreed to, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Desalinization Research and Development Act of [1993] *1994*".

SEC. 2. DECLARATION OF POLICY.

In view of the increasing shortage of usable surface and ground water in many parts of the United States and the world, it is the policy of the United States to perform research to develop low-cost alternatives in the desalinization and reuse of saline or biologically impaired water to provide water of a quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses, and to provide, through cooperative activities with local sponsors, desalinization and water reuse processes or facilities which provide proof-of-concept demonstrations of advanced technologies for the purpose of developing and conserving the water resources of this Nation and the world.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "desalinization" means the use of any process or technique for the removal and, when feasible, adaptation to beneficial use, of organic and inorganic elements and compounds from saline or biologically impaired waters, by itself or in conjunction with other processes;

(2) the term "saline water" means sea water, brackish water, and other mineralized or chemically impaired water;

(3) the term "United States" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(4) the term "usable water" means water of a high quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses; and

(5) the term "sponsor" means any local, State, or interstate agency responsible for the sale and delivery of ["usable"] *usable* water that has the legal and financial authority and capability to provide the financial and real property requirements needed for a desalinization facility.

SEC. 4. RESPONSIBILITY FOR THE PROGRAM.

(a) *RESEARCH AND DEVELOPMENT.*—The Secretary of the Interior shall have primary program management and oversight for conduct of the research and development [and the Desalinization Development Program] *under this Act* and shall coordinate these activities with the Secretary of the Army.

(b) *DESALINIZATION DEVELOPMENT PROGRAM.*—The Secretary of the Interior shall jointly execute the Desalinization Development Program *established under section 6* with the Secretary of the Army.

SEC. 5. RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—In order to gain basic knowledge concerning the most efficient means by which usable water can be produced from saline water, the Secretary of the Interior and the Secretary of the Army shall conduct a basic research and development program as established by this Act.

(b) *CONTENTS OF PROGRAM.*—For the basic research and development program, the Secretary of the Interior and the Secretary of the Army shall—

(1) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water into ["usable"] *usable* water through research grants and contracts—

(A) to conduct research and technical development work,

(B) to make studies in order to ascertain the optimum mix of investment and operating costs,

(C) to determine the best designs for different conditions of operation, and

(D) to investigate increasing the economic efficiency of desalinization processes by using them as dual-purpose ["co-facilities"] *co-facilities* with other processes involving the use of water;

(2) engage, by competitive or noncompetitive contract or any other means, necessary personnel, industrial or engineering firms, Federal laboratories and other facilities, and educational institutions suitable to conduct research or other work;

(3) study methods for the recovery of byproducts resulting from the desalinization of water to offset the costs of treatment and to reduce the environmental impact from those byproducts; and

(4) prepare a management plan for conduct of the ["Research and Development Program".] *research and development program established under this section.*

SEC. 6. DESALINIZATION DEVELOPMENT PROGRAM.

(a) *PROGRAM RESPONSIBILITY.*—The Secretary of the Interior [will] *shall* have program responsibility *for the Desalinization Development Program established under this section (referred to in this section as the "Desalinization Development Program").*

(b) *DESIGN AND CONSTRUCTION.*—The Secretary of the Army and the Secretary of the Interior both shall have authority to design and construct facilities under [the provision of] the Desalinization Development Program.

(c) SELECTION OF DESALINIZATION DEVELOPMENT FACILITIES.—Candidate facilities [must] *shall* be submitted by the sponsor directly to the Secretary of the Army or the Secretary of the Interior. Sponsors [will] *shall* submit their application for the design and construction of a facility and certification that they can provide the required cost sharing. Facilities [will] *shall* be selected subject to availability of Federal funds.

(d) COST SHARING.—

(1) *INITIAL COST.*—The ["initial cost"] *initial cost* of a facility shall include—

(A) design cost,

(B) construction cost,

(C) lands, easements, and rights-of-way costs, and

(D) relocation costs.

(2) GENERAL RULE.—The sponsor for a facility under the Desalinization Development Program [shall]

[(A) pay, during construction, 5 percent of the "initial cost" of the facility, and]

[(B) provide all lands, easements, and rights-of-way and perform all related necessary relocations.]

shall pay, during construction, at least 25 percent of the initial cost of the facility, including providing all lands, easements, and rights-of-way and performing all related necessary relocations.

(3) 25-PERCENT MINIMUM CONTRIBUTION.—If the value of the contributions required under paragraph (2) of this subsection is less than 25 percent of the ["initial cost"] *initial cost* of the facility, the sponsor shall pay during construction of the facility such additional amounts as are necessary so that the total contribution of the sponsor is equal to 25 percent of the ["initial cost"] *initial cost* of the facility.

(4) 50-PERCENT MAXIMUM.—The sponsor share under paragraph (2) shall not exceed 50 percent of the ["initial cost"] *initial cost* of the facility.

(e) *MAXIMUM INITIAL COST.*—The ["initial cost"] *initial cost* of a facility *under subsection (d)(1)* may not exceed $10,000,000.

(f) *OPERATION AND MAINTENANCE.*—Operation, maintenance, repair, and rehabilitation of facilities shall be the responsibility of the sponsor.

(g) REVENUE.—All revenue generated from the sale of ["usable water"] *usable water* from the facilities shall be retained by the sponsors.

SEC. 7. PARTICIPATION BY INTERESTED AGENCIES AND OTHER PERSONS.

(a) COORDINATION WITH OTHER AGENCIES.—

(1) *IN GENERAL.*—Research and development activities undertaken by the Secretary of the Interior under this Act shall be coordinated or conducted jointly, as appropriate, [with]

(A) *with* the Department of Commerce, specifically with respect to marketing and international competition, *and*

(B) [as appropriate] *with*—

(i) the Departments of Defense, Agriculture, State, Health and Human [Resources] *Services*, and Energy,

(ii) the Environmental Protection Agency,

(iii) the Agency for International Development, and

(iv) other concerned Government and private entities.

(2) *OTHER AGENCIES.*—Other interested agencies may furnish appropriate resources to the Secretary of the Interior to further the activities in which they are interested.

(b) AVAILABILITY OF RESEARCH.—All research sponsored or funded under authority of this Act shall be provided in such manner that information, products, processes, and other developments resulting from Federal expenditures or authorities [will] *shall* (with exceptions necessary for national defense and the protection of patent rights) be available to the general public consistent with this Act.

[(c) PATENTS AND INVENTIONS.—

[(1) Subject to paragraph (2), section 9 (a) through (k) and (m) of the Federal Nonnuclear Energy, Research and Development Act of 1974 (43 U.S.C. 5908 (a) through (k) and (n)) shall apply to any invention made or conceived in the course of or under any contract of the Secretary of the Interior pursuant to this Act, except that for the purposes of this Act, the words "Administrator" and "Administration" in that section shall be deemed to refer to the Secretary and Department of the Interior, respectively.

[(2) Paragraph (1) shall not be construed to affect the application of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) to research under this Act that is performed at a Federal laboratory.]

[(d)] *(c)* RELATIONSHIP TO ANTITRUST LAWS.—Section 10 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5909) shall apply to the activities of individuals, corporations, and other business organizations in connection with grants and contracts made by the Secretary of the Interior pursuant to this Act.

SEC. 8. TECHNICAL AND ADMINISTRATIVE ASSISTANCE.

The Secretary of the Interior is authorized to accept technical and administrative assistance from a State, public, or private agency in connection with research and development activities relating to desalinization of water and may enter into contracts or agreements stating the purpose for which the assistance is contributed and, in appropriate circumstances, providing for the sharing of costs between the Secretary of the Interior and such agency.

SEC. 9. MISCELLANEOUS AUTHORITIES.

In carrying out this Act, the Secretary of the Interior or the Secretary of the Army, as appropriate, may—

(1) make grants to educational and scientific institutions;

(2) contract with educational and scientific institutions and engineering and industrial firms;

(3) engage, by competition or noncompetitive contract or any other means, necessary personnel, industrial and engineering firms and educational institutions;

(4) use the facilities and personnel of Federal, State, municipal, and private scientific laboratories;

(5) contract for or establish and operate facilities and tests to conduct research, testing, and development necessary for the purposes of this Act;

(6) acquire processes, data, inventions, patent applications, patents, licenses, lands, interests in lands and water, facilities, and other property by purchase, license, lease, or donation;

(7) assemble and maintain domestic and foreign scientific literature and issue pertinent bibliographical data;

(8) conduct inspections and evaluations of domestic and foreign facilities and cooperate and participate in their development;

(9) conduct and participate in regional, national, and international conferences relating to the desalinization of water;

(10) coordinate, correlate, and publish information which will advance the development of the desalinization of water; and

(11) cooperate with Federal, State, and municipal departments, agencies and instrumentalities, and with private persons, firms, educational institutions, and other organizations, including foreign governments, departments, agencies, companies, and instrumentalities, in effectuating the purposes of this Act.

SEC. 10. DESALINIZATION CONFERENCE.

(a) ESTABLISHMENT.—The President shall instruct the Agency for International Development to sponsor an international desalinization conference within twelve months following the date of the enactment of this Act. Participants in such conference should include scientists, private industry experts, desalinization experts and operators, government officials from the nations that use and conduct research on desalinization, and those from nations that could benefit from low-cost desalinization technology, particularly in the developing world, and international financial institutions.

(b) PURPOSE.—The conference established in subsection (a) shall explore promising new technologies and methods to make affordable desalinization a reality in the near term, and shall further propose a research agenda and a plan of action to guide longer-term development of practical desalinization applications.

(c) FUNDING.—Funding for the international desalinization conference may come from operating or program funds of the Agency for International Development [, and the]. *The* Agency for International Development shall encourage financial and other support from other nations, including those that have desalinization technology and those that might benefit from it.

SEC. 11. REPORTS.

Prior to the expiration of the twelve-month period following the date of enactment of this Act, and each twelve-month period thereafter, the Secretary of the Interior, in consultation with the Secretary of the Army, shall prepare a report to the President and Congress concerning the administration of this Act. Such report shall include the actions taken by the Secretary of the Interior and the Secretary of the Army during the calendar year preceding the calendar year in which such report is filed, and shall include actions planned for the next following calendar year.

[SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

[(a) There is authorized to be appropriated $5,000,000 for fiscal year 1994, $10,000,000 for fiscal year 1995, and for each of the fiscal years 1996, 1997, and 1998, such sums as may be necessary for the purposes of carrying out section 5 of this Act.]

[(b) There is authorized to be appropriated $50,000,000 over a five-year period for the purposes of section 6 of this Act. Any of the funds appropriated will be made available equally to the Department of the Interior or the Army Corps of Engineers civil works program.]

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to carry out section 5 $5,000,000 for fiscal year 1995, $10,000,000 for fiscal year 1996, and such sums as may be necessary for each of fiscal years 1997 through 1999.

(b) DESALINIZATION DEVELOPMENT PROGRAM.—There are authorized to be appropriated to carry out section 6 such sums as may be necessary, up to a total of $50,000,000, for fiscal years 1995 through 1999. Funds made available under this subsection shall be made available in equal amounts to the Department of the Interior and the civil works program of the Army Corps of Engineers.

So the bill (S. 617), as amended, was deemed read three times and passed, as follows:

S. 617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Desalinization Research and Development Act of 1994".

SEC. 2. DECLARATION OF POLICY.

In view of the increasing shortage of usable surface and ground water in many parts of the United States and the world, it is the policy of the United States to perform research to develop low-cost alternatives in the desalinization and reuse of saline or biologically impaired water to provide water of a quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses, and to provide, through cooperative activities with local sponsors, desalinization and water reuse processes or facilities which provide proof-of-concept demonstrations of advanced technologies for the purpose of developing and conserving the water resources of this Nation and the world.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "desalinization" means the use of any process or technique for the removal and, when feasible, adaptation to beneficial use, of organic and inorganic elements and compounds from saline or biologically impaired waters, by itself or in conjunction with other processes;

(2) the term "saline water" means sea water, brackish water, and other mineralized or chemically impaired water;

(3) the term "United States" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(4) the term "usable water" means water of a high quality suitable for environmental enhancement, agricultural, industrial, municipal, and other beneficial consumptive or nonconsumptive uses; and

(5) the term "sponsor" means any local, State, or interstate agency responsible for the sale and delivery of usable water that has the legal and financial authority and capability to provide the financial and real property requirements needed for a desalinization facility.

SEC. 4. RESPONSIBILITY FOR THE PROGRAM.

(a) RESEARCH AND DEVELOPMENT.—The Secretary of the Interior shall have primary program management and oversight for conduct of the research and development under this Act and shall coordinate these activities with the Secretary of the Army.

(b) DESALINIZATION DEVELOPMENT PROGRAM.—The Secretary of the Interior shall jointly execute the Desalinization Development Program established under section 6 with the Secretary of the Army.

SEC. 5. RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—In order to gain basic knowledge concerning the most efficient means by which usable water can be produced from saline water, the Secretary of the Interior and the Secretary of the Army shall conduct a basic research and development program as established by this Act.

(b) CONTENTS OF PROGRAM.—For the basic research and development program, the Secretary of the Interior and the Secretary of the Army shall—

(1) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water into usable water through research grants and contracts—

(A) to conduct research and technical development work,

(B) to make studies in order to ascertain the optimum mix of investment and operating costs,

(C) to determine the best designs for different conditions of operation, and

(D) to investigate increasing the economic efficiency of desalinization processes by using them as dual-purpose co-facilities with other processes involving the use of water;

(2) engage, by competitive or noncompetitive contract or any other means, necessary personnel, industrial or engineering firms, Federal laboratories and other facilities, and educational institutions suitable to conduct research or other work;

(3) study methods for the recovery of byproducts resulting from the desalinization of water to offset the costs of treatment and to reduce the environmental impact from those byproducts; and

(4) prepare a management plan for conduct of the research and development program established under this section.

SEC. 6. DESALINIZATION DEVELOPMENT PROGRAM.

(a) PROGRAM RESPONSIBILITY.—The Secretary of the Interior shall have program responsibility for the Desalinization Development Program established under this section (referred to in this section as the "Desalinization Development Program").

(b) DESIGN AND CONSTRUCTION.—The Secretary of the Army and the Secretary of the Interior both shall have authority to design and construct facilities under the Desalinization Development Program.

(c) SELECTION OF DESALINIZATION DEVELOPMENT FACILITIES.—Candidate facilities shall be submitted by the sponsor directly to the Secretary of the Army or the Secretary of the Interior. Sponsors shall submit their application for the design and construction of a facility and certification that they can provide the required cost sharing. Facilities shall be selected subject to availability of Federal funds.

(d) COST SHARING.—

(1) INITIAL COST.—The initial cost of a facility shall include—

(A) design cost,

(B) construction cost,

(C) lands, easements, and rights-of-way costs, and

(D) relocation costs.

(2) GENERAL RULE.—The sponsor for a facility under the Desalinization Development Program shall pay, during construction, at least 25 percent of the initial cost of the facility, including providing all lands, easements, and rights-of-way and performing all related necessary relocations.

(3) 25-PERCENT MINIMUM CONTRIBUTION.—If the value of the contributions required under paragraph (2) of this subsection is less than 25 percent of the initial cost of the facility, the sponsor shall pay during construction of the facility such additional amounts as are necessary so that the total contribution of the sponsor is equal to 25 percent of the initial cost of the facility.

(4) 50-PERCENT MAXIMUM.—The sponsor share under paragraph (2) shall not exceed 50 percent of the initial cost of the facility.

(e) MAXIMUM INITIAL COST.—The initial cost of a facility under subsection (d)(1) may not exceed $10,000,000.

(f) OPERATION AND MAINTENANCE.—Operation, maintenance, repair, and rehabilitation of facilities shall be the responsibility of the sponsor.

(g) REVENUE.—All revenue generated from the sale of usable water from the facilities shall be retained by the sponsors.

SEC. 7. PARTICIPATION BY INTERESTED AGENCIES AND OTHER PERSONS.

(a) COORDINATION WITH OTHER AGENCIES.—

(1) IN GENERAL.—Research and development activities undertaken by the Secretary of the Interior under this Act shall be coordinated or conducted jointly, as appropriate—

(A) with the Department of Commerce, specifically with respect to marketing and international competition, and

(B) with—

(i) the Departments of Defense, Agriculture, State, Health and Human Services, and Energy,

(ii) the Environmental Protection Agency,

(iii) the Agency for International Development, and

(iv) other concerned Government and private entities.

(2) OTHER AGENCIES.—Other interested agencies may furnish appropriate resources to the Secretary of the Interior to further the activities in which they are interested.

(b) AVAILABILITY OF RESEARCH.—All research sponsored or funded under authority of this Act shall be provided in such manner that information, products, processes, and other developments resulting from Federal expenditures or authorities shall (with exceptions necessary for national defense and the protection of patent rights) be available to the general public consistent with this Act.

(c) RELATIONSHIP TO ANTITRUST LAWS.—Section 10 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5909) shall apply to the activities of individuals, corporations, and other business organizations in connection with grants and contracts made by the Secretary of the Interior pursuant to this Act.

SEC. 8. TECHNICAL AND ADMINISTRATIVE ASSISTANCE.

The Secretary of the Interior is authorized to accept technical and administrative assistance from a State, public, or private agency in connection with research and development activities relating to desalinization of water and may enter into contracts or agreements stating the purpose for which the assistance is contributed and, in appropriate circumstances, providing for the sharing of costs between the Secretary of the Interior and such agency.

SEC. 9. MISCELLANEOUS AUTHORITIES.

In carrying out this Act, the Secretary of the Interior or the Secretary of the Army, as appropriate, may—

(1) make grants to educational and scientific institutions;

(2) contract with educational and scientific institutions and engineering and industrial firms;

(3) engage, by competition or noncompetitive contract or any other means, necessary personnel, industrial and engineering firms and educational institutions;

(4) use the facilities and personnel of Federal, State, municipal, and private scientific laboratories;

(5) contract for or establish and operate facilities and tests to conduct research, testing, and development necessary for the purposes of this Act;

(6) acquire processes, data, inventions, patent applications, patents, licenses, lands, interests in lands and water, facilities, and other property by purchase, license, lease, or donation;

(7) assemble and maintain domestic and foreign scientific literature and issue pertinent bibliographical data;

(8) conduct inspections and evaluations of domestic and foreign facilities and cooperate and participate in their development;

(9) conduct and participate in regional, national, and international conferences relating to the desalinization of water;

(10) coordinate, correlate, and publish information which will advance the development of the desalinization of water; and

(11) cooperate with Federal, State, and municipal departments, agencies and instrumentalities, and with private persons, firms, educational institutions, and other organizations, including foreign governments, departments, agencies, companies, and instrumentalities, in effectuating the purposes of this Act.

SEC. 10. DESALINIZATION CONFERENCE.

(a) ESTABLISHMENT.—The President shall instruct the Agency for International Development to sponsor an international desalinization conference within twelve months following the date of the enactment of this Act. Participants in such conference should include scientists, private industry experts, desalinization experts and operators, government officials from the nations that use and conduct research on desalinization, and those from nations that could benefit from low-cost desalinization technology, particularly in the developing world, and international financial institutions.

(b) PURPOSE.—The conference established in subsection (a) shall explore promising new technologies and methods to make affordable desalinization a reality in the near term, and shall further propose a research agenda and a plan of action to guide longer-term development of practical desalinization applications.

(c) FUNDING.—Funding for the international desalinization conference may come from operating or program funds of the Agency for International Development. The Agency for International Development shall encourage financial and other support from other nations, including those that have desalinization technology and those that might benefit from it.

SEC. 11. REPORTS.

Prior to the expiration of the twelve-month period following the date of enactment of this Act, and each twelve-month period thereafter, the Secretary of the Interior, in consultation with the Secretary of the Army, shall prepare a report to the President and Congress concerning the administration of this Act. Such report shall include the actions taken by the Secretary of the Interior and the Secretary of the Army during the calendar year preceding the calendar year in which such report is filed, and shall include actions planned for the next following calendar year.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to carry out section 5 $5,000,000 for fiscal year 1995, $10,000,000 for fiscal year 1996, and such sums as may be necessary for each of fiscal years 1997 through 1999.

(b) DESALINIZATION DEVELOPMENT PROGRAM.—There are authorized to be appropriated to carry out section 6 such sums as may be necessary, up to a total of $50,000,000, for fiscal years 1995 through 1999. Funds made available under this subsection shall be made available in equal amounts to the Department of the Interior and the civil works program of the Army Corps of Engineers.

NATIONAL U.S. SEAFOOD WEEK

Mr. REID. Madam President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S.J. Res. 194, designating "National U.S. Seafood Week," and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 194) to designate the second week of August 1995 as "National U.S. Seafood Week."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 2459

(Purpose: To strike all language designating the second week of August 1995 as "National U.S. Seafood Week" so that Senate Joint Resolution 194 designates only the second week of August 1994 as "National U.S. Seafood Week")

Mr. REID. Madam President, on behalf of Senator BIDEN, I send an amendment to the desk and ask that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 2459) was agreed to as follows:

On page 3, lines 3-4 of the joint resolution, strike ", and the second week of August, 1995,".

NATIONAL U.S. SEAFOOD WEEK

Mr. STEVENS. Mr. President, on May 19, 1994, I introduced Senate Joint Resolution 194, which would designate the second week of August as "National U.S. Seafood Week."

Today, I urge my colleagues to pass this joint resolution so that we can celebrate National U.S. Seafood Week during the week of August 7–13, 1994.

As I stated in May, the purpose of the joint resolution is to increase the awareness of American consumers of the availability and superior quality of domestically produced seafood.

The U.S. seafood industry provides hundreds of thousands of jobs to fish harvesters, growers, processors, managers, biologists, ship builders and suppliers, shippers, carriers, marketing personnel, wholesale and retail sellers, grocers, and others.

Our domestic seafood industry produces roughly 10 billion pounds of seafood each year, roughly 6 billion of which come from Alaska.

Fresh seafood is commercially harvested from the oceans of every region of the country.

This joint resolution will help to make American consumers aware of the vast diversity, quality, and availability of the seafood being harvested each year in the waters of the United States.

We have chosen the second week of August to celebrate, because it comes at the peak of the summer fishing season, when many types of fresh fish are available.

Next week, at my request, the Senate restaurant will highlight seafood on the menu to celebrate this first annual National U.S. Seafood Week.

We hope that many others will celebrate with us next week, and that the celebration will grow in 1995 and in the years to come.

I would like to thank Senator KERRY for helping with this joint resolution, and to thank the 54 other Senators who cosponsored this joint resolution with us.

Thanks also to Congressman DON YOUNG for his work in the House on this important joint resolution.

Mr. REID. Madam President, I ask unanimous consent that the joint resolution, as amended, be deemed read three times and passed; that the preamble be agreed to, and the title amendment at the desk be agreed to, and the motions to reconsider be laid upon the table, en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (S.J. Res. 194), as amended, was passed, as follows:

S.J. RES. 194

Whereas seafood is an important natural resource commercially harvested from the waters of every region of the United States;

Whereas an increasing amount of seafood is also available through United States aquaculture production;

Whereas the United States seafood industry provides hundreds of thousands of jobs and includes fish harvesters, growers, processors, managers, biologists, ship builders and suppliers, shippers, carriers, marketing personnel, wholesale and retail sellers, grocers, and others;

Whereas the buying and consumption of American seafood products boosts our national economy and supports the "Made in the USA" theme;

Whereas seafood is one of the healthiest forms of protein, and is low in calories, fat, and cholesterol;

Whereas seafood is being processed in increasingly creative forms to provide a vast market and a great variety of products;

Whereas each United States citizen consumes an average of 15 pounds of seafood annually, while citizens of some other industrialized fishing countries each consume over 50 pounds of seafood annually;

Whereas the United States harvests and produces 10 billion pounds of seafood annually;

Whereas the United States is the largest exporter of seafood in the world, but also the second largest importer of seafood, and domestic seafood which could be consumed by United States citizens is being exported to other countries;

Whereas the average American consumer will unknowingly purchase foreign seafood due to a lack of awareness about the availability and superior quality of domestic seafood;

Whereas competition in the world seafood market has increased, in part due to the subsidization of foreign seafood industries, particularly foreign aquaculture;

Whereas domestic seafood is one of the Nation's most valuable sustainable natural resources; and

Whereas the United States could become a much healthier Nation simply by eating a better diet, including eating more domestic seafood: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second week of August 1994 be designated as "National United States Seafood Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

The title was amended so as to read:

Joint Resolution to designate the second week of August 1994 as "National United States Seafood Week."

MODIFICATION OF ENGROSSMENT OF H.R. 6

Mr. REID. Madam President, I ask unanimous consent that the engrossment of H.R. 6 be modified to include the correct language of Senator DANFORTH's amendment No. 2430 which I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

HEALTH CARE REFORM

Ms. MOSELEY-BRAUN. Madam President, I rise in behalf and I would like to speak for a moment regarding the monumental health care debate that we are about to engage here in the Senate. We are at an historic moment in our country.

We are about to have the battle of the century, if you will, between health care reform or the status quo. The reasons for health care reform should be by now evident to everyone. We have in this country, unfortunately, a health care nonsystem, a nonsystem that wastes money, that costs more, than anywhere else in the industrialized world that leaves some 37 million people without health care coverage, health care costs are still the No. 1 cause of bankruptcy in our country.

And that, as the Senator from Nevada rightly pointed out, is about to break the bank in terms of cost.

We have, with this initiative by Senator MITCHELL, a chance for reform. We have an opportunity to put some rationality and fairness into the health care system.

Right now, with 1,500 different health care plans, not to mention Medicare and Medicaid, we are wasting almost 25 cents on every dollar just in administrative costs alone. The reason for those administrative costs, really, is the fact that this is a nonsystem. There is no rationality to it. That is why we have so much waste. That is why we are getting such little bang for our buck, if you will.

We have a chance for reform, an opportunity to help working Americans achieve health care security that could never be taken away, as the President has talked about. No more preexisting illnesses. And I know everyone listening to the debate knows of horror stories of people who have been denied insurance coverage because of a preexisting illness. No more job lock, stuck in your job and unable to move for fear that you will lose your health care coverage if you do. No more discrimination based on age or where you live in terms of access to health care coverage.

This opportunity for reform will help us correct the imbalances and the dysfunctions of the nonsystem that we have.

Madam President, it is very important that we not lose this chance for reform. The initiatives to reform health care in this country go back in my own experience as a young person when I started out practicing law some 20 years ago, almost. There was legislation then, an attempt to try to reform health care. They tried to bring some rationality to the system then, but the big money interests killed that initiative and we continued with the feeding frenzy and with the spending frenzy.

We have now a health care system that looks like nothing so much as a Rube Goldberg contraption with system on system on system and plan on plan and different plans. It is a system that has no sense to it. It is gobbling up some 15 percent, almost, of our GDP, our Gross Domestic Product.

We spent almost $850 billion last year on health care. And yet, again, there is hardly a person that cannot tell a story of someone who fell through the cracks, slipped through the cracks, had some tragedy and was unable to access health care in this, the greatest nation on Earth. This system has been patched and patched time and time again.

Again, following my own career and my involvement with health care issues in this 20-year period, I started off in litigation around reform efforts some 20 years ago. When I went to the State legislature, we worked on issues and passed the first PPO legislation, the preferred provider option. We passed legislation having to do with setting up managed care plans and the HMO's and all these terms I am sure most Americans are familiar with now, having tried to shop between the various options and opportunities and Catch-22s that are out there in terms of health care now.

And even though we patched and patched, the system still does not work. It has been referred to on this floor as one that is very complex. Well, it is complex for a reason, Madam President. It is complex because, on the one hand, health care has macroeconomic implications. It affects our international competitiveness. It affects our budgetary processes. It affects billions of dollars. It is a major segment of our economy.

On the other hand, it is still as personal as whether or not your daughter, your son, or your neighbor can get health care, can access it when they need it. It is as personal as the ads we have seen and the tragedy Senator MITCHELL mentioned in his speech the other day of people who have to go to their friends and neighbors with hat in hand in charity campaigns to pay for cancer treatments or to pay for an illness that strikes unexpectedly when health care insurance is not available. It is as personal as those people.

And we all hear the stories, and I know we will hear them time and time again on this floor, of people who are forced onto welfare or forced to stay on welfare because they cannot afford health care insurance otherwise.

Madam President, this is our chance. This is our opportunity to rise to the occasion to correct this problem, to fix this system, to provide health care to Americans in a system that is rational, that is fair, that works.

I have maintained all along in this debate that, from my perspective for my State of Illinois, there were essentially four cornerstones of reform that I would want to see met in any health care reform initiative.

As a matter of fact, I have asked to cosponsor the Mitchell plan. I was a cosponsor or asked to sponsor the single payer plan. I am convinced there are a number of initiatives and a number of different ways to get down this road to reform. But the real battle is between staying with what we have now or changing it. And I believe that the initiative that we have with the proposal of the Senator from Michigan is a real opportunity for us to change it. This is our chance.

The four cornerstones of reform that I have talked about all along are: Maintaining the quality of care that we have. We have the greatest health care in the world here in America, if you can afford it, and if you can access it. We want to make certain that everyone is entitled and eligible and capable of accessing that high quality of care that is available to those who right now have the means and have insurance.

We ought to have universal coverage. It seems to me not to ask too much in a country as great as this one, with the kind of money that we are spending on health care, that every person have access to health care coverage.

We want to maintain freedom of choice of providers. I think Americans want to be able to go to a doctor or a hospital, the provider of their choice, instead of being forced to go to somebody else's choice. Freedom of choice of providers is a very important element and is one of the four cornerstones of reform that I have talked about all along.

And, of course, there is the cost containment aspect; making certain that, if we are going to spend 15 percent of our GDP, we have the highest quality health care in the world for every American and that we rein in the rise of health care cost so that it does not threaten to rob our children, frankly, of their opportunities for the future.

Right now the cost of health care so far outstrips the cost of anything else that we do that it is threatening to break the bank and to foreclose our options for growth in this economy.

The Mitchell plan, Madam President, meets the four cornerstones of reform.

With regard to quality care, it sets up a research trust fund. It talks about academic health centers and basic health centers. It talks about health services research. It talks about capital improvement for development of rural and inner city health care, which, as you know, in a State like mine, I have two options in Illinois, it is rural communities and big cities. Well, there are a number of smaller towns, as well. But in my State, there is a real challenge to see to it that the needs of rural communities are met and, at the same time, the needs of the urban centers are met. This bill does both.

Provider incentives, wellness incentives, and an increase of coverage for children and pregnant women. These are all quality imperatives in this plan that I believe the American people have every right to expect.

With regard to freedom of choice of provider, the Mitchell plan provides us with the opportunity to choose either a traditional fee for service or point of service or an HMO. So the options remain for people to access the kind of coverage, the kind of plan that they want to participate in. I think that is important.

And, at the same time, specialty care insurance is assured in this bill and long-term care is addressed and assured in this bill. And so freedom of choice, home-based care, all of these things are addressed in the Mitchell plan.

With regard to cost containment, we have a system and a plan that will put some rationality into the way that we fund health care. This is a major step forward. Frankly, I applaud the majority leader for his almost Solomonic accomplishment here, because he manages to fund this plan without going to the mandates which are such an object of controversy.

I do not know how he managed to do it—we are waiting now to see the CBO analysis—because it is nothing short of Solomonic, nothing short of miraculous because the thinking has always been that you had to have some sort of employer mandate in order to fund health care. The Mitchell plan says we are going to turn it around, do it slowly, do it in a 6-year period. But by the year 2000 we will have 95 percent coverage. And any State that has not achieved 95 percent coverage by then will have to come up with a plan as to how they are going to meet universal coverage thereafter. So it is a gradual approach, a gradual approach that will allow us to fund health care reform without going to the mandates that have been such an object of controversy—I daresay mistaken in many instances.

There has been an awful lot of propaganda and an awful lot of conversation about employer mandates. I am digressing now, Madam President, but I do not believe half of what has been said out there, that employer mandate was as bad as suggested. In fact, if anything, the system that we currently have requires small businesses, those that provide coverage for their employees, to pay more for health insurance by virtue of the fact that other small businesses do not pay at all. That is one of the reasons why the system so badly needs to be changed.

The financing of health care in this country really has not had any rationality to it. And the Mitchell plan, I believe, will bring us the opportunity to have real cost containment, cost containment that will provide an opportunity for working families to have health care coverage at a reasonable rate. That, it seems to me, is nothing short of an enormous step forward.

I believe insofar as the four cornerstones of reform are met, insofar as this plan is an innovation, insofar as this plan represents a major step forward, bringing the various people and interests together, I believe it gives us a wonderful starting point for this debate. I support the Mitchell plan. I support the leadership. I am going to engage with others, frankly, to try to see if we cannot try to reach that 100 percent coverage sooner. I think it is important to talk about the critical aspect of universality of coverage. But I say, Madam President, the challenge now is to achieve reform; not let the forces of status quo win the day again; not allow this nonsystem that we have continue to strangle our economy and hurt our people; not allow our country to lag behind the rest of the industrialized world with regard to health care because we cannot get our act together.

We have a chance in this Congress, in this Senate, to get our act together. We have a chance to achieve reform. I encourage my colleagues to engage in this debate, to engage with this initiative, to support this initiative and to help us achieve in this Congress of the United States health care security for Americans that can never be taken away.

The PRESIDING OFFICER. The Senator from California is recognized.

PRIVILEGE OF THE FLOOR

Mrs. BOXER. Madam President, first, I ask unanimous consent that Krisma Martinelli, a Senate intern, be granted the privilege of the floor this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE REFORM

Mrs. BOXER. Madam President, it is indeed a pleasure to take to the Senate floor to talk about an issue that means so much, I think, to all America. I compliment the Senator from South Dakota [Mr. DASCHLE]. I also see on the floor Senator ROCKEFELLER. Senator KENNEDY was here before. I thank these gentlemen, and, of course, the majority leader and others, for their steadfast commitment to health care reform.

Madam President, I join in the sentiments expressed by the Senator from Nevada [Mr. REID], when he said how important it is that we set aside our political differences here in the U.S. Senate and stop thinking about who is going to get credit for what health care bill and really sit down around the table and get it done. We need to fix the health care system, and we have to do it soon. The clock is ticking on too many Americans.

It is clear that no Democrat is going to get everything he or she wants in this bill. And no Republican will get everything he or she wants in this bill. That is the beauty of the legislative process. We all could write our own bill, and I know, Madam President—you and I have discussed this—we have ideas on how to write it so it is the best for California, and we are going to make sure it is the best it can be for our State. But we all come together here from all the States and we try to work together and come up with a plan that is going to give real security to the people of our Nation.

I was so pleased when the majority leader made his first speech right before he introduced his bill because he spoke about a young man that I knew who came to see me when he was about 17 years old, who was suffering from cancer, a cancer that had lain dormant since he was just a little boy. He was a strapping football player. He needed a very serious operation, and he was denied it by his insurance company.

But what was so important to Andy Azevedo when he came to see me was that he knew that when he turned 21 and was out of school—and he was optimistic that he would live well beyond the age of 21 —that he would no longer be able to get health insurance because he would have finished school, he would have been on his own, and, yes, he would have had a preexisting condition.

I had never heard of that before. When Andy came to me years ago I was in the House of Representatives. He really taught me firsthand about the fears that he felt, the way his family felt, how he knew if he lost his insurance his family would go broke because they would always stand by him. And this is a hard-working family, a ranching family in the northern part of our State.

Andy Azevedo never made it. His mother and I have kept in touch. I have to tell you, I promised her on this floor of the Senate a long time ago—and I remember, when I made the speech months ago, Senator ROCKEFELLER was there, and he came up to me afterwards and he said, "That is what we need to do. We have to keep telling the American people the real stories of what happens to people. And that is the focus." So, I promised her then, and I promise her now in Andy's memory, that we will enact health care reform.

Madam President, I want to tell you about another story. I remember it so well because I was campaigning for the Senate and it was a warm day out on the road. I ran into a woman named Mrs. Jan Fish. She came all the way from Jackson, CA, to Stockton, and she talked to me about health care reform. She drove a long way. That may not seem unusual, but Mrs. Fish had just turned 79 and the hour drive was not something that she was used to. She had a mission, just as we have a mission concerning health care reform. And she had a message and a story that I would like to share with you, Madam President, with my colleagues, and with the American people.

We like to think if we are responsible people and we make responsible decisions and we have insurance, that it will be there when we need it. It was not true for Mrs. Fish and it was not true for her husband, Colonel Rue Fish. When Colonel Fish was in the Army stationed in the beautiful Presidio in San Francisco in 1968, he and his wife attended an Army-sponsored lecture on health insurance. The offer of private insurance that would always be there for them sounded good, and Colonel and Mrs. Fish signed up, along with many other Army families. They were told they would never, ever have to worry about a hospital or a medical bill again.

Until they left the Army in 1970 they did not because they were taken care of by the military. The few things they needed were taken care of at Letterman Hospital. Mrs. Fish told me how healthy the colonel always had been. She said the only thing that was ever wrong with him was he had his tonsils out. He never had anything more complicated than that. But to be safe and secure, they paid their insurance premium every month, just in case they would ever need that coverage.

In the late 1980's, Colonel Fish began sleeping a lot. He occasionally lost his balance and he seemed distant from Mrs. Fish and their friends. She attributed it to retirement and getting older. But in 1990 they went on vacation, and when they came home, Colonel Fish seemed worse than usual so they went to the doctor. After a hushed conversation with her husband's doctor—and we have all gone through something like this in our lives—Mrs. Fish took the colonel to the admitting room, and that was the last day she saw him out of the hospital.

At first, the doctors thought it was Alzheimer's but more tests revealed that the colonel had suffered six or seven strokes that had never been diagnosed. So Colonel Fish, who was a proud man, went from being a retired Army colonel living at home to a long-term care, chronically ill patient. The doctors refused to let Mrs. Fish care for her husband at home. She wanted to, but her age, her bad back, her bad knees would never let her do the daily tasks needed to take care of her husband. But they had insurance, did they not? Insurance that would make sure they never had to pay a lot for medical care ever again. That is what they were promised.

That first year of care at Amador Hospital cost $59,000. The insurance company rejected every single claim.

Yes, the same company Mrs. Fish had been paying every month for years, the same company that said, "Don't worry," when they made their presentation, now sent them, every time they sent in a claim, a rejection letter, a form letter. And where was Medicare? Medicare does not cover long-term care.

Just a short time ago, I met with a number of people from California who came to talk to me about the importance of long-term care. They brought me drawings and poems done by children who have lost someone they love to Alzheimer's and other long-term illnesses.

Charlotte deKohning, who is 8 years old, wrote on her drawing:

> I lost something vere speshel—

And she spells special s-p-e-s-h-e-l. She said:

> I lost something vere speshel—my grama.

And 11-year-old Elizabeth Turner wrote:

> When you lose someone, when you cherish someone, then you lose them. It hurts more than you can say.

What are we giving our children as a future? Another generation at the mercy of insurance companies who put their bottom line before the lives of their policy holders? I hope not.

Are we asking our children to grow up in a world of insurance forms, not reform? I hope not. Of preexisting conditions and the threat of bankruptcy just because you dared to get sick, like my mother or your mother or Senator ROCKEFELLER's mother?

I asked Mrs. Fish if she sued the company. She said, "I couldn't go through all that. I'd have to get an attorney and I can't afford one and, anyway, all I cared about was taking care of my husband." That is the kind of person she is, and that is the kind of people we have in the United States of America.

All she really wanted was to be able to take care of her husband. She was not screaming about spending all of their life savings, she did it. She wanted to make sure the man she loved for so many years was receiving the best possible care.

When she came to see me on that day, she said: "I'm not here to complain. We're lucky we had savings and pension that could all go to medical bills. It's the other people, the young people, the little guys, the little guys. You have to do something for them."

I told Mrs. Fish that I understand, and I do. I told her about how my own mother, who thought she had everything right, all the insurance she could need, wound up in a nursing home, spent her last dollar there, lost all of her dignity, could not leave a penny to her grandchildren. I told her that story.

This cannot continue in this country, Madam President, where we strip the dignity away from our people who have worked so hard and saved and served their country. We have to make sure that people do not go broke fighting to get health care that they deserve, or fearing that they will die alone and broke.

Mrs. Fish had to move her husband to a less expensive care facility after the first year. They were out of savings. Colonel Fish died in May 1992. Mrs. Fish said: "The care was good. The insurance company was horrible."

We cannot allow such pain to continue. We cannot allow people in America to have this done to them on a regular basis. We cannot stand around arguing whether health care is a crisis, not a crisis, a problem, not a problem. We have to act.

In closing, I want to say to you, Madam President, and to my friends, we have to let the American people know that the time for politics on this is over.

I ask unanimous consent to print in the RECORD an article written by William Kristol. It is entitled, "Memorandum to Republican Leaders from the Project for the Republican Future."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, July 27, 1994]

HEALTH: CONGRESS IS NOW MORE DANGEROUS THAN MR. CLINTON

(By William Kristol)

The fate of health care reform is now out of the hands of Bill and Hillary Clinton. The intellectual case that once justified the Administration's health care campaign has collapsed so completely that even its onetime supporters are embarrassed by it: "It smacks of excess government and the smell of socialism," says Senator Max Baucus (D-MT), an original sponsor of the Clinton legislation. Hill Democrats are now hard at work writing their own legislation. Mr. and Mrs. Clinton, meanwhile, are reduced to the function equivalent to cheerleading party chairmen, addressing hand-picked crowds at pep rallies and bus stops.

The End of Ideology. Indeed, what is so striking about this final stage of the health care debate is how shallow it has become. We recall that this effort began with the loftiest motives to "accomplish what our nation has never done before," as the First Lady put it last September. And for all its big-government madness, the Clinton plan was at least a consistent and coherent attempt to overhaul the way health care is financed and delivered in the United States. Based on European social-democratic models, the mandates, the taxes, the alliances, and the premium caps were all aspects of a single vision: sweeping federal control of American medicine. It was public policy consciously designated after the wide-ranging transformations of American society achieved by the New Deal and the Great Society.

It has been a spectacular failure. What the Clintons have painfully learned over the past ten months is that the public will not embrace government-supervised health care. White House pollster Stan Greenberg's theory that Democrats would be well-advised to "once again become the party of government" and to relegitimize government to the American people has been disproved: American skepticism of the federal government runs too deep. The White House committed itself to a far-reaching, 'big-government health care reform strategy and has thereby made itself irrelevant to the final debate.

The Mitchell-Gephardt Farce. Sometime before the end of this week, Acting Presidents Mitchell and Gephardt will unveil a new Democratic health care bill. Senator Packwood has correctly pointed out that it is ludicrous to begin immediate debate on a bill that no one has read, as the majority intends. But the problem is not that the Democratic timetable does not permit adequate study of their bill; we believe their bill neither requires nor deserves careful study. No one can accurately predict what precise mix of triggers, subsidies, phase-ins, commissions, exemptions, and regulations will emerge from the Mitchell-Gephardt cauldron, but the actual details of this not-quite-universal-coverage bill don't matter. Sight unseen, Republicans should oppose it. Those stray Republicans who delude themselves by believing that there is still a "mainstream" middle solution are merely pawns in a Democratic game. Mitchell and Gephardt have finally dropped all pretense of concern for American health care per se; their interest is now exclusively with passing something—anything—so as to forestall electoral disaster in November. Health care reform is now about politics, and absolutely nothing else.

Our message this week should therefore take the form of a preemptive strike: whatever the Democratic leadership produces in the next few days is certain to be politically motivated, intellectually incoherent, and substantively dangerous. If Mitchell and Gephardt have their way, this final stage of the national debate over health care will be conducted through the crude and ordinary means of normal Democratic politics: highstakes interest-group lobbying and the steady incantation of evocative but now meaningless phrases like "universal coverage." That's why we don't need a few more days to "see", what kind of bill the Hill leadership comes up with, much less the rest of August to engage in futile debate with an insincere Democratic leadership.

The Path Toward a Bad Bill. The intellectual defeat of Clinton's ambitions, however, has not guaranteed a political defeat over Democratic health care legislation. Our enemy is no longer Clinton, it is Congress. Mitchell and Gephardt, we suspect, have correctly concluded that even the Clinton-style bills that passed three House and Senate committees cannot survive a floor vote. But rather than explicitly abandon their pursuit of compulsory universal courage, they will seek to "delay" or otherwise disguise it. They are acting in bad faith. Federally mandated universal coverage cannot pass: good riddance. And the only other meaningful and principled approach to health care possible this year, the conservative reform embodied in the Dole and Rowland-Bilirakis bills, is unacceptable to the Democratic leadership for purely partisan reasons.

Instead, we will be offered a classic, eleventh-hour, disingenuous potpourri of half-baked health care reform ideas, and the process for enacting that plan will be lobbyist heaven. The president and Mrs. Clinton, self-described crusaders for the middle class, have effectively yielded control of health care to every special interest group imaginable, each of which will spend the next three weeks busily carving out its own piece of the health care pie. There will be no principles at stake, only spurious genuflecting to the "shared goal of universal coverage"; Congressmen and Senators will boast about their willingness to compromise; no one will be able accurately to predict the effect of the changes they endorse. With the grand promise of sweeping reform having been abandoned, interest group liberalism will be triumphant again. Why bother?

The Fraud of the Finance Bill. The best existing model for this likely outcome is the disconnected jumble of health care notions that passed the Senate Finance Committee, a bill fraudulent even by current Washington standards. Without requiring mandates immediately, this bill nevertheless establishes much of the bureaucratic machinery necessary for a more expansive government role in health care in the future. Eight years from now, a politically appointed commission would tell Congress what methods of government coercion it must use to mandate universal insurance coverage. Debate on the commission's "recommendations" would, by statute, be brief and limited.

In the meantime, the bill establishes a board in the Department of Health and Human Services responsible for defining an approved standard benefits package that applies to every health insurance policy in America (with a phony abortion exemption that opens the door to federal funding of the procedure). The bill taxes all health insurance plans and adds a 25 percent surtax to arbitrarily determined "high cost" policies, which include many existing plans that have long been part of labor-negotiated compensation packages. Fee-for-service physicians and specialists will be prohibited from "balance billing," a price control prohibition that will drive most doctors into HMOs. The inflexible insurance reforms the bill proposes will drive up premium costs. Every state will have to establish a health purchasing alliance. COBRA, the successful transition program that permits people to purchase the same health insurance plan for 18 months after they leave a job, will be truncated to six months. And Medical Savings Accounts, the one truly innovative free-market idea to emerge this year, will be prohibited altogether.

It's not the "Clinton plan." It may not even qualify as "Clinton lite." But the Finance bill is still plenty bad, just the same: it unmistakably moves the country toward health care by government commission, and for the more than 80 percent of Americans who are satisfied with their current health care arrangements, the Finance bill would make things worse, not better, and right away.

Why was the Finance bill passed? Because it was the only bill that Finance could pass, and for no other reason. How was the Finance bill constructed? A series of lobbyist-friendly special interest provisions were glued together without concern for overall consistency or effect: academic health centers for Senator Moynihan; purchasing alliances for Senator Chafee; tax-exempt state risk pools to please Senator Breaux. And why are we so confident that Mitchell and Gephardt are moving in Finance's direction? Because they, too, are concerned only to pass something—and they don't care what it is or how it happens.

Opposition Without Apology. At bottom this debate is now a political one. In the final, frenzied Democratic rush to produce any legislation, Republicans should stand steadfast. We cannot allow a Democratic Congress to throw together, for their own selfish political ends, legislation that has profound consequences on the medical care that every American receives. What George Mitchell is fashioning on the second floor of the Capitol is not a health care bill; it's a fall campaign gimmick.

If our analysis is correct that no principled, conservative reform bill is likely to prevail this year, then the appropriate Republican response is to take the noble road of opposing any alternative the Democrats offer and insist on starting over in '95. We should do so with pride and without a speck of guilt. Health care is not like the annual budget bill that must be passed before Congress adjourns. Robert J. Samuelson's column in the July 18 issue of Newsweek persuasively demolishes the case for the phony Finance committee bill—and by extension, any other bill the Democratic leadership is likely to produce: "What should not be forgotten in the inevitable clamor to 'do something' is that a bad bill would be worse than no bill at all. Opposing such a bill is prudence, not obstructionism."

We have reached the point where the initial Clinton plan has become a policy failure of historic proportions. Case studies of its demise are already being prepared at public policy schools. But we remain in a precarious period when Democratic loyalists in Congress, bereft of leadership or ideology but spurred by November politics, are making a last, desperate effort to salvage enough from the wreckage to claim a victory.

Mrs. BOXER. I am going to quote briefly from this, just two sentences, and I say to my colleagues, listen well. This is what the Republicans are saying:

> Sight unseen, Republicans should oppose—

The Democrats' bill.

> Sight unseen, Republicans should oppose it * * *. Our message this week should [be] a preemptive strike; whatever the Democratic leadership produces * * *.
>
> We should oppose.

And in closing this article, saying of the Democrats:

> We should send them to the voters empty handed.

In other words, Mr. President, the theme of this article is that the health care issue is not about health care at all, it is about who gets the credit for what we do here.

I beg the American people, I urge the American people to forget about whether you are a Republican or a Democrat, whether you voted for Ross Perot or George Bush or Bill Clinton, whether you voted for BARBARA BOXER or TOM DASCHLE or JAY ROCKEFELLER, or Senator LEVIN. Forget about who you voted for and come together around this issue of health care.

The majority leader's bill is a commonsense approach to reform. It will mean that we are on the road to coverage for all our people, that we will all have access to an insurance policy that we can afford, and it will not be taken away from us when we change our job; it will not be taken away from us when we get sick or a member of our family gets sick. And with the long-term care provisions, we begin to make sure in our country, in our great country, that stories like the one I told about a decent, hardworking, patriotic, Army family, that those stories will be a thing of the past and some day, we can look at our great grandchildren or our grandchildren and say, "Can you believe there was one time in America where people went bankrupt because they couldn't get health insurance?"

Let us say, Mr. President, to all of America—Republicans, Democrats, independents, people who do not vote, people who do vote—that we are going to come together and we are going to turn this country around and we are going to make sure that every American has the security that will come to them when they know they can have health care insurance that can never be taken away.

It has been a privilege to participate in these floor statements with my colleagues. It is going to be a rough-and-tumble road ahead. But I believe from the bottom of my heart that we are correct to pursue this.

In the old days when they fought about Social Security and Medicare, there were always those naysayers: "Oh, we can't do it, there are reasons not to do it, I don't like this, I don't like that part of the bill." None of us will be perfectly satisfied with the product, but I think all of us will be proud when the President signs the bill and our people have a real sense of security that they never had before.

Thank you very much, Mr. President. I yield the floor.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from South Dakota.

Mr. DASCHLE. Mr. President, let me compliment our colleague, the Senator from California, for a very eloquent, passionate statement. She spoke for many of us when she articulated so well the consequences of failure of health reform and the importance of success. I thank her very much for participating in the colloquy this evening.

Mr. President, this Saturday marks the first anniversary of the passage of the President's economic reform package, and I think it is appropriate that as we mark the first anniversary, we recall that very divisive debate, that we remember, the unfortunate partisanship demonstrated during that debate; that we recognize, in spite of the fact that the President pleaded for bipartisanship and made an earnest attempt to reach across the aisle, there was very little cooperation and absolutely no assistance from our Republican colleagues in the passage of that legislation.

I recall that debate very vividly because of the extraordinary predictions about what would happen if that legislation were to pass.

A Senator from the South, one of our Republican colleagues, said, "We are buying a one-way ticket to a recession."

One of our Republican colleagues from the Northeast said, "It will flatten the economy."

One of our Republican colleagues from the West said, "This plan cannot help the economy in the short term."

Instead, we all know now the results of that legislation—4 million new jobs, an economy growing faster than anyone would have imagined, deficit reduction way beyond the goals set out by our own budget process.

Alan Sinai of Lehman Bros. in a recent report called this, "The healthiest American economy in 30 years."

The Federal Reserve Chairman Alan Greenspan reported, "The outlook for the American economy is as bright as it has been in a decade. Economic activity has strengthened. Unemployment is down. And price trends have remained subdued. In addition, unlike earlier periods, business spending on new plant and equipment has been an important contributor to growth. The strength in investment will enhance economic efficiency and lay the foundation for the productivity gains that will bolster the economic welfare of our Nation."

So obviously, Mr. President, the predictions made by many of our colleagues were just wrong.

I also recall the predictions they made about jobs. A Senator from the Southeast said, "This bill will cost American jobs, no doubt about it."

One of our Republican Senators from the West said, "Make no mistake, these higher rates will cost jobs."

But in the first 18 months of the President's term, 3.8 million new jobs have been created. We are creating jobs at a rate of 77,000 per day. In 1½ years, the economic plan has helped create 1⅓ million more jobs than were created during the entire 4 years of the Bush administration. The unemployment rate, which was 7.7 percent when the President took office, has been reduced by almost 2 full percentage points.

Mr. President, I repeat all of these statistics and dire warnings because, in a sense, it is "deja vu all over again." We hear many of the same dire predictions now as we begin the debate about health reform. The economic consequences of health reform again are the subject of debate, and again our Republican colleagues make very similar dire predictions about the consequences of this piece of legislation.

A Senator from the Midwest, from the Republican Caucus recently said, "America will pay a predictable price for heavy-handed Government control in the quality of health care, in more Government bureaucracy, in higher taxes, and in lost jobs."

A Senator from the South: "Mandates kill jobs, but even worse, they cost Americans freedom."

A Senator from the Great Plains, "The job loss estimates from this employer mandate will run from 600,000 to 3.1 million."

Dire predictions, Mr. President. But in my view these predictions sound more like politics than analysis. In my view, again, it is a regurgitation of the dire, and mistaken predictions we got last year about the economy.

But before we get caught up in politics and lose sight of the analysis, perhaps it is important to draw attention again to more objective analyses provided to us by those who are knowledgeable about this issue. The Employee Benefit Research Institute is a nonpartisan, nonprofit institute, that provides objective information on the tradeoffs inherent in all of the health care reform proposals. Here is what they said, "Health reform could result in the creation"—you heard me, the creation, not the elimination—"of as many as 660,000 new jobs."

Using a variety of assumptions, they produced a range of estimates on the employment effects of the Health Security Act, the original Clinton health reform bill, ranging from 660,000 jobs created to about 168,000 jobs lost. But they show how sensitive these estimates are to the assumptions one makes when setting up a study. This suggests we have to look very carefully at the assumptions that opponents use in claiming job loss.

EBRI has issued their analysis. They are not Republican. They are not Democrat. They have looked at all the data provided to them in as many ways, shapes, and forms as can be considered, and they have concluded that health reform actually could mean an additional 660,000 new jobs.

The Economic Policy Institute, again, a nonpartisan organization, suggests that the net result of health reform will be an increase of 76,000 jobs by the fifth year and $18 billion in savings to the manufacturing sector in 1994 alone. The Council of Economic Advisers in concert with the Department of Labor reported they, too, believe that over 600,000 new jobs could be created.

The Brookings Institute reported in a recent study that health care reform could lead to the creation of 750,000 jobs in home health care alone. Tremendous new opportunities in various sectors of health care that do not exist today.

But you know, Mr. President, as so many of my colleagues have demonstrated again tonight, these statistics sort of wash off the shoulders of listeners. It is the faces, it is the human experience that perhaps has the greatest effect in the debate that we will have in the coming weeks.

Gary Sprague is the owner of an independent trucking company in New Mexico. Gary Sprague makes it very clear. He said he cannot afford health insurance today. As much as he would like to provide it, he simply cannot do it under the current system. "If you give me the ability to offer health care to my employees, I'll create a job tomorrow—my business will grow."

That is experience talking. Gary Sprague knows. He confirms that these independent studies are right, that jobs can be created. And so I hope, Mr. President, that as we again hear all of these dire predictions, we recognize how far off the mark they were just a year ago. We can now compare results with predictions. And I hope that we could use that as some gauge by which to carefully consider the accuracy, the veracity, the real expectations of the predictions made again during this debate.

I am very concerned, frankly, that the same partisanship that was so clearly evident in the debate about that economic plan is again evident as we debate health care, something even more critical, this year.

I am concerned, as the Senator from California indicated, that our colleagues on the other side of the aisle are continually getting advice to delay health care reform, to do little, or to do nothing; that the country can benefit if they can paralyze this institution once again. I am concerned about the polarization that continues to be so evident as we get into the heart and soul of this debate.

I am concerned about the semantic evolution of the debate on mandates. I say "semantic" because I believe in my heart that there are many people on the other side of the aisle who understand the importance of a mandate, who understand truly when we say that universal coverage is important, that we can only achieve it in one of two ways: taxes or a mandate. Twenty of our Republican colleagues felt so strongly about a mandate less than a year ago that they put their name on a bill requiring one; over 20 Senators.

My good friend, the Republican leader, has indicated time and again that he, of course, would not support the repeal of Medicare, and I doubt he would support the repeal of Social Security, two mandates we have in law right now. He voted against the Medicare bill in the 1960's, but supports the mandate today. Somewhere between the time he voted "no" and now, he changed his mind about Medicare. He was wrong in the 1960's. He is right now, with regard to Medicare. I believe that he is wrong now on health care and would be right to change his mind.

So I hope, Mr. President, that during this debate we can reach out across the aisle to our Republican colleagues who have been on record in the past in support of approaches to ensure universal participation in Medicare, in Social Security, and even in health reform.

There has been so much partisan criticism of the Clinton bill. Of course, in the last couple of days there has also been extraordinary partisan criticism of the Mitchell bill. Republicans praise the Dole bill. Yet, there is no Dole bill. In fact, perhaps we should call it the stealth bill. We are still looking for it. I hope that at some point in the not too distant future we will see a Dole bill so we can compare side by side the Dole bill and the Mitchell bill. Let us try to examine in a realistic way what the Republicans would suggest as an alternative to the Mitchell approach. It is not too much to ask. We have waited now for weeks and weeks in an expectation that along with the criticism of the Mitchell plan will come some constructive suggestion about what we do to accomplish the goals we say we all have. Mr. President, the Republicans ought to be concerned about the devastating consequences of the failure to achieve meaningful health reform this year, of failure to take advantage of an opportunity now that we have had on only a few occasions throughout this century. I think it is safe to say this will be the last opportunity we have this decade, in this century, to achieve what we have all indicated we want.

But there is also a political consequence of action. That was indicated again just this morning in the Wall Street Journal. My colleague from Pennsylvania, who is on the floor this evening, pointed this out to all of our colleagues earlier today. I think it really bears some discussion because the American people are beginning to see through all of this partisanship. They are beginning to understand that gridlock may be here once more. In spite of the fact that this has been one of the most successful sessions of Congress that we have had since the early 1950's, in spite of the fact that over the last couple of years we have made remarkable progress with this administration, gridlock again may be on the horizon.

The poll asked: "Do you think Congress will pass or will fail to pass some type of major health reform this year?" Sixty-three percent indicated that they do not think a bill will pass this year; 31 percent suggested otherwise. That is the cynicism. That is the skepticism evident among the American people today.

They do not think we will act for good reason. They hear these daily suggestions of delay, and the constant criticism. They hear these suggestions that perhaps we ought to hold off until next year, that we cannot do anything this year.

Yet, as this article indicates, this is more than just a political question. This is a fundamental problem affecting millions of people across this land. The article is datelined "York, Pennsylvania," obviously a community my colleague from Pennsylvania is very personally familiar with. In surveying a number of people in York, the article says:

> The people here, most of whom have health insurance, many of whom have been without it before, and all of whom worry about rising medical costs, urgently want Congress to pass some health care legislation this year. All want universal coverage. But nearly all would rather accept a bill that falls short of that aim rather than wait for Congress to act next year. Their anger suggests that Members of Congress from both parties may face a backlash if Congress fails to act on health reform this year.

A backlash, anger from our constituents—if we have not seen enough of it yet, it is about to increase unless we are prepared to do something.

> The people disagree about a number of things: whether small business should be required to help pay for their workers' health insurance, whether government programs are the right solution to the country's health care problems. But waiting to resolve these issues will only make the problem worse, most say. And hardly anyone buys the argument often put forth by Republicans these days * * * that taking longer to study the problem will lead Congress to a better solution.

Mr. President, I do not need to remind anyone, in this Chamber certainly, of the cynicism so evident in the American people today about Congress' ability to do the right thing. I hope, in spite of the fact that 63 percent do not think we can do the job, that we can prove them wrong.

It is interesting that on the same page in the Wall Street Journal there is another headline that responds to the skepticism expressed in the first article. The headline reads: "Mitchell's vision of the health reform bill may offer the best hope to pass this year."

That is the answer. Mitchell's vision of the health reform bill may offer the best hope to pass this year—the best hope, not the only hope, but certainly a recognition that it is a doable plan that there is a consensus in this Chamber that we must act and that it is the minority who would keep us from acting.

So I hope as we begin this debate—and it will begin in earnest within the next couple of days.

I would hope we could declare a 3-week truce. We see so much divisive partisan politics. We saw it last year on the economic plan. We have seen it now for the last 8 months on the health reform. How nice it would be if we could just declare a 3-week truce—Republicans and Democrats saying let us forget politics for just 3 weeks; let us put our best minds to work on health reform. There will be philosophical differences, let there be no mistake. But what a tremendous opportunity it is for both sides of the aisle to work together to accomplish something we know the vast majority of the people of this country want.

Mr. President, today, I believe, was the final rally involving those who participated in the Health Security Express. It took place on the West front of the Capitol. I had the opportunity to be with them briefly this afternoon. As you looked out over that audience, you saw people who had come from all over the country, people in wheelchairs, people on crutches, people who are disabled, people with stories to tell that chill us to the bone. They were here with a message. That message was: We are counting on you; we need you; we must pass health reform this year.

Among those in the audience this afternoon was a man quoted frequently this morning, and quoted earlier this evening. His name is John Cox. John Cox was involved with a religious broadcasting company. His wife encouraged him to get on the Health Express. He was reluctant at first, but he did it after some encouragement. He was on the Health Express, and as it rolled toward Washington, his wife passed away. And now he is here with a message. The message is very simple: Until we get health reform, the pursuit of life, liberty, and happiness is only a dream that cannot be realized.

It is up to us, if we want to accomplish that dream, to respond to those who were out on the west steps this afternoon. This is a fight for freedom. It goes beyond just health care. On top of the Capitol dome is the Statue of Freedom, symbolizing that we hold freedom as one of the highest virtues. As we join in the fight for freedom, we recognize that 200 years ago, there were those who fought for freedom from oppression; and 80 years ago, there was a tremendous fight in this country for the freedom to vote for all women; 30 years ago, there was a fight for freedom to acquire fundamental civil rights. So this, too, is a fight for freedom, recognizing that there cannot be real freedom until every man, woman, and child has health care that cannot be taken away. Again, we hear the dire predictions; we hear all of the problems associated with health reform. But the bottom line is that unless we achieve meaningful health care reform, a bad situation will get even worse.

Mr. President, our task in the next 3 weeks is to put partisanship aside, to recognize that there are those who are watching right now, who will watch and join in this debate for the next 3 weeks, who recognize the cost of failure, who believe as we believe, that this is an issue fundamentally affecting the freedom of every American today. Let us respond by telling them at long last that they, too, will enjoy their freedom, that the result of this fight is their freedom. They will be free at last.

Mr. President, there are many others who wish to speak tonight, and I know my colleague from Pennsylvania has listened and is prepared to speak.

I yield the floor.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. WOFFORD], is recognized.

Mr. WOFFORD. Mr. President, I thank Senator DASCHLE for giving such leadership in this effort. I salute Senator MITCHELL, who said that the greatest challenge of his life in this body would be to pilot a successful health reform bill through, for which he said he turned down the Supreme Court appointment.

Under Senator MITCHELL's leadership, we in the majority have now come to the health care table with a strong hand and an open mind. Having listened to the voices of the people, we have crafted a deliberate and moderate approach that provides a common sense, common ground for achieving universal, affordable private health insurance that cannot be taken away. Not more Government-run medicine, but less. Not less choice of your own doctor and your own preferred plans, but more choice. We will see that as this debate moves forward over the next 3 weeks.

We need to hear further from the American people who are concerned about achieving health security. We will hear a lot from the special interests, but now is the time for the American people to speak, to speak up and to be counted.

The question now before this body is whether our Republican colleagues will reject gridlock and put the working families they represent ahead of party politics, and whether they will focus more on the needs of the next generation and not the next election. The vast majority of people in this country support the idea of employers contributing something to their employees' health insurance, as most working people find their employers doing today. That is the American private health insurance system.

It is incredible to me that the very same Members of Congress who oppose having private employers contribute to their employees' coverage have arranged to have their employer—the taxpayers—contribute to their private health insurance.

They are going to have—if they pursue this course of total opposition—a very hard time going back to the people and saying that they blocked a plan to give working families the kind of affordable coverage, employer contribution, and choice of private health plans that they as Members of Congress have arranged for themselves.

If they think that gridlock is great because health care no longer ranks high on the list of public concerns, believe me, they are living in an inside-the-beltway fantasy world. That is like saying that domestic violence was not a big concern before the O.J. Simpson case, or will not be after the media spotlight shines somewhere else. The reality is that issues like crime, or jobs, or health care, are life and death issues that are always central to the quality of life for working families in this country. Each may rise and fall in this week's polls, depending on the numbers of network news stories or magazine covers, but the political establishment, like the media, would be unwise to mistake its own short attention span for the daily, ongoing concerns of American families.

It is easy for people in this Capitol to say go slow, wait until next year. It is easy for them to say that because they have health insurance paid by the taxpayers. But look at what has been happening out there to most American families. It is not just the tragic stories which are legend, it is not just John Cox, grieving over the death of his wife who lacked health insurance in crucial moments that might have saved her life. It is also the grinding daily reality that working families face of losing coverage they thought was secure and paying ever higher premiums and deductibles they can no longer afford.

I have met those working families all across Pennsylvania and they know this has been the experience of their lives. They do not need to read reports or hear statistics about it, they have seen it happen year after year and on a greater scale.

But let us look at some of the numbers. More and more employers are dropping coverage altogether. According to the current population survey, in 1983 two-thirds of American workers were covered for health insurance through their employer. Today only 60 percent of workers receive coverage at work. As a result, 71 percent, nearly three-quarters of the uninsured today are not out of work they have jobs. They just do not have any health insurance. And those who are lucky enough to have coverage at work are losing increasingly their choice of doctor and health plan.

According to a Kaiser/Peat, Marwick June 1994 survey, today 84 percent of firms offer only one choice of plan to their employees. It is not reform that is taking choice away, it is the system we have today and where it is headed, headed down to less and less coverage and less and less choice of plans and doctors.

Those numbers should tell you why the latest New York Times poll showed last week that health care is now moving ahead of crime on the issue hit parade.

Those numbers should tell you why most Americans want to see this Congress take action on health reform this year. Read today's Wall Street Journal which my colleague and partner from South Dakota reported on, this account of a focus group of middle-class citizens in York, PA.

Mr. President, I ask unanimous consent that the article from today's Wall Street Journal entitled "Survey Group Wants Some Form of Health Coverage This Year," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 4, 1994]

SURVEY GROUP WANTS SOME FORM OF HEALTH COVERAGE THIS YEAR

(By Hilary Stout)

YORK, PA.—Debbie Rudisill comes from one of those middle-class working families President Clinton says a system of universal health coverage will help the most.

Her family lost its medical insurance last December when her husband was laid off from a job that paid more than $35,000 a year. Today he is in business for himself and can't afford a health policy. Mrs. Rudisill wants Congress to pass legislation that meets the president's goal of health coverage for all.

But she'll accept something less—as long as Congress approves it this year. If Congress keeps stalling, or Mr. Clinton vetoes a bill that falls short of universal coverage, "it will never be put into place," Mrs. Rudisill says. "You've got to start somewhere."

CONFUSION TURNS TO ANGER

Mrs. Rudisill's view is shared by most of those in a group of middle-class residents of this midsize southern Pennsylvania city convened at The Wall Street Journal's request by Peter D. Hart Research Associates Inc. to discuss health-care reform. When these people first met last March, they were mostly confused about the issue. Today they're mostly angry.

"If they pass something they can improve upon it, but you can't start from nothing. Nothing from nothing is nothing," says Susan Mayer, a 51-year-old automobile saleswoman, who didn't have health insurance earlier this year because she was unemployed. She now has coverage through her new job.

The group here wasn't a scientific sampling, and a recent Wall Street Journal/NBC News poll found that 61% of the public thinks Congress should debate health care and act next year. However, the people in York are deeply skeptical that Congress will be any better able to act next year. And an even larger majority in the national poll, 70%, think Congress and the president should continue their efforts to fix the health system, echoing the sentiments in the York group.

DOUBTS ON ACTION THIS YEAR

More than anything the people here see a health-care reform debate run amok by politics and increasingly unresponsive to the wishes of average citizens. As Congress readies for votes on major health-care bills this month, passage of any health legislation this year is very much in doubt. The Democratic leadership in both the House and Senate has substantially rewritten President Clinton's original proposal in an effort to win support, but Republicans and many moderate and conservative Democrats still are balking.

"The longer this thing goes on, the more I see this as being divided along party lines, and I see it as an example of our country not working together for the benefit of the people," says Jahan Bashir, a 44-year-old secretary and mother of seven who works largely so her family can have health insurance. Her husband is self-employed, and they can't afford coverage any other way.

Both parties are to blame, most say. Fred Bingaman, a customer service representative whose employer recently switched him to a managed-care network, asserts: "I think the whole thing boils down to the issue of Republicans vs. Democrats, and I think that if they could forget about that for a while—which they probably can't—maybe we could have a good health plan."

But Republicans seem to come under the harshest criticism. Robin Doll, a 45-year-old financial specialist who receives health coverage through her employer, doesn't believe in party affiliation. But she has particularly angry words for the Republicans. "They are not even trying to make it happen. You know, 'Let's not make it happen before the next election and give Clinton credit for anything.' I think they're really holding up the process."

Echoes Ms. Mayer: "They need to do something, but are they looking at the overall picture of what's best for us or—is it, 'I'm a Republican, and I'm not going to vote for this bill because Clinton wants it?'"

The people in this room disagree about a number of things—whether small businesses should be required to help pay for their workers health insurance and whether government programs are the right solution to the country's health-care problems.

But waiting to resolve these issues will only make the problem worse, most say. And hardly anyone buys the argument, often put forth by Republicans these days, that taking longer to study the problem will lead Congress to a better solution.

"Unfortunately they're going to come back with the same mentality as this year," says Ms. Doll.

Linda Baumer, a 42-year-old computer programmer who has health coverage through her husband's employer, is one of the few who disagrees. She worries that the momentum for passing a system of universal coverage will collapse if President Clinton signs a partial solution this year. "If he goes half way the issue will die down," she says.

As it was five months ago, the group is bewildered about not only President Clinton's health-care reform proposal but the other bills under deliberation in Congress. Most of those here say they don't think much of the president's plan, which even Mr. Clinton's allies in Congress say is dead. Yet, when presented with written descriptions of the president's health-care bill, a proposal by Senate Republican leader Bob Dole, and Democratic leadership bills in the House and Senate—without identifying who is behind each proposal—the Clinton plan is the first choice of six of the nine people in the group. The House leadership bill, which includes the president's core proposal of requiring all employers to help pay for their workers health insurance, comes in second with two votes.

Mr. WOFFORD. Mr. President, these people in York, PA, do not think that gridlock is great. They do not think it is acceptable to do nothing. They are angry at the thought that we will not rise to this occasion in this Congress this year, and those who try to block health reform are going to face the wrath of the American people.

So let us cut the game-playing and the gridlock. Let us ask why so many Republicans have done a total flip-flop on their own constructive Chafee plan. Let us have no more song and dance about how long and complex the Mitchell bill is.

We do not even have a Dole bill yet to pick up and to handle. Where is it? People are waiting, waiting. And people do not believe that complexity in this matter should be an excuse for doing nothing. They do not believe that it should be an excuse for delaying further. They know that justice and health insurance, like justice delayed, can be for people like John Cox and his wife, justice and health insurance denied.

Do you want to see something that is long and complex? Let us see. These are five volumes of the North American Free-Trade Agreement, popularly known as NAFTA. There it is. This is the treaty that Senator DOLE, Senator GRAMM and a lot of other people voted for last fall.

I was against it because I did not think it was the right treaty at the right time for Pennsylvania workers. But I did not sit there and demand that every page be read on the Senate floor. Neither did the American people. They understood very well the choices this magnum opus represented.

And here is the Uruguay round of GATT, which will be before us pretty soon, supported by some of the Members of this body who are saying that Senator MITCHELL's bill is too long for them to handle.

As a matter of fact, I have a question for Senator DOLE and Senator GRAMM and the others who really want to delay and seem to want to do nothing. Did you read every page of these five NAFTA volumes of the NAFTA treaty before you voted for it? Did you read every page? Are you reading every page of this GATT agreement before you support it?

Do you think those people in York, PA, and all over this country cannot tell what this argument about the length of the bill, the need for delay adds up to?

Let me tell you those people in York and all over Pennsylvania, and I believe all over America, are tired of the political games and the special-interest gridlock. Fifty years since Harry Truman started this fight, they want the buck to stop with this Congress. Because if we do not, the people will not forgive us. Not only the people of York, PA, but the people in Atlanta, GA, and Russell, KS, and Fort Worth, TX.

Let us do the job the American people sent us here to do. It is what the people of Pennsylvania especially sent me here to do. Let us give other Americans the kind of affordable coverage and choice of private plans that Members of Congress have arranged for themselves.

"If you build it, they will come." So said the film, "Field of Dreams." Between the Mitchell bill in the Senate and the Gephardt bill in the House, we are on the way toward building a moderate, careful, deliberate, reform bill that the American people will demand we pass.

It will not, as I said in the beginning, be more Government-run health care. It will, as we look at the details of this bill, be clear to the American people it will be less Government-run medicine.

It will not be a one-size-fits-all system, but a consumer choice system in which consumers, workers, and working families are in the driver's seat with more choice in fact than most of them have today.

How can the opponents of universal coverage go back to the people and say they would block such a plan that would give working families the kind of affordable coverage and choice of private plans that they, as Members of Congress, enjoy themselves?

By the way, Mr. President, as we get into this debate I am not interested only in how we phase it in over a longer period of time or how we drag it out beyond the turn of the century, beyond the year 2000. I am interested in how we do the major steps forward toward insuring every American with private health insurance choices. I am interested in how we do those steps sooner, rather than later. And I am convinced that many of the key elements of this can start in year one.

I urge my colleagues to not only look at to how you slow it down, but how we get the savings out of the system and bring costs down so we can speed it up.

I also want to pay tribute to Senator MITCHELL for including in the bill a number of the key items that I have been fighting hard for.

First, opening the Federal Employees Health Benefit Program to private citizens.

Here is the plan that I was given when I had the honor to come to this body and discover the kind of guaranteed choice, no preexisting conditions, portability of plan from State to State within the Federal system, and the contributions from your employer. In this plan no medical examination can be canceled, and a range of 25 or 30 choices that every year Members of Congress can make for themselves.

It works for 9 million Federal employees and their families and the Members of Congress. I am glad that the Mitchell bill not only has this as a model of the kind of private health insurance, but in fact proposes ways that for many Americans will be actually opened for them to be part of this plan.

Second, changing mandatory Government-run health alliances into completely voluntary, consumer-run purchasing cooperatives for those who choose them.

I do not know if Harry and Louise on the television ads are going to flog the horse of mandatory alliances. That horse will be gone for a long time. A lot of us said there should not be mandatory unduly Government regulatory alliances, but consumer-run voluntary purchasing cooperatives, open to small business, independent entrepreneurs, farmers, individuals who need that choice of plan with reasonably low premiums.

Third, including protection for early retirees whose promised health benefits so often in recent years become broken promises.

There are significant provisions in this bill that will give vital protection to some of those workers who have found themselves out in the cold in health care after having for many, many years worked hard days to pay their dues on the assumption the projects made for health care and retirement would be there, before they were entitled to the Medicare security that was provided for Americans in 1960's.

Fourth, providing coverage for prescription drugs and long-term care in the home and community.

And that is one of the items, Mr. President, that it is vital that we start sooner rather than later and that we show the ways to get the savings to make that possible.

Fifth, a fiscal discipline, stay-within-the budget, do-not-increase-the-deficit provision, with teeth in it, as in the other matters that we are now taking action on that have led now to the third year of actual deficit reduction, the first three years since Harry Truman's time that that has been a fact. That must be one of the key elements of this bill. And Senator MITCHELL has included those provisions we developed in the Labor Committee and also the Finance Committee.

Sixth, creating a voluntary self-financing insurance option to help older people pay for long-term nursing home care without giving up their life savings or their dignity.

I hope my colleagues will look at this provision that I pressed for and we developed in the Senate Labor Committee that will give assistance and relief to millions of Americans. It is voluntary and self-financing. I think people will see, as those who looked at it with care, that it will work and it will help and that should begin in year 1.

Finally, simplifying the administration of the billing and data collection system through the private sector, instead of creating a new Federal bureaucracy.

We will talk more about that. But this was a step forward that we made in our Labor Committee and I am glad that Senator MITCHELL has pressed it forward to this body.

And then there is one general principle that I think is in the structure of Senator MITCHELL's bill that is very important, and that is to allow maximum State flexibility, so that different States can create their own unique ways to extend coverage and control costs—so that States like Pennsylvania, which have worked hard to develop State alternatives, can move ahead sooner, rather than waiting for a Federal deadline.

So, Mr. President, I think this is a test for us as to whether we can govern, whether we the people of the United States through our representatives in Congress and with the support of our President can win that battle that Harry Truman started.

I came out of World War II from the Army Air Corps in time to cheer Harry Truman on when he started this battle. I am one of those who cheered him when he was alive. Many revere him now, but he did not have that kind of support when he started this battle.

And he did not have that kind of support when he pressed for the Marshall plan. He made the comment, at one point when he was at the bottom of his popularity and nobody thought he had any chance of reelection, he essentially said, "Thank God that this was not the Truman plan." It was the Marshall plan, named after a distinguished son of Pennsylvania, from Uniontown, PA. George C. Marshall, one of the founders of the Civilian Conservation Corps and our leader in World War II.

Mr. President, it is time for this Congress this year to see through the cause and to win the battle that Harry Truman started and—to give him credit—Richard Nixon carried on nearly 20 years ago. We can do it. We can do it if we rise to the occasion, inspired by the first great Republican. And if our Republican colleagues will remember that first great Republican, Abraham Lincoln, who called on the American people to return and to tap the better angels of our nature.

TRIBUTE TO GLEN GOODNOW

Mr. SASSER. Mr. President, I rise today to pay tribute to one of the original staff members of the Congressional Budget Office, Glen S. Goodnow, a principal analyst in the scorekeeping unit of the Budget Analysis Division. Mr. Goodnow will retire later this year, after 23 years of Government service, most of which has been with CBO.

Glen Goodnow began his public career in 1971 as an adjudicator with the General Accounting Office. From 1973 to 1975 he was a staff assistant for the Joint Committee on Reduction of Federal Expenditures. With passage of the Congressional Budget Act 20 years ago, the duties and personnel of the Joint Committee were transferred to the Congressional Budget Office. When CBO began its operations early in 1975 with the appointment of Alice Rivlin as its first Director, Mr. Goodnow and the four other members of the Joint Committee staff became the Office's first employees and the nucleus of the Budget Analysis Division.

A primary duty of the Joint Committee staff was to keep track of congressional budgetary decisions in relation to the President's proposals. With the establishment of the Budget Committees and new procedures for acting on the annual budget, the focus of scorekeeping shifted to the congressional budget resolutions. Scorekeeping sounds like a relatively easy task, but it is in fact quite complicated and often very controversial. The Budget Committees look to CBO to provide the necessary technical judgments and numerical estimates that go into scorekeeping decisions.

One of the reasons why the Congress has been able to stay within the guidelines set forth by the budget resolutions is that we can rely on CBO to produce scorekeeping reports which tell us where we stand on all the spending and revenue legislation that is considered each year. Glen and his colleagues in the CBO scorekeeping unit over the years have provided invaluable assistance to the Budget Committees in monitoring the congressional budget process.

Glen Goodnow's expertise centers on direct spending measures, sometimes referred to as "backdoor spending," as well as the authorization process. He has been responsible for producing the "early warning" reports alerting congressional staff to provisions that might have direct spending impact and a current status report on all paygo legislation. Glen is one of the few people I know who reads the CONGRESSIONAL RECORD from cover to cover each day. He has patiently helped new CBO budget analysts and committee staff through the maze of scorekeeping rules and precedents. Glen has been a stalwart member of the CBO staff and he will be sorely missed.

Mr. President, the appreciation we feel for the work of the Congressional Budget Office is due in no small part to the conscientious efforts of people like Glen Goodnow. I wish him well in his retirement. He deserves the gratitude of us all.

Thank you Mr. President, I yield the floor.

IN HONOR OF THE USCGC "RED WOOD"

Mr. LIEBERMAN. Mr. President, I rise today to recognize the 30th anniversary of the U.S. Coast Guard Cutter *Red Wood*. The *Red Wood* has served the Connecticut maritime community with distinction since her commissioning on August 4, 1964. As the first of the coastal buoy tenders, the *Red Wood* was considered state of the art for her time in engineering, work, and berthing spaces. After being built at the Coast Guard Yard in Curtis Bay, MD, the *Red Wood* was homeported in New London, CT, where it has served every since. Her area of responsibility covers the Connecticut coastline of the Long Island Sound from Watch Hill, RI, to the mouth of the East River in New York.

During her career, the *Red Wood* has serviced over 1,000 aids to navigation including both buoys and lighthouses and she is a leader in technological advancements for aids to navigation. She has cared for and renovated nine lighthouses and served as the test platform for the differential global positioning system [DGPS], a system that places floating aids to navigation with unprecedented accuracy. The *Red Wood* also has served the needs of recreational boaters on Long Island Sound. The *Red Wood*'s many important missions have included search and rescue, recreational boating safety, marine pollution control, and icebreaking.

The *Red Wood* has worked around the clock to ensure the safety of the waterways under her jurisdiction. She has been able to keep the waterways open and safe even after hurricanes and northeasters. This has allowed the Long Island Sound and its adjoining waterways to remain operational without the loss of even one commercial traffic day.

The *Red Wood* has been honored with numerous commendations in her 30-year career. She has received the Coast Guard Unit Commendation Ribbon with Operational Distinguishing Device, two Coast Guard Meritorious Unit Commendation Ribbons with Operational Distinguishing Device, the Coast Guard Bicentennial Unit Commendation Ribbon, two National Defense Medals, the Humanitarian Service Medal, and two Coast Guard Special Operations Service Ribbons.

The U.S. Coast Guard Cutter *Red Wood* has had and will continue to have an illustrious career. Her 30th anniversary is a perfect time to recognize and honor her and the officers and enlisted personnel who have served on her these past 30 years. Today, I commend the *Red Wood* and thank her for her faithful service to the people of Connecticut. She has truly given meaning to the Coast Guard motto, "Semper Paratus."

THE ORTHODOX UNION IN UKRAINE

Mr. MOYNIHAN. Mr. President, the Members of the Senate are familiar with the important work of the Orthodox Union, the parent body of most of the Orthodox Synagogues in the United States. The Union's National Conference of Synagogue Youth flourishes in every North American Jewish community and the Union's Institute for Public Affairs and kashruth-certification service are respected national institutions.

I rise today to report on the Union's newest program, a fascinating effort to revitalize the long-dormant Jewish community in Kharkov, Ukraine. During 74 years of Soviet rule the substantial Kharkov Jewish community was decimated by Soviet leaders who forbade any Jewish educational, cultural, or religious life, and by the numerous transgressions committed by the Nazis during the Holocaust.

This has all changed with the collapse of the Soviet Union and the 70,000 Jews of Kharkov—the fourth largest community in the former Soviet Union—have once again been allowed to identify with their tradition. The Kharkov program is headed by Prof. Sidney Kwestel of the Touro College Law School, currently the chairman of the board of the Orthodox Union—having served as its president from 1984 to 1990. The program is named in memory of Joseph K. Miller, the Orthodox Union's indefatigable treasurer who was murdered in the terrorist attack on Pan Am 103. I spoke to Professor Kwestel recently and was delighted to learn that several thousand Ukrainian Jews of all ages and backgrounds have already participated in the Orthodox Union's program which includes as summer camp for teenager, nightly classes for adults, a morning Yeshiva for university students, and special programs to teach about Jewish holidays.

Sidney Kwestel shared with me a letter he wrote after a recent visit to Kharkov and I ask unanimous consent to place excerpts from this moving letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> FEBRUARY 1994.
>
> DEAR FRIEND: I recently returned from a deeply moving and exciting three week visit to Israel and the former Soviet Union. What I saw can only be described as the Miracle of Kharkov.
>
> Last Pesach, Rav Simcha HaCohen Kook, the Chief Rabbi of Rehovot, Israel, was in Kharkov. During the first seder, Yoni—a star product of our Kharkov project—stole the afikomon. For its return, Yoni asked Rav Kook to bring him to Israel for his bar mitzvah. Rav Kook agreed. I, my wife Debby and Mrs. Joseph K. Miller attended Yoni's bar mitzvah celebrations in Yeshivat Sha'alvim, and on shabbat in Rehovot. It was an electrifying experience. Yoni received national attention the day of his arrival in Israel when he appeared on Israeli television and was interviewed in Hebrew, which he speaks as well as an Israeli. On shabbat, all of our hearts swelled when Yoni said the brachot and read the haftorah of Shirat D'vorah. Rav Kook noted that this was first time in history that a bar mitzvah boy learned his haftorah in Kharkov and said it Rehovot. Yoni, who was circumcised in Israel—with Rav Kook as the sandek—has had a profound influence on his brother and parents. His bar mitzvah celebration inspired all of us and the many Kharkov youth who attended. I had enormous satisfaction seeing these Kharkov youth, Ariel, Cladik, Yura, Alex, Roma, Shlomo, Gena, Katya, Katrina, Leah, Anya, Tanya, Ira—products of our Kharkov program—who are currently attending Israeli yeshivot. Indeed, Friday night when the youth came to Rav Kook's home, Rav Kook challenged the Mayor of Rehovot, who addressed the group, to tell him who were Israeli born and who was born in Kharkov. The group was indistinguishable!
>
> From Israel, I travelled to Kharkov, where I had a second exhilarating experience. Even after ten trips, I am still amazed and inspired by what is happening in the former Soviet Union. You can imagine how I felt when I walked into our Joseph K. Miller Kharkov Torah center and was greeted by ten teenagers—all of whom will be going to study in Israel or will be making aliyah with their families during the next six months.

We are reawakening those who were spiritually destroyed by the communists, and are bringing them to a Torah way of life. We are successfully teaching them what it means to be Jewish and are giving them an understanding of our Torah heritage. They emerge proud to be Jewish and are instilled with a strong attachment to Israel and the Jewish people.

This year we are again planning an intensive summer camp and seminar for over 300 children, teenagers and university students. There some will begin, and others will strengthen, their ties to Judaism. Together they will experience a daily Torah life. The importance of the summer experience cannot be overstated. Jewish youth are thirsting to learn what it means to be Jewish. As Igor (now Yigal in Haifa) put it when he started in our first summer program:

"I like to be among Jews and this is why I'm here and I like to remember the traditions which my parents and grandparents have forgotten. Its important to continue the things that began thousands of years ago but were stopped by the revolution."

God has given our generation a once in a lifetime opportunity to reclaim the souls of Soviet Jewry. We must seize this historic moment. Soviet Jews have no understanding of what it means to be Jewish; nor do they have the personnel or the funds to help themselves. They must be considered our spiritual children. We must guide and teach them. The most effective place to reach our Soviet brethren and reattach them to their Torah heritage is in the former Soviet Union. We are their lifeline and hope for a Jewish tomorrow. This is not a cliche—it is a plain fact. If we do not do it, they will remain behind. We will lose a precious part of our people.

Cordially,

PROFESSOR SIDNEY KWESTEL,
Chairman, Orthodox Union Soviet Jewry Commission.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE OF THAT

Mr. HELMS. Mr. President, before we ponder today's bad news about the Federal debt, how about a little pop quiz: How many million would you say are in a trillion? And when you figure that out, just consider that Congress has run up a debt exceeding $4½ trillion.

To be exact, as of the close of business on Wednesday, August 3, the Federal debt stood—down to the penny—at $4,640,189,985,631.40. This means that every man, woman, and child in America owes $17,798.21, computed on a per capita basis.

Mr. President, to answer the question—how many million in a trillion?—there are a million, million in a trillion. I remind you, the Federal Government, thanks to the U.S. Congress, owes more than $4½ trillion.

HEALTH CARE REFORM

Mr. DOLE. Mr. President, I continue to hold out hope that the debate we begin next week in this Chamber will result in a bipartisan solution to some of our health care problems. I must say, however, that some of the comments made by the President last night at his news conference, followed up today by Vice President GORE and, I guess, even since then, by my colleague from South Dakota, Senator DASCHLE, will make it increasingly difficult to hang on to that hope.

Do not get me wrong, all of us have made our fair share of partisan comments in the U.S. Senate and outside the Senate on health care and probably everything else. But there seems to be an intensification now of the rhetoric from the White House, and it is not only misleading the American public, it has a potential to do a lot of harm. I will just single out one area.

The administration continues its relentless claim that the plan that Senator PACKWOOD and I, along with 38 other Senators, have proposed does nothing to help Americans when it comes to health care. To continue to make these claims leads me to believe they either have not read the plan or they do not want to talk about their own plans. And they have several of them and nobody knows precisely which one the President really favors. I will just give you a couple of examples.

At his press conference last night, President Clinton introduced America to Daniel Lumley and John Cox. Mr. Lumley is a young man who lost his arm in a motorcycle accident. The President said Mr. Lumley is concerned he will not be able to obtain insurance because of his "very apparent preexisting condition."

Mr. Cox left his job with health insurance for one that did not have insurance. When his wife became ill, they decided not to seek medical care because they did not have insurance. Finally, his wife became so ill he had to seek medical care. By that time, Mrs. Cox's cancer progressed to the point where it could not be treated. Tragically, Mrs. Cox passed away just this last week.

The stories of Mr. Lumley and Mr. Cox point out what every Member of this Senate has known throughout this debate: There are Americans in real need and they are everywhere. They are in your hometown, everybody's hometown. They are in your home State, everybody's home State, and they are real. I think all of us in one way or another are trying to address those real needs. No question about it, there are Americans out there who need help, and that is what this health care debate should be about.

The Vice President said today that the Dole-Packwood plan, or what we refer to as the "American option," would leave these two gentlemen out in the cold. The fact is that our plan would help John Cox, Daniel Lumley, and countless other lower- and middle-income Americans who find themselves in similar situations.

Under the Dole-Packwood plan, the insurance laws would be changed so that people with preexisting conditions like Daniel Lumley would no longer be locked out of the system. I must say, I watch television a lot; I watch news a lot; I watch some of the specials on health care. And you see these tragic stories repeated time after time after time. I would guess that 90 percent of these stories are based on a preexisting condition where they could not get coverage.

As far as I know, every single bill that has been introduced by Democrats, Republicans or bipartisan groups, takes care of the preexisting condition. It takes care of it. So people like Daniel Lumley and others would not have this problem.

I just suggest that we should not make politics out of people's misery in the first place, but if we are going to make reference to these gentlemen, in this case, who have had tragedies in their own life and the loss of Mr. Cox's wife, then I think we ought to be very careful that we do not, by inference, say, "Oh, well, the Republicans don't care about these people," or "Republican plans don't help these people."

The Dole-Packwood plan would also help Mr. Cox and all those who are employed by small businesses that may not be able to afford health insurance for their employees, like the Christian radio station where Mr. Cox worked.

For example, the Dole-Packwood plan would allow small businesses to join together in pools, thereby lowering the cost of insurance. We would also allow small businesses to enroll their employees in the Federal Employees Health Benefits Program, giving them the same choice among benefits packages that Members of Congress and the President now enjoy.

The Dole-Packwood plan also contains Federal subsidies for low-income Americans who may not be able to afford insurance. Nearly all the plans have subsidies, some may be higher. Ours is cut off at $22,000, some go as high as, I think, $35,000 for a family of four. But somewhere you have to draw the line, somebody has to pay for it.

So I just want to underscore, I do not recall any time during this debate, and many of us—in fact, the two of us left—are members of the Finance Committee. We tried to be very attentive and attend most of the hearings. We heard a lot about concerns in America, and the concerns ought to be addressed.

So we want to deal with issues like preexisting condition, like helping small businesses, like portability, like subsidies for low-income Americans and a host of other things, like self-employed people. Give them—whether it is a farmer, rancher, small businessman, small businesswoman—the same right to deduct the cost of their insurance as other people have. In our bill, you can deduct up to 100 percent. It is going to be phased up to 100 percent, and the bill introduced by Senator MITCHELL is only 50 percent. So there are differences in all these bills.

In fact, for over a year I have said that Congress should put together a package of reforms that have universal support. We talk about universal coverage. I can put together a package that would have universal support in this Chamber, and I think I would be joined by my colleagues, whether from New York or wherever, because there are a number of issues where there is not any different view. We all have the same view. They ought to be addressed. We could help millions of people this year and not have any rancor, not have any partisanship, not have any politics in this Chamber. Just think of the people we would have helped had we passed such a bill last year.

So I just suggest that there are a lot of concerns about health care. There are a lot of concerns about the Government-run health care and the Government's getting into Medicare, Medicaid, VA Hospitals, the Public Health Service. So it is already into health care to a great extent. But most Americans, regardless of politics, regardless of party, regardless of where they are, who they are, or what they do, have this little fear of the Federal Government taking over all of health care, one-seventh of the national economy.

I hope that all of us, including this Senator, when—obviously, we are going to be looking for flaws, what we consider to be flaws, and we have pointed out some in the bill introduced by my friend, Senator MITCHELL. And I assume they will be looking for flaws in the plan that Senator PACKWOOD and I hope to have completely drafted by tomorrow. And there probably are shortcomings, depending upon your point of view, in every plan.

But I would say that the President's plan collapsed. It was suffocated by mandates, by taxes, by deficit spending, and by price controls. And I would just suggest to the Vice President, instead of criticizing our plan, maybe he ought to decide which plan he is for. Is he for the original Clinton plan or for the Clinton-Gephardt plan or the Clinton-Mitchell plan or for some other plan? Perhaps we could have another secret task force we have not heard about. Maybe they could draft a new plan over the weekend.

President Clinton also said last night the Republicans have backed away from their commitment to health care reform, and that is just not the case. It is not the case. I might say what Republicans and many Democrats have done. We have listened and learned from the American people.

I do not have the bill before me, but it weighs 14 pounds. It is 1,400 pages long. It was delivered last night at 8 o'clock. We start the debate next Tuesday—maybe. And we are supposed to inform the American people the best we can over the weekend what is in this massive piece of legislation.

When we hear from the American people, I think our perspective gets a little better, a little clearer. So we want to help the Lumleys and the Coxes and the others who have problems, up to a point. We do not want to turn the system over to the Federal Government.

We want to improve the best health care system we have in the world today. The American system is the best in the world. I think that is what Senator PACKWOOD has in mind, and 38 other sponsors, certainly what I have in mind. And I know, as I said at the start, there will be a lot of partisan lobs back and forth. But sooner or later we have to ask, are we going to help anybody this year? Why not? Are we going to go for broke, going to roll the dice and say, "If I can't have everything, I don't want anything?"

I just hope that whatever happens, when we make statements, and when we have a press conference, and we get all ginned up at one of these rallies outside the Capitol, we at least be accurate in what we say and not misrepresent the facts and not misrepresent what somebody else's bill may do, whether it is the Dole-Packwood bill or the Mitchell bill or the Finance Committee bill, which the Senator from New York, the chairman of the Finance Committee, worked long and hard on, or whether it is any other bill. We have a right to lay out what we believe to be flaws in that bill, but we have no right to misrepresent what may or may not be in the legislation.

I thank my colleagues.

Mr. MOYNIHAN. Mr. President, may I ask the Republican leader to remain just a second for me to say that he is absolutely right in stating that every major legislative proposal in the Senate—I believe it is true in the House—including his, has all-important insurance reforms, preexisting condition, as the term is, that you cannot be turned down because you have lost an arm in a motorcycle accident, and portability, and such matters. And it would be a terrible outcome if, when we have 100 votes in this body, or 98, on those measures of great consequence, we should let it slip by.

I thank the Senator for his statement.

Mr. DOLE. I thank my colleague.

CORRECTION OF REFERENCE

Mr. SMITH. Mr. President, on Monday during debate on the Elementary and Secondary Education Act, I inadvertently attributed a publication entitled "Young, Gay and Proud" to the Sex Information and Education Council of the United States, or SIECUS. This is actually a publication of Alyson Publications.

SIECUS is responsible for one publication that I read from, entitled "Let's Talk About Sex."

I apologize for the error.

MORE TEMPORIZING ON BOSNIA

Mr. BIDEN. Mr. President, I rise today to decry the inaction of our Government, and of our allies, in the face of brazen provocations by the Bosnian Serbs and to repeat my call for lifting of the arms embargo against the Bosnian Government and for use of air strikes to protect U.N.-designated safe havens.

This painful subject may strike my colleagues as repetitive. Indeed it is: It is nothing short of scandalous that 2½ years into the Bosnian horrors our policy remains all bark, no bite—grave threats, no action—pious statements, but no relief for the beaten, raped, and tortured.

One would think that there was nothing new to say about the vicious aggression that has left a once-thriving, beautiful, southern European country a desolate landscape of burned-out villages, shell-scarred cities, and destitute and demoralized refugees.

But, Mr. President, there have been new developments in this tragedy, to which, I regret to report, we have not reacted. In recent days the Bosnian Serbs have not only rejected the peace proposal put forward in Geneva by the contact group of the United States, France, Britain, Germany, and Russia—but have also demonstrated their contempt for the world community by engaging in a series of provocative acts on the ground in Bosnia.

At the same time, detailed, credible, corroborated reports have surfaced of a Serbian death camp for Moslems in eastern Bosnia—an unspeakable genocide factory not seen in Europe since Buchenwald and Bergen-Belsen.

What in heaven's name is going on? What are we—the United States of America—going to do about it?

The Bosnian Serbs' rejection of the contact group's plan for carving up Bosnia was not surprising in light of their insatiable greed and pathological hatred of their Moslem and Croatian fellow citizens.

My colleagues know of my own opposition to the contact group's plan, since the very hatred of which I speak guarantees the plan's failure in practice. The Bosnian Serbs may have spared us from the misguided sending of American troops to Bosnia as so-called peacekeepers of a nonexistent peace, of playing apartheid cops in a war zone.

It is not the Bosnian Serbs' rejection per se to which I object—although they are rejecting the plan for indefensible reasons. No, Mr. President, it is their accompanying actions that I deplore. These actions, while they follow a script the Bosnian Serbs have refined since they began their aggression in 1992, have in the last 10 days set a new standard for insolence.

The Bosnian Serbs have begun a rollback of the measures imposed by Western threats of force last winter that brought a semblance of normality to the life of Sarajevo. They have blockaded the land routes into the Bosnian capital, even going as far as to ambush a clearly marked U.N. convoy, killing a British peacekeeper and wounding others.

Furthermore, they have forced the suspension of international relief flights into the city by firing on aid planes trying to land at Sarajevo Airport. I might also add, Mr. President, that Secretary of Defense Perry and his party had to abandon a planned visit to Sarajevo last month because of Serbian shooting.

In the past 2 weeks the Bosnian Serbs have continued to violate last February's agreement by moving heavy weaponry back into exclusion zones around Sarajevo and Gorazde.

Not content with military aggression, the Bosnian Serbs have, as part and parcel of their policy, consistently made war on innocent civilians. They have now resumed their sniping at civilians in Sarajevo, hitting, among others, passengers in the streetcars whose resumption of service has been a morale boost to the long-suffering populace.

Even more ominously, since mid-July the Bosnian Serbs have stepped up their vile policy of ethnic cleansing by expelling hundreds of Moslem civlians—including women and children—from the eastern Bosnian town of Bijeljina and from the northwestern city of Banja Luka.

There has also been a report from Tuzla that armed Serbs have taken a group of Moslem men to a nearby labor camp.

Mr. President, these continued despicable acts of ethnic cleansing have been put into a ghastly context by Roger Cohen's meticulously researched articles in this week's New York Times on a Serbian death camp called Susica.

Mr. Cohen documents in grisly detail how in the spring and summer of 1992 Bosnian Serbs, under the direction of units of the former Yugoslav National Army from Serbia proper, systematic arrested, interned, tortured, and murdered thousands of their Moslem neighbors.

The killings stopped, Mr. President, not because of any moral compunction, but because the murderers had simply run out of available Moslems to victimize.

As Mr. Cohen points out, the Bosnian Moslems—and to a greater extent, the Bosnian Croats—have also run detention camps where atrocities have been committed. They are inexcusable, and I condemn them in the strongest possible terms.

What distinguishes the Susica death camp and Serbian killings elsewhere in Bosnia from the Moslem and Croat outrages, however, is the systematic coordination and widespread scope of the Bosnia Serbs' policy of genocide. They aim to purge non-Serbs from the territory they control—usually by deporting the women and children, and by slaughtering the men.

There was a time when the Western democracies, led by the United States, saw fit to put a halt to aggression and to punish war criminals. I regret that we seem to have abandoned the idealism which distinguished us from other nations and won the admiration and respect of millions around the world, in favor of misguided alliance solidarity and a new friendship with the Russians.

Simply put, the response to the Bosnian Serbs' thumbing of their noses at the contact group has been a lame communique of vaguely worded threats that will frighten no one. This lowest common denominator was drafted so as not to offend the Russians and not to endanger further the British and French peacekeepers who are virtual hostages of the Bosnian Serbs.

What does the contact group recommend? Well, economic sanctions against Serbia and Montenegro are to be tightened. I won't even speculate as to how soon that will have a decisive effect.

How about the U.N.-mandated exclusion zones? In vintage diplo-speak the document only requests the "finalization of planning to permit strict enforcement and extension of exclusion zones."

Nothing is said about enforcing existing no-fly zones against the Bosnian Serb crop duster air force. Nothing is even mentioned about air strikes to break the newly imposed Serbian siege of Sarajevo, even though air strikes have already long been authorized by the U.N. and NATO. Perhaps as a rhetorical sop to this Congress, a murky statement is included that the unilateral lifting of the arms embargo against the Moslems could possible become unavoidable.

Mr. President, I call upon this House to put this glacial process into fast-forward and make it unavoidable. For 2 years I have called for a "lift and strike" policy—lifting the unjust arms embargo against the Bosnian Government and striking from the air against any aggressor who dares violate U.N.-designated safe havens. History will not forgive us if we dither any longer.

But, Mr. President, precisely at this pivotal moment, I am chagrined that the administration plans to temporize further. Despite a strong vote in the House for unilaterally lifting the arms embargo against the Bosnian Government and only a razor-thin defeat in the Senate, it is my understanding that in the ongoing conference on the Defense authorization bill the White House remains opposed to any congressional language that would force the United States unilaterally to lift the embargo, even after we have failed to lift multilaterally. The administration is only prepared to consult with the Congress on the progress of the contact group's plan.

This business-as-usual attitude will simply no longer suffice. The time to act is now, before we squander the last shred of credibility in American ideals and American foreign policy.

We must not let aggression go unpunished, lest other would-be aggressors be encouraged in the future. The administration seems mesmerized by one-dimensional alliance considerations and erroneous historical analogies.

Britain and France understandably worry about the safety of their peacekeepers in Bosnia if we should unilaterally lift the arms embargo against the Bosnian Government. Mr. President, alliance unity is a worthy goal, but at what price? If we do not lead NATO into policies that will stifle the emerging security threat to southeastern Europe, what is the alliance worth?

Some in Europe warn that enforcement of a lift and strike policy would widen the Bosnian war and ultimately lead to a World War III. But Sarajevo 1994 is not Sarajevo 1914. There are no competing alliance systems with great powers committed to aid their Balkan proxies. Mr. President, there is, however, one superpower, and that superpower, thank God, has a tradition of crushing tyrants and rescuing the persecuted.

And what about the Serbian death camp and other crimes against humanity? Here there is a ray of hope. An "International Tribunal for the prosecution of persons responsible for serious violations of international humanitarian law in the territory of the former Yugoslavia" has been created according to a May 25, 1993, U.N. Security Council resolution.

The respected South African judge Richard Goldstone has been named prosecutor of the tribunal and will take over his duties on August 15. I am happy to say that 20 U.S. Government employees have been detailed in various capacities to the International Tribunal. Courtroom facilities in The Hague, The Netherlands, will be completed by October, and indictments are expected to be handed down later this fall.

Of course, unlike Nuremberg where the accused war criminals were already in custody, the likely accused in former Yugoslavia must first be apprehended. But a good start has been made to hold genocidal murderers responsible for their actions.

The administration has briefed the Committee on Foreign Relations that it will soon submit legislation to enable the United States to cooperate with the International Tribunal. I hope and trust that this will be speedily accomplished in the coming weeks.

Mr. President, the war in the former Yugoslavia, Europe's bloodiest conflict since World War II, has already claimed more than 200,000 lives, made more than a million persons homeless, and physically and psychologically disfigured countless others.

Let us not forsake our heritage. Let us wake up to the horrors taking place in Bosnia. Let us do the only honorable—and the only efficacious thing: Lift the unconscionable embargo on the Bosnian Government and utilize our air power to strike against those who attack safe havens.

WILL THE WASHINGTON POST AND THE WASHINGTON BLADE MERGE?

Mr. HELMS. Mr. President, I guess this is called rising to a point of personal privilege. I do not do this out of any anguish, and certainly no anger. More than anything else, I am amused by the turn of events involving the Washington Post. I think somebody ought to call the hand of the Washington Post, because it is making itself look ridiculous. One of the things that the members of the Washington press corps whisper about these days is how come the Washington Post is so "gosh darn" defensive when anything—anything—even implying criticism of the lifestyles of homosexuals and lesbians is voiced by anyone.

Just watch, Mr. President, whenever a step is taken by Congress to interfere with efforts to portray sodomy as just another lifestyle, the Washington Post news and editorial people go ballistic. See what they write the day after any amendment is offered by Bob SMITH or Jesse HELMS, as was the case this week. From time to time, reporters—surely jesting—suggest that the Washington Post and the Washington Blade may merge any day now, becoming the "Washington Post-Blade," or something like that. In any case, the Washington Post's bias reared its snorting head in the Tuesday morning edition this week.

Just consider this headline, if you will. I have it enlarged on a chart here. This was the headline and there is the story—and the problem is that the headline has nothing to do with the story: "Senate Votes to Cut Off Funds if Tolerance of Gays is Taught." I hope C-Span is showing this blowup of the Washington Post headline and the story.

Mr. President, the headline is absolutely ridiculous. The amendment was nothing like that at all. The headline was flat out false, and the person who wrote that headline for that Associated Press story is bound to have known that it was false.

Let us examine the exact text of the amendment offered by the distinguished Senator from New Hampshire and this Senator from North Carolina. I am going to read part of it. The C-Span cameras may wish to follow me on this chart.

The amendment says: "Section" filled in with a number. "Prohibition against funds for homosexual support."

> (a), PROHIBITION.—No local educational agency that receives funds under this act shall implement or carry out a program or activity that has either the purpose or effect of encouraging or supporting homosexuality as a positive lifestyle alternative.

Then it says this, and this is the heart of the amendment:

> DEFINITION.—A program or activity for the purposes of this section, includes the distribution of instructional materials, instruction, counseling, or other services on school grounds, or referral of a pupil to an organization that affirms a homosexual lifestyle.

So you see, Mr. President, the amendment prohibits efforts in the schools to teach acceptance of homosexuality as a positive lifestyle. It makes no reference one way or another, implicit or explicit, about tolerance for homosexuals. Yet, that headline appeared.

What goes on at the Washington Post? Is this the result—as many of their journalistic fraternity members are saying—of an inordinate amount of gay sensitivity in the news and editorial departments of the Washington Post? I do not know. I make no charge, but I just suggest that this is what people are saying. They are saying that the Washington Post ought to merge with the Washington Blade if they are going to be so blatant in the way they play the news and write their editorials about things involving people who commit sodomy—that is to say, homosexuals and lesbians.

And then, on Wednesday morning, yesterday, there came the predictable and convoluted reasoning of a Washington Post editorial which strained to take Senator SMITH of New Hampshire and me down a notch or two for proposing our amendment on Monday—an amendment, by the way, which the Senate approved 63-36. That Post editorial murmured that 63 Senators supported the Smith-Helms amendment which "entirely undercuts a bedrock conservative principle that local communities should run their own schools." That is what the Post editorial said.

But, Mr. President, the Washington Post's philosophical meandering all over the lot had nothing to do with any conservative principle whatsoever. In the first place, the Washington Post was a leader in shouting down conservatives some years ago—and I was one of them—who tried to warn that Federal aid to education that was being proposed then was sure to be followed by Federal control of education.

Just take a poll of the men and women trying to run the schools of America today and ask them about the deluge of Federal controls and the rulings and regulations pouring out of the Federal educational bureaucracy in Washington, DC. They will tell you about it. I happen to be the father of an elementary school principal. If you cannot find anybody else, talk to Jane Helms Knox.

Furthermore, this awkward posture by the Washington Post stands straddle-legged over a paper that insists at all other times that the Federal Government monitor and control almost every other aspect of the lives of the American people. Yet whenever an issue involving homosexuality or other examples of perverted morality are involved, they insist that putting strings on the use of Federal tax dollars somehow threatens the Nation's constitutional foundations.

Do you recall how they jumped up and down when anybody suggested that Congress ought to look at the content of the so-called art produced by people who are just warped mentally—with the help of taxpayer funds? I have stood on this floor many a time and put pictures of what the National Endowment for the Arts has spent the taxpayers' money for, and the Washington Post just snorts and raves how great it is and dares Congress try to restrict Federal funding for it.

It is all right, you see, for the Congress to control the military, the schools, and every other use of Federal funds, but, oh, no, Congress better not control pornographic or homosexual art and it better not try to control efforts to teach homosexual values in the schools or to hand out homosexual literature to little children—how old are the youngest ones, I will ask the Senator from New Hampshire?

Mr. SMITH. Three years old.

Mr. HELMS. Three years old. And I do not know of a single Senator who dared to go over to BOB SMITH's desk the other day and look at the material that has been distributed in schools across this Nation. But the Senate voted properly on the amendment anyway. Some Senators made a mistake and voted against the Smith-Helms amendment, but it carried nevertheless.

Mr. President, I suppose the fanciful speculation that the Washington Post and the Washington Blade are really planning a merger is being spread in jest. I do not believe it myself. But both papers do, and for a long time have, promoted homosexuality. They continue their biased reporting and absurd editorial posturing.

The Washington Post is not qualified to lecture any conservative in America about conservatism. They have demonstrated over the years that they do not know one darn thing about it.

The Washington Post is, of course, free to distort the positions and the purposes of conservatives and conservatism. That is a part of freedom of the press. I do not like what they print sometimes, but they have the right to do it under the first amendment.

But the paper is also free to make a laughing stock of itself, which it so often does. And it certainly has in this instance in its reports on the Senate-approved amendment forbidding Federal funds to any school that encourages or supports homosexuality as a positive lifestyle.

Mr. President, nothing positive happened to Sodom and Gomorrah, and nothing positive is likely to happen to America if our people succumb to the drumbeats of support for the homosexual lifestyle by media organizations such as the Washington Post.

One final note, Mr. President. Aides, assistants to Senator KENNEDY, have assured the Washington Post and other members of the news media that the Smith-Helms amendment will be dropped in conference. Aides of the Senator from Massachusetts have candidly stated that Mr. KENNEDY submitted his watered-down alternative amendment as part of a strategy to ignore the will of the 63 Senators who voted for the Smith-Helms amendment, as well as all of those Congressmen in the House of Representatives who voted for a very similar amendment.

We are going to see whether Senator KENNEDY repeats his all too familiar act in conference—as he did when he killed the school prayer amendment which the U.S. Senate and the U.S. House of Representatives had approved overwhelmingly. We are going to see. We are going to be watching him, not just BOB SMITH and me, but hundreds upon hundreds of people across this country are going to be looking at what happens.

And they are prepared to make some calls to Massachusetts and some visits to Massachusetts and let the people there know what is going on. We have been down that road before—this business of killing amendments in conference.

I serve fair warning, however, with all due respect to Senator KENNEDY and his boastful aides, that if the Senator from Massachusetts does, in fact, attempt to gut this amendment in conference—as he successfully did the school prayer amendment earlier this year—there are Senators who will have a great deal to say about it on this Senate floor, and it will take a great deal of time.

Moreover, there are a number of strong and well-organized national religious and conservative groups who have served notice that this is an issue that they intend to take to the people of Massachusetts. I am making no threat. I am simply stating the facts. There are increasing numbers of citizens and groups of citizens who no longer will stand idly by while the Senator from Massachusetts, or anyone else, arrogantly and single-handedly tosses aside principles supported by the overwhelming majority of the American people. Maybe the Senator's support by liberal newspapers in his home State can and will override the resentment that is building. That is up to the people of Massachusetts and we will see.

Mr. SMITH. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. Yes; I am glad to yield to the able Senator.

Mr. SMITH. I thank my friend for yielding.

This is an interesting debate here. The whole issue was an interesting debate. As the Senator from North Carolina has correctly stated, the Senate did vote overwhelmingly to say that if these materials were to be placed in the school districts, Federal aid would not be forthcoming.

It is interesting that from that we have such words as "tolerance" being used, which was never mentioned by either of us in the debate, as far as I know. And also it is very interesting in some of the interviews that I did after the amendment I was told repeatedly by members of the press what Senator WELLSTONE's interpretation of my amendment was. I suggested that next time Senator WELLSTONE offers an amendment, they might want to give me a call so I can tell them the intent of his amendment.

One of the points that is made here in the Washington Post editorial is that Senator WELLSTONE said that the provision would forbid counseling of gay students. The amendment does not.

Mr. HELMS. Of course.

Mr. SMITH. I wrote the amendment, along with the Senator from North Carolina. We know what the intent was. We know what the language says. It does not have anything to do with that. We debated this amply before. And on another matter now.

I will just say I do not think I had a chance to tell the Senator from North Carolina a very interesting development happened as I walked out after the vote. I spoke to one of the young ladies who was trying to talk to Senators about the materials, and she had carried some of those materials with her, and she was trying to show them to Members of the Senate as they were coming in to vote. She was threatened with arrest by the Capitol police for distributing pornographic materials or trying to, which is a very interesting observation in and of itself in the sense that we could not display them here on the floor of the Senate, we could not display them, we could not pass them out to Senators coming in, and yet we can put them in a school district anywhere in America. I guess that is all right according to the opposition. So I find that to be quite interesting.

I was attacked by someone alleging to be some national representative of the PTA who indicated that I was now trying to dictate the curriculum as a conservative. Why would I want to be dictating the curriculum of any school district?

Again, we are not dictating any curriculum. We are just simply saying that the Federal dollars would not come into your State or your district if you in fact used those materials. So if you do not use the materials, what is the problem?

So I would think rather than attacking Senator HELMS or Senator SMITH, maybe the PTA around the country ought to be looking in the school districts to see if any materials are there. That might be a good idea.

I would hope that maybe if the Washington Post feels we are way off base and we are wrong on this, maybe they ought to publish those materials on the front page of the Post tomorrow morning. Let them put all the materials out word for word. I will be happy to provide them to the Post if they want to, if they do not have them. I will be happy to provide them if they do not have them. I will assume they will not do it because of the copyright laws, and I am sure they can work it out. They can put it on the front page of the Post and we will see what happens.

Mr. HELMS. I cannot imagine even the Washington Post daring to publish some of the garbage that has been handed out to schoolchildren as young as 3 years old.

I thank the Senator, and I was honored to join with him on his amendment, and I congratulate him for his good work.

THE TOBACCO PROGRAM IS ABOUT WORK, NOT HANDOUTS

Mr. FORD. Mr. President, Labor Day is just around the corner. For most of America, it marks the close of summer and the beginning of the new school year. But for one of my constituents, Mattie Mack of Brandenburg, KY, it also marks the time when she and her husband begin or are in the midst of harvesting their tobacco crop.

The days between now and when they actually bring their crops to the warehouse for sale, will be long, labor intensive, and critical to the quality of the tobacco.

Like the tens of thousands of other tobacco farmers in Kentucky, years of experience will guide them in deciding just when to harvest the yellowing leaves.

If it is burley tobacco, first they will drop tobacco sticks down each row, then plant after plant, cut the tobacco down with a tomahawk-style knife, spearing six or so plants to each stick. The cut tobacco is left out in the sun for a day or two to wilt until it is ready to be housed in special tobacco barns.

Any of you who have driven through tobacco country have seen curing barns with open slats for ventilation. Because curing is such a delicate process, the farmer must control temperature, humidity, and the rate of curing.

The tobacco sticks are hung from rails running the length of the barn.

And like the entire curing process, this is hard labor, yet requires a very delicate touch.

Curing will actually change the chemical and physical properties of the leaf, and mistakes can ruin an entire crop. Too much heat can rush the process, resulting in low weight and bad color, commonly called "houseburn."

Each morning, the Macks and their workers pick up where they left off the evening before until every plant has been cut and housed.

Mattie and other Kentucky tobacco farmers will still be at it in November, when you and I will be thinking about elections. About this time, the tobacco is "in case." It is moist enough to be handled and will be brought down, stripped from the stalk, sorted and graded.

The draining work of hanging a barnful of tobacco in the last hot, humid days of summer, will seem light years away to workers pulling it back down again in the cold fall nights.

The last stage, stripping, is considered as much a craft as stitching a quilt, with a farmer sorting leaves into bundles by size and quality. The tobacco is now ready for market.

This entire process, which varies depending on the type of tobacco, can last throughout the winter. Between field management and labor, some estimates put the work level at an average of 250 hours for each acre harvested, not to mention the expertise necessary for curing.

The annual harvest means money to invest in new equipment, to pay the mortgage, for health care and college educations.

In 1964, for Mattie and Bill Mack, it meant owning a farm. Any entrepreneur can tell you how difficult it can be to get a bank loan to start up your small business. So where the bank failed, tobacco succeeded.

For the past 30 years, that annual harvest has meant even more for Mattie and Bill. It meant an education for their own four children, and for the 38 foster children they have taken care of over the years. For those children, it meant owning a productive future.

As Mattie already told the House Ways and Means Committee;

> My husband and I raised four children on tobacco. The money from our tobacco crop has paid for their medical care, for their food and for their education.
>
> We have also raised 38 foster children on our farm. The welfare office always sent the "problem children" to us. I discovered that the real problem was that these children did not have anything to do but to get into trouble. So I put them to work on our farm—they cleaned out the barns, they helped put in the tobacco crop, they hoed the tobacco and they helped top the tobacco. After a long days work, those kids ate a good supper, took a shower and went straight to bed. There was no energy left in them to cause trouble.
>
> My own children and our foster children saved money from tobacco so that they could go to movies or ball games. I always told those kids: When you spend that money, tell people you earned it from tobacco.

While Mattie's story is certainly special, in many ways she represents the average tobacco farmer. Nine out of ten tobacco farmers own the farmland they operate, and the majority are smaller than the average farm—approximately 94 acres versus 462 acres.

And as Kentucky farmer and writer, Wendell Berry said, for Mattie and the 60,000 other tobacco farm families, "In tobacco country, the choice not to grow tobacco is tantamount to a choice not to farm."

According to the Community Farm Alliance:

> Tobacco producing areas of the United States include 21 States and Puerto Rico. But over 90 percent of the $2.9 billion that American growers earned from tobacco in 1991 came from only six States: North Carolina, Kentucky, Tennessee, Virginia, South Carolina, and Georgia.

Financially, that means that on average, tobacco can represent as much as $57.20 of every $100 in farm cash receipts from crops for a Kentucky tobacco farmer.

And again according to a Kentucky agriculture association:

> Tobacco generated one in 16 jobs in the Commonwealth during 1991, or 6.3 percent of the State's total work force. Within one of the State's regions that annually produces high volumes of tobacco, one in five households earned some family income in 1991 by either raising burley tobacco or by leasing their quotas to active growers. * * *

In Kentucky, that adds up to 100,000 jobs and a billion dollars annually in farm income alone. This is multiplied more than threefold when you consider the benefits on the rest of the economy.

And what Mattie and other tobacco farmers will tell you, is that despite all the myths about Government subsidizing tobacco, they are part of a program that pays its own way.

In fact, the price support program is probably the most successful agriculture program in the United States.

The program operates under the simple principle that farmers will be guaranteed a minimum price for each grade of tobacco produced, in exchange for the farmer's commitment to keep the supply in line with the demand.

In practice, that means tobacco falling below the support price is placed under loan, but still under the individual farmer's title until it is ultimately sold by the cooperatives. While the Government supplies the loan, the farmer repays it with interest and all expenses.

To assure the program is operated at no net cost to the taxpayer, farmers and manufacturers are assessed a cent or two per pound to pay administrative costs. In addition to the assessment fee, tobacco farmers pay inspection and grading fees to cover all of these costs. And in an effort to reduce spending for all farm programs in general, tobacco farmers pay a budget deficit assessment which is projected to generate $25.3 million in fiscal year 1994.

Mattie Mack will tell you, the tobacco program is about work, not handouts.

Perhaps she put it best when she told the House Ways and Means Committee:

> The Bible says that you earn your living by the sweat of your brow and I can tell you that farming tobacco makes you sweat. But farmers are accustomed to hard work. We are also accustomed to dealing with the hardships of nature—we always have to worry about too much rain on our crop, or not enough. But no amount of hard work or resiliency will prepare us for dealing with the man-made hardships that come from Washington. American tobacco farmers cannot survive this threat to our livelihoods.

Mr. President, I ask that the testimony of Mattie Mack before the House Ways and Means Committee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF MATTIE MACK

Mr. Chairman and Members of the Committee:

Thank you Mr. Chairman. I am a tobacco farmer from Brandenburg, Kentucky, and I have come here today to share with you my concerns about the proposed tobacco tax to pay for health care reform.

I want to start by telling you what tobacco means to me and my family.

I began farming tobacco back in 1963, when my husband brought me to Kentucky to start our own farm. Over the years, we have built up a 100 acre farm on which we raise cattle, corn, hay and 10,000 pounds of tobacco each year.

Our tobacco crop has been the foundation on which we built our farm and our family. My husband and I raised four children on tobacco. The money from our tobacco crop has paid for their medical care, for their food and for their education.

We have also raised 38 foster children on our farm. The welfare office always sent the "problem children" to us. I discovered that the real problem was that these children did not have anything to do but to get into trouble. So I put them to work on our farm—they cleaned out the barns, they helped put in the tobacco crop, they hoed the tobacco and they helped top the tobacco. After a long days work, those kids ate a good supper, took a shower and went straight to bed. There was no energy left in them to cause trouble.

My own children and our foster children saved money from tobacco so that they could go to movies or to ball games. I always told those kids: When you spend that money, tell people you earned it from tobacco.

Tobacco is our livelihood.

I am here today because our livelihood is being threatened. I cannot express enough how deeply concerned I am about the President's proposal to increase tobacco taxes to pay for health care reform. Farm families like mine stand to suffer a great deal if this proposal becomes a reality.

I want to tell you that I support the idea of health care reform. When I was young, I studied to be a nurse and worked for a while in the Louisville Children's Hospital. I know first hand that our health care system is in serious need of reform and I congratulate the President for recognizing this fact.

But the President has proposed a 75 cent per pack cigarette tax as the sole tax to pay for health care reform. This proposal asks farmers, like me, to foot the bill for a system that benefits the entire nation. That is unfair.

It is unfair to tobacco farmers whose hard work already generates $62,000 per acre in state and federal taxes. It is unfair to black farmers, many of whom grow tobacco, and who historically have lost their farms at a faster rate than white farmers. It is unfair to my home state of Kentucky, which stands to lose over 300 million dollars, and it is unfair to the South as a whole, which stands to lose the very foundation of its economy.

The Bible says that you earn your living by the sweat of your brow and I can tell you that farming tobacco makes you sweat. But farmers are accustomed to hard work. We are also accustomed to dealing with the hardships of nature—we always have to worry about too much rain on our crop, or not enough. But no amount of hard work or resiliency will prepare us for dealing with the man-made hardships that come from Washington. American tobacco farmers cannot survive this threat to our livelihoods.

I want to invite President and Mrs. Clinton and all of the members of this committee down to Kentucky to see the people who are working so hard to make ends meet—they are doing it with tobacco. I want them to meet tobacco farmers and their families—face to face—and to learn just how much our crop means to us, and to the South. If they understood that, I am certain they would not insist on this unfair tobacco tax.

The simple fact is that tobacco farmers cannot afford to pay for health care reform and we should not have to. All Americans stand to benefit from changes in our health care system and all Americans should pay for it. This is the American way and it is the fair way.

I serve on the credit committee on the Community Farm Alliance which issues small loans to farmers in need. I can tell two things from that experience. There are a lot of farmers out there in rural America who are already fighting day after day to hold on to their land. There will not be enough money in the coffers of the Community Farm Alliance, or in the coffers of any other farm support groups, to help those farmers survive if this unfair tax becomes a reality.

On behalf of my family and the many tobacco farmers who will never get the opportunity to come here and talk to you, I ask you to work with the President to develop a health care program that is fair to all Americans, including tobacco farmers, tobacco plant workers and southern communities. A tobacco tax increase does not meet this test.

Thank you.

AMENDMENTS TO VA/HUD APPROPRIATIONS BILL

Mr. COVERDELL. Mr. President, I would like to thank the distinguished Senator from Maryland [Ms. MIKULSKI] and the ranking Member from Texas, Senator GRAHAM, for working with Senator NUNN and I on these two important amendments to the bill. Many of my colleagues have heard from me and the senior Senator on the initial devastation that occurred during the flooding in the southern portion of our State. They have responded by providing necessary funding for agricultural, housing, and business assistance to those Georgians most drastically affected by the floods. These Georgia flood victims, along with their counterparts in Florida and Alabama, now race a tougher challenge: to reconstruct their communities from the ground up in a mission I have termed "Operation Buildback."

The two amendments that Senator NUNN and I have worked on and approved through Senator MIKULSKI will address many of the needs that will arise in "Operation Buildback." The first amendment provides for an additional $180,000,000 in State and local government grants for carrying out community programs to States, local governments, and businesses to assist in disaster recovery. This will certainly be important in our community rebuilding efforts, particularly in the business sector.

The second amendment will provide $12,500,000 to fund $50,000,000 in additional loan authority to FEMA to be used to assist local governments in recovering from revenue losses associated with the loss of county utilities, a prime revenue source for these governments.

These two amendments address important needs, and I thank Senator MIKULSKI and Senator GRAMM for efforts on Georgia's behalf.

HONORING OF KARL KITT

Mr. McCAIN. Mr. President, I just wanted to take a few minutes of the Senate's time to honor a great man who passed away recently in Arizona. I'm speaking about Karl Kitt. Karl is a legendary figure in the sport of wrestling who enjoyed a distinguished career as head coach at both the Naval and Air Force Academies.

Karl will always be remembered as a man of great character, integrity, and compassion, particularly to the thousands of young people who are privileged to call him their mentor and friend. He was, in every way, a coach—not just in the sport which he loved so much, but in life for the young people about whom he cared so much.

Karl leaves a legacy of achievement. Yes, there were many honors and championships. But more important to Karl was the human legacy—the people whose lives he touched and changed with the enduring qualities of a life well lived—hard work, integrity, mental toughness, and courage.

A graduate of Southwestern State College in Oklahoma, Karl wrestled on two NAAU championship teams in 1934 and 1937, placed second in NCAA championships in 1936, third in NAAU in 1937, and earned All-American honors in his junior year.

In 1942, Karl joined the Navy and was later assigned to the Naval Academy as assistant wrestling coach and a physical education instructor. He won the Hawaiian Open championship at 145 pounds and coached the U.S. Navy team to the Central Pacific Area championship. In 1946, Karl returned to the Naval Academy and coached two national championship squads, in 1948 and 1952. He went on to join the U.S. Air Force Academy as head coach, where Karl further distinguished himself as one of the Nation's top wrestling coaches.

Several decades have passed since I was privileged to be under Karl's tutelage at the Naval Academy. Like so many of those whose lives Karl has touched, I will never forget his influence.

Karl Kitt's contributions to his Nation will never be forgotten. With his passing, we have lost an exceptional man who carried out his duties as a coach, as an American, and as a man with the greatest integrity, commitment and highest moral character. He has always been an inspiration to me, and I am proud and privileged to have known him.

Our Great Nation is much better for having known Karl, and we are saddened by his passing. He's a dear friend and we will miss him. Our thoughts and prayers are with Katherine and the family. We thank you for your love, devotion, and service.

INTERNATIONAL COOPERATION IN SPACE

Mr. BENNETT. Mr. President, sometimes, in the heat of debate and the flurry of technical, detailed exchange of information, we forget that sometimes the source of information most useful to us in making our decisions comes from the people whose lives are affected by the votes we cast.

As I stated yesterday, when we are talking about the space station, we are talking about the future. When we talk about the future we should be thinking about those who have the greatest stake in the future—the children.

Even though we voted on space station yesterday, I want to share with my colleagues the viewpoint of a 12-year-old student from Fairfax, VA, Blaire Bingham. She wrote the following brief essay on international cooperation in space:

> Over the past several years, there have been numerous international efforts in space. Shuttle flights carrying the Spacelab Research Facility as an International Microgravity Lab is one, and astronauts of many countries that have flown on both Russian and American spacecraft is another. But what I think is the most important effort is the International Space Station Alpha (ISSA), formerly Space Station Freedom. ISSA is the most recent united project in an effort to bring countries together to build a space station. This joint effort includes the European Space Agency (ESA), the National Aeronautics and Space Administration (NASA), the National Space Development Agency (NASDA) from Japan, the Canadian Space Agency (CSA), and the new Russia's Space Agency (RSA). That to me is a huge amount of international efforts which represents almost every country world-wide that has a space program.

Since different sections of ISSA are coming from different country agencies, I believe ISSA is a sign of unity. When you put the different sections of the space station together, it forms ISSA. If we can do this in space international efforts, then maybe we can do this in our own world. If we can, then I and millions of other kids in this violent world won't be afraid of playing in our playgrounds after school, or of being robbed, kidnapped, or murdered. You see, if ISSA completes its mission and goes up in space, it can show the world that yes, maybe we can be like ISSA, one big peaceful united group.

Also, the men and women that go up could discover new technologies and even medicines that our children can use in their generation. We might not be around to see it all happen, but at least we would know that thanks to us, their lives are happier. If ISSA or any international efforts are demolished, by not approving the funding for the project, then we would be missing out on many opportunities.

To tell you the truth, I don't know exactly how we can continue with the efforts to fund ISSA, but I know we can find a way. I may only be 12 years old and I might not be able to do many things that can help international efforts keep going, but I strongly believe that we should continue with them.

Mr. President, we may not be around to see it all happen, but hopefully, because of our actions, our children's lives will be happier and better. But to bring that to pass, we must have the courage to invest in the future. I thank my colleagues for joining me in voting for the kind of future that Blaire Bingham envisioned.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 868. An act to strengthen the authority of the Federal Trade Commission to protect consumers in connection with sales made with a telephone, and for other purposes.

H.R. 2457. An act to direct the Secretary of the Interior to conduct a salmon captive broodstock program.

H.J. Res. 374. Joint resolution designating August 2, 1994, as "National Neighborhood Crime Watch Day."

At 3:47 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, with amendments, in which it requests the concurrence of the Senate:

S. Con. Res. 40. Concurrent resolution to authorize the printing of the book entitled "Constantino Burmidi: Artist of the Capitol", prepared by the Office of the Architect of the Capitol.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes.

The message further announced that the House agrees to the report of committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3841) to amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching.

At 5:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (H.R. 4426) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995.

The message also announced that the House insists upon its amendment to the bill (S. 1587) to revise and streamline acquisition laws of the Federal Government, and for other purposes, disagreed to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Government Operations, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. CONYERS, Mr. SYNAR, Mr. NEAL of North Carolina, Mr. LANTOS, Mr. OWENS, Mr. TOWNS, Mr. SPRATT, Mr. RUSH, Mrs. MALONEY, Ms. MARGOLIES-MEZVINSKY, Mr. CLINGER, Mr. MCCANDLESS, Mr. HASTERT, Mr. KYL, Mr. SHAYS, and Mr. SCHIFF.

As additional conferees from the Committee on Armed Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. DELLUMS, Mr. SISISKY, Mr. EVANS, Mr. BILBRAY, Mr. EDWARDS of Texas, Ms. FURSE, Mr. SPENCE, Mr. KASICH, Mr. BATEMAN, and Mr. WELDON.

As additional conferees from the Committee on Education and Labor, for consideration of sections 4024(d), 4101(b), 4101(c), 6101, and 6102, 8005(c)(2), and 11001–11004 of the Senate bill, and section 4105 of the House amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. MURPHY, and Mr. FAWELL.

As additional conferees from the Committee on the Judiciary, for consideration of sections 1421, 1422, 1437, 2451, 2551–2553, 2555, that portion of section 4011 that adds a new section 29(b)(2) to the Federal Procurement Policy Act, sections 4024 (a), (b), (c), and (f), 4101 (b) and (c), 6001–6004, 6053, and 8005 (c)(3) and (c)(4) of the Senate bill; and that portion of section 4011 that adds a new section 4B(c) to the Federal Procurement Policy Act, that portion of section 4031 that adds a new subsection (c)(9) to section 23012a of title 10, United States Code, that portion of section 4041 that adds a new subsection (c)(2) to section 302A of the Federal Property and Administrative Services Act of 1949, sections 4051, 5003, that portion of section 7106 that adds a new section 2285(a)(12) to title 10, United States Code, that portion of section 7205 that adds a new section 314D(a)(4) to the Federal Property and Administrative Services Act of 1949, and section 7301(b) of the House amendment, and modifications committed to conference: Mr. BROOKS, Mr. BRYANT, and Mr. FISH.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 1056 and 1067 of the Senate bill and modifications committed to conference: Mr. MINETA, Mr. TRAFICANT, and Mr. SHUSTER.

As additional conferees from the Committee on Small Business, for consideration of sections 1055(b)(2), 2554, 4102–4105, that portion of section 4011 that adds a new section 29(b)(1) to the Office of Federal Procurement Policy Act, sections 4012, 4014(d), 4015(d), and 4074 of the Senate bill, and sections 4104 and 8002 of the House amendment, and modifications committed to conference: Mr. LAFALCE, Mr. SMITH of Iowa, and Mrs. MEYERS of Kansas.

ENROLLED BILL SIGNED

At 7:46 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1458. An Act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-608. A resolution adopted by the Okanogan County Resource Roundtable, Chelan, Washington relative to timber workers; to the Committee on Appropriations.

POM-609. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation.

"SENATE JOINT RESOLUTION NO. 37

"Whereas, The Northridge Earthquake occurred on January 17, 1994, measuring 6.6 on the Richter Scale, causing more than 50 deaths, thousands of injuries, and an estimated 20 to 30 billion dollars in direct economic damages to Los Angeles and Ventura Counties; and

"Whereas, More than 18,000 people have been forced from their homes and businesses as a result of this recent tragic earthquake; and

"Whereas, Schools, hospitals, water systems, freeways, and other vital systems have been destroyed or heavily damaged by this natural disaster; and

"Whereas, California has experienced in recent years the 1987 Whittier-Narrows Earthquake, the 1988 Winter Freeze, the 1989 Loma Prieta Earthquake, the 1991 East Bay Firestorm, the 1992 Los Angeles Unrest and Riots, and the 1993 Wildfires of Southern California, with tragic losses of life and property; and

"Whereas, The seismic experts warn that California continues to be at risk of an even more disastrous earthquake than those experienced in the last 50 years, one which may register 8.0 or more on the Richter Scale; and

"Whereas, A significant number of other states also subject to disastrous earthquakes and all states are in danger of other major disasters such as hurricanes, tornadoes, and floods, which endanger thousands of lives and cause billions of dollars in property damages; and

"Whereas, A catastrophic earthquake in a populated, developed area would inflict severe damage on the nation's economy; and

"Whereas, Consumers, insurance companies, and government at all levels need to make advance preparations including taking mitigation measures and applying cooperative efforts to respond to a major earthquake disaster; and

"Whereas, The Natural Disaster Protection Act has developed a program for both a primary residential earthquake program and federal reinsurance program to provide an economic safety net in the event of a major earthquake; and

"Whereas, The Natural Disaster Protection Act would ensure that the public receives affordable, reliable, and adequate insurance against the risk of earthquake, protect people and businesses by providing for the prompt and efficient handling of claims, reduce the inevitable economic fallout from a devastating earthquake, and avoid large amounts of federal disaster relief by relying on a prefunding mechanism through the vehicle of insurance; and

"Whereas, In addition to providing for protection from earthquakes, the Natural Disaster Protection Act would also provide protection from hurricanes and volcanic eruptions; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the Congress and the President of the United States to enact the Natural Disaster Protection Act, contained in S. 1350 and HR 2873, which establishes a federal program of hazard insurance, mitigation, and reinsurance against the risks of catastrophic disasters such as earthquakes, hurricanes, windstorms, volcanic eruptions, and flooding, it being understood that this memorialization of support for the natural Disaster Protection Act is expressly conditioned upon the bills being amended before enactment to provide equitable treatment for policyholders in the various states of the Union; and be it further

"*Resolved*, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-610. A resolution adopted by the Okanogan County Resource Roundtable, Chelan, Washington relative to the timber industry; to the Committee on Energy and Natural Resources.

POM-611. A resolution adopted by the House of the General Assembly of the State of Illinois; to the Committee on Governmental Affairs.

"HOUSE RESOLUTION NO. 2540

"Whereas, The 10th Amendment to the Constitution of the United States reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."; and

"Whereas, The 10th Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas, The scope of power defined by the 10th Amendment means that the federal government was created by the states specifically to be an agent of the states; and

"Whereas, Today, in 1994, the states are demonstrably treated as agents of the federal government; and

"Whereas, Numerous resolutions have been forwarded to the federal government by the Illinois General Assembly without any response or result from Congress or the federal government; and

"Whereas, Many federal mandates are directly in violation of the 10th Amendment to the Constitution of the United States; and

"Whereas, The United States Supreme Court has ruled in New York v. United States, 112 S. Ct. 2408 (1992), that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, A number of proposals from previous administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Eighth General Assembly of the State of Illinois*, That the State of Illinois hereby claims sovereignty under the 10th Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution; and be it further

"*Resolved*, That this serve as Notice and Demand to the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers; and be it further

"*Resolved*, That copies of this resolution be sent to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Speaker of the House and the President of the Senate of each state's legislature of the United States of America, and to each member of the Illinois Congressional delegation."

POM-612. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION NO. 11

"To memorialize the Congress of the United States to propose an amendment to the Constitution of the United States which would provide that no federal tax shall be imposed for the period before the date of the enactment of the tax.

"Whereas, the Omnibus Budget Reconciliation Act of 1993 signed into law by President Clinton on August 10, 1993, included the largest tax increase in history: $115 billion in new taxes, a 47% increase in income tax rates; and

"Whereas, the income, estate and gift tax components of the tax increase were retroactive, taking effect on January 1, 1993; and

"Whereas, Treasury Secretary Bentsen has declared that more than 1.25 million small business will be subject to retroactive taxation despite the administration's claim that the tax increase "only affected the rich."

"Whereas, the Omnibus Budget Reconciliation Act of 1993 retroactivity is unprecedented in that it became effective during a previous administration—before President Clinton or the 103rd Congress even took office; and

"Whereas, passage of the bill resulted in a loud public outcry against retroactive taxation; and

Whereas, retroactive taxation places an unfair and intolerable burden on the American taxpayer; and

"Whereas, retroactive taxation is wrong, it is bad policy, and it is a reprehensible action on the part of the government. Therefore, be it

"*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to propose and submit to the several states an amendment to the Constitution of the United States which would provide that no federal tax shall be imposed for the period before the date of the enactment of the tax. Be it further

"*Resolved*, That a duly attested copy of this Resolution shall be immediately transmitted to the president of the United States, to the secretary of the United States Senate, to the clerk of the United States House of Representatives, to each member of the Louisiana delegation to the United States Congress, and to the presiding officer of each house of each state legislature in the United States.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. BYRD, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation To Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1994" (Rept. No. 103-325).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Denny Chin, of New York, to be United States District Judge for the Southern District of New York;

Rosemary S. Pooler, of New York, to be United States District Judge for the Northern District of New York;

Denise Cote, of New York, to be United States District Judge for the Southern District of New York.

John G. Koeltl, of New York, to be United States District Judge for the Southern District of New York;

Blanche M. Manning, of Illinois, to be United States District Judge for the Northern District of Illinois;

Harold Baer, Jr., of New York, to be United States District Judge for the Southern District of New York;

Paul D. Borman, of Michigan, to be United States District Judge for the Eastern District of Michigan;

Jose A. Cabranes, of Connecticut, to be United States Circuit Judge for the Second Circuit;

Lewis A. Kaplan, of New York, to be United States District Judge for the Southern District of New York; and

Mark W. Bennett, of Iowa, to be United States District Judge for the Northern District of Iowa.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 2359. A bill to modify the boundaries of Walnut Canyon National Monument in the State of Arizona; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Mrs. MURRAY, Mr. JOHNSTON, Mr. GORTON, and Mrs. HUTCHISON):

S. 2360. A bill to amend the Magnuson Fishery Conservation and Management Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 2361. A bill to reaffirm and clarify the Federal relationship of the Burt Lake Band as a distinct federally recognized Indian Tribe, and for other purposes; to the Committee on Indian Affairs.

By Mr. DURENBERGER (for himself, Mr. HARKIN, and Mr. WELLSTONE):

S. 2362. A bill to provide a comprehensive program of support for victims of torture; to the Committee on the Judiciary.

By Mr. GORTON:

S. 2363. A bill to establish registration and tracking procedures and community notification with respect to released sexually violent predators; to the Committee on the Judiciary.

By Mr. LAUTENBERG:

S. 2364. A bill to provide for school bus safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 2359. A bill to modify the boundaries of Walnut Canyon National Monument in the State of Arizona; to the Committee on Energy and Natural Resources.

WALNUT CANYON NATIONAL MONUMENT BOUNDARY MODIFICATION ACT OF 1994

• Mr. DECONCINI. Mr. President, I introduce the Walnut Canyon National Monument Boundary Modification Act of 1994. Walnut Canyon is an exquisite, historically important archeological and natural treasure. This legislation would protect the unique resources in the area directly adjacent to the current park.

First established in 1915, the Walnut Canyon National Monument contains over 400 archeological sites. While most of these sites, including cliff dwellings of the prehistoric Sinagua culture are located within the monument, two of these dwellings are not protected.

This bill would modify the boundaries in order to help the National Park Service meet its original goals of protecting the Walnut Canyon area for future generations. Those goals include preserving the ethnologic, scientific, and educational value of these sites. Approximately 1,300 acres will be added to the monument by this legislation, including the two overlooked cliff dwellings. Only Federal land is involved in the proposed boundary change and the change will have no effect on any private or State lands.

Congresswoman KARAN ENGLISH has introduced identical legislation on this matter in the House and I applaud her hard work and leadership in this area. This legislation will complete the job begun in 1915, to protect the unique, natural, archeological treasures in Walnut Canyon. Enactment of this legislation will ensure that future generations will be able to enjoy and learn from these remarkable historic lands.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Walnut Canyon National Monument Boundary Modification Act of 1994".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that:

(1) Walnut Canyon National Monument was established for the preservation and interpretation of certain settlements and land use patterns associated with the prehistoric Sinaguan culture of northern Arizona.

(2) Major cultural resources associated with the purposes of Walnut Canyon National Monument are near the boundary and are currently managed under multiple-use objectives of the adjacent national forest. These concentrations of cultural resources, often referred to as "forts", would be more effectively managed as part of the National Park System.

(b) PURPOSE.—The purpose of this Act is to modify the boundaries of the Walnut Canyon National Monument (hereafter in this Act referred to as the "national monument") to improve management of the national monument and associated resources.

SEC. 3. BOUNDARY MODIFICATION.

Effective on the date of enactment of this Act, the boundaries of the national monument shall be modified as depicted on map entitled "Boundary Proposal—Walnut Canyon National Monument, Coconino County, Arizona" numbered 360/80,008, and dated June 1994. Such map shall be on file and available for public inspection in the offices of the Director of the National Park Service, Department of the Interior.

SEC. 4 ACQUISITION AND TRANSFER OF PROPERTY.

The Secretary of the Interior is authorized to acquire lands and interest in lands within the national monument, by donation, purchase with donated or appropriated funds, or exchange. Federal property within the boundaries of the national monument (as modified by this Act) is hereby transferred to the administrative jurisdiction of the Secretary of the Interior for management as part of the national pursuant to the boundary modification under section 3 is hereby transferred to the administrative jurisdiction of the Secretary of the Interior for management as part of the national monument. Federal property excluded from the monument pursuant to the boundary modification under section 3 is hereby transferred to the administrative jurisdiction of the Secretary of Agriculture to be managed as a part of the Coconino National Forest.

SEC. 5. ADMINISTRATION.

The Secretary of the Interior, acting through the Director of the National Park Service, shall manage the national monument in accordance with this Act and the provisions of law generally applicable to units of the National Park Service, including "An Act to establish a National Park Service," approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4), and for other purposes.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out the purpose of this Act.•

By Mr. BREAUX (for himself, Mrs. MURRAY, Mr. JOHNSTON, Mr. GORTON, and Mrs. HUTCHISON):

S. 2360. A bill to amend the Magnuson Fishery Conservation and Management Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT AMENDMENTS OF 1994

• Mr. BREAUX. Mr. President, the bill I am introducing today would amend the Magnuson Fishery Conservation and Management Act in order to restore public confidence and integrity in the system by which we manage our fish harvesting and processing industries and the valuable fishery resources on which they depend. This bill is intended to focus the debate in this current reauthorization cycle on the critical need to reform and modernize our national fishery policy to respond to the realities facing fishery management today. While there are other areas of fishery policy which may merit attention this year, I feel very strongly that until we bring our fisheries management system up to date with current demands, no other conservation or management initiatives are likely to be successful in achieving their objectives. To appreciate fully the purposes and significance of this effort, I think it is first important to consider the events which have led me to this position.

In my years as chairman of the House Subcommittee on Fisheries and

Wildlife Conservation and the Environment, our attention was heavily focused on underutilized species, particularly in the Gulf of Mexico, and the foreign dominance of already developed fisheries occurring within our then recently extended 200-mile jurisdiction. Our efforts were appropriately focused on research, development, and Americanization of these fisheries. In hindsight, we can now see that this was actually only the first phase of what was to become a far more complex and evolutionary process.

The objectives of that first phase of U.S. fisheries were clear and the challenges now seem relatively simple. First, we needed to take immediate measures to prevent overfishing by foreign fishing operations that were using fishing techniques completely incompatible with our sustainable yield objectives. The second and closely related objective was to provide a mechanism that would attract the necessary investment capital for U.S. fishermen to develop the technology and capacity to harvest, process, and gradually achieve the full development of our underutilized resources and the phaseout of foreign fishing.

Congress responded to these challenges with the adoption and aggressive pursuit of policies and programs that not only provided American fishermen and processors with priority access to our Nation's fishery resources, but also encouraged, if not required, foreign fishing nations to contribute to the development of the U.S. fishing industry. Our fish-and-chips policy was particularly important to the cooperative United States-Japan research and development of underutilized fisheries in the Gulf of Mexico. The important point is that the phaseout of foreign fishing and fish-and-chips policies were wholly designed to address what was then a timely emphasis on fishery development by American fishermen and processors. An even more important point is that, while the Americanization phase is long over and our resources are now fully developed, the conservation and management system in place today has remained essentially the same.

I recall that the Americanization and development phase of fisheries was largely a harmonious time for American fishermen and processors who, flush with the pioneering spirit, were widely galvanized by the single-minded objective of displacing the foreign presence and of discovering and fully developing new fisheris. I also recall that several of my colleagues in Congress today were among the most vocal advocates of placing the full force and effect of our new law and our new international political might behind the development of practically any and every U.S. fish harvesting and processing capability that would contribute to the development of new fisheries and the displacement of foreign fleets. We promoted catcher boats and over-the-side joint ventures, catcher/processors and mothership operations alike—anything that might be used to capture the fishery for the U.S. from the foreigners. Similarly, we entered into joint venture research and development projects in the Gulf of Mexico and established new programs such as MARFIN, all of which were entirely devoted to development. It was a time of national perspective with little emphasis placed on how we were going to effectively manage what were inevitably to become competing domestic interests in these newly developed and captured fisheries. Admittedly, my colleagues and I were quick to take responsibility for shepherding in the Americanization and development phase of our fisheries, and equally quick to accept plenty of the credit for the indisputable success once our fisheries were fully developed and our own fleets took over. It was indeed a very successful policy.

But that was then and this is now. Just a few short years after fully developing and capturing our fisheries, things are not so harmonious; there are few signs of unanimity that I can identify. It is increasingly difficult to identify a national perspective among fishery policymakers, and this includes Congress, which has been forced to enter regional and domestic sector disputes over how to allocate fish harvesting and processing privileges among U.S. citizens.

In many ways, we are beginning to realize that U.S. fishery management today has become the victim of the development-oriented policy successes of the 1980's. Today the debates in fishery policy are consumed by the very complex and divisive decisions concerning domestic allocation that have little, if anything to do with development and Americanization other than being a direct consequence of it. Yet our policies remain designed largely for that single outdated purpose.

What is worse, our intensely aggressive research, development, and Americanization policies and programs created an unintended monster with the capacity to harvest and process many times over the available resources. Excess harvesting and processing capacity in the U.S. fisheries is not just a serious economic problem for our fishermen, it has created a management nightmare. Overcapitalization has greatly intensified the competition for limited resources and thereby unimaginably exacerbated the difficulties in preventing overfishing and allocating U.S. fishery that we faced in the Gulf of Mexico a long time ago when our offshore shrimpers were forced out of Mexico at the same time we were providing very attractive financing for vessel construction. Meanwhile, we continue to wrestle with the consequences of overcapitalization in the offshore shrimp industry, consequences of resources collapse, or of overzealous development.

It is certainly clear to me, and I trust to my colleagues as well, that what was right then is not right today—that the Americanization and development-oriented policies and programs of the past cannot meet the needs of an already developed and Americanized fishery. If there is any Americanization left to achieve, it may lie in our processing sector, and that is an issue worth considering. But, we need to accept the fact that the first phase of our fisheries policy development was completed several years ago, and that the current scenario focused on domestic fishery management represents a second and very distinct phase requiring an equally distinct approach. Logically, we should develop a policy which is designed specifically to address these realities of this current phase and provide our fishery managers with an effective and efficient system for achieving our national objectives. Perhaps we even need to reassess our national objectives. In any case, of one thing I am certain, I and my colleagues are seriously overdue in accepting responsibility for such badly needed policy reform, and I look forward to working with them to develop the necessary reforms.

At the center of this difficult and complex situation are, of course, the Regional Fishery Management Councils which we established in order that U.S. fishermen have an opportunity to participate directly in the conservation and management of those resources on which their livelihoods depend. This has been a rare and, I trust, coveted opportunity for the U.S. fishing industry to be the stewards of their own futures.

Unfortunately, now that the focus has become domestic management, it is apparent that we neither envisioned nor adequately equipped the Councils with the standards, rules and procedures that would be necessary to protect this system of management from the perceptions and very real problems concerning conflicts of interest and proper decisionmaking. Indeed, the Councils are not just stewards of their own futures—they are stewards of an extremely valuable and fragile public resource. They have a weighty responsibility to the American people and we need to better equip them to face these new challenges.

To me, evidence of the inadequacy of our outdated Americanization policy and the need for Council system reform is compelling in all regions. The New England groundfisheries, which really provided much of the original impetus for the Magnuson Act, are no longer decimated by foreign fleets. Today, they, are, instead overfished by domestic fishermen to the point that the resource cannot sustain an industry and our fishery managers are reduced to administering assistance programs instead of a national resource management program.

In the gulf, where I spent so much attention promoting the research and development of new and underutilized commercial fishing opportunities, the excitement of discovering and developing new economic opportunities appears long gone. Instead I see a commercial fishing industry largely disenfranchised from a management process that, from their prospective, has only served to limit progressively and inequitably their access to the very resources they first developed. The Councils in this region seem overwhelmed with the fundamental differences in State policies with respect to commercial and recreational utilization, and so even the most fundamental resource conservation and management problems, including gear use and how to deal with incidental catch, have become distorted by such underlying politics. Until this system is reformed, I don't see how we can expect to resolve some of the really difficult issues facing our area.

And the north Pacific region, in which our Nation's most valuable fisheries occur, is operating under a system of management so complex and so confusing as to be nearly incomprehensible to the fishermen—a system that now requires a veritable army of lawyers and professional lobbyists just to sort through the daily maze of regulations. Perhaps because the north Pacific fisheries are so valuable, it is in this region where the problems have become most acute.

Not surprisingly, many of us, and certainly much of the public, have lost confidence in the Council system of management. While there is a real reluctance to give up what should be viewed by the U.S. industry as an extraordinary privilege to self-manage in a manner that no other U.S. industry can, there is also a great temptation simply to wipe the slate clean and start over with a new approach which will ensure that the public's interests are served.

Nevertheless, rather than abandon the Council system altogether, this legislation is intended to address directly many of these concerns—real or perceived—and to provide the Councils with a fresh new start. It is a good government bill designed to establish stronger standards and to revamp procedures of operation for our fishery management program nationwide. It is intended to get to the root of the problems by eliminating conflicts of interest, requiring critical management decisions to be based more on factual evidence and science than on local and State politics or the financial interests of the Council members, and to provide a new level of transparency and accountability in the decision-making process. It is intended to expand the national standards for our national fishery management decisions. Overall, these provisions are intended to strengthen the Council process, not to weaken or impede its ability to make good decisions. However, the bill will, I hope, make it more difficult for the Councils to make bad resource management and allocation decisions. Finally, title II of the bill also provides a mechanism to encourage the reduction in the capitalization of our fisheries. This will help make our fisheries more economically efficient and to reduce pressure on the Council management system to accommodate too many fishermen with too few fish.

The bill represents a blending of many ideas and suggestions from a wide variety of sources within the industry and outside the industry, including many recommendations of the inspector general of the Department of Commerce, the National Marine Fisheries Service, the environmental community, and fishery interests. These suggestions were generated by an extensive series of hearings in the House and Senate over the past 18 months led by Chairman KERRY and Senator STEVENS.

At the root of the disparate problems in each region is the Council management system. It is the Council system which largely has the responsibility for managing the fisheries and many of the fundamental inadequacies of that system. Again, until we reform this system, I hold little hope for succeeding in any new initiatives much less resolve any of the old.

Mr. President, the reality is that as more and more of our fisheries resources become overfished, and as the intensity of over capitalization and competition among our U.S. fishermen transcends the capabilities of the Council management system, it has become clear that we must take strong and definitive action to correct the course of fishery management today. I call on all sectors of the fishery community, and especially, my colleagues in Congress, to share with me today the responsibility for reforming the programs we started nearly two decades ago.•

• Mr. GORTON. Mr. President, I'm pleased to join with my colleagues in introducing needed amendments to the Magnuson Fishery Conservation and Management Act. I would like to recognize my colleague on the Commerce Committee, Senator BREAUX, for his leadership in advancing this issue. His commitment is important because many of the problems that face the fisheries at this time are not just regional issues—they are national in scope and demand a Federal solution.

Commercial and recreational fishing accounts for $50 billion in domestic economic activity. Thousands of jobs are dependent upon the health of this industry. Yet, too often, the decisions made to manage the fisheries have not been based upon sound conservation practices; the results have been disastrous in many areas of this country. It is time to institute reforms which will emphasize conservation and responsible management and use of the Federal fisheries resources. I believe the Breaux bill provides a very good start in trying to address these concerns.

The Breaux bill includes several important conservation-oriented reforms including: it amends National Standard No. 5 to elevate and highlight the importance of reducing overcapacity in the industry and reducing the amount of bycatch; it requires the Scientific and Statistical Committees of the Council to set the allowable biological catch; it requires fishery plans to be based on a clear preponderance of the evidence in the RECORD; it requires a full range of options to be examined.

The bill also should result in better management decisions by making the Councils and those who participate at Council meetings more accountable. The legislation would require: that the Councils comply with the Federal Advisory Committee Act which governs nearly every other governmental advisory committee; that the Council members be subjected to strict financial disclosure requirements; that Council members recuse themselves from voting on a matter when they have a financial conflict; and that people who testify before the Council be placed under oath and disclose their own financial ties with the industry.

Finally, in an effort to be fair to everyone and to seek consensus on important Council decisions that would result in an economic allocation of catch and bycatch among fishery user groups, the bill would require a two-thirds majority for all such Council decisions.

As I said when I opened my remarks, this bill is not a regional bill. Because I respect and want to work with my colleague, Senator BREAUX, I am backing this measure even though it does not contain measures that deal specifically with an imbalance that exists in the representation of only one council—the North Pacific Council. Nor, does it contain what I believe is an important provision that a similar bill introduced by my Washington-State House colleagues, Representatives UNSOELD and CANTWELL, included in their bill—two additional Council seats for all Councils that would be filled by nonindustry representatives. I hope this issue can be addressed as the committee works on this legislation.

The reauthorization of the Magnuson Act is vitally important for Washington State. Washington has the largest commercial fishing fleet in the country harvesting over 50 percent of the domestic seafood catch in the United States. Thousands of Washington residents work in the offshore and onshore segments of the fishing industry. I am committed to trying to advance a bill that will help all Washingtonians—those in the industry and the millions of other residents who simply enjoy sitting down to a delicious Northwest seafood meal.•

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 2361. A bill to reaffirm and clarify the Federal relationship of the Burt Lake Band as a distinct federally recognized Indian Tribe, and for other purposes; to the Committee on Indian Affairs.

BURT LAKE BAND OF CHIPPEWA AND OTTAWA INDIANS FEDERAL RECOGNITION ACT OF 1994

• Mr. RIEGLE. Mr. President, I rise today to introduce legislation providing Federal recognition for the Burt Lake Band of Chippewa and Ottawa Indians. I am pleased to be joined by my friend and colleague from Michigan, Senator LEVIN.

We in the Federal Government have failed to create the relationship of trust with Indian tribes. The history of our Government's relationship with native American people is full of broken promises. Today, over 200 years after the first interaction between the Federal Government and Indian tribes, many issues remain unresolved.

It is inconceivable, yet true, that Indian tribes, which predate the founding of the United States of America and whose residents wish to remain distinguished from the larger populace, have not been formally recognized. In fact, tribes that have existed for centuries in one part of what is now the United States, have not been formally acknowledged by the Federal Government. This unfortunate situation merits our attention and demands our intervention.

The Federal Government, over the last two centuries, has often attempted to formalize its relations with Indian tribes. The current Federal recognition process, administered by the Bureau of Indian Affairs, is the latest attempt to resolve longstanding issues related to Federal recognition. Unfortunately, like other efforts to define the Federal Government's relationship with Indian tribes, the Federal Acknowledgment Process, administered by the Bureau of Indian Affair's Branch of Acknowledgment and Research, is in need of fundamental reform. Many tribes have been waiting patiently for BIA action—action that appears unnecessarily delayed and prolonged.

The Burt Lake Band of Chippewa and Ottawa Indians has assembled a great deal of documentation to support its claim for recognition, including a record that details its tribal history and its relationship with the Federal Government.

The Burt Lake Band was a signatory tribe to the treaties of 1835 and 1855, and is therefore federally recognized through these treaties. Since a tribe's relationship with the Federal Government can be terminated only through explicit congressional legislation, the Burt Lake Band should still be federally recognized.

Our Federal Government failed to carry out the provisions of the 1836 treaty which created a reservation for the band. The band members, accordingly, pooled their funds, purchased land and put it into trust with the State of Michigan during the 1840's. Unconscionably, these apportionments were ultimately lost through tax sales by the State government and the band was expelled from its village.

The Burt Lake Band continues to meet and exist as a tribal entity. The Federal recognition granted to them through the 19th century treaties has never been revoked by Congress. It is necessary for the Burt Lake Band of Chippewa and Ottawa Indians to seek assistance from the U.S. Congress. Mr. President, the Burt Lake Band of Indians should be federally recognized. The historical record supporting recognition is well-developed and convincing. Reading and hearing the history of band helps us understand how the Federal Government has not met its obligation to America's native people.

I believe that Federal recognition of the Burt Lake Band of Chippewa and Ottawa Indians will help in a small way to create a new level of trust. It is long overdue. I urge my colleagues to support this legislation.•

By Mr. DURENBERGER (for himself, Mr. HARKIN, and Mr. WELLSTONE):

S. 2362. A bill to provide a comprehensive program of support for victims of torture; to the Committee on the Judiciary.

THE COMPREHENSIVE TORTURE VICTIMS RELIEF ACT OF 1994

Mr. DURENBERGER. Mr. President, I rise today to introduce the Comprehensive Torture Victim Relief Act of 1994. I am pleased that Senator HARKIN has joined me in this effort as lead cosponsor.

Mr. President, the international community, and the United States as an international leader, have floundered in the area of human rights in recent years. There is no coordination on an international level. We impose embargoes or sanctions that do not work because somebody, often one of our allies, does not abide by the punishment. Human rights must have an international focus. The United States can not go it alone. There must be cooperation, and there must be followthrough.

The bill we are introducing, Mr. President, is one area where the United States can make a significant contribution to an international crisis. The word "torture" evokes some pretty horrible images, and rightly so, for it is a horrible practice. The victims of torture bear the scars of this atrocity, physical and psychological.

I strongly believe, Mr. President, that torture is the most serious human rights issue of our time. Governmental torture, torture practiced with the knowledge of the Government, occurs in at least 70 countries. And providing treatment for torture survivors is one of the best ways we can contribute to the promotion of human rights and democratic principles. The international community, and the United States, have been increasingly aware of the need to prevent human rights abuses and punish the perpetrators when abuses take place. But we have failed to address the needs of the victims. We pay little if any attention to the treatment of victims after their rights have been violated.

Although we may decry torture simply on humanitarian ground, it must also be recognized that torture is the most destructive, long-term weapon against democracy.

Repressive governments target strong personalities, which include opposition politicians, journalists, ethnic leaders, leaders of trade unions, and student groups. The aim, is not, as we might often think, to obtain information. The aim is to break and make it impossible for those who protest and fight for human rights and democracy to continue to function. As a result, entire societies are consumed by fear.

The military in Haiti rule by fear or torture, rape, and death. The crisis in Bosnia has resulted in countless torture and rape victims. Providing rehabilitative services to those who have been tortured helps to strengthen the leadership of emerging democratic societies. It provides healing to the victims, allowing them to reclaim their lives and resume their roles in promoting a pluralistic society that respects human rights. It helps to create a society that can nurture victims and help them overcome the fear and isolation that torture engenders.

Recently, Congress passed legislation implementing the Convention Against Torture, the aim of which is to eliminate torture. The legislation I am introducing attempts to support those for whom torture has been a reality.

First of all, the Comprehensive Torture Victim Relief Act will provide special considerations for asylum or refugee applicants who are victims of torture.

Second, the legislation mandates a study by the Centers for Disease Control [CDC] to identify the estimated number and geographic distribution of torture survivors now living in the United States, their needs for recovery, and availability of services. The CDC study will result in a report detailing the findings as well as any recommendation for increasing available services and any recommendation for additional legislation to address this matter.

Finally, the act authorizes appropriations for grants to treatment programs here in the United States and it supports rehabilitative programs abroad, multilaterally through the U.S. contribution to the U.N. Voluntary Fund for Victims of Torture, and bilaterally through direct U.S. grants to treatment centers worldwide.

While this bill deals primarily with one kind of asylum applicant who has suffered persecution in the past, we recognize that there are other applicants who have a reasonable fear of persecution who have not themselves suffered persecution in the past but nonetheless qualify as asylees or refugees.

Mr. President, the Comprehensive Torture Victim Relief Act is strongly supported by torture treatment programs across the country, as well as many respected human rights organizations, including Amnesty International and Human Rights Watch. I ask unanimous consent that a number of letters of support for this legislation be included in the RECORD.

In closing, Mr. President, I would like to express my deep appreciation and gratitude to Doug Johnson, the executive director of the Center for Victims of Torture in Minneapolis, MN, as well as John Salzberg, the center's representative here in Washington. Doug and John have contributed in many ways to my understanding of this issue, as well as the general public's awareness of torture.

I am very pleased that my friend from Iowa, Senator HARKIN, has joined me as the primary cosponsor of this legislation. I encourage my colleagues to review this legislation and join Senator HARKIN and myself by cosponsoring this important human rights initiative.

I ask unanimous consent that the entire text of this legislation be printed in the RECORD.

S. 2362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Torture Victims Relief Act".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The American people abhor torture and the use of atrocities by repressive governments. The existence of torture creates a climate of fear and international insecurity that affects all people.

(2) Torture is the strategic use of pain to destroy both individuals and society. The effects of torture are long term. Those effects can last a lifetime for the survivors and affect future generations.

(3) By eliminating leadership of the opposition and frightening the general public, repressive governments use torture as a weapon against democracy.

(4) Torture victims remain under physical and psychological threats, especially in communities where the perpetrators are not brought to justice. In many nations, even those who treat torture victims are threatened with reprisals, including torture, for carrying out their ethical duties to provide care. Both the survivors of torture and their treatment providers deserve, and often require, protection from further repression.

(5) A significant number of refugees and asylees entering the United States have been victims of governmental torture. Those claiming asylum deserve prompt consideration of the applications for political asylum to minimize their insecurity and sense of danger. Many torture survivors now live in the United States. They should be provided with the rehabilitation services which would enable them to become productive members of our communities.

(6) Building democratic cultures requires not only legal and political institution-building, but also addressing the physical, psychological, and spiritual damage of repression, in order to foster a climate and opportunity of healing for the victims and for society.

(7) The development of a treatment movement for torture survivors has created new opportunities for action by the United States and other nations to oppose state-sponsored acts of torture.

(8) There is a need for a comprehensive strategy to protect and support torture victims and their treatment providers as part of the overall objective of eliminating torture.

(9) By acting to heal the survivors of torture and protect their families, the United States can move to defeat the actions of torturers.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ASYLEE.—The term "asylee" is used within the meaning of section 208 of the Immigration and Nationality Act.

(2) REFUGEE.—The term "refugee" has the same meaning given to the term in section 101(a)(42) of the Immigration and Nationality Act.

(3) SPECIAL INQUIRY OFFICER.—The term "special inquiry officer" is used within the meaning of the Immigration and Nationality Act.

(4) TORTURE.—The term "torture" has the same meaning given to the term in section 2340(1) of title 18, United States Code, and includes the use of rape by a person acting under the color of law upon another person under his custody or physical control.

SEC. 4. IMMIGRATION PROCEDURES FOR TORTURE VICTIMS.

(a) IN GENERAL.—Any alien—

(1) who presents a credible claim of having been subjected to torture in his or her country of nationality, or, in the case of an alien having no nationality, the country in which the alien last habitually resided, and

(2) who applies for—

(A) refugee status under section 207 of the Immigration and Nationality Act,

(B) asylum under section 208 of that Act, or

(C) withholding of deportation under section 243(h) of that Act,

shall be processed in accordance with this section.

(b) CONSIDERATION OF THE EFFECTS OF TORTURE.—In considering applications for refugee status, asylum, or withholding of deportation made by aliens described in subsection (a), the appropriate officials shall take into account—

(1) the manner in which the effects of torture can affect the applicant's responses in the application and in the interview process or other immigration proceedings, as the case may be;

(2) the difficulties torture victims often have in recounting their suffering under torture; and

(3) the fear victims have of returning to their country of nationality where, even if torture is no longer practiced or the incidence of torture is reduced, their torturers may have gone unpunished and may remain in positions of authority.

(c) EXPEDITED PROCESSING OF REFUGEE ADMISSIONS.—For purposes of section 207(c) of the Immigration and Nationality Act, a refugee who presents a credible claim of having been subjected to torture shall be considered to be a refugee of special humanitarian concern to the United States and shall be accorded priority in selection from the waiting list of such refugees based on compelling humanitarian concerns.

(d) EXPEDITED PROCESSING FOR ASYLUM AND WITHHOLDING OF DEPORTATION.—Upon the request of the alien, the alien's counsel, or a health care professional treating the alien, an asylum officer or special inquiry officer may expedite the scheduling of an asylum interview or an exclusion or deportation proceeding for an alien described in subsection (a), if such officer determines that an undue delay in making a determination regarding asylum or withholding of deportation with respect to the alien would aggravate the physical or psychological effects of torture upon the alien.

(e) PAROLE IN LIEU OF DETENTION.—Any alien described in subsection (a) who, upon inspection at a port of entry of the United States, is found to suffer from the effects of torture, such as depressive and anxiety disorders, shall, in lieu of detention, be granted parole under section 212(d)(5) of the Immigration and Nationality Act.

(f) SENSE OF CONGRESS.—It is the sense of Congress that the Attorney General shall allocate resources sufficient to maintain in the Resource Information Center of the Immigration and Naturalization Service information relating to the use of torture in foreign countries.

SEC. 5. SPECIALIZED TRAINING FOR CONSULAR, IMMIGRATION, AND ASYLUM PERSONNEL.

(a) IN GENERAL.—The Attorney General shall provide training for immigration inspectors and examiners, immigration officers, asylum officers, special inquiry officers, and all other relevant officials of the Department of Justice, and the Secretary of State shall provide training for consular officers, with respect to—

(1) the identification of the evidence of torture;

(2) the identification of the surrounding circumstances in which torture is practiced;

(3) the long-term effects of torture upon the individual;

(4) the identification of the physical, cognitive, and emotional effects of torture, including depressive and anxiety disorders, and the manner in which these effects can affect the interview or hearing process; and

(5) the manner of interviewing victims of torture so as not to retraumatize them, eliciting the necessary information to document the torture experience, and understanding the difficulties victims often have in recounting their torture experience.

(b) GENDER-RELATED CONSIDERATIONS.—In conducting training under subsection (a)(4) or subsection (a)(5), gender specific training shall be provided on the subject of interacting with women and men who are victims of torture by rape or any other form of sexual violence.

SEC. 6. STUDY AND REPORT ON TORTURE VICTIMS IN THE UNITED STATES.

(a) STUDY.—The Center for Disease Control shall conduct a study with respect to refugees and asylees admitted to the United States since October 1, 1987, who were tortured abroad, for the purpose of identifying—

(1) the estimated number and geographic distribution of such persons;

(2) the needs of such persons for recovery services; and

(3) the availability of such services.

(b) REPORT.—Not later than December 31, 1997, the Center for Disease Control shall submit a report to the Judiciary Committees of the House of Representatives and the Senate setting forth the findings of the study conducted under subsection (a), together with any recommendation for increasing the services available to persons described in subsection (a), including any recommendation for legislation, if necessary.

SEC. 7. DOMESTIC TREATMENT CENTERS.

(a) AMENDMENT OF THE IMMIGRATION AND NATIONALITY ACT.—Section 412 of the Immigration and Nationality Act (8 U.S.C. 1522) is amended by adding at the end the following new subsection:

"(g) ASSISTANCE FOR TREATMENT OF TORTURE VICTIMS.—(1) The Director is authorized to provide grants to eligible programs to cover the cost of services described in paragraph (3) for aliens who entered the United States since October 1, 1987.

"(2) Programs eligible for assistance under this subsection are programs in the United States which are carrying out services described in paragraph (3).

"(3) The services described in paragraph (1) are—

"(A) services for the rehabilitation of victims of torture, including treatment of the physical and psychological effects of torture;

"(B) social services for victims of torture; and

"(C) research and training for health care providers outside of treatment centers for the purpose of enabling such providers to provide the services described in subparagraph (A).

"(4) For purposes of this subsection, the term 'torture' has the same meaning given to the term in section 3(4) of the Comprehensive Torture Victims Relief Act.".

(b) AUTHORIZATION OF APPROPRIATIONS.—(1) Of amounts authorized to be appropriated to carry out section 414 of the Immigration and Nationality Act (8 U.S.C. 1524) for fiscal year 1995, there are authorized to be appropriated $20,000,000 for that fiscal year to carry out section 412(g) of that Act (relating to assistance for domestic centers for the treatment of victims of torture).

(2) Amounts appropriated pursuant to this subsection are authorized to remain available until expended.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1994.

SEC. 8. FOREIGN TREATMENT CENTERS.

(a) AMENDMENTS OF THE FOREIGN ASSISTANCE ACT OF 1961.—Part I of the Foreign Assistance Act of 1961 is amended by adding at the end of chapter 1 the following new section:

"SEC. 129. ASSISTANCE FOR VICTIMS OF TORTURE.—(a) The President is authorized to provide assistance for the rehabilitation of victims of torture.

"(b) Such assistance shall be provided in the form of grants to treatment centers in foreign countries which are carrying out programs specifically designed to treat victims of torture for the physical and psychological effect of the torture.

"(c) Such assistance shall be available—

"(1) for direct services to victims of torture; and

"(2) to provide research and training to health care providers outside of treatment centers for the purpose of enabling such providers to provide the services described in paragraph (1).

"(d) For purposes of this section, the term 'torture' has the same meaning given to such term in section 3(4) of the Comprehensive Torture Victims Relief Act.".

(b) AUTHORIZATION OF APPROPRIATIONS.—(1) Of the total amount authorized to be appropriated to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for fiscal year 1995, there are authorized to be appropriated to the President $20,000,000 to carry out section 129 of that Act for that fiscal year.

(2) Amounts appropriated pursuant to this subsection are authorized to remain available until expended.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1994.

SEC. 9. MULTILATERAL ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated to carry out section 301 of the Foreign Assistance Act of 1961 (relating to international organizations and programs), there are authorized to be appropriated to the United Nations Voluntary Fund for Victims of Torture (in this section referred to as the "Fund") the following amounts for the following fiscal years:

(1) For fiscal year 1995, $5,000,000.

(2) For fiscal year 1996, $6,000,000.

(3) For fiscal year 1997, $7,000,000.

(4) For fiscal year 1998, $8,000,000.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

(c) SENSE OF CONGRESS.—It is the sense of the Congress that the President, acting through the United States Permanent Representative to the United Nations, should—

(1) request the Fund—

(A) to find new ways to support and protect treatment centers that are carrying out rehabilitative services for victims of torture; and

(B) to encourage the development of new such centers;

(2) use the voice and vote of the United States to support the work of the Special Rapporteur on Torture and the Committee Against Torture established under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and

(3) use the voice and vote of the United States to establish a country rapporteur or similar procedural mechanism to investigate human rights violations in a country if either the Special Rapporteur or the Committee Against Torture indicates that a systematic practice of torture is prevalent in that country.

AMERICAN-ARAB
ANTI-DISCRIMINATION COMMITTEE,
Washington, DC, July 29, 1994.

Hon. DAVID DURENBERGER,
U.S. Senate.

DEAR SENATOR DURENBERGER: I wish to express our support for the Comprehensive Torture victims Relief Act on behalf of the American-Arab Anti-Discrimination Committee (ADC), the nation's largest grassroots Arab-American organization. Aside from the very important humanitarian considerations put forward by this legislation, the bill serves as a significant indicator that the United States government intends to provide tangible support for its commitment to bolstering human rights.

ADC will do its part by publicizing this legislation among our constituents. This legislation deserves widespread attention and bi-partisan support. We hope it is an important first step, a starting point, for a broader renewed commitment to human rights around the world.

Similarly, we hope this legislation will provide real benefits for torture victims while simultaneously encouraging human rights activists. We must never lose sight of the real goal, which is the elimination of torture and the bringing to justice of the torturers. Until that happens, let us at least set an example of conscience and moral courage by declaring and acting to alleviate the victims' suffering.

Sincerely yours,

ALBERT MOKHIBER,
President.

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE, DIRECTORATE FOR SCIENCE AND POLICY PROGRAMS,
Washington, DC, July 27, 1994.

Hon. DAVID DURENBERGER,
U.S. Senate,
Washington, DC.

DEAR SENATOR DURENBERGER: I am writing to express support for the proposed bill you are introducing entitled the Comprehensive Torture Victims Relief Act. The extensive work relating to the prevention of torture and the treatment of torture victims of the American Association for the Advancement of Science (AAAS) Science and Human Rights Program underscores the importance of the issue your bill is addressing. The AAAS Science and Human Rights Program has published studies documenting the complicity of the medical profession in torture, as well as efforts by medical communities to prevent torture in such countries as South Africa, Chile, the Philippines, and Uruguay. Recently the Program has raised concerns regarding the practice of the government of Israel to require medical professionals to certify on written forms that prisoners are physically able to withstand mild forms of torture during interrogation. We also have protested the use of medically supervised physical punishments against convicted criminals by the governments of Singapore and Malaysia, the beating to death of a prisoner in Argentina, and the use of violence to oppress civilian populations on a mass scale in Iraq and Mexico. Our position is that the involvement of medical personnel or the use of scientific technologies in practices such as these are incompatible with professional and ethical standards of conduct, and inconsistent with international human rights standards.

The Program has also organized symposia on the rehabilitation and treatment of survivors of torture. In addition we have produced a video and a manual reviewing treatment approaches for torture survivors.

As recent experiences involving the conflicts in former Yugoslavia indicate, it often is difficult to prevent instances of torture from taking place, or to punish the perpetrators through criminal prosecutions. Your proposed bill will add some important new approaches and remedies to help victims and the international human rights community deal with torture cases, and, hopefully, to discourage this conduct from taking place.

Sincerely yours,

AUDREY R. CHAPMAN, Ph.D.
Program Director, Science and Human Rights.

BREAD FOR THE WORLD,
Silver Spring, MD, July 29, 1994.
Senator DAVE DURENBERGER,
Washington, DC.

DEAR SENATOR DURENBERGER: Bread for the World endorses the "Comprehensive Torture Victims Relief Act" which you and Senator Harkin intend to introduce next week.

This bill is an important contribution to U.S. efforts to promote human rights and democracy. We commend you for the bill's proposal to provide training for U.S. officials, improve immigration procedures, and authorize funds for treatment services for victims of torture. We also commend the efforts of John Salzberg with the Center for Victims of Torture in promoting this legislative initiative.

We who work to eliminate hunger and poverty in the world know that human suffering also results from the deliberate abuse of human rights by despots, including the horrific practice of torture. It is only right that we support services to protect and heal torture victims while we also work to prevent such abuses in the future.

Sincerely,

DAVID BECKMANN,
President.

CENTER FOR HUMAN RIGHTS LEGAL ACTION, CENTRO PARA LA ACCIÓN LEGAL EN DERECHOS HUMANOS,
Washington, DC, August 1, 1994.
Mr. CARL LUNDBLAD,
Office of Senator Dave Durenberger,
Washington, DC.

DEAR MR. LUNDBLAD: I am writing to let you know that I am in support of the Comprehensive Torture Victims Relief Act being introduced by Senators Durenberger and Harkin. I believe a bill such as this one is needed to make sure that human rights abuses and torture are not ignored. It is my sincerest hope that this bill is passed quickly and that it will assist in the deterrence of human rights abuses worldwide.

Sincerely,

ANNA GALLAGHER,
Attorney/Cofounder.

GUATEMALA HUMAN RIGHTS,
COMMISSION/USA,
Washington, DC, August 1, 1994.
Senator DAVE DURENBERGER,
Washington, DC.

DEAR SENATOR DURENBERGER: As the Guatemala Human Rights Commission/USA, we endorse the Comprehensive Torture Victims Relief Act bill that you will introduce to Congress.

Our human rights work has made us aware of the hundreds of thousands of people who have been tortured in Guatemala. (Our records show that there are more than forty victims of torture since January 1 of this year). Often these people are not granted treatment due to the lack of funds, either in their own country or in the United States. The bill that you are introducing should begin to provide the treatment necessary for these victims.

Of course, the ideal is that there would be no need for the Torture Victims Relief bill. Every effort must be made by our government to deny support to governments that allow the torturing of their own citizens. The practice of torture MUST STOP and can stop if enough pressure is applied to put an end to it.

Thank you for your support of this critically important legislation. If we can be of any help to further this cause that can save and help restore the lives of those tortured, please let us know.

Sincerely.

Sister ALICE ZACHMANN, SSND,
Director.
Sister DIANNA ORTIZ, OSU,
Survivor of Torture in Guatemala.

MINNESOTA ADVOCATES FOR HUMAN RIGHTS,
Minneapolis, MN, August 2, 1994.
Senator DAVID DURENBERGER,
Washington, DC.

DEAR SENATOR DURENBERGER: Minnesota Advocates for Human Rights is pleased to add its name in support of the Comprehensive Torture Victims Relief Act you are sponsoring with Senator Harkin.

Like genocide, torture is a blight upon the human race and we as a nation should take the lead in opposing its use and in prosecuting those who practice it. This legislation not only takes some important steps to ensure treatment and protection for survivors of torture who reside in the U.S., but it stands as a principled statement against the use of torture in any circumstance.

Thank you for your initiative in sponsoring this bill.

Yours truly,

BARBARA A. FREY,
Executive Director

PHYSICIANS FOR HUMAN RIGHTS, AN ORGANIZATION OF HEALTH PROFESSIONALS,
Boston, MA, August 1, 1994.
Senator DAVE DURENBERGER,
Washington, DC.

DEAR SENATOR DURENBERGER: Physicians for Human Rights (PHR) is pleased to endorse the "Comprehensive Torture Victims Relief Act."

Since its founding in 1986, individual PHR members and medical teams have examined hundreds of survivors of torture from around the world. As health professionals, they have seen firsthand the devastating physical and psychological effects of torture on the victims, their families, and communities. PHR welcomes the efforts of the Congress of the United States to provide a comprehensive program of support for victims of torture, and urges all members of Congress to join the campaign to stop the practice of torture worldwide.

Sincerely,

ERIC STOVER,
Executive Director.

Mr. WELLSTONE. Mr. President, today I join Senators DURENBERGER and HARKIN in introducing the Comprehensive Torture Victims Relief Act of 1994. I want to thank them for their leadership on this issue. Treating torture survivors must be a much more central focus of our efforts to promote human rights worldwide.

I also want to thank the distinguished human rights leaders who helped craft this bill, which provides for a comprehensive, longterm strategy to address the needs of torture victims here and abroad. Without their energy and skill as advocates for tough U.S. laws which promote respect for internationally recognized human rights worldwide, the cause of human rights here in the United States would be seriously diminished.

This bill outlines a comprehensive strategy for providing critical assistance to refugees who are torture survivors in the United States and abroad, by providing funding for torture rehabilitation programs that have long been woefully underfunded. I hope that its introduction will be a watershed in the movement to garner support for these torture rehabilitation programs.

The bill would provide $20 million to refugee assistance programs here in the United States, and another $20 million to fund bilateral torture treatment assistance programs worldwide. It would also give a priority to torture survivors under our immigration laws, provide for specialized training for U.S. consular personnel who deal with torture survivors, and require a comprehensive study by the Centers on Disease Control of the numbers and geographical distribution of refugees who are torture survivors now in the United States. That study should help us to refine and target needed rehabilitation assistance.

Finally, it would expand the U.S. contribution to the U.N. Voluntary Fund for Torture Victims, which provides funding and support to rehabilitation programs worldwide. I have consistently worked with Senator DURENBERGER and others to increase the U.S. contribution to the fund, because I believe it is a concrete way to demonstrate U.S. commitment to human rights, and I will continue this important work until these programs are adequately funded.

By transferring modest amounts of money from low-priority programs, including the space station, sending U.S. military assistance to foreign governments who torture their own people, and wasteful and unnecessary defense spending, we could send a powerful signal of our support for the victims of torture worldwide. There would be a certain symmetry to cutting U.S. military aid to countries who practice torture, or who allow it to be practiced with impunity on their soil, and using those funds for this noble purpose. And that would not require new Federal expenditures, or increase the Federal deficit one iota. It would simply shift funding from these low-priority programs to high-priority assistance for torture survivors.

This bill is an important blueprint for an overall approach to the horrific problem of torture. It provides a focus and a framework for a newly re-energized debate about where torture survivors, and our response to the practice of torture by other countries, fit within our foreign policy priorities. I hope that Congress will enact this important measures into law, and I pledge to fight for its passage in this Congress and, if necessary, in the 104th Congress.

By Mr. GORTON:

S. 2363. A bill to establish registration and tracking procedures and community notification with respect to released sexually violent predators; to the Committee on the Judiciary.

THE SEXUALLY VIOLENT PREDATORS ACT

Mr. GORTON. Mr. President, the term "crime prevention" has been defined as including everything from tougher law enforcement to putting swimming pools in high-crime areas.

After holding two crime summits in my State and speaking to hundreds of concerned law enforcement officers, families, and concerned community leaders, I am convinced that giving law-abiding citizens the information they need to mobilize and organize against violent crime is the essence to true and effective crime prevention. Today I am introducing with the distinguished junior Senator from New Jersey a bill that prevents the most heinous of crimes by notifying communities of the presence of dangerous sex offenders.

That, Mr. President, is honest and straightforward crime prevention.

This measure, the Sexually Violent Predators Act, is modeled after Washington State's successful community notification law enacted in 1990. It encourages States to establish registration and tracking systems of violent sex offenders and, most importantly, establishes a means by which law enforcement authorities can communicate with law-abiding citizens about the presence of dangerous sex offenders. It is nearly identical to my amendment to the crime bill which was accepted by this Senate by unanimous consent last November.

The amendment had grassroots support from the Polly Klaas Foundation and the Families and Friends of Violent Crime Victims. It empowers families and individuals with the knowledge they need to take extra precautions and avoid becoming victims of dangerous sexual predators. In addition to unanimous support in the Senate, and strong grassroots support, the House of Representatives recently instructed its conferees to accept the Gorton amendment by an overwhelming vote of 407-13.

Despite this support for a commonsense approach to crime prevention, members of the conference committee watered down my amendment and eliminated the community notification provision. Instead, the conference report apparently only provides information on sexual offenders to law enforcement for investigative purposes, and would notify only the victims.

To be quite frank, more often than not, the victims are no longer alive to be notified.

Mr. President, the conferees just do not get it. That kind of notification is meaningless. It would not have helped Megan Kanka, the 7-year-old from New Jersey who was brutally murdered last week by her neighbor, a repeat violent sex offender. It would not have helped Polly Klaas from Petaluma, CA, who was brutally killed last year by another repeat convicted sex offender.

The families in these communities and these innocent victims had a right to know that dangerous sexual predators were in their midst. My amendment to the crime bill would have provided exactly that kind of notification. The crime conference report will not, and that is the primary reason why this Senator is opposing the crime bill.

Mr. President, this legislation can literally save lives and prevent horrible crimes. Can we say that about the so-called crime prevention provisions in the conference report?

The 1994 newspaper headlines have been filled with examples of crime creeping closer and closer to home. The time has come to give law enforcement officials the tools they need to protect the public from the most violent of criminals. For far too long, our justice system has put the rights of the criminals above the rights of the victims.

A crime bill for 1994 should recognize the need to balance the inherent constitutional protections of criminals with the desperate need to protect innocent potential victims of sexually violent predators. Regrettably, the conference report leaves law-abiding and vulnerable families in the dark.

I hope my colleague will recognize the difference between pretend crime prevention and measures that actually empower people to take the necessary steps to protect themselves from violent crime. A make-work program, a new swimming pool, or midnight basketball won't keep a sexually violent predator from striking again, and again, and again.

COMMUNITY NOTIFICATION BILL

I offer this bipartisan bill today in the memory of Megan Kanka, Polly Klaas, and the thousands of innocent victims of brutal rapists, molesters, and murderers, that deserve to know when sexually violent predators were released into their community.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sexually Violent Predators Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) there exists a small but extremely dangerous group of sexually violent persons who do not have a mental disease or defect;

(2) persons who are sexually violent predators generally have antisocial personality features that—

(A) are not amenable to mental illness treatment modalities in existence on the date of enactment of this Act; and

(B) render the persons likely to engage in sexually violent behavior;

(3) the likelihood that sexually violent predators will repeat acts of predatory sexual violence is high; and

(4) the prognosis for curing sexually violent predators is poor and the treatment needs of the population of the predators are very long-term.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) MENTAL ABNORMALITY.—The term "mental abnormality" means a congenital or acquired condition of a person that affects the emotional or volitional capacity of the person in a manner that predisposes the person to the commission of criminal sexual acts to a degree that makes the person a menace to the health and safety of other persons.

(2) PREDATORY.—The term "predatory", with respect to an act, means an act directed towards a stranger, or a person with whom a relationship has been established or promoted, for the primary purpose of victimization.

(3) SEXUALLY VIOLENT OFFENSE.—The term "sexually violent offense" means an act that is a violation of title 18, United States Code or State criminal code that—

(A) involves the use or attempted or threatened use of physical force against the person or property of another person; and

(B) is determined beyond a reasonable doubt to be sexually motivated.

(4) SEXUALLY VIOLENT PREDATOR.—The term "sexually violent predator" means a person who has been convicted of a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in predatory sexually violent offenses.

SEC. 4. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—

(1) STATE GUIDELINES.—In accordance with this section, the Attorney General shall establish guidelines for State programs to require a sexually violent predator to register a current address with a designated State law enforcement agency upon release from prison, being placed on parole, or being placed on supervised release. The Attorney General shall approve each State program that complies with the guidelines.

(2) STATE COMPLIANCE.—

(A) IMPLEMENTATION DATE.—A State that does not implement a program described in paragraph (1) by the date that is 3 years after the date of enactment of this Act, and maintain the implementation thereafter, shall be ineligible for funds in accordance with subparagraph (B).

(B) INELIGIBILITY FOR FUNDS.—

(i) IN GENERAL.—A State that does not implement the program as described in subparagraph (A) shall not receive 10 percent of the funds that would otherwise be allocated to the State under section 506 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3756).

(ii) REALLOCATION OF FUNDS.—Funds made available under clause (i) shall be reallocated, in accordance with such section, to such States as implement the program as described in subparagraph (A).

(b) REGISTRATION REQUIREMENT UPON RELEASE, PAROLE, OR SUPERVISED RELEASE.—

(1) IN GENERAL.—An approved State program established in accordance with this section shall contain the requirements described in this section.

(2) DETERMINATION.—The determination that a person is a "sexually violent predator" and the determination that a person is

no longer a "sexually violent predator" shall be made by the sentencing court after receiving a report by a board of experts on sexual offenses. Each State shall establish a board composed of experts in the field of the behavior and treatment of sexual offenders.

(3) NOTIFICATION.—If a person who is required to register under this section is anticipated to be released from prison, paroled, or placed on supervised release, a State prison officer shall, not later than 90 days before the anticipated date of the release or commencement of the parole—

(A) inform the person of the duty to register;

(B) inform the person that if the person changes residence address, the person shall give the new address to a designated State law enforcement agency in writing not later than 10 days after the change of address;

(C) obtain the name of the person, identifying factors, anticipated future residence, offense history, and documentation of any treatment received for the mental abnormality or personality disorder of the person; and

(D) require the person to read and sign a form stating that the duty of the person to register under this section has been explained.

(4) TRANSFER OF INFORMATION TO STATE AND THE FBI.—Not later than 3 days after the receipt of the information described in paragraph (3)(C), the officer shall forward the information to a designated State law enforcement agency. As soon as practicable after the receipt of the information by the State law enforcement agency, the agency shall—

(A) enter the information into the appropriate State law enforcement record system and notify the appropriate law enforcement agency that has jurisdiction over the area in which the person expects to reside; and

(B) transmit the information to the Identification Division of the Federal Bureau of Investigation.

(5) QUARTERLY VERIFICATION.—

(A) MAILING TO PERSON.—Not less than every 90 days after the date of the release or commencement of parole of a person required to register under this section, the designated State law enforcement agency shall mail a nonforwardable verification form to the last reported address of the person.

(B) RETURN OF VERIFICATION FORM.—

(i) IN GENERAL.—The person shall return, by mail, the verification form to the agency not later than 10 days after the receipt of the form. The verification form shall be signed by the person, and shall state that the person continues to reside at the address last reported to the designated State law enforcement agency.

(ii) FAILURE TO RETURN.—If the person fails to mail the verification form to the designated State law enforcement agency by the date that is 10 days after the receipt of the form by the person, the person shall be in violation of this section unless the person proves that the person has not changed the residence address of the person.

(6) NOTIFICATION OF LOCAL LAW ENFORCEMENT AGENCIES OF CHANGES IN ADDRESSES.—Any change of address by a person required to register under this section that is reported to the designated State law enforcement agency shall as soon as practicable be reported to the appropriate law enforcement agency that has jurisdiction over the area in which the person is residing.

(7) PENALTY.—A person required to register under a State program established pursuant to this section who knowingly fails to register and keep the registration current shall be subject to criminal penalties in the State. It is the sense of Congress that the penalties should include imprisonment for not less than 180 days.

(8) TERMINATION OF OBLIGATION TO REGISTER.—The obligation of a person to register under this section shall terminate on a determination made in accordance with the provision of paragraph (2) of this section that the person no longer suffers from a mental abnormality or personality disorder that would make the person likely to engage in a predatory sexually violent offense.

(c) COMMUNITY NOTIFICATION.—The designated State law enforcement agency shall release relevant information that is necessary to protect the public concerning a specific sexually violent predator required to register under this section.

(d) IMMUNITY FOR GOOD FAITH CONDUCT.—Law enforcement agencies, employees of law enforcement agencies, and State officials shall be immune from liability for any good faith conduct under this section.

By Mr. LAUTENBERG:

S. 2364. A bill to provide for schoolbus safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE SCHOOLBUS SAFETY ACT

• Mr. LAUTENBERG. Mr. President, today I have introduced legislation designed to make schoolbus travel safer.

During the past 10 years, 300 school-age pedestrians, those less than 19 years old, have died in schoolbus-related crashes. Two-thirds were killed by their own schoolbus. Half of all school-age pedestrians killed by schoolbuses in the past 10 years were 5- and 6-year-olds. On average, 21 school-age pedestrians are killed by schoolbuses each year, and 9 are killed by other vehicles involved in schoolbus-related crashes.

In addition to those killed, approximately 10,000 schoolbus passengers are injured every year. Most injuries occur during side and rollover collisions. In this type of collision the compartmentalized seat does not protect children, who fall about 8 feet to strike the roof, windows, other seats, and other children.

My bill would address this problem by requiring all new schoolbuses to be equipped with safety belts. It also requires the Secretary of Transportation to develop a program to promote and encourage the use of seatbelts in schoolbuses.

National supporters of schoolbus safety belts include the American Medical Association, the American Academy of Pediatrics, the American College of Preventive Medicine, the Society for Adolescent Medicine, and the American Association of Oral and Maxillofacial Surgery.

In 1989 the New Jersey State Legislature directed the New Jersey Office of Highway Traffic Safety to conduct a study on the safety of lap seatbelts in large school vehicles. The New Jersey study concluded that installation of seatbelts in all schoolbuses will improve the vehicle's overall safety performance. The study recommended that schoolbuses be required to be equipped with seatbelts in the State of New Jersey.

It is nearly impossible for a bus without belts to roll over without causing injuries or death. Unfortunately, the Federal Government does not study crashes where there are no injuries. The National Transportation Safety Board only investigates bus crashes where there are severe injuries or fatalities, which rule out belted buses.

A bus with safety belts costs an average of $2,000 more than a bus without belts. With an estimated schoolbus life of 15 years, it will cost approximately $66 per bus per year.

Children are already required to wear seatbelts in cars. Installation of seatbelts on the standard size schoolbuses reinforces the importance of wearing seatbelts, reduces injuries to our children, costs little to install and maintain, and overall, makes schoolbus transportation safer for our children.

"Inattention" and "failure to yield" were the factors most often reported by police for schoolbus drivers striking a school-age pedestrian. For drivers of other vehicles killing a pedestrian in a schoolbus related crash, the factors most often cited were "failure to obey signs, safety zones, or warning signs on vehicles," "passing where prohibited," and "driving too fast."

The School Bus Safety Act would address this issue in four different ways. First, the bill would assist States in conducting traffic engineering activities where students get on and off schoolbuses in order to improve the safe operation of schoolbuses in these "danger zones." Second, the Secretary of Transportation will be required to advance the use and reduce the cost of hazard warning systems or sensors that alert schoolbus drivers of pedestrians or vehicles in, or approaching, the path of the schoolbus. Third, the Secretary will be required to improve training materials on schoolbus safety and improve the distribution and availability of such materials to schools for use by the student safety patrols.

Fourth, the Secretary of Transportation will be required to prescribe proficiency standards for schoolbus drivers who are already required to possess a commercial driver's license. Some States already prescribe proficiency and my bill would not interfere with how these States administer their programs.

The current commercial drivers license regulations require schoolbus drivers—that operate a vehicle designed to seat more than 15 persons, including the driver—to obtain a CDL with a special endorsement specifically for the transport of passengers. Both the knowledge and skills test must be passed to receive this special endorsement. The minimum test requirements set by the Federal Highway Administration [FHWA] for this special endorsement is generically written for operators of motor carriers of passengers—buses, in general—and is not designed specifically for school bus drivers.

Not only does Government have a responsibility to ensure that the bus driver is properly trained, but we also have a responsibility to ensure that school bus drivers are decent individuals who will not harm their passengers.

The fact is that sexual deviants are attracted to driving a school bus because it gives them easy access to children who are the focus of their sexual desire.

Children who ride on school buses, particularly those in their elementary years, are extremely vulnerable to physical abuse. They are too young to comprehend what is being done to them and are too small to physically defend themselves from an attack. Therefore, it is the responsibility of society to offer as much protection as possible to this vulnerable population.

My bill recognizes that responsibility by requiring all States to do a Federal background check on potential school bus drivers before they are allowed to be alone with our children.

School bus drivers are unique. They are alone with students off school property, often for extended periods of time. I believe, as I hope do many of my colleagues, that parents deserve to know who is alone with their children.

At present 18 States—Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Michigan, Mississippi, New Jersey, New York, Ohio, Oregon, Pennsylvania, Utah, Virginia, Washington, and Louisiana—already conduct State and Federal background checks on their drivers. My amendment would not affect how these States administer their programs.

There are 14 States—Hawaii, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, North Carolina, Rhode Island, Texas, West Virginia, Nebraska, Illinois, and Wisconsin—which currently only do State background checks. My bill would require those States to redirect the resources they are putting into these background checks toward a Federal program. While the intent of these State programs is good, it is flawed. A convicted sexual deviant can easily move to one of these States, receive a clean background check, and begin driving his prey to and from school.

Then there are the 18 States—Alabama, Arkansas, Georgia, Idaho, Indiana, Iowa, Kansas, Maine, Montana, Nevada, New Mexico, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Vermont, and Wyoming—which have no background checks for their school bus drivers. There is no rational reason for the lack of responsibility these States are demonstrating in this area.

During the 2 months after California instituted Federal criminal background checks in 1990, it screened out 150 convicted sex offenders, child molesters, and violent criminals who tried to get permits to drive school buses. This is shocking and my bill will address this problem.

This legislation also requires the Secretary of Transportation to begin a rulemaking process to determine the feasibility and practicability of: First, decreasing the flammability of materials used in the construction of the interiors of school buses, second, informing purchasers of school buses on the secondary market that those buses may not meet current NHTSA standards, and third, establishing construction and design standards for wheelchairs used in the transportation of students in school buses.

The bill also requires the Secretary to do a variety of studies designed to provide an accurate data base of school bus safety information.

The School Bus Safety Act is a comprehensive piece of legislation that I believe will dramatically reduce deaths and injuries of children associated with school bus accidents. I would encourage my colleagues to cosponsor this bill and to work with me toward its successful passage.

Mr. President, I ask unanimous consent that the text of my bill and a section-by-section analysis be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "School Bus Safety Act".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) The term "bus" means a motor vehicle with motive power, except a trailer, designed for carrying more than 10 persons.

(2) The term "school bus" means a bus that is used for purposes that include carrying pupils to and from public or private school or school-related events on a regular basis, but does not include a transit bus or a school-chartered bus.

(3) The term "school-chartered bus" means a bus that is operated under a short-term contract with State or school authorities who have acquired exclusive use of the bus at a fixed charge in order to provide transportation for a group of pupils to a special school-related event.

(4) The term "Secretary" means the Secretary of Transportation.

SEC. 3. PROFICIENCY STANDARDS FOR SCHOOL BUS DRIVERS.

(a) REQUIREMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prescribe proficiency standards for school bus drivers who are required to possess a commercial driver's license to operate a school bus.

(b) EXEMPTION FOR CERTAIN STATES.—In prescribing proficiency standards under subsection (a), the Secretary shall provide that a State may, in lieu of utilizing such proficiency standards, utilize proficiency standards established by the State before the date of the prescription of efficiency standards under subsection (a) if the Secretary determines that the standards of the State establish proficiency requirements as rigorous as the proficiency requirements established under the standards prescribed under subsection (a).

(c) DEMONSTRATION OF PROFICIENCY.—Upon the prescription of standards under subsection (a), each school bus driver referred to in subsection (a) shall demonstrate (at such interval as the Secretary shall prescribe) to the employer of the driver, the school district, the State licensing agency, or other person or agency responsible for regulating school bus drivers the proficiency of such driver in operating a school bus in accordance with the proficiency standards prescribed under subsection (a) or the proficiency standards established by the State concerned, as the case may be.

SEC. 4. CRIMINAL HISTORY INVESTIGATIONS OF SCHOOL BUS DRIVERS.

(a) REQUIREMENT FOR INVESTIGATIONS.—(1) Notwithstanding any other provision of law, a local educational agency may not employ a person as a driver of a school bus of or on behalf of the agency until the agency conducts a background check under procedures that meet the guidelines set forth in section 3(b) of the National Child Protection Act of 1993 (Public Law 103-209; 107 Stat. 2491; 42 U.S.C. 5119a(b)).

(2) Subject to paragraph (3), the prohibition set forth in paragraph (1) shall take effect on the date of the enactment of this Act.

(b) INTERIM REQUIREMENT.—Prior to the establishment of the procedures referred to in subsection (a)(1), or a State's participation in the procedures referred to in subsection (a)(1), local educational agencies shall request the Criminal Justice Information Services Division of the Federal Bureau of Investigation to conduct a fingerprint based check through its criminal history files, and the Division shall comply with such a request.

(c) DEFINITION.—In this section, the term "local educational agency" has the meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

SEC. 5. DEVELOPMENT OF INTELLIGENT VEHICLE-HIGHWAY SYSTEMS FOR SCHOOL BUS SAFETY.

Section 6055(d) of the Intelligent Vehicle-Highway Systems Act of 1991 (23 U.S.C. 307 note) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) ensure that one or more operational tests advance the use and reduce the cost of intelligent vehicle-highway system technologies (including hazard warning systems or sensors) that alert school bus drivers of pedestrians or vehicles in, or approaching, the path of the school bus.".

SEC. 6. SEAT BELTS IN SCHOOL BUSES.

(a) REQUIREMENT FOR INSTALLATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall prescribe regulations that require that driver seat belts and passenger seat belts (including lap safety belts or other child safety devices meeting applicable Federal safety standards) be installed for each seating position in any newly manufactured school bus.

(b) PROMOTION OF SEAT BELT USAGE.—

(1) IN GENERAL.—The Secretary, in consultation with appropriate safety organizations and parent-teacher organizations, shall conduct a program to promote and encourage the use of seat belts in school buses.

(2) ELEMENTS OF PROGRAM.—In conducting the program required under this subsection, the Secretary shall—

(A) encourage State and local governments to enact and implement laws requiring mandatory usage of seat belts in school buses;

(B) develop and disseminate educational materials on the importance of using seat belts to passengers and drivers of school buses; and

(C) recognize in an appropriate manner school districts that achieve a high level of seat belt usage by passengers and drivers of school buses.

SEC. 7. TRAFFIC ENGINEERING ACTIVITIES TO IMPROVE SCHOOL BUS SAFETY.

Notwithstanding any other provision of law, the Secretary shall ensure that each State receiving aid to conduct highway safety programs under section 402(c) of title 23, United States Code, shall utilize a portion (as determined by the Secretary) of such aid for the purpose of conducting traffic engineering activities in order to improve the safe operation of school buses. The Secretary shall, to the maximum extent practicable, ensure that the total amount utilized by such States for such purpose in any fiscal year shall not be less than $1,000,000.

SEC. 8. DETERMINATION OF PRACTICABILITY AND FEASIBILITY OF CERTAIN SAFETY AND ACCESS REQUIREMENTS FOR SCHOOL BUSES.

(a) COMMENCEMENT OF RULEMAKING PROCESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall begin a rulemaking process to determine the feasibility and practicability of the following:

(1) A requirement for a decrease in the flammability of the materials used in the construction of the interiors of school buses.

(2) A requirement that individuals, school districts, or companies that sell in the secondary market school buses that may be used in interstate commerce inform purchasers of such buses that such buses may not meet current National Highway Transportation Safety Administration standards or Federal Highway Administration standards with respect to such buses.

(3) The establishment of construction and design standards for wheelchairs used in the transportation of students in school buses.

(b) FINAL RULE.—Not later than 2 years after such date, the Secretary shall promulgate a final rule providing for any requirement or standard referred to in paragraph (1), (2), or (3) of subsection (a) that the Secretary determines to be feasible and practicable.

SEC. 9. DISSEMINATION OF INFORMATION ON SCHOOL BUS SAFETY.

(a) DISSEMINATION OF INFORMATION.—In carrying out research on highway safety under section 403 of title 23, United States Code, the Secretary, in consultation with the American Automobile Association, State educational agencies, and highway safety organizations, shall—

(1) improve the training materials on school bus safety; and

(2) improve the distribution and availability of such materials to schools for use by the student safety patrols of such schools and to appropriate law enforcement agencies.

(b) FUNDS.—Notwithstanding any other provision of law, of the funds available to the Secretary for research on highway safety and traffic conditions under such section 403 in each of fiscal years 1995 through 2000, $100,000 shall be available in each such fiscal year for the purposes of carrying out this section.

SEC. 10. STUDY AND REPORT ON SCHOOL BUS SAFETY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary shall carry out a study to determine the following:

(A) The extent to which public transit vehicles are engaged in school bus operations.

(B) The point at which a public transit vehicle is sufficiently engaged in such operations as to be considered a school bus for purposes of regulation under Federal law.

(C) The differences between school bus operations carried out directly by schools or school districts and school bus operations carried out by schools or school districts by contract.

(2) AREAS.—The study shall address the differences between the services and operations referred to in paragraph (1)(C) in terms of—

(A) crash injury data;

(B) driver and carrier requirements;

(C) passenger transportation requirements;

(D) bus construction and design standards;

(E) Federal and State operating assistance (per passenger/per mile/per hour);

(F) total operating costs;

(G) Federal and State capital assistance (per passenger/per mile/per hour);

(H) total capital costs; and

(I) such other factors as the Secretary considers appropriate.

(b) REPORT.—(1) Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the committees referred to in paragraph (2) a report on the results of the study carried out under subsection (a).

(2) The committees referred to in paragraph (1) are the following:

(A) The Committee on Environment and Public Works of the Senate.

(B) The Committee on Commerce, Science, and Transportation of the Senate.

(C) The Committee on Appropriations of the Senate.

(D) The Committee on Public Works and Transportation of the House of Representatives.

(E) The Committee on Energy and Commerce of the House of Representatives.

(F) The Committee on Appropriations of the House of Representatives.

SEC. 11. ESTABLISHMENT OF MINIMUM REPORTING CRITERIA FOR HIGHWAY SAFETY PROGRAM ON TRAFFIC-RELATED DEATHS AND INJURIES.

The Secretary of Transportation shall—

(1) not later than December 31, 1994, issue a notice of proposed rulemaking with respect to the minimum reporting criteria required under the tenth sentence of section 402(a) of title 23, United States Code; and

(2) not later than December 31, 1995, and after an opportunity for public comment, issue a final rule establishing such criteria.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

SCHOOL BUS SAFETY ACT—SECTION-BY-SECTION DESCRIPTION

Sec. 1: Title.

Sec. 2: Definitions.

Sec. 3: Directs the Secretary to prescribe proficiency standards for school bus drivers.

Sec. 4: Require all states to do federal background checks with fingerprints of prospective school bus drivers.

Sec. 5: Directs Secretary to do one or more operation tests to advance the use and reduce the cost of hazard warning systems to alert school bus drivers of pedestrians or vehicles in, or approaching, the path of the school bus.

Sec. 6: Requires driver seat belts and passenger seat belts to be installed in any newly manufactured school bus. Also requires the Secretary to develop a program to promote and encourage the use of seat belts in school buses.

Sec. 7: Provides aid for the purpose of conducting traffic engineering activities in order to improve the safe operation of school buses in the "danger zone."

Sec. 8: Requires the Secretary to begin a rulemaking process to determine the feasibility and practicability of the following;

A requirement for a decrease in the flammability of the materials used in the construction of the interiors of school buses;

A requirement that sellers of school buses in the secondary market inform purchasers that such buses may not meet current National Highway Transportation Safety Administration or Federal Highway Administration standards;

Establishing construction and design standards for wheelchairs used in the transportation of students in school buses.

Sec. 9: Require the Secretary of Transportation to improve training materials on school bus safety and improve the distribution and availability of such materials.

Sec. 10: Require the Secretary of Transportation to carry out a study to determine the following;

The extent to which public transit vehicles are engaged in school bus operations;

The point at which a public transit vehicle is sufficiently engaged in such operations as to be considered a school bus for purposes of regulation under Federal law;

The differences between school bus operations carried out directly by schools or school districts and school bus operations carried out by schools or school districts by contract.

Sec. 11: Require the Secretary of Transportation to issue a notice of proposed rulemaking with respect to establishing minimum reporting criteria for the highway safety program to include criteria on traffic-related deaths and injuries resulting from, among other things, school bus accidents.

Sec. 12: Authorization of Appropriations.●

ADDITIONAL COSPONSORS

S. 1889

At the request of Mr. CHAFEE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1889, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services.

S. 2286

At the request of Mr. LUGAR, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 2286, a bill to amend title 23, United States Code, to provide for the use of certain highway funds for improvements to railway-highway crossings.

S. 2337

At the request of Mr. LOTT, the names of the Senator from Maryland [Ms. MIKULSKI], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 2337, a bill to extend benefits for qualified service to certain merchant mariners who served during World War II, and for other purposes.

SENATE JOINT RESOLUTION 182

At the request of Mr. JOHNSTON, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Joint Resolution 182, a joint resolution to designate the year 1995 as "Jazz Centennial Year."

SENATE JOINT RESOLUTION 185

At the request of Mr. PELL, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Idaho [Mr. CRAIG], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 185, a joint resolution to designate October 1994 as "National Breast Cancer Awareness Month."

SENATE JOINT RESOLUTION 189

At the request of Mr. ROTH, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of Senate Joint Resolution 189, a joint resolution designating October 1994 as "National Decorative Painting Month."

SENATE JOINT RESOLUTION 192

At the request of Mr. KOHL, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Nebraska [Mr. EXON], the Senator from Texas [Mr. GRAMM], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from California [Mrs. FEINSTEIN], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Joint Resolution 192, a joint resolution to designate October 1994 as "Crime Prevention Month."

SENATE JOINT RESOLUTION 198

At the request of Mr. PRYOR, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of Senate Joint Resolution 198, a joint resolution designating 1995 as the "Year of the Grandparent."

SENATE JOINT RESOLUTION 209

At the request of Mr. COCHRAN, the names of the Senator from Maryland [Mr. SARBANES], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mrs. BOXER], the Senator from Alabama [Mr. HEFLIN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. HATCH], the Senator from Oklahoma [Mr. BOREN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Nevada [Mr. REID], the Senator from Maryland [Ms. MIKULSKI], the Senator from Washington [Mrs. MURRAY], the Senator from Rhode Island [Mr. PELL], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 209, a joint resolution designating November 21, 1994, as "National Military Families Recognition Day."

SENATE JOINT RESOLUTION 214

At the request of Mr. BINGAMAN, the names of the Senator from Tennessee [Mr. MATHEWS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. D'AMATO], the Senator from Washington [Mrs. MURRAY], the Senator from Kentucky [Mr. FORD], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Colorado [Mr. CAMPBELL], the Senator from Idaho [Mr. CRAIG], the Senator from Arkansas [Mr. BUMPERS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Alaska [Mr. STEVENS], the Senator from South Dakota [Mr. DASCHLE], the Senator from Rhode Island [Mr. PELL], the Senator from New Mexico [Mr. DOMENICI], the Senator from Michigan [Mr. RIEGLE], the Senator from Iowa [Mr. GRASSLEY], the Senator from Montana [Mr. BURNS], the Senator from New Hampshire [Mr. GREGG], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from North Dakota [Mr. DORGAN], and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Joint Resolution 214, a joint resolution designating August 9, 1994, as "Smokey Bear's 50th Anniversary."

SENATE RESOLUTION 243

At the request of Mr. LOTT, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 243, a resolution recognizing the REALTORS Land Institute on the occasion of its 50th Anniversary.

AMENDMENTS SUBMITTED

VA-HUD APPROPRIATIONS ACT FOR FISCAL YEAR 1995

MURKOWSKI AMENDMENT NO. 2450

Mr. MURKOWSKI proposed an amendment to the bill (H.R. 4624) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes; as follows:

On page 13, line 4, after the colon, insert the following: "*Provided further*, That no funds provided under this head may be used for the construction of acute care, inpatient hospital capacity:".

REID (AND OTHERS) AMENDMENT NO. 2451

Mr. REID (for himself, Mr. BRYAN, Mrs. FEINSTEIN, and Mr. SIMPSON) proposed an amendment to the bill H.R. 4624, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . None of the funds made available in this Act to the Department of Housing and Urban Development may be used to provide any individual assistance or benefit to any individual or entity in the United States unless the Federal entity or official to which the funds are made available takes reasonable actions to determine whether the individual is in a lawful immigration status in the United States: *Provided*, That in no case may a Federal entity, official, or agent of any Federal entity or official discriminate against any individual with respect to filing, inquiry, or adjudication of an application for funding made available in this Act on the basis of race, color, creed, handicap, religion, sex, national origin, citizenship status or form of lawful immigration status: *Provided further*, That for purposes of this section, the term "individual assistance or benefit" does not include search and rescue, emergency medical care, emergency mass care, emergency shelter, clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services, warning of further risks or hazards, dissemination of public information and assistance regarding health and safety measures, the provision on an emergency basis of food, water, medicine, and other essential needs, including movement of supplies or persons, or reduction of immediate threats to life, property, and public health and safety: *Provided further*, That, notwithstanding any other provision of this section, a homeless individual may, for a period not to exceed 45 days, receive assistance from funds made available under this Act to assist homeless individuals pursuant to the Stewart B. McKinney Homeless Assistance Act, regardless of the immigration status of such individual.

COHEN (AND MACK) AMENDMENT NO. 2452

Mr. COHEN (for himself and Mr. MACK) proposed an amendment to the bill H.R. 4624, supra; as follows:

SEC. . On page 18, line 19, strike "$10,600,000,000" and insert "$10,250,000,000".

On page 20, line 8, strike all after the comma, and all through line 11 before the semicolon.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 2453

Mr. LAUTENBERG (for himself, Mr. PACKWOOD, Mr. FEINGOLD, Mrs. MURRAY, Mr. DECONCINI, Mrs. FEINSTEIN, Mr. BRADLEY, and Ms. MIKULSKI) proposed an amendment to the bill H.R. 4624, supra; as follows:

On page 91, between lines 9 and 10, insert the following:

SEC. 518. It is sense of the Senate that—

(1) the murders of a doctor, his escort, and the wounding of another escort outside a reproductive health clinic in Pensacola, Florida, on July 29, 1994, were reprehensible acts of violence and terrorism;

(2) the Department of Justice, Federal Bureau of Investigation, and Bureau of Alcohol, Tobacco, and Firearms should undertake all enforcement and investigative activities under the Freedom of Access to Clinic Entrances Act, and any other applicable laws, that are necessary to ensure the safety of women seeking reproductive health services, their doctors, and escorts and clinic workers and to demonstrate to future potential perpetrators of such violence that these laws will be strongly enforced nationwide;

(3) The Attorney General should utilize the full extent of her authority to provide adequate protection to women obtaining reproductive health services, their doctors, and escorts and clinic workers; and

(4) all investigative and law enforcement activities undertaken by the Government in accordance with this section should be conducted in a manner that is fully consistent with the first amendment to the Constitution.

SMITH (AND McCAIN) AMENDMENT NO. 2454

Mr. SMITH (for himself and Mr. McCAIN) proposed an amendment to the bill H.R. 4624, supra; as follows:

On page 22, line 21, strike "That" and all that follows through the period on line 25 and insert the following: "That notwithstanding any other provision of law, $130,000,000 shall be used for grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974.".

SMITH AMENDMENT NO. 2455

Mr. SMITH proposed an amendment to the bill H.R. 4624, supra; as follows:

In the pending committee amendment, strike all after "and,", and insert the following: "*Provided*, That notwithstanding any other provision of law, $500,000,000 made available under this heading in Public Law 103–124, and earmarked not to become available until May 31, 1994, which date was extended to September 30, 1994, in Public Law 103–211, shall be available immediately for capitalization grants for State revolving funds to support water infrastructure financing, and to carry out the purposes of the Federal Water Pollution Control Act, (33 U.S.C. 1251 et seq.) and the Water Quality Act of 1987 (Public Law 100–4; 101 Stat. 7):".

MIKULSKI AMENDMENT NO. 2456

Ms. MIKULSKI proposed an amendment to the bill H.R. 4624, supra; as follows:

On page 13, line 11, add the following: ": *Provided further*, That of the amount provided under this heading, $7,100,000 shall be for design of a new medical center/nursing home in Brevard County, Florida and $6,900,000 shall be for the Orlando, Florida, satellite outpatient clinic".

BROWN AMENDMENT NO. 2457

Ms. MIKULSKI (for Mr. BROWN) proposed an amendment to the bill H.R. 4624, supra; as follows:

Insert at page 62, between line 13 and line 14:

SENSE OF THE SENATE REGARDING THE ENVIRONMENTAL SELF-EVALUATION PRIVILEGE

(a) FINDINGS.—The Senate finds that—

(1) The intended effect of environmental protection statutes passed over the past three decades is to improve and protect the natural and human environment.

(2) The President's National Performance Review concluded that the environmental laws and regulations implemented over the past decade have led to significant improvements in environmental quality.

(3) The National Performance Review further concludes that many of these laws, however, place a very real cost burden on local governments. Localities now struggle to comply with new requirements of the Safe Drinking Water Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, and Superfund, with little or no prospect of significant increases in federal grants and only limited availability of loans in the future.

(4) The Environmental Protection Agency (EPA) estimates that, by the year 2000, local governments will need to spend nearly $44 billion annually to meet existing requirements.

(5) The National Performance Review states: "With the opportunity to 'reinvent' the way EPA works with state and local governments, EPA has a chance to significantly increase the effectiveness of our nation's environmental programs.

(6) The National Performance Review acknowledged that there are numerous examples where the failure of EPA to devise better ways to protect the environment affordably may result in just the opposite of the intended effect.

(7) To further the goals of protecting and improving the natural and human environment, the States of Oregon, Indiana, Kentucky and Colorado have passed laws establishing an "environmental self-evaluation privilege."

(8) The EPA is currently considering modifying its existing environmental auditing policy.

(b) SENSE OF THE SENATE.—

It is the sense of the Senate that—

(1) The National Performance Review is correct in stating that EPA must recognize that increased regulatory flexibility offers tremendous opportunity for positive institutional change at federal, state and local levels.

(2) EPA must take advantage of these opportunities by finding ways to allow flexibility without compromising fairness, accountability and, above all, performance.

(3) The EPA should seriously consider the "environmental self-evaluation privilege," as enacted into law by the States of Oregon, Indiana, Kentucky and Colorado, as a low-cost opportunity to increase performance toward the intended effect of environmental protection statutes to improve and protect the natural and human environment.

HELMS AMENDMENT NO. 2458

Mr. HELMS proposed an amendment to the bill H.R. 4624, supra; as follows:

At the appropriate place, add the following:

"SEC. . SENSE OF THE SENATE REGARDING THE NEED TO PROTECT THE CONSTITUTIONAL ROLE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) The GATT Treaty provides for the entry of the United States into the World Trade Organization, which may have a major, permanent adverse impact on American sovereignty.

(2) The GATT Treaty binds the United States to a permanent international trade organization for decades to come.

(3) In the World Trade Organization, the United States will have only 1 out of 117 votes and will lose the veto power it had in the GATT Organization that the World Trade Organization replaces.

(4) Under the GATT Treaty, the United States will pay 20% of the budget of the World Trade Organization, but will have less than 1% of the voting power.

(5) The World Trade Organization has the potential of overriding domestic U.S. law.

(6) Section 2 of Article II of the Constitution provides that the President has the "Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur".

(7) Despite the dictate of section 2 of Article II of the Constitution, the GATT Treaty is scheduled to be considered by the Senate under "fast-track" procedures, as an executive agreement.

(8) Under the "fast-track" rules, Senators are prohibited from amending the agreement and debate is limited to 20 hours on the Senate floor.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that:

(1) The leadership of the Senate should protect the rights and prerogatives of the Senate and insist that the GATT agreement be submitted as a Treaty as stipulated by the U.S. Constitution, and

(2) an extension of the "fast track" should not be included in any implementing legislation for the GATT Treaty.".

NATIONAL UNITED STATES SEAFOOD WEEK

BIDEN AMENDMENT NO. 2459

Mr. REID (for Mr. BIDEN) proposed an amendment to the joint resolution (S.J. Res. 194) to designate the second week of August 1994, and the second week of August 1995, as "National United States Seafood Week"; as follows:

On page 3, lines 3-4 of the joint resolution strike ", and the second week of August, 1995".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, August 4, beginning at 9:30 a.m. to conduct a hearing pursuant to Senate Resolution 229.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 4, at 10 a.m. to receive a closed briefing on the status of the Middle-East peace process.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Thursday, August 4, 9:30 a.m., for a hearing on full voting representation in Congress for the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, August 4, 1994.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, August 4, 1994, at 9 a.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES AND BUSINESS RIGHTS

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies and Business Rights, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, August 4, 1994, at 2:15 p.m., to hold a hearing on international trustbusting—exchanging information with foreign antitrust authorities.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSTITUTION

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Constitution, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, August 4, 1994, at 2:00 p.m., to hold a hearing on retroactive taxation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 p.m., August 4, 1994, to receive testimony on the following bills: S. 399 and H.R. 457, to provide for the conveyance of lands to certain individuals in Butte County, CA; S. 1998, to provide for the acquisition of certain lands formerly occupied by the Franklin D. Roosevelt family, and for other purposes; S. 2001, to improve the administration of the Women's Rights National Historical Park in the State of New York, and for other purposes; H.R. 2620, to authorize the Secretary of the Interior to acquire certain lands in the State of California through an exchange pursuant to the Federal Land Policy and Management Act of 1976, and for other purposes; S. 2033, to provide for the exchange of certain lands within the State of Montana; S. 2078, to amend the National Trails System Act to designate the Old Spanish Trail and the northern branch of the Old Spanish Trail for potential inclusion into the National Trails System, and for other purposes; H.R. 1716, a bill to amend the act of January 26, 1915, establishing Rocky Mountain National Park, to provide for the protection of certain lands in Rocky Mountain National Park and along North St. Vrain Creek, and S. 2236, a bill to direct the Secretary of the Interior to enter into negotiations concerning the Nueces River Project, Texas, and for other purposes and S. 2249, a bill to amend the Alaska Native Claims Settlement Act, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER AND POWER

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources and the Committee on Indian Affairs be authorized to meet during the session of the Senate, 2:00 p.m., August 4, 1994, to receive testimony on the following bills: S. 2259, a bill to provide for the settlement of the claims of the Confederated Tribes of the Colville Reservation concerning their contribution to the production of the hydropower by the Grand Coulee Dam, and for other purposes; S. 2236, a bill to direct the Secretary of the Interior to enter into negotiations concerning the Nueces River Project, Texas, and for other purposes; and S. 2319, a bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of the Imperial Dam in a cost-effective manner.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DEMOCRACY ON TRIAL IN TURKEY

• Mr. DECONCINI. Mr. President, this day marks a sad milestone on Turkey's path toward democracy. Today, before a court in Ankara, six Kurdish parliamentarians face capital punishment for expressing political views deemed treasonous by Turkey's civilian and military leadership. Altogether, 13 duly elected Deputies of the Democracy Party [DEP] have been thrown out of Parliament, including 6 who fled the country so they could not be silenced.

Mr. President, I am flabbergasted that such a spectacle is taking place in Turkey, a staunch friend, a NATO ally, and CSCE participating State whose officials regularly express commitments to democracy and international human rights standards. This trial will take place before the world press and hundreds of lawyers, foreign parliamentarians, human rights activists and others on hand to demonstrate their concern and support. In addition to starkly illustrating how free speech and political activity is restricted in Turkey, the trial will bring attention to other underlying obstructions to democracy.

Mr. President, I was initially dismayed at the widespread popular support for the Government's dogmatic campaign against the DEP members. But what is becoming increasingly clear is that public opinion is being openly manipulated by major media outlets controlled by government or other political sources. With respect to Kurdish rights issues and the war in southeast Turkey, informed debate has fallen victim to inflammatory prefabrications or severely restricted information. I believe, as long as major media sources remain controlled by political and military interests, and journalists and others remain silenced, informed public debate will be impossible. Mr. President, free expression and an unrestricted press are prerequisites of democratic societies. The Turkish press must be enabled to report responsibly on Kurdish issues and other human rights concerns.

The DEP trial will also likely underscore the deficiencies of the Government's unrealistic military approach to the Kurdish question—a cornerstone of which is the criminalization of Kurdish-based political parties. When political parties are banned, the pattern in Turkey is that like-minded groups form on their heels or members move to more extreme parties. It would seem that allowing Kurds to form legal political parties would be a plausible way of diminishing support for the PKK and other extremist groups. The CSCE Copenhagen Document clearly outlines commitments taken by 53 participating States regarding unrestricted political party activity. The campaign against the Democracy Party and its predecessors raises serious questions about the Government of Turkey's commitment to these principles.

Mr. President, while the start of this political trial marks a dark day for Turkish democracy, one can hope that the attention drawn by this event will bring added pressure on the Government to pursue nonmilitary resolutions of the Kurdish crisis and to address other pressing rights issues. I would remind my colleagues, that two of the deputies face the death penalty for statements made at a Helsinki Commission briefing in the Rayburn Building. I find it truly unfathomable that a professed democratic Government could press capital charges against elected parliamentarians simply for their speeches or writings which advocate neither violence, secession nor solutions outside of a democratic framework. On this inauspicious occasion, I urge my colleagues to join me in expressing to the Government of Turkey our disappointment at their irrational campaign to squelch free speech.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, REGARDING EDUCATIONAL TRAVEL

• Mr. BRYAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received notification under rule 35 for Michael Gougisha, a member of the staff of Senator JOHNSTON, to participate in a program in China sponsored by the Chinese People's Institute of Foreign Affairs from August 15 to 28, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Gougisha in this program.

The select committee received notification under rule 35 for J. Thomas Sliter, a member of the staff of Senator BAUCUS, to participate in a program in China sponsored by the Chinese People's Institute of Foreign Affairs from August 15 to 28, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Sliter in this program.

The select committee received notification under rule 35 for Edward Maixner, a member of the staff of Senator DORGAN, to participate in a program in Hong Kong and Guangdong Province, from August 29 to September 5, 1994, sponsored by the Hong Kong General Chamber of Commerce.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Maixner in this program.

The select committee received notification under rule 35 for Jonathan F. Rief, a member of the staff of Senator NUNN, to participate in a program in Hong Kong and Guangdong Province, from August 29 to September 5, 1994, sponsored by the Hong Kong General Chamber of Commerce.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Rief in this program.

The select committee received notification under rule 35 for Shirley Neff, a member of the staff of Senator JOHNSTON, to participate in a program in Singapore, sponsored by the Singapore International Foundation, from August 28 to September 3, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Ms. Neff in this program.

The select committee received notification under rule 35 for Elizabeth Lambird, a member of the staff of Senator HELMS, to participate in a program in Korea, sponsored by the Korean Ministry of Foreign Affairs from August 21 to 28, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Ms. Lambird in this program.•

ORDERS FOR TOMORROW

Mr. REID. Madam President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9:30 a.m., Friday, August 5; and that when the Senate reconvenes on that date, the Journal of proceedings be deemed to have been approved to date; the call of the calendar be waived; that no motions or resolutions come over under the rule; that the morning hour be deemed to have expired; that the time for the two leaders be reserved for their use later in the day; that immediately thereafter the previous order regarding the labor HHS appropriations bill be executed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL TOMORROW AT 9:30 A.M.

Mr. WOFFORD. Mr. President, if there is no further business to come before the Senate today, I now move that Senate stand adjourned, as previously ordered.

The motion was agreed to; and the Senate, at 8:54 p.m., adjourned until Friday, August 5, 1994, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, August 4, 1994*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, for bread for the sustenance of our bodies and spiritual food for the nourishment of our souls. In a world where much seems to be discouraging and where problems appear at every corner, we pray that the human spirit will not be caught by cynicism or despair, but rejoice in the possibilities of every new day and accept all Your blessings with thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GORDON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. GORDON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 151, answered "present" 1, not voting 54, as follows:

[Roll No. 374]

YEAS—228

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeLauro
Derrick
Deutsch
Dicks
Dingell
Dooley
Durbin
Edwards (CA)
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Frank (MA)
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Greenwood
Gutierrez
Hall (TX)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Inglis
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Kopetski
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lipinski
Livingston
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Montgomery
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spratt
Stenholm
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waters
Waxman
Wheat
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—151

Allard
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Clay
Coble
Collins (GA)
Cox
Crane
Crapo
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Gunderson
Hansen
Hastert
Hefley
Hobson
Hoke
Horn
Huffington
Hutchinson
Hyde
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Lucas
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Nussle
Oxley
Packard
Petri
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff

ANSWERED "PRESENT"—1

Conyers

NOT VOTING—54

Andrews (NJ)
Andrews (TX)
Baker (CA)
Barlow
Barton
Bateman
Bentley
Blackwell
Brooks
Brown (CA)
Brown (OH)
Camp
Chapman
Collins (IL)
Cunningham
Deal
DeFazio
Dellums
Dixon
Dornan
Dunn
Edwards (TX)
Engel
Ford (MI)
Ford (TN)
Fowler
Frost
Hall (OH)
Hamilton
Hancock
Herger
Hinchey
Hoekstra
Hunter
Kennedy
Laughlin
Lloyd
Manton
McCloskey
Mollohan
Moran
Paxon
Santorum
Stark
Sundquist
Swett
Towns
Tucker
Velazquez
Washington
Watt
Whitten
Wilson
Zimmer

□ 1022

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. NEAL of North Carolina). The Chair will ask the gentleman from Indiana [Mr. VISCLOSKY] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. VISCLOSKY led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GIVE THE PEOPLE WHAT THEY WANT

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, you cannot truly reform our health care

□This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

system without guaranteed health insurance for all Americans.

After years of study, the Democrats have come up with a plan to reform health care and cover everyone.

This is not the Clinton plan. We have listened to the people and put the changes they want into the new bill. The Democrats' health plan keeps all of what is good about the current system and changes what is bad.

The Democrats' plan guarantees health insurance—even for those with preexisting conditions, controls costs, and lets people choose their doctors.

Because the Democrats' plan builds on what is good about our current system, it accomplishes these goals without Government bureaucracy and without broad based taxes.

This plan will reform our health care system and it will work.

Mr. Speaker, we have listened to the American people and crafted an intelligent plan to reform health care. Let us put partisanship aside and give the people what they want.

WHAT PRICE SUCCESS?

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, as my colleagues across the aisle search in vain for a message to unite their party, they have been coming to the floor and talking about their successes in the first 2 years of the Clinton administration.

But when Clinton succeeds, the American people lose.

The President successfully pushed through the largest tax increase in history. The American people were forced to pay higher taxes.

The Democrat leadership has successfully killed every attempt to cut spending first. The American people are forced to pay for bigger government.

And if the Democrats succeed in passing the Clinton health care plan, the American people will be forced to pay even more taxes for more bureaucrats and lower health care quality.

Mr. Speaker, the Clinton view of success means more government, more taxes, more regulations, and more power for Washington. I urge the American people to think twice about the Clinton view of success.

WE NEED UNIVERSAL COVERAGE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, as we head into the final days of the health care reform debate, two major proposals are emerging from the pack: The first is the universal coverage plan being forwarded by the majority leader of this body. The second is incremental reform being forwarded by the minority leader of the other body.

The Democratic approach would guarantee private insurance to every American. The Republican model would rely on various insurance reforms but does not guarantee coverage to a single American.

A study of both approaches by the nonpartisan consulting firm of Lewin-VHI found that the Republican model would be disastrous for the country.

We need universal coverage. If we only extend insurance to the sick and the elderly without requiring that young, healthy people are also in the system, we will have shrinking risk pools and skyrocketing premiums. When New York State tried this type of insurance reform without universal coverage, they saw some premiums increase by more than 100 percent. Similar reform on a national level would devastate our working families.

COMPROMISE IS NECESSARY ON HEALTH CARE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, after months of trying to pass his health care plan strictly with Democratic votes, the President has been told by his own leadership that his plan is dead. The President's reaction during his news conference last night was to blame Republicans for not compromising with him.

Republicans have been trying to forge a bipartisan agreement on health care for months. Our leaders, BOB MICHEL and NEWT GINGRICH, have strongly endorsed the ongoing efforts of Congressmen ROWLAND and BILIRAKIS to write a reasonable health care bill which will get strong support from both Republicans and Democrats. I am a cosponsor of their bill.

Compromise does not mean shifting blame. Compromise means that the President will have to abandon the parts of his plan which have been widely rejected by the American people. They do not want the huge new taxes, mandates on businesses which will kill jobs, and expanded Government bureaucracy, all of which are contained in both the Clinton-Gephardt and the Clinton-Kennedy-Mitchell bills.

I hope the President will stop playing the blame game and join our effort to write a bipartisan health bill.

ARMS CONTROL AT HOME AND ABROAD

(Mr. HAMBURG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMBURG. Mr. Speaker, as we prepare to pass a crime bill that will include a ban on certain types of semiautomatic weapons and an attempt to keep guns from our kids, it might be good to look at how we are doing in global arms control.

According to a recent story in USA Today, not very well, particularly in the volatile nations of the so-called Third World.

The Third World arms market is now a $20-billion-a-year bazaar and the United States is the merchant for nearly three-fourths of sales. These weapons will likely be used to create the Iraqs, Somalias, Bosnias, Haitis, and Rwandas of tomorrow. Four-fifths of U.S.-sold arms go to countries guilty of systemic human rights violations. In some cases, these weapons will end up being trained on our boys and girls.

Let us pass the crime bill and begin to stop the carnage here at home. And let us also put a stop to the global arms bazaar and the poverty and death it brings around the world.

□ 1030

HEALTH CARE BILL: LET US POSTPONE THE MADNESS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I ask my colleagues to listen carefully: Here we are about a week or a week and a half before we are supposed to adjourn and the Mitchell bill, as has just been presented, has 17 new taxes. It has not been completely scored, no one knows what is in the bill.

Now let us come to the House side: The Gephardt bill has not been completely written; the Democrats only got a 3-page outline, and most of them have not seen the bill.

Should we vote on a bill that no one has seen either in the Senate or the House? No.

I am asking my colleagues both in the Senate and the House to postpone this madness, let us stop. The American people have the right and deserve to see this bill before we vote on it. We should have open debate The press should demand this.

I ask my colleagues that we not vote on this bill next week until the bill has been written, has been scored, and the American people have had a chance to know what effect this health care bill will have on all of us.

HEALTH REFORM NOW

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, we must have health care reform this year. And, we must have health care for every American.

Health care reform is a big job. There are no easy solutions, no quick fix, no magic.

But we must do it. We can only do it with an employer mandate, what we call "shared responsibility."

An employer mandate is not radical. Mandates are as old as the Constitution itself. Mandates have made life better for every American.

We as a society have certain mandates. Minimum wage. Workplace safety rules. Speed limits. Meat inspections.

Mandates give us safe and fair working conditions, good driving habits, and food quality standards.

We are simply asking everyone to share responsibility. We are all in this together. Without reform, health care costs will continue to increase. And, more and more people will not be able to afford it.

Most businesses already provide health insurance for their employees. We are only asking that everyone else do the same.

We must control costs. We can only do that with universal coverage. So we must support mandates. We have no choice. The long-term health of our Nation is at stake.

If we do not do our part, history will not be kind to us.

WE NEED ANOTHER WAITING PERIOD

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, earlier this year, and with much fanfare, President Clinton signed into law a 5-day waiting period for the purchase of a handgun. This was supposed to help prevent senseless crimes of passion. Now that the Democratic leadership is desperately trying to salvage the President's health bill, it seems they have forgotten the virtue of thoughtful reflection. To date, we have yet to see the text of either the Clinton-Gephardt bill or any Senate bill. Yet, now we learn the leadership intends to push legislation through this House by the end of next week. The American people deserve more time to scrutinize each alternative before we vote. Health care is too important to fall victim to senseless political passion—we need another waiting period—this time to study the health bills.

Maybe we can head off a major crime against the American people.

HEALTH CARE FOR EVERYONE

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, 60 years ago, in enacting Social Security in this Chamber, we were told it would bankrupt the Nation; 30 years ago, in enacting Medicare, we were told it would destroy the health care system.

Now we are told that the gentleman from Missouri, Mr. GEPHARDT's legislation for universal and mandatory health care is excessive. We are asked to settle for less, for 95 percent of the American people.

Well, 95 percent of the American people means that 15 million Americans will still have no health care; 7 million American children will grow up outside the system and thousands will still face bankruptcy every year because they seek to care for their own families.

Mr. Speaker, those before us could have had a health care system and Medicare that covered only some, those before us could have had a Social Security system that only covered a few. They chose to act for an America that is one community, and, Mr. Speaker, we should do no less: Cover all Americans.

LET US SEE THE 1,000-PAGE CRIME BILL BEFORE WE HAVE TO VOTE

(Mr. MANZULLO asked and was given permission to address the House and to revise and extend his remarks.)

Mr. MANZULLO. Mr. Speaker, no wonder the House Rules Committee refuses to let Members of Congress read the 1,000-page crime bill before we vote on it. I am one of the few Members of Congress who obtained a rough draft.

Look at this program: $22 million dollars to rent or buy living facilities in residential districts so Federal prisoners can live with their families. The prisoners cannot be convicted of a crime of violence or abuse of a child, but they can be burglars, drug traffickers, racketeers. It's called the "Family Unit Demonstration Project."

Why not just give $22 million back to the local sheriffs and chiefs of police and let them decide how to fight crime: They will probably hire more cops or whatever they need—but come on, apartments for Federal prisoners in residential neighborhoods? Whatever happens to punishment for crime?

UNIVERSAL COVERAGE WILL HELP ALL AMERICANS

(Mr. GEJDENSON asked was given permission to address the House and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, once again you can hear our colleagues on the other side of the aisle proclaiming that universal coverage will create economic calamity. And then there is a magical job number loss that comes up.

Let us take a look at their record on predictions. Do not listen to my words, take a look at Al Hunt's column in today's Wall Street Journal. The leaders and top thinkers on the Republican side of the aisle predicted calamity with the Democratic budget passing; there would be jobs loss, there would be an end to economic growth, there would be inflation. What happened? The opposite happened: More jobs in the last 16 months than in the previous 4 years; less inflation, more jobs. And that is what will happen if we have universal coverage. It will help small businesses be established, it will help them grow and compete, and it will strengthen this economy.

There is one way to make America stronger: It is to provide universal health coverage for all our citizens so they do not have to become bankrupt before they get coverage, so they do not have to fear that preexisting conditions will deny them coverage.

HAITI: CONGRESS MUST DEBATE U.S. MILITARY ACTION

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Speaker, the United Nations has spoken; Caribbean nations have been consulted; everyone, it seems has had a say about using United States military force to restore democracy in Haiti—everyone except Congress.

When denied open debate, the people we represent are being denied their voice. Congress must have a say whether precious American lives should be sent to invade a country posing no apparent threat to our national security interests.

Since the United Nations has acted at the behest of the administration and approved the use of military force, it is time Congress debate this question. The administration should follow the precedent set by President Bush, who sent to the United Nations and then to the American people and Congress, before sending troops to liberate Kuwait.

Experience has shown that nation building does not work, but this administration has not learned that lesson. Rather, the kids at the White House will try to build a democracy by force—at the expense of U.S. lives.

We must have floor debate to give the President support for using Armed Forces this Congress has provided, or tell him no, before dangerous and deadly steps are taken without popular support.

HEALTH CARE REFORM

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, I rise this morning in strong support of the health care reform bill proposed by Majority Leader GEPHARDT.

I do so because there are a number of elements in the package which will advance our health care system in many critical ways.

For example, the bill will expand the number of primary care centers in underserved rural and urban areas. And it will expand their capacity by providing more capital funds.

Medicare bonus payments to physicians in these areas will be double, and substantial tax credits will be provided.

This will help alleviate the troubling shortage of doctors in needy areas.

The Gephardt bill also offers strong benefits for seniors, including unlimited prescription drug coverage with an out-of-pocket cap.

New preventive health benefits are included, as are long-term home and community-based care for severely disabled persons.

Mr. Speaker, we are drawing ever closer to the elusive goal of comprehensive, universal health care reform.

In my opinion, the Gephardt plan is a huge step in the right direction.

I implore my colleagues to support this historic bill.

□ 1040

IT'S NOT NICE TO FOOL THE AMERICAN TAXPAYER

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the new motto for the Democrat Party is:

"Never give the taxpayer an even break."

First with the health care bill, then with the welfare reform proposal, and now with the crime bill, it is the taxpayer who ultimately pays the price.

The President calls his crime bill tough, but it will only be tough for the middle class. This bill does not take a bite out of crime, it takes a bite out of the taxpayer. In fact, only half of the money in this bill will go to fight crime. The rest, $9 billion worth, will go to liberal administration officials in the form of pork barrel spending.

Mr. Speaker, the President is playing the taxpayer for a sucker, but, according to the latest polls, fortunately the American people are not biting. After all, it is not nice to fool the American taxpayer.

SMALL BUSINESS AND RURAL COMMUNITIES NEED UNIVERSAL COVERAGE

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, as we continue the debate on health care, I hope we will have reason rather than fear. I want to raise a question as it relates to the rural community.

Mr. Speaker, much has been discussed about the impact of small business and the rural community. First, what will happen?

First, Mr. Speaker, I think it needs to be shared. There are many small businesses that are already now providing health insurance for their employees. What is happening to that insurance; it is far too high, and oftentimes that health care is only the bare bones.

What will happen as a result of health care reform: First, they will have low costs for their employees' coverage and better costs. Second, there are indeed large numbers of small business who are not providing health insurance in rural communities.

What will happen to those communities; obviously their citizens will get coverage. The costs that are involved, it should be noted, will be offset by subsidies to small businesses. Furthermore, the employees who are low-wage persons also will have offset.

Mr. Speaker, universal coverage is the only way to ensure quality control and cost control for small business. We need this for small business and rural communities.

THE WHOLE TRUTH

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the American people yearn for the truth. To mislead them is to lose their trust.

During President Clinton's news conference last night, he made claims that were partially true, but not wholly true.

He said his administration has cut spending. Yes, he has cut projected spending but actual spending continues to increase tens of billions of dollars each year.

He said he raised taxes on only the top 1 percent. But that ignores the hike in gas taxes, Social Security taxes, and inheritance taxes. And the President is right—inflation is low, but it is still higher than when he took office.

Or take health care. President Clinton wants to perform radical surgery on the best health care system in the world, enjoyed by 83 percent of the American people.

Seductive words cannot hide the fact that the plans he supports still mean more government, more costs, and less choice for the American people.

Let us have a bipartisan effort to reform health care for the people who do not have it, not wreck it for the people who do.

On this and other issues, hearing the whole truth from the President will take us a long way.

ABORTION IN HEALTH CARE REFORM

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise today to make it absolutely clear that abortion must be included in the health care reform package. Not only does my vote, and the vote of at least 80 other Members depend on it, lives depend on it.

With abortion rights continually eroding, there has been a shocking surge of violence aimed at abortion clinics, staff, and patients. Over 1,000 incidents of violence have occurred in the past decade, culminating with the vicious murders of another doctor and his bodyguard last week.

Unless abortion benefits are included in the health care package, clinic doctors and staff will be even further isolated from the larger medical community. And, this will make them even more vulnerable to attacks from terrorists.

Mr. Speaker, I urge my colleagues to support abortion coverage in health care, and to put an end to the violence outside abortion clinics.

MORE THAN 10 DAYS NEEDED TO ANALYZE HEALTH CARE BILLS

(Mr. HOKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOKE. Mr. Speaker, today is August 4. Last September President Clinton introduced a bill of 1,352 pages. It took the American public, with all of the various groups that are interested in such legislation on health care, as well as the media, nearly a year to completely analyze and determine what was in that bill, where people stood with it.

Three weeks ago, approximately, the President and the Democratic leadership in the Congress declared that bill dead, and they have introduced two new bills. One is Clinton-Gephardt, and the other one is Clinton-Mitchell. The fact is neither one of those bills exist. They do not exist except conceptually in short memorandum. The Mitchell bill has 17 new taxes; we do not know exactly how the Gephardt bill will be funded. But the fact is we have not seen the legislation.

Mr. Speaker, I do not think we ought to delay the recess as the headline says in Roll Call today. I think what we need is we need to see the legislation so that the American people, the people that I represent in western Cuyahoga County in Ohio, have an opportunity to see that legislation themselves, and analyze it, and then tell me over the recess what it is that they believe about it so that we can come back here, and, by the 15th of September, vote on a piece of legislation that will finally have the analysis and will have the feedback from the American people rather than ramming something down the throat of the American people in the next 10 days of this Congress.

HEALTH CARE REFORM IN RURAL AMERICA

(Mr. STUPAK asked and was given permission to address the House for 1 minute.)

Mr. STUPAK. Mr. Speaker, as the final stages of the health care reform debate are about to begin, let me, once more, remind my colleagues that rural communities cannot be left behind in the health care debate. Rural America continues to face a shortage of primary care providers. The lack of providers continues to harm the overall health of residents in rural communities. For example, infant and maternal mortality as disproportionately higher in rural areas than nonrural areas. In fact, Benzie County, a rural county in my district, has one of the highest infant mortality rates in the State of Michigan.

Because of the provider shortage and the health problems experienced in rural areas, we need increased funding for programs that train health care professionals for rural practices. Further, there should be incentives given to those providers who practice in rural settings. Recruitment and retention of primary care providers in rural areas are vital to true health care reform.

Mr. Speaker, health care reform must address the unique needs of rural communities. Health care reform must address the inequities in the system experienced by rural America.

ONE VOTE STRATEGY FOR HEALTH CARE LEGISLATION IS IRRESPONSIBLE

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, my colleagues, when the Founders of our country envisioned our Congress, they designed a Congress that would not act hastily. They designed a Congress where it was large enough so that a consensus would have to develop before the Congress would move to act to implement laws. When we put Social Security into place, it passed with a 3-to-1 majority because a consensus had developed in the country and in the Congress that Social Security was necessary. When we had Medicare debated, it passed by a 2-to-1 majority in each of the Houses because a consensus had developed it was time to do something about older Americans.

As I stand here today, Mr. Speaker, we are looking at rushing through health care legislation on a one vote strategy in the House and Senate. The most massive undertaking by Government in the history of our country, and we are going to try to do it in a very partisan way, looking for just that one vote to get us to a majority.

Mr. Speaker, this is not responsible. This is why the American people look to Congress and are disillusioned with the process that they see.

NO TAX BREAK FOR THE CHINESE MILITARY

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, on Monday or Tuesday the House will be voting on legislation to revoke most-favored-nation status on products made by the People's Liberation Army and other Chinese industrial trading companies. Some have said, "Oh, it's impossible to target those companies," and here I want to disabuse my colleagues of that notion.

Mr. Speaker, I have sent a Dear Colleague with a summary of this chart but wanted to advise my colleagues that more information is available. This is a chart of the Defense Intelligence Agency which describes China's Defense Industrial Trading Company. It depicts the commercial companies under two main hierarchies of the defense complex, the Uniformed Services of the People's Liberation Army and the Defense Related Ministries.

□ 1050

These import-export companies market products and earn foreign currency to support defense-related research development and operations. The companies depicted are established and chartered to conduct business in the international market. Many have offices overseas. While they are profit-oriented and they gain foreign currency earnings, they also are the primary conduits for the acquisition of new and advanced technologies.

Mr. Speaker, this body has repeatedly confirmed its commitment to making trade fairer, the political climate freer, and the world safer. Giving a tax break to these companies is not in furtherance of those goals.

Mr. Speaker, I urge my colleagues to support H.R. 4590. We should not give a tax break to the People's Liberation Army, the same army that sent a bill to the families of the children killed in Tiananmen Square—a bill for the bullets used in killing their children.

GOVERNMENT, "A DANGEROUS SERVANT AND A FEARFUL MASTER"—GEORGE WASHINGTON

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, President Clinton talks a good line about helping the American people and reducing the size of Government, but in fact his actions all go in the other direction. They all show a tremendous faith in big government.

Mr. Speaker, Government is too big, and it spends too much. President Clinton promised us a middle class tax cut. Instead we got the largest tax increase in history, hitting the rich, the working people, and the middle class. And, by the way, the average family of four with a median income today pays 24 percent of its total income in taxes to the U.S. Government—a national disgrace.

Mr. Speaker, President Clinton promised to get the economy going again, and we hear all these great speeches from the other side about how well we are doing. Everyone is concerned for his future in this economy right now. We know interest rates are rising, and job creation is only two-thirds of what it has been in previous recoveries. This diminished recovery is due to the tax increase and the added regulation imposed by President Clinton and the Democrats in Congress.

Now we are promised by President Clinton that we are going to get more affordable health care. The reality is that this proposal is another big Government scheme, a Government takeover of health care, with controls, rationing, and limitation of choice.

Mr. Speaker, George Washington said it best: "Government is not reason, it is not eloquence, it is force, and like fire, it is a dangerous servant and a fearful master." May President Clinton listen to Mr. Washington.

THE CRIME BILL

(Mr. SANGMEISTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANGMEISTER. Mr. Speaker, in talking with my constituents back in the district, they all tell me that aside from the importance of passing health care legislation, crime is still the No. 1 issue. While it is true that crime is most often addressed at the State and local level, the Federal Government can take important steps to reduce crime in this country.

Will 100,000 more cops help? Only time will tell, but it certainly will not hurt. Will the death penalty for drug kingpins stop the drug problems in this country? Not entirely, but it will send the message that this country will no longer tolerate such activities. Will building more prisons put every single person who has committed a crime in jail, and keep them there? Probably not, but it will insure that we have more space to keep those individuals who deserve to be in prison—in prison—rather than early release as we do now. Will the money for prevention programs be well spent? Some argue the opposite, but we owe it to the American people to try everything in our means to stop the violence before it occurs.

Not everyone will be completely happy with everything in this bill. This is the legislative process, this is what we were elected to do, we must not fail.

CLINTON CRIME BILL: CHIHUAHUA FULL OF FLEAS

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, crime is America's No. 1 concern. Our people want us to put a doberman of a crime bill outside the Nation's house so they can sleep secure at night.

Once again the Clinton White House has misunderstood the American people. Instead of a doberman crime bill, we are deliberating a chihuahua. What is worse, the Clinton watchdog has evidently mistaken the American taxpayer for a fire hydrant.

The Clinton crime bill soaks the American taxpayer for billions in social spending which is as misplaced in a crime bill, as it is misguided as social policy.

The chihuahua this White House is offering America as a watchdog has lots of excess baggage, and as any dog owner would acknowledge, that means fleas. This dog of a bill is positively popping with social spending fleas—arts and crafts fleas, dance fleas, self-esteem fleas, and of course, a big midnight basketball flea.

Looking at this shivering, scratching Clinton chihuahua of a crime bill. Americans should wonder if there are not more fleas than dog here.

DEMOCRATS' HEALTH CARE PLAN

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, the Guaranteed Health Insurance Act of 1994 is the cure for what ails the millions of Americans who are finding no relief under this country's current health care system.

For those working Americans who are sick of not being able to afford insurance, the plan offers an antidote that guarantees universal coverage over time that can never be taken away, even with job changes and even with a preexisting condition.

Small business owners get tax credits and affordable premiums, a remedy to paying high premiums or for not being able to provide employees with any coverage at all.

Middle income Americans get the healing assurance that they will be able to keep their present coverage and they will not have to bear the brunt for those who are not covered.

Rural residents, like many who live in the Sixth District of South Carolina, get expanded and integrated rural health care facilities.

Seniors get expanded Medicare benefits, like unlimited prescription drug coverage, and a new long-term care program.

Mr. Speaker, this is the plan that can transport America's health care system down the road to recovery.

ANOTHER DISASTER WAITING TO HAPPEN

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, many, many years ago the Republicans warned the Democrats that the Social Security system was a disaster waiting to happen. Guess what? We were right. Social Security was a disaster waiting to happen. The Social Security trust fund is being raided by liberal politicians to pay for the runaway spending of this Government, and most Americans pay more in payroll taxes than they pay in income taxes.

In the 1960's the Republicans warned the Democrats that if they approved the Medicare Program and ran up the deficit, in all different ways, then Medicare would drive up the cost of health care. You know what? We were right. Medicare is costing substantially more than what Democrats predicted it would, and it is driving up health care costs.

And, guest what? Now the Democrats are saying, "Trust we. Let's completely take the health care system of the United States and turn it upside down. And not only that, we are going to do it in just a few days. We're rewriting bills."

Every other day we get a new bill coming out, and they are asking us to take the newest one, a 1,600-page bill, and have Congress and the American people digest it in just a few days.

Mr. Speaker, let us present it to the American people during the August recess and have them decide whether it is right or wrong.

HEALTH CARE

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MCKINNEY. Mr. Speaker, it is time for the Republicans to step up to the plate on the health care debate. The majority leader has proposed a health plan that will have a positive effect on millions of uninsured Americans. The Members from the other side of the aisle call this plan and the Mitchell plan Clinton Lite. These plans are not Clinton lite. They are the result of a hard-working Congress. We heard the fears of small business and gave them relief. We heard the concerns of rural America and provided incentives to better health care. We heard from all of America and crafted the bill that will provide coverage to the millions of hard working, taxpaying American citizens. It is time for the Republicans to step up to the plate and hit a home run by supporting Congress' health care plan. Let us hope they can do better than they did in the congressional baseball game.

□ 1100

FAILURES OF THE CLINTON ADMINISTRATION

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, last night, President Clinton, and today my colleagues on the other side of the aisle, have spoken about the success of the Clinton administration. Let us look at the facts.

Since the Clinton policy has taken hold, interest rates have doubled, the dollar has reached a new low, trade deficits continue to soar, housing sales this week collapsed, the largest increase in new jobs are part-time, low paying jobs, and Government jobs for the first time now exceed private sector manufacturing jobs. Our foreign policy is in a shambles.

I say to you, what does this mean for our future? My colleagues, I do not want public housing for my children or your children. I do not want make-work, dead-end jobs for my children. I do not want my children to be second-class citizens in a dangerous world. What do the American people want? What they want is less Government spending. They want fewer Government programs, and the American people want hope, security and real jobs in their future.

TOBACCO-SUBSIDIZING CONGRESS NOT QUALIFIED TO REFORM HEALTH CARE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the FDA said nicotine is addictive. Well, I am not so sure we knew that. The Surgeon General said smoking causes cancer, so each pack of cigarettes has a warning label. The EPA said smoking not only kills, it is even killing nonsmokers.

What I am trying to figure out is, Congress gives hundreds of millions of dollars to tobacco farmers to grow more tobacco. Beam me up. Our Government tells us it kills, but our Congress subsidizes more tobacco.

Mr. Speaker, any Congress that will give more money to American farmers to grow tobacco is not capable nor qualified to write any health care policy for this country, and there is so much political hypocrisy it sickens me.

Think about that shot.

CRIME BILL A SOCIAL WELFARE BILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the Democratic leadership is having a hard time rounding up votes to pass the rule on the crime bill. Some people might wonder why that is the case when the President of the United States said last night this is such a great crime bill.

Well, the problem with the crime bill is it is not a crime bill, it is a social welfare bill, and it is a social welfare bill that has bad crime consequences.

For example, up to 10,000 drug criminals are going to be released from jail almost immediately as a result of this crime bill. What it does is it retroactively reduces the sentences of people who are now behind bars and puts them back out on the street.

Having done so, what is that going to do to crime in most of our communities? It is going to increase crime, not reduce crime.

Now, what was the alternative? The alternative was to build enough prison space so we could keep drug criminals behind bars and at the same time put some other criminals out there on the streets right now into jail. What was done in the crime bill? The amount of money that the House put in for prisons, $13 billion, was cut in half back to $6.5 billion in this crime bill. This is not a crime bill. This is a bill that will in fact make our streets less safe rather than more safe.

CHILD SUPPORT AWARENESS MONTH

(Mr. LAROCCO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAROCCO. Mr. Speaker, today Idaho's Governor Cecil Andrus will proclaim August as "Child Support Awareness Month." I congratulate him and all Idahoans who are on the child support front lines.

In the United States, some $34 billion in court-ordered child support remain unpaid each year. But I am pleased to say Idaho has been reversing that trend. Since 1986, Idaho has led the Nation in child support collections. Last year, Idaho collected more than $44 million in child support payments, allowing the State to recover one-third of its costs in Aid to Families with Dependent Children.

Mr. Speaker, I recognize this as a significant achievement. One of my first bills signed into law was the Child Support Enforcement Act of 1992. This public law requires credit agencies to include child support delinquencies of more than one thousand dollars with other credit information. Since its enactment, the number of delinquent parents listed on credit reports has increased from 1.5 to 2 million.

I am proud of this result, Mr. Speaker, and of my State and Governor for leading the way to child support awareness and responsibility.

PROBLEMS WITH CRIME BILL

(Mr. MCCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCCOLLUM. Mr. Speaker, there is nobody probably in the conference who has worked more with the crime bill than I have. I have been working with it ever since I became the head of our Republican Leadership Task Force on Crime. I would like to see us have a good, solid crime bill, particularly one the American public would be proud of, that does something constructive to help the States with the biggest problem we have got. That is to take the 6 percent of the criminals who are committing 70 percent of the violent crimes and serving only a third of their sentences off the streets and get them locked up and throw away the key. In other words, get to truth in sentencing, and help the States build the prisons that they need to build in order to be able to go to sentencing structures that say for those repeat violent offenders, you are going to serve at least 85 percent of your sentences and you are not going to walk back out to do those violent crimes again.

We thought on the House side we had gotten through the necessary resources to do this. Unfortunately, the $13 billion that passed out of this House did not come back in the crime bill for prison construction in the States. Only $6.5 billion did out of a $30 billion bill.

Only a fifth of the bill addresses the major crisis we have got. A good hunk of the remainder of that bill goes to things such as creating a program that is three times the size of the old CETA Program, creating Government jobs to supposedly address the problem of the root causes of crime, which will not be addressed until we get at the root cause truly of putting families back together again an reforming the welfare laws of this country and other things.

But this bill, unfortunately, does not do the job, and it is in bad shape right now coming back out of conference, I hate to report.

TRIBUTE TO AILEEN WAGNER

(Mr. MCCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCCURDY. Mr. Speaker, a friend of mine in the newspaper business sent a news article to me yesterday, on the day the House passed the General Aviation Revitalization Act, that reminded me of my earliest hero. Because we tend today to destroy our heroes, it is important to me to honor the heroic nature of ordinary Americans such as this one.

This ordinary American, 50 years ago today, piloted her little Aeronca aircraft to the second Flying Farmers Convention in Stillwater, OK. One of only a handful of women to make the flight, she caused quite a stir, and made the local press in addition to Life magazine.

Today, at 78, she continues to live in Oklahoma, though unable to speak due to a series of strokes. I want to send her a message that her heroic nature of raising four boys, instilling in them the value of hard work and the importance of family, has not been forgotten. Today I salute the pioneer spirit of my mother, Aileen Wagner, and the forward thinking that led her and my father to employ the use of aircraft on their Oklahoma farm 50 years ago. Love you, Mom.

DEADBEAT DADS AND DAD-FINDER ACTS OF 1994

(Mr. COOPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, last year American fathers owed their own children $34 billion. Let me repeat that. American fathers owed their own children $34 billion in unpaid child support. That is almost exactly the cost of the entire U.S. welfare program. In other words, if American fathers paid their bills, we would barely even need a welfare program.

How do American children get more of the money owed to them by their own fathers? Well, cosponsor with me today my Deadbeat Dad and Dad-Finder Acts of 1994. I am introducing a simple three-step approach. First of all, countless fathers today are never even identified. No male name even appears on the birth certificate. We must do everything possible to locate every father and hold them responsible.

Second, we must toughen collection procedures. We must track fathers across State lines. We must garnish all sources of income. We must hold them responsible.

Third, we must make grandparents responsible as well. Deadbeat dads are not the only ones who should care about these children. These are grandchildren too.

REPUBLICANS BEING DISHONEST ON HEALTH CARE

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, last night the President of the United States addressed the Nation. He addressed the Nation on many issues, but none more important than the issue of health care.

Mr. Speaker, we have heard a lot today from my colleagues on the other side of the aisle. They have indicated to us that the health care issue is not the important issue that we think it is; that reform is not the most imminent issue that we face. But, Mr. Speaker, how can we sit back and talk about the fact that we have the most excellent health care system on the face of the Earth, when only 83 percent of our people are covered?

Mr. Speaker, we are talking about 38 million people who are uninsured in 1992 at some point in time, and 83 percent of those people were working-class families.

When are the Republicans going to be honest with the American people and let them know that we must have a health care bill this year, passed by this House? And the only way that we are going to get to universal coverage is through shared responsibility. It must happen, it must happen this year, and it must happen through shared responsibility.

□ 1110

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time that I might inquire of the distinguished majority leader how he perceives the program to unfold for the balance of this week, next week and a little better fix on what we do here before we recess.

I yield to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentleman for yielding to me.

Just to give Members an advanced notice on what we are intending to try to do, we do have a number of conference reports today. We should be finished voting in the afternoon between 4 and 6 today.

On tomorrow, we will be meeting until 3. We hope, we are still trying to have a vote tomorrow on either the crime conference report and/or the Congressional Accountability Act or the Federal Crop Insurance Act.

Then next week, on Monday, we will have no votes until 5, but we will have votes between, say, 5 and 7 or 8. Then Tuesday and the balance of the week, we have a number of bills, Energy and Water Appropriations Conference Report, China MFN, again, the Congressional Accountability Act, if it is not done tomorrow, and full budget disclosure and so on. We will talk about that later in the day, if the gentleman would like to do it, or tomorrow.

We are now contemplating that the health bills, the various health bills that are being worked on, would be drafted and ready by Monday of next week, and our intent would be to consider a rule later in next week for debate only on the health bill, which we would like to begin on Monday of the third week in August and extending into Tuesday, and then on Wednesday consider a rule for the completion of the health bill on Wednesday, Thursday, and Friday of the third week in August.

I know this announcement of intention is a problem for a lot of our Members on both sides of the aisle who have planned vacation trips and other matters with their family or constituents or others. I apologize for that.

I want to inform Members as to why we are forced to look at this third week. The problem is really caused by the grave difficulty that all of us have in writing these bills and in getting them scored by the CBO. We met yesterday with the head of the CBO. He informed us that they had been working for 4 months 7 days a week, to deal with all of the various proposals coming out of the committees.

His people are working days and nights and are completely exhausted. They have worked the last 2 weeks to get the bills scored in the Senate.

Now they are working on the bill that has been produced by the Senate leadership, and they are trying to prepare them to go to the floor next Tuesday. They cannot get to our bills, our Republican bill, our Democratic bill, our bipartisan bill, until they finish dealing with the Senate. And it is this backup, which is caused by the mechanical/physical inability to get all of this done, that has forced us into this third week.

I apologize to Members for it, but it is a necessity because of the tremendous job that it is to get these bills ready to go to the floor.

We believe that this schedule will work. It is a finite period of time. We feel that if the whole third week is dedicated to health care, we can get through this. Tuesday there would be some other, perhaps, suspension votes, and then on Wednesday, the 17th, Thursday, the 18th, and Friday, the 19th, we would have a rule that would allow voting on all the alternatives. And it would be timed so that we could be sure to finish on Friday the 19th.

Mr. MICHEL. Might I just say that the majority leader has laid out our problem here, I think, very clearly and succinctly. We also recognize, on the minority side, the problem that is involved here in making absolutely sure that the language is precise when it does come to the floor for a vote and, moreover, that we do have much better cost estimates, at least. It may very well still be estimates. Notwithstanding CBO, we will want from CBO just as good a figure as possible.

Then putting everything off until that third week for health care only and concentrating on that, may I ask the question that we talked about a little earlier relative to then the date of the 19th being the Friday of the third week, 1 week later than we had originally planned, and knowing full well that families are going to be disrupted here, because of their thinking that that was inviolate at the time we set it, would have some time now to readjust with their families to have some time before Labor Day.

Is it the intention of the gentleman that we are now devoting that full week of the 15th, 16th, 17th, 18th, 19th for health care, that we can definitely plan on getting out of here then on the close of business on the 19th?

Mr. GEPHARDT. Mr. Speaker, if the gentleman will continue to yield, that is correct.

Mr. MICHEL. I think that will help our Members get a more clearly definitive idea, knowing full well that it is not the best of our choices here, but we are just facing up to reality.

The SPEAKER. The Chair would like to just interject that the gentleman from Illinois said the close of business on Friday. I do not think it would be proper for Members to assume that that would be 3 in the afternoon necessarily.

Mr. MICHEL. I certainly would stand corrected on that, that it is the full week. But definitely, we have talked about this business. We run into a weekend and then, lo and behold, we are over into the following week before we know it again. I think we would have to have that assurance.

Mr. HASTERT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. HASTERT. I thank the distinguished minority leader for yielding to me.

I want to question the majority leader. We have had some discussions off the record, but we are continuing to have a very difficult time getting drafting time. Even the situation of being able to make a deadline by Monday, unless we can really work together, is mounting as insurmountable. I look forward to continuing to work with the gentleman. We have to do, as we said before, on a daily basis, to make sure of not only the CBO numbers but the drafting availability is there to all parties who are putting forward a bill to be debated.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will continue to yield, I think we really need to consult on a daily basis to know where CBO is and where the legislative drafters are in terms of the gentleman's alternatives, the other alternatives, and what is happening in the Senate so on a daily basis we know we are making sufficient progress.

□ 1120

Mr. HASTERT. Mr. Speaker, the fact of the matter is that we are getting the drafters at 1:30 and 2 o'clock in the morning, after they are exhausted, and even that work product sometimes is not as good as if they were fresh. I appreciate the gentleman's concern. We will consult with him on a daily basis.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader for his response.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 3841, RIEGLE-NEAL INTERSTATE BANKING AND BRANCHING EFFICIENCY ACT OF 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 505

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3841) to amend the Bank Holding Company Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. BILBRAY). The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. All time yielded during debate on this resolution is for purposes of debate only.

Mr. Speaker, House Resolution 505 waives all points of order against the conference report to accompany H.R. 3841, the Interstate Banking Efficiency Act of 1994, and against its consideration. The Committee on Rules has recommended this rule so that the House may consider this important step in the development of a modern and competitive banking industry in the United States. The waivers are necessary because of amendments added by the Senate and an amendment adopted in conference relating to home-equity loans in my State of Texas. I would like to point out that the matter of the Texas home-equity loans is a question of great controversy within the State of Texas. This matter will have to ultimately be settled by the Texas Legislature. I believe the significance of establishing interstate banking and branching in law is so important that this amendment should not prevent the passage of this legislation.

Mr. Speaker, I would like to take this opportunity to congratulate the subcommittee chairman, Mr. NEAL of North Carolina. It is through his tireless efforts that this legislation is before us today, and I believe we owe him our sincere thanks for advocating interstate banking and pushing for its implementation. Because of his efforts, the de facto interstate system that currently exists will be codified and will allow banks to modernize their operations and ultimately to provide cheaper and more efficient services to their customers.

Mr. Speaker, this bill has enjoyed broad bipartisan support in this Congress and I urge the House to adopt this rule in order to consider, and pass, this conference report.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, despite the fact that this rule waives points of order against language in the conference report regarding the controversial homestead protection provision in the Texas Constitution, I urge support for this rule. As the gentleman from Dallas noted, this interstate banking bill is too important to the long-term health of our banking system. The home equity loan battle is one that will have to be fought another day.

I also want to commend Chairman GONZALEZ for marshalling this bill through the conference committee.

I know this is not one of his top priorities, so his efforts are even more appreciated. As the chairman knows, when I served on the Banking Committee, I worked with colleagues on both sides of the aisle to get an interstate banking bill enacted into law, and I note it was not until I left the committee that we actually succeeded.

More than anyone, my friend, the gentleman from Winston-Salem, NC, STEVE NEAL, has been a driving force on this and other proconsumer banking measures. He has done a tremendous job these past couple of years as chairman of the Financial Institutions Subcommittee, and he will be sorely missed, as he has chosen to retire.

Mr. Speaker, had there been a full interstate bank and branch system in the 1980's, our financial institutions would have been better diversified to withstand the regional economic forces that led to our Nation's worst banking crisis in over 50 years.

Instead, many large banking institutions, facing ever-changing market forces, have been compelled to maneuver slowly around regulatory barriers and depression-era laws to achieve economies of scale.

In a sense, this legislation is nothing more than a recognition that competitive market forces have left the legal and regulatory structure of our banking system in the dust. Congress is constantly trying to play catch-up. It is time to take the next step and repeal another anticompetitive depression-era law: the Glass-Steagall Act.

Mr. Speaker, we will have a more competitive, efficient, and financially sound banking system as a result of this legislation. In turn, we will have a stronger deposit insurance fund. For these reasons, I support the rule and I support the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, we have no requests for time.

Mr. DREIER. Mr. Speaker, I have no requests for time, I urge support of the rule, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT TO ACCOMPANY H.R. 3474, RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 506 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 506

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 506 is the rule allowing the House to consider the conference report for H.R. 3474, the Community Development Banking and Financial Institutions Act of 1994.

The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, these waivers are needed because the Senate added several unrelated banking provisions to the original House bill, which was passed last November, creating germaneness problems.

The Senate provisions accepted by the conferees include subtile B of title I, dealing with home ownership and equity protection; Title II, Small Business Loan Capitalization; title IV, on money laundering; title V, reauthorizing the flood insurance program; and the general provisions in title VI.

Mr. Speaker, the Banking Committee filed its report August 2, which also requires a waiver of the 3-day layover rule.

Mr. Speaker, H.R. 3474 is based on the President's initiative to encourage community development lending and establishes the Community Development Financial Institutions Fund to provide assistance to those institutions. To be eligible for assistance, community development lending institutions would have to operate in communities underserved by traditional lenders.

Mr. Speaker, I urge my colleagues to approve this rule so that we may proceed to the consideration of the conference report on H.R. 3474 today.

Mr. Speaker, to repeat, this rule waives points of order that lie against the consideration of this conference report. The need for the waivers is clear; I urge my colleagues to accept this resolution so that we may consider the conference report today.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it was very clear that the conference report on the interstate banking bill was not going to advance unless the community bank conference report was approved as well. As I stated on the previous rule, the interstate banking bill is critical to the long-term health of our banking system. It is primarily for this reason, despite the fact that this rule waives all points of order against the conference report, that I am going to reluctantly support the rule.

In fact, H.R. 3474 is a less onerous and more reasonable alternative to President Clinton's proposal to build a network of 100 community development banks.

More important, the conference report does not include the other body's controversial Fair Trade in Financial Services provision that would instigate a spiraling round of trade retaliation actions between the United States and Europe over market access for financial services companies.

Therefore, Mr. Speaker, I urge adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I was going to say this during the general debate, so I can do it here.

Mr. Speaker, the point I want to make is that as the gentleman from North Carolina [Mr. NEAL] and I and the gentleman from Nebraska [Mr. BEREUTER] and other members of the Committee on Banking, Finance and Urban Affairs are here; most of the Committee on Banking, Finance and Urban Affairs is in the Rayburn Building having a hearing on the questions of Whitewater.

I want to stress that, Mr. Speaker, because people who do not understand how this institution works, and frankly, sometimes, underestimate its maturity and its ability to function, have been speculating that the fact that we are having a hearing over which there is a very sharp difference of opinion would somehow interfere with important work.

□ 1130

The fact that we are hear passing two significant bills that will improve the way the banking system functions, we are passing them in an atmosphere of no controversy with broad bipartisan support, is very important to note. In other words, we are capable as mature human beings of having some sharp differences of opinion in a hearing, and simultaneously having a conference, which we had during this period putting these bills together, dealing with some difficult issues, some of which everybody alluded to on the floor, and bringing them forward. As members of the Committee on Banking, Finance and Urban Affairs, I think it is appropriate to call attention to our ability and the ability of the Banking Committee on the Senate side to work together with the leadership of both parties, with Senator RIEGLE and Senator D'AMATO, and Mr. GONZALEZ and Mr. LEACH, to bring this forward.

The gentleman from North Carolina [Mr. NEAL] has been an outstanding coordinator of these activities, as well as someone who has provided a great deal of leadership for this. It does seem to me worthy of note that not only the bad news ought to be brought forward while we are having hearings that are contentious on some levels, we are simultaneously, the very same people, bringing forward for passage two very significant and constructive banking bills.

Mr. Speaker, I thank the gentleman from Texas.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3841, RIEGLE-NEAL INTERSTATE BANKING AND BRANCHING EFFICIENCY ACT OF 1994

Mr. NEAL of North Carolina. Mr. Speaker, pursuant to House Resolution 505, I call up the conference report on the bill (H.R. 3841) to amend the Bank Holding Act of 1956, the Revised Statutes of the United States, and the Federal Deposit Insurance Act to provide for interstate banking and branching.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BILBRAY). Pursuant to House Resolution 505, the conference report is considered as read.

(For conference report and statement, see proceedings of the House of August 2, 1994, at page 19131.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. NEAL] will be recognized for 30 minutes, and the gentleman from Florida [Mr. McCOLLUM] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to the bill, H.R. 3841.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on H.R. 3841.

As we take up this report, I am reminded of the saying that failure is an orphan, while success has many parents. Passage today of interstate branching legislation today will be a big victory for the American people, but there truly are many, many people who deserve a share of the credit.

First, I thank Chairman GONZALEZ for all his efforts to expedite consideration of this measure and steer it through the legislative process. I also thank the gentleman from Iowa [Mr. LEACH], for all of his work. I thank the distinguished ranking member of the Financial Institutions Subcommittee, Mr. McCOLLUM, for his support and cooperation in moving the legislation to this point.

I also thank the gentleman from Minnesota [Mr. VENTO] and the gentleman from Nebraska [Mr. HOAGLAND], for their many valuable contributions to this legislative effort over the past several years. We could not have gotten to this point without them.

Mr. Speaker, the legislation before us today is the product of compromise, as all good legislation is. On June 1, 1997, it will remove Federal obstacles to interstate branching by banks, but it also recognizes and addresses issues many interested parties have raised in the course of action on this legislation.

For example, the bill respects States' rights by allowing States to opt out of branching if they so choose—and by permitting de novo interstate branching only if a State opts in. It imposes national and State concentration limits, while preserving the States' rights to waive those State limits. It also ensures that certain State laws will continue to apply to interstate branches of national banks.

The bill includes important consumer protections. it preserves the application of the Community Reinvestment Act to interstate branches established under this bill. It would require regulators to bring communities together to seek ways to replacing any branch that an interstate bank may close in the future in a low- or moderate-income area.

Mr. Speaker, these elements of compromise make for a stronger bill and one even more worthy of enactment, particularly given the many benefits interstate branching will bring about.

Interstate branching will make banking more convenient for millions of Americans. For the first time, consumers will be able to do their banking at whatever branch of their bank is convenient to them—be it across town, or across the country.

Interstate branching will also increase the safety and soundness of the banking system, by allowing banks to gather deposits across wider geographic areas, and by allowing them to spread out their loan portfolios as well.

Interstate branching will help ameliorate credit crunches, which all too many American businesses have experienced over the past several years.

Interstate branching will give banks new latitude to manage their operations according to natural business considerations—rather than artificial geographic boundaries.

Mr. Speaker, I could go on, but I will not. I think the benefits of this legislation are clear. This is a good bill, and it will help our banking system better meet the needs of Americans well into the 21st century. I urge my colleagues to join with me in supporting its enactment into law.

Mr. GONZALEZ. Mr. Speaker, I rise in support of the conference report on H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. I commend Congressman STEVE NEAL, chairman of the Subcommittee on Financial Institutions, for his work on this legislation.

The conference report will provide for interstate branching, but with important safeguards. States will have an opportunity to opt-out of interstate branching for approximately 3 years, and interstate branches will be subject to the consumer protection laws of the States in which they operate.

In addition, the conferees agreed to add a provision which would prevent the Office of Thrift Supervision from preempting a provision in the Texas Constitution protecting the homestead of its citizens from foreclosure. Thus, the citizens of Texas remain free to decide for themselves the scope of their constitutional protections in this area.

Mr. McCOLLUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add my support to this conference report, whose time certainly has come and been long overdue in many respects for most of us. It is a journey this bill has taken that has been a hard-fought battle for a lot of us. It is something Congress should have done many many years ago, in my judgment.

The liberalization of interstate banking laws has actually continued through the State actions unabated since 1985. By the end of 1993, every State but Hawaii had acted to permit some form of interstate banking on a regional or local, neighborhood basis. We have been just a little remiss in getting around to opening the door fully for the efficiencies that are involved and for the benefit of the general public.

The bill would enable bank customers to walk into a bank in any State, as long as the bank had an office there, and deposit money and do other transactions they would not be able to do at a simple ATM machine.

The bill allows bank holding companies to begin nationwide banking 1 year after the date of enactment. Banks would be allowed to branch interstate after June 1, 1997. Individual States may decide under this proposal to pass a law during those 3 years to opt out of the interstate branching, and some may choose to do that, though I suspect most will not.

Foreign banks will be able to branch in a similar way to domestic banks. Unfortunately, even though the foreign banks would not normally be doing the type of services that domestic banks do, one casualty of the conference was the imposition of community reinvestment requirements on foreign banks to do the simple business they do. That is any new activity of a foreign bank that wants to engage in any such activity would have CRA applied to it.

Interstate banking is already a practical reality in almost all States. Through this bill, we are recognizing the changes that are occurring already in the marketplace. If we can pass this bill, the resulting efficiencies for the industry and the increase in convenience and pricing for consumers will make this a legislative achievement that will be very significant, and one that we can be proud of. So I certainly urge its adoption.

Mr. Speaker, I reserve the balance of my time.

□ 1140

Mr. NEAL of North Carolina. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Speaker, I rise in cautious support of this legislation. In doing so, I have only the highest regard for the efforts of my friend and colleague, Mr. NEAL, to bring this legislation to the floor. He has been a tireless advocate of interstate banking, and this legislation is a fitting tribute to his years of work on this issue. I also want to commend chairman Gonzalez, who has allowed the committee to work its will and bring this bipartisan legislation to the floor today.

Mr. Speaker, the House today is considering probably the single most important piece of banking legislation enacted in the last four decades. In my view, full and unfettered interstate banking is an idea that is long overdue. Over the last 20 years, the American banking industry has slipped from its dominant position in the world. Then, 6 of the largest 10 banks in the world were U.S. banks. Today, only 1 of the largest 25 banks in the world is based here in America. Consequently, the ability of U.S. banks to finance large transactions and leverage affordable capital for American businesses in international transactions has rapidly declined.

However, on the whole, this bill gives a huge and unqualified win to the banking industry, and only gives consumers a question mark. Several members of our committee felt that the equation should have been more balanced. For example, we believed that no bank should be able to branch across State lines without demonstrating that it had a good record of serving the credit needs of low- and moderate-income neighborhoods. Unfortunately, that view did not prevail. Consequently, this legislation may actually be a boon to the big banks, but be a bust to consumers. They could end up paying more for loans and other banking services. And they could end up having credit decisions being made by a lender who sits in an office thousands and thousands of miles away.

We have seen in other circumstances some of the bigger banks go in and gobble up a smaller bank in a local community, such out the deposits, and invest them elsewhere and, in fact, hurt the local community. While I view interstate banking in general as a very positive development, I do think that we should have put in stricter guidelines for how banks should treat our lowest-income and most vulnerable citizens.

However, I do appreciate the leadership which the gentleman from North Carolina [Mr. NEAL] has shown, and the efforts that he made to strengthen the bill with regard to the consumer protections.

Unlike the interstate bill that we are considering, in a few minutes we will also consider the community development bank legislation, and I believe that this legislation more fairly balanced the concerns of the banking industry and those of ordinary citizens.

For the industry, the legislation provides important relief from outdated and needlessly burdensome regulations. For instance, it lengthens the period within which a bank must be examined from 12 months to 18 months. In addition, it requires State and Federal examiners to combine their efforts where possible, in order to minimize the time during which banks are encumbered by examinations. These and other provisions will significantly reduce banks' burden, without sacrificing the taxpayer's interest in maintaining the safety and soundness of those institutions.

For the consumers, other speakers have already discussed the important Community Development Bank Program established by this legislation. This is a landmark program, and one that fulfills a campaign promise made by President Clinton. It will, for the first time, provide capital and seed money to lenders committed to community development lending. As we have seen from examples like Shorebank and Community Capital Bank, lenders can have a tremendously beneficial impact in low- and moderate-income communities. By meeting the need for housing and small business credit, these lenders can be the catalysts to community revitalization. So this is critical legislation to consumers.

Let me mention two other titles of this bill that are important to consumers. First, the home equity protection title takes a big step toward ending lending rip-offs that have caused thousands of homeowners throughout the Nation to lose their homes. Most home equity lenders are reputable and honest. But over the last few years, a growing number of them have been exposed as nothing more than scam artists and have been ripped off. They have tricked homeowners—who are usually poor and unsophisticated in financial matters—into borrowing against the equity in their homes. The loans then turn out to have outrageous terms—such as interest rates of 20, 30, even 40 percent; closing costs that eat up 20 or 25 percent of the total value of the loan; and hidden conditions like balloon payments. These terms virtually guarantee that the consumer will default. At that point, the scam loan broker dives in like a vulture—by either forcing the consumer to refinance on even more unconscionable terms, or else taking away the consumer's home.

The second title of this legislation that deserves the attention of the Members is the title that reforms the Flood Insurance Program. As we have seen in the wake of the Midwest floods, only about 17 percent of the people who live in flood-prone areas have flood insurance. The result has been tremendous hardship to homeowners and taxpayers alike. Homeowners who are flooded and do not have flood insurance receive at best only a few thousand dollars in Federal disaster relief—hardly enough to rebuild a seriously damaged home. And the Federal taxpayer usually ends up paying millions and millions of dollars in disaster aid.

It is because of these provisions that are contained in the Flood Insurance Program which will expand the use of flood insurance, will make the program solvent, and will, therefore, decrease our dependence on taxpayer payouts when a bailout is needed.

I think that this is far-reaching legislation.

Again, I want to thank the chairman, the gentleman from North Carolina [Mr. NEAL], the chairman, the gentleman from Texas [Mr. GONZALEZ], the chairman, the gentleman from Massachusetts [Mr. FRANK], for all the leadership they have shown on this issue.

I also want to congratulate the gentleman from Nebraska [Mr. BEREUTER], in particular, for his efforts on the Flood Insurance Program, and my friends from the other side of the aisle for their efforts in making this a very strong bill.

Mr. McCOLLUM. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. FISH], who represents the best of the Committee on the Judiciary. They were important conferees on a major portion of this particular bill, and the gentleman from New York [Mr. FISH], who is our ranking Republican on the committee, is going to be giving a few words about that.

Mr. FISH. Mr. Speaker, House Judiciary Committee members were assigned as conferees to the Interstate Banking and Branching Act of 1994 primarily due to a provision in the conference extending statute of limitations authority for the Federal Deposit Insurance Corporation [FDIC].

The provision, as passed by the Senate would have allowed the FDIC to revive State civil causes of action including negligence for suits against officers and board members of savings and loans institutions. The Senate language would have allowed the FDIC, to ignore the running of States' statutes of limitation and revive claims for misconduct including simple negligence. However, it was the judgment of Judiciary conferees that allowing the revival of claims for negligence where the State statute of limitations had expired would be inequitable and run counter of the fundamental purpose of statutes of limitation.

The House Judiciary Committee has a long-standing policy in opposition to reviving expired statutes of limitation and to applying such statutes in a retroactive fashion. There are serious due process fairness questions raised by such action. Last year, regarding a similar issue, House Judiciary Conferees refused to allow a blanket extension of the Federal statute of limitations authority for the Resolution Trust Corporation [RTC]. The committee did agree last year to the conference committee compromise on H.R. 1340, the Resolution Trust Corporation Completion Act, which allowed a limited revival of claims for fraud or intentional misconduct. However, Judiciary conferees explicitly rejected language last year, to allow the revival of claims based on negligence or gross negligence.

Similarly, in this conference, in recognizing the exceptional circumstances surrounding the S&L industry, Judiciary conferees proffered language accepted by the conferences which would in fact allow the revival of claims where there has been fraud or intentional misconduct. This extraordinary remedy would allow the FDIC to go after those most culpable of defrauding S&L institutions; but would not re-expose every sitting or former board member to a suit in negligence. To allow the revival of claims for mere negligence would be inequitable to those who are not actually responsible for the wrongdoing.

The language in this conference report is a fair and reasonable compromise. This language provides the FDIC with additional authority to revive claims for intentional misconduct or fraud of which the State statute of limitations has expired thereby allowing them to pursue S&L officers or board members who have caused a loss to the U.S. taxpayers. The conference report language is a reasonable response to this extraordinary circumstance and I believe it strikes a fair balance.

□ 1150

Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. I thank the gentleman for yielding this time to me.

Mr. Speaker, let me begin by commending the gentleman from North Carolina [Mr. NEAL], chairman of the subcommittee, and also the ranking member, the gentleman from Florida [Mr. McCOLLUM], for pursuing this very important bill to its conclusion.

Mr. Speaker, I joined this committee as a new Member of the House of Representatives because I believe firmly in the importance of a vibrant, expanding, and profitable financial banking system to our country's economic prosperity.

I also believe very strongly that the more vibrant a financial system we have, the greater the benefits to the consumers of this country that that financial system can provide.

But you can only do that, you can only maintain a vibrant and successful financial system if you continue to modernize the laws under which they operate. As has been mentioned by a number of my colleagues on this committee speaking in support of this bill, it has been all too many years since this particular section of the laws governing our banking system have been modernized. It is without question that the passage of this bill today, the adoption of this conference report, will result in a significant modernizing, upgrading, and thus a contribution to their financial success of our banking community and, therefore, our economy.

Indeed when you couple this measure with the paperwork reduction sections of the next bill that will be considered by this body under the community banking sections, we will have provided a significant incentive, regulatory and financial, to our banking system seeking to retain the dominance it once held in international markets.

Let me also say a word of parochial privilege here. That is that my State, the State of Ohio, is the home to some of the strongest, best capitalized, most prominent banks in these United States. It is without question in my mind that the benefits of this bill will strongly accrue to the citizens of the State of Ohio as those banks are well positioned to take advantage of these provisions.

I strongly urge adoption of the conference report.

Mr. McCOLLUM. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA], the distinguished senior member of our committee.

Mrs. ROUKEMA. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in support of H.R. 3841, the Interstate Banking Efficiency Act.

This legislation is perhaps the most significant piece of banking reform that the Banking Committee has passed in the last 4 or 5 years.

I supported this legislation because I have long felt that interstate banking and branching provided the best opportunity for banks to become more competitive.

Interstate banking and branching would also allow banks to become more geographically diverse thus permitting them to engage in profitable business in different communities in different sections of the country. In addition, it lessens the negative effects of regional economic downturns on the banks.

H.R. 3841 would permit interstate banking after 1 year, and complete consolidation of existing subsidiaries and full interstate branching by June 1, 1997.

States are given the ability to opt in earlier if they choose to do so and, more importantly, they may opt out of interstate branching within 3 years.

Anticoncentration limits, based on percentage of deposits held, was also included. This provision is extremely important in maintaining local competitiveness.

The dual banking system and States rights are preserved in that the bill clarifies State authority to tax affiliates of banks and bank holding companies; it requires the Federal regulators to review CRA performance of applicant banks before a bank can branch interstate; and it preserves the States ability to apply State laws regarding intrastate branching, fair lending, and consumer protection.

Finally, this legislation permits foreign banks to establish and operate branches in any State to the same extent as other banks in a State in which the foreign bank is located. However, in order to level the playing field, foreign banks are to be regulated so that they do not have an unfair cost advantage over U.S. banks and that they observe community reinvestment and consumer protection requirements similar to domestic banks.

Mr. Speaker, this is very important and much needed legislation and I urge my colleagues to vote for the conference report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Nebraska [Mr. HOAGLAND], who has worked on this legislation for many years.

Mr. HOAGLAND. I thank the gentleman for yielding this time to me.

Mr. Speaker, I just want to take a moment to join the celebration here today because we are doing something so right. You know, it is not very often that so many years of efforts can culminate in a product that is truly so outstanding and something that needs so desperately to be done. For so many years now, the American banking system has been suffering under the antiquated restrictions of the McFadden Act, first passed in 1927, and then the Douglas amendment, passed in 1956, which has imposed clearly unnecessary restrictions on our banking industry throughout the country.

As those restrictions have weakened the industry, more of their customers have fled elsewhere, to other means of financing corporate activities and the market share of the banking industry has steadily declined.

So, by liberalizing these laws, bringing them up to date, ratifying, in many cases, things that are being done anyway, it will inevitably have the effect of strengthening all of corporate America, and that is only good for all of us.

Under the current restrictions, bank holding companies have to set up separate boards of directors in every State, separate regulatory reports in every State, undergo separate examinations, install separate computer systems, and so forth.

Now, that means, in my region of the country, a regional bank, like Norwest, when it comes into South Dakota, Nebraska, Iowa, or Minnesota, sets up an entirely separate corporate structure in every State. What that means to the consumer is that if we have a Norwest account in Omaha, it is no good for cashing a check in Sioux Falls or in South Dakota somewhere or in Minneapolis because each State has a separate deposit account and separate computer system.

So, in that respect, it is going to make things a lot more efficient for the consumers in America because they will be able to shop at the same bank wherever it has branches nationwide.

It will also enable banks, as they diversify across regions, to be more stable because if the economy turns down in one region, it can be rescued in another.

So, Mr. Speaker, I want to commend the gentleman from North Carolina [Mr. NEAL] for his work, and Mr. FRANK of Massachusetts for his work, the gentleman from Nebraska [Mr. BEREUTER], and the gentleman from Florida [Mr. McCOLLUM], who have worked so hard on this legislation.

Again I want to join in the celebration because we really should be proud of this. So many people in Congress, so many people outside of Congress who worked so hard to bring about these changes, and we are about to get them done.

Mr. McCOLLUM. Mr. Speaker, I yield 4 minutes to my good colleague, the gentleman from Nebraska [Mr. BEREUTER], who is a member of the Committee on Banking, Finance and Urban Affairs.

Mr. BEREUTER. I thank the gentleman for yielding this time to me.

Mr. Speaker, this Member rises in support of the interstate banking conference report. This Member would like to thank the chairman of the House Banking Committee, the distinguished Member from Texas, Mr. GONZALEZ, and the ranking minority member of the House Banking Committee, the distinguished Member from Iowa, Mr. LEACH, for their leadership in advancing this bipartisan landmark legislation. Special recognition is due to the subcommittee chairman and ranking minority member, the distinguished gentleman from North Carolina [Mr. NEAL] and the distinguished gentleman from Florida [Mr. McCOLLUM], along with many other Members whose initiative and effort are embodied in this legislation.

Mr. NEAL is conscientious, persistent, and knowledgeable, a man of admirable ability and motives who has served his district, State, and Nation very well. We will miss him after his retirement from the Congress at the end of 1994.

Mr. Speaker, this Member is particularly pleased that the opt-out provisions for interstate banking have remained in this measure. This is legislation that this Member proposed and drafted in the previous Congress, and successfully advanced on the House floor in the 102d Congress with the cosponsorship and great assistance from the distinguished gentleman from Minnesota [Mr. VENTO]. The opt-out provisions gives State legislatures an opportunity to opt-out, in effect to take themselves out of the interstate branching arrangement until June 1, 1997, if they chose to do so. Now, this Member does not expect many if any States to exercise that option, but that option is maintained, and that is an important States' rights issue, which will reassure some bankers, consumer groups, and State officials.

Furthermore, this Member also supports the provisions in this measure that provide for the avoidance of undue concentration of power in individual banks. The measure establishes 10 percent nationwide and 30 percent statewide concentration limits. In fact I had wanted the latter figure to be somewhat lower, but this is the will of the committee and consistent with the advice of many interests. States are also authorized to waive the statewide concentration limitation. Under the conference report, States also retain existing authority to impose lower deposit caps on a nondiscriminatory basis. This Member had previously expressed his concerns that there existed an opportunity for too many decisions and too much of a community's resources to be drained from some rural areas and from some low-income urban areas. In part those concerns are addressed.

Mr. Speaker, having made these comments this Member would emphasize that is well past time to modernize our banking legislation. It not only will serve bank consumers better, in many cases, the current structure places the American financial service institutions in a disadvantageous position with respect to foreign banks and commerce in many other parts of the world. It is time for us to update our banking system, and this legislation is a sound, well-crafted and long-considered effort to bring the American banking structure into the 20th century before we leave it.

Mr. Speaker, this Member urges his colleagues to support the passage of the interstate banking conference report.

□ 1200

Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I commend Chairman NEAL and Chairman GONZALEZ for their leadership on this conference report for H.R. 3841, the Riegle-Neal Interstate Branching Act.

This is an important bill for banks. Today's action will clear the way for a distinct new power which many banks have been seeking desperately for years.

I have always maintained that in order to proceed with an expansion of bank powers, there must be protections for consumers. Industry advantages like consolidation bring fear and uncertainty to many consumers and communities. Before the subcommittee considered this legislation, Chairman NEAL and I agreed to work on my proposal to minimize the community loss which often results from branch closures.

I am pleased that these discussions have led to a concrete result which has been retained in this conference report. This bill includes my legislation giving communities an opportunity to replace banking services which may be lost due to branch closures. I believe this amendment vastly improves the underlying bill.

In conclusion, I would again like to thank Chairman NEAL for his work on this legislation. I know how important this legislation is to him, and I think it is a fine tribute to our colleague, Mr. NEAL, who will retire at the end of this term. While the legislation before us does not address all the concerns I have about interstate branching, we have, in good faith, worked to make the bill better. I urge its adoption.

Mr. McCOLLUM. Mr. Speaker, for the purposes of a colloquy, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANKS].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman from Florida [Mr. MCCOLLUM].

I would just like to note that the gentlewoman from California did accurately describe the title of this bill as we voted it as the Riegle-Neal bill, and I think it is appropriate that the Riegle-Neal phrase will take its place when people talk about this important legislation.

Mr. Speaker, I would like to have a colloquy with the gentleman from Florida [Mr. MCCOLLUM] on the question of the statute of limitations. Section 201 allows the revival of some tort claims that expired under State statutes of limitation which previously dealt with the Federal issue and other legislation. The only claims that can be revived are those that rise from, and I quote here, fraud, intentional misconduct resulting in unjust enrichment, and intentional misconduct resulting in substantial loss to the institutions.

Would the gentleman from Florida describe what intentional misconduct means in this context?

Mr. McCOLLUM. I say to the gentleman, glad to, Mr. FRANK.

Mr. Speaker, as the gentleman is aware, this very same standard was adopted by Congress in last year's RTC Completion Act. It was part of an identical legal standard that must be satisfied to revive certain other RTC-related tort claims. Last year's Judiciary Committee report explained the meaning of the term, and the explanation is just as accurate for the language in H.R. 3841. In essence, the terms "intentional misconduct resulting in unjust enrichment" and "intentional misconduct resulting in substantial loss to the institution" are phrases that must be read as a whole. They describe situations where misconduct and its harmful effect are intended or anticipated, not situations where an intended act merely happens to result in harm through negligence or chance.

For instance, these terms would not describe circumstances in which an outside director intentionally missed a board meeting for personal reasons, and in the director's absence a loan was approved that resulted in substantial loss to the institution. It is true that the outside director would have intentionally missed the meeting, which could be viewed as a form of misconduct. But the ultimate result of the conduct—the substantial loss to the institution—would have been unforeseen and unintended. The terms also would not apply to a loan officer or outside lawyer who intentionally omitted a provision from a loan document in the mistaken or negligent belief that it was unnecessary, even if the absence of the provision ultimately caused loss to the institution. While the decision to omit the provision might technically have been intentional, the loss to the institution would have been an unintended consequence of that decision. In short, intentional misconduct is specifically meant to capture only categories of misconduct that are intended or anticipated to, and do result in, either unjust enrichment or substantial loss to an institution.

Mr. FRANK of Massachusetts. I think it is useful to have that clarification, and let me further ask the gentleman if he believes it was the intent of the conferees to create a new Federal cause of action by the use of this particular language.

Mr. McCOLLUM. Absolutely not. The conferees intended that the provision apply only to claims arising from recognized common law causes of action and only to such claims that arise from the fraud intentional misconduct standard.

Mr. FRANK of Massachusetts. Let me just say in closing, if we do proceed to substantially repeal, as I hope we will, the Glass-Steagall Act, we will have Riegle-Neal as an eponymous phrase to replace Glass-Steagall in our statute books.

Mr. HUGHES. Mr. Speaker, title II of the bill as adopted by the conference would permit the FDIC or RTC, as a Federal conservator or receiver of a failed depository institution, to revive under certain circumstances, certain tort claims that had expired under a State statute of limitations within 5 years of the appointment of the conservator or receiver. This provision does not affect other applicable State laws concerning the running or the tolling of statutes of limitations nor does it alter section 11(k) of the Financial Institution Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 1821(k).

The revival of expired claims is an extraordinary remedy because it is an extreme form of the retroactive application of law which the courts and Congress have generally disfavored. Accordingly, title II appropriately would limit this extraordinary remedy to claims arising from an egregious class of conduct, that is, fraud, intentional misconduct resulting in unjust enrichment, and intentional misconduct resulting in substantial loss to the institution. This three-pronged, fraud/intentional misconduct standard is precisely the same as the one that Congress adopted last year, after considerable debate, with respect to a similar retroactive statute of limitations extension in the Resolution Trust Corporation Completion Act of 1993.

As with last year's reauthorization of the RTC, the intentional misconduct standard for revival in this provision is not intended to apply to claims arising from negligence, whether pleaded as simple, ordinary, or gross negligence. Claims arising from such negligent conduct by directors, officers, and outside professionals—such as merely failing to adequately review loan reports or the negligent approval of loan applications when closer scrutiny would reveal reasons for rejection—do not warrant the extraordinary remedy of revival if it is in contravention of State law.

Title II would recognize that there is a level of misconduct which justifies congressional actions to retroactively set aside a State statute of limitations, particularly where, for example, the misconduct involves individuals who improperly manipulated institutional affairs to prevent themselves from being brought to justice before the State period of limitations expired. This level of misconduct is reflected in particular forms of intentional behavior. The intentional misconduct standard is written to specifically include conduct such as self-dealing that results in unjust enrichment or a substantial loss to the institution, manipulation by institution insiders—including by a scheme to maintain adverse domination—that results in the running of a statute of limitations, falsifying financial records that disguises increased financial loss, and conspiracy to violate banking rules or regulations.

Mr. McCOLLUM. Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland [Mr. HOYER], the Democrat caucus chairman who, I point out, is a former member of the Committee on Banking, Finance and Urban Affairs.

Mr. HOYER. Mr. Speaker, I rise in strong support of the Interstate Banking and Branching Efficiency Act. This is a bill whose time had come long ago and I commend the Banking Committee for bringing us a conference report that is sure to be enhanced within weeks. As we all know, our political system has a bias against action and even widely popular measures can sometimes be very difficult to pass. Such has been the case with this legislation. Unfortunately, the broad consensus that exists for this bill may make it somewhat uninteresting to the media, where conflict is much preferred. In any event, passage of this conference report, in combination with the Community Development and Regulatory Improvement Act, will be among the major achievements of this Congress.

What this bill is, is less a change in policy than an acknowledgment of reality. Interstate banking exists today, as we all know. The problem is that laws that were written in the 1930's, largely in reaction to the great depression, are imposing impediments that have become gratuitous. Today, by passage of this legislation, we are simply saying that the Federal Government should get out of the way and let the market work.

I am sure that the vast majority of our constituents have no idea that there is a Federal prohibition against interstate banking. Certainly, right here in the Washington metropolitan area, where most of my constituents live, there is interstate banking. ATM networks exist that allow customers access to their accounts in three jurisdictions; Maryland, Virginia and the District of Columbia. Nonetheless, there are major inefficiencies in the system that may be invisible to customers, but very apparent to the banks themselves. And, while the customers don't see the inefficiencies, they are certainly paying for them. By making the banking system more competitive, this bill will reduce costs both to the banks and their customers.

This bill is good for banks, good for business and good for consumers, and I urge my colleagues to support it.

Mr. Speaker, I also want to join my colleagues in congratulating the gentleman from North Carolina [Mr. NEAL]. I am very pleased that this legislation is going to pass. I am pleased with the bipartisan efforts the gentleman from Florida [Mr. McCOLLUM] and others have extended on behalf of this legislation.

I am not pleased that the gentleman from North Carolina [Mr. NEAL] is leaving the House of Representatives. The House will be a lesser place, North Carolina will not be as well represented, and the Committee on Banking, Finance and Urban Affairs will have a void that will be difficult to fill. I congratulate him, not only for this bill and the leadership he has shown, but for all of his service to the House, and to the people of North Carolina and this country.

Mr. McCOLLUM. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. THOMAS], another good friend and member of the Committee on Banking, Finance and Urban Affairs.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of the interstate bank and branching bill before us, as well as the community development financial institutions bill to be considered later today.

I want to thank the gentleman from North Carolina [Mr. NEAL], the gentleman from Florida [Mr. McCOLLUM], and everyone who has worked so hard on these issues for years. We are taking what I see to be a significant first step today toward a more efficient, competitive banking industry.

First, let me address the interstate banking and branching bill before us.

I have been a supporter of allowing interstate branching to go forward. There is good evidence that significant savings is to be had by allowing banks to consolidate their operations. A more efficient banking system is good for consumers and good for the industry.

But my support has always been conditioned on protecting state's rights. While I would have preferred allowing States to opt in to interstate branching, it was absolutely vital that States at the least have the right to opt out.

Just as important as the ability to opt out is that States be given enough time to fully consider the complex issues surrounding branching. In Wyoming, our state legislature meets every other year for a general session. The original House bill, allowing consolidation after only 18 months, did not give Wyoming, and other States with Biennial meetings, enough time.

I offered an amendment with Congressman CASTLE during committee consideration that would have given States the time they need to make informed changes in their own laws and decisions on branching. I am pleased that this final bill includes that equity Congressman CASTLE and I pushed for.

I also want to briefly mention my strong support for the regulatory relief provisions of the community development financial institutions bill.

I have worked on this issue for several years, I am a cosponsor for Mr. BEREUTER's bill, and I'm pleased a substantial portion of his legislation is included in this regulatory relief package.

Unfortunately, some members of the House Banking Committee forget that banks are businesses. And just like other business owners, I can tell you that whenever I meet with bankers in Wyoming, the first subject they bring up is the growing regulatory burden they face. The time, money, and manpower that go into complying with the litany of regulations is excessive. This bill gives some relief.

More needs to be done. We should seriously examine the current Community Reinvestment Act, for instance, and find ways to reduce that burden. We need to address director and officer liability. But this bill goes a long way to accomplishing one of my top priorities as a member of the House Banking Committee—providing regulatory relief to financial institutions—and I congratulate Mr. BEREUTER for his work.

Mr. Speaker, just one final note. It seems to me we need to have a discussion in this body about the future of our financial institutions and what we want the banking industry to become in the next 10 to 20 years. There are some folks who want to see banks become a delivery mechanism for social programs. I hope we do not take that route. At a time when banks face increasing competition from nonbanks, when the future of the industry is in question, we need to closely examine where we want industry to go, and how we get there.

Mr. Speaker, I urge my colleagues to vote for these important bills.

□ 1210

Mr. NEAL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I thank the chairman of the subcommittee for his leadership on this issue.

Mr. Speaker, I rise in strong support of the conference report on the Riegle-Neal Interstate Bank Efficiency Act.

Passage of this legislation will bring Federal banking laws into the modern age.

Mr. Speaker, interstate banking and branching already exists in the United States.

But the lack of comprehensive Federal legislation, like this bill, has led to wasteful administrative impediments to efficient bank operation that would benefit both the consumers and the banks.

I believe that passage of this legislation is wholly consistent with the efforts of this Congress to reinvent government by eliminating outdated and unnecessary regulatory obstacles to economic growth.

I believe so strongly in the merits of this issue that I introduced legislation, H.R. 3129, that would allow consolidation of existing interstate banks.

The provisions of my bill would allow banks to run all of their State branches under a single administrative structure instead of being required to establish costly duplicative structures in every State in which they operate.

Many economists believe that consolidation alone will provide banks with enough savings to create hundreds of millions of dollars of available credit for lending to the public and to business.

I am particularly pleased that virtually all the provisions of my legislation are included in this conference report.

Passage of this conference report will foster competition and expand banking resources for people and businesses around the country.

I believe that competition leads to healthier banks and lower costs for businesses and consumers.

I fully expect that even in New York City, that many mistakenly believe will only be an exporter of new branches, we will see new banks coming to town.

I also share the sentiments of Federal Reserve Board Governor Eugene LaWare, who testified before our committee saying, "Greater geographic diversification would have provided more stability over the last decade to banks operating in the agricultural areas of the Midwest, the oil patch of the Southwest and the high-tech and defense regions of New England and California."

Mr. Speaker, for all of these beneficial economic reasons, I urge my colleagues to pass this bill.

Mr. NEAL of North Carolina. Mr. Speaker, if the gentlewoman will yield, may I just say briefly that I want to thank the gentlewoman for her leadership on this issue. She has been an early and longtime supporter of this legislation, and we appreciate her very creative efforts.

Mr. MCCOLLUM. Mr. Speaker, I yield 2 minutes to our distinguished colleague on the Committee on Banking, Finance and Urban Affairs, the gentleman from Delaware [Mr. CASTLE], who is the former Governor of that State.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I thank the distinguished gentleman from Florida [Mr. MCCOLLUM], and to him and to the gentleman from North Carolina [Mr. NEAL] I would really like to offer my thanks for this legislation. We do this routinely when we get up to speak, but I think in this instance it is richly deserved. These two Members, along with the gentleman from Massachusetts [Mr. FRANK], the gentleman from Nebraska [Mr. BEREUTER], and others who have an interest in this, have, I think, worked extraordinarily hard to take one of the most complicated subject matters we deal with in this Congress and put it into legislation that hopefully virtually every Member in this particular Chamber will support.

I come from a State, the State of Delaware, that has some very unique banking laws. We have had no bank failures. We have unusual capital requirements and unusual regulations, and, frankly, I came here with one concern, and that is to make sure that interstate banking did not in some way gut what we have in the State of Delaware. That was not an easy thing to do, but working with these gentlemen and their staffs and other people on this committee, we have indeed crafted a piece of legislation which not only protects the States by delaying the starting date for branching, for example, until 1997 and protecting the State taxing authority, but, in my judgment enhances what we have at the State level. We have indeed protected the duel banking system which is so important to the United States of America, and yet we have spread the opportunity for banks to go across State lines so people can have that convenience.

So it is with all those things in mind that I join what appears to be a flood of support for this particular legislation. I hope we can pass it today, and I hope this will improve the entire banking situation and improve the economic circumstances for Americans across this country.

Mr. NEAL of North Carolina. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, I just want to say for the record that having served on the Committee on Banking, Finance and Urban Affairs and on the Subcommittee on Financial Institutions when we worked for many, many months in trying to get an interstate banking bill to the floor that would pass, although I am sure others have said this before me, I want to give a great deal of credit to the chairman of the Subcommittee on Financial Institution Supervision, Regulation and Deposit Insurance, the gentleman from North Carolina [Mr. NEAL] and his excellent staff for getting this bill out.

This is a very important bill. It is important to the economy of the United States. It recognizes the trends that have taken place throughout our economy. Customers are going to be better served, our economy is going to be more stable, and we are going to be more globally competitive with this bill. It is a very good bill. I strongly support it, and again my hat is off to the Members on both sides of the aisle and their staffs for their support on this, because it is a product that we should have been able to pass before and one that I am glad we can pass today.

Mr. MCCOLLUM. Mr. Speaker, I have no other speakers on this side, but I do yield myself such time as I may consume in order to make a couple of comments.

First of all, I would like to say that the significance of this bill cannot be overstated in the banking world. The interstate banking bill is one of the most important pieces of legislation that will pass with regard to this entire Congress, and it is certainly one of the most important pieces of legislation in the community of banking interests to pass in a long time. While it is going along with quite harmony today, as it did on the floor a few months ago when we came up and brought out the bill originally, this conference report is still very, very significant and important.

I would also like to close by making my adieus to my good friend and colleague, Mr. STEVE NEAL. He and I have served together for some time. The gentleman is going to be missed. I think it is only appropriate that this bill go down with your name on it. I like the idea of calling it the Neal-Riegle bill better, like some of the gentleman's colleagues said earlier. I have been your ranking Republican not only on the drafting of this bill this year, but I was also in previous Congresses your ranking Republican serving side by side with you while you were chairman of a couple of other subcommittees, including the one overseeing the Federal Reserve, and I have had no Member I have enjoyed working with on that side of the aisle more than STEVE NEAL.

So you are going to be missed, and I join my colleagues in complimenting you on your great service and tenure here and on this bill.

With that in mind, Mr. Speaker, and urging my colleagues to agree to this conference report, I yield back the balance of my time.

Mr. MFUME. Mr. Speaker, in March when the House of Representatives brought H.R. 3841 to the floor under suspension of rules, I made my concern clear regarding the lack of certain consumer provisions in the legislation. I must, again, make my concern clear today.

First, let me indicate, that I am glad to see movement on interstate banking. Interstate banking is much needed legislation in that it gives banks the kind of organizational and operational flexibility that is so very desperately needed. In my opinion, this legislation is long overdue.

But another reality surrounding movement on interstate banking legislation is the fact that we are, for the first time, bestowing new powers upon the banks, and we are not asking the banks to meet the credit needs of the local communities. Strengthening the requirements for banks to meet the credit needs of local communities is action that is also desperately needed.

As many know, Mr. Speaker, several members of the Banking Committee worked to include language in this interstate bill that would have substantially brought consumer rights into this legislation in a meaningful way. Ironically, the Banking Subcommittee on Financial Institutions is holding a hearing next week regarding ways to increase access of low- and moderate-income Americans to financial services. The subcommittee may do well to review the issues surrounding the debate over interstate as well.

The language that was previously sought provided that lenders would demonstrate how they will meet the credit needs of lower and moderate-income consumers in the areas where they wish to open a branch; that lenders not be allowed to branch across State lines if they have a demonstrated pattern of closing branches in low- and moderate-income areas; and that the biggest banks report information on loans to small businesses, including minority-owned businesses, so as to reduce commercial lending discrimination.

Mr. Speaker, I was told by Mr. NEAL that these issues will be carefully looked at and reviewed. Maybe next week's hearing is, in fact, the start of such a review. I still contend that an opportunity to really do something about these consumer issues passed us by during consideration of this legislation. However, because of the assurances I have received and because of my sincere interests in making banks more efficient, I will support the passage of the conference report before us today. But let the record show, Mr. Speaker, these consumer issues will not go away, and I will work to see that these issues receive the action and attention that they deserve also.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

First, let me thank the distinguished gentleman from Florida [Mr. MCCOLLUM] for his kind comments. I have also enjoyed working with him over these many years.

Mr. Speaker, I also want to take a moment to thank our outstanding staff. BILL and I have worked hard together on this matter and on many other issues for many years on the committee. We are often mentioned, but our staffs do not get the recognition they so richly deserve. I would just briefly like to mention the names of the members of our staff. They are such fine people, and they are so dedicated, and in this small way I would like to recognize their absolutely fabulous efforts.

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Peter Kinzler is our staff director, and he is ably assisted by Ken Swab and Heidi Thomas and Barbara Shycoff and Paul Hannah, and all of us by our support staff, Pam Littlejohn and Carol Lambka.

You know, an awful lot of work goes into producing these bills, a lot of technical work, a lot we do not see.

Mr. MCCOLLUM. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, I wanted to join in thanking them in particular. I might add two minority staffers I should have acknowledged over here and have done yeoman work with the committee on the Republican side. John Heasley and Stacy Kincaid have done the same type of job your staff has. It has been a pleasure for us to work with all of the staff this time, yours and mine.

Mr. NEAL of North Carolina. That is absolutely correct, and our staffs work together in a very fine bipartisan way.

Mr. Speaker, this legislation will enormously benefit consumers all across this country. It will help strengthen the banking system, make business run more efficiently, reduce the likelihood of regional downturns, of the negative impact of regional downturns in the economy. It is really very fine legislation, and I feel certain we will approve it overwhelmingly.

Mr. VENTO. Mr. Speaker, I rise in strong support of H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. This legislation is needed and worthy of our positive consideration. I would like to recognize the hard work of Banking Subcommittee Chairman NEAL who has long sought this policy, as well as my other colleagues on the House Banking Committee for their efforts and leadership on this important legislation.

This legislation is an overdue policy that sets forth a rational process in national interstate banking and branching. For too long, banks have operated under out-dated constraints. These constraints hampered efficiencies in operations and established artificial barriers to competition that hurt the consumer.

Nation-wide banking branching is a policy change that needs to be implemented today. There is a positive consensus that interstate banking and branching translates into savings and efficiencies for the banks, increased competition and opportunities for consumers, and increased diversification for insured financial institutions—and this leads to modernization and improved health and viability of financial institutions enhancing crucial safety and bank soundness factors.

In 1991, the House recognized the positive benefits of interstate banking and branching by approving, with a vote of 366 to 4, the bipartisan compromise, which is the foundation of this measure we are acting upon today. I initiated and crafted this with the help and support of key provisions from Members BEREUTER, NEAL, WYLIE and Chairman GONZALEZ. This consensus approach was maintained in the Interstate bill, H.R. 3841, which the House approved this March 1994.

The conference report now pending before us establishes a different mechanism for interstate branching. While the structure is modified, the pending bill again maintains the essence of the consensus bill, which I drafted. The conference report maintains a balanced approach reflecting the significant compromises and important protections for consumers and local communities.

An important feature of the bill is that it maintains a positive role for the States. Under this bill, States have 3 years to opt-out of the interstate branching network. As an additional protection for States rights, the legislation specifically protects State deposit caps and applies State consumer protection, fair lending, intrastate branching, and community reinvestment laws to branches of out-of-State banks, unless pre-empted or upon a determination of discriminatory effect by the U.S. Comptroller of the Currency. In fact, the statement of managers' language includes an important clarification on the authority of the Comptroller and the proper policy that should be followed in considering preemption requests. Finally the conference report provides for State-by-State Community Reinvestment Act evaluations.

As Representatives, we must be concerned about the safety and soundness of the Federal

Deposit Bank Insurance Fund. Through regional diversification, banks should be stronger and better able to withstand local economic or natural disasters. In addition, H.R. 3841 includes a key safety factor by limiting interstate branching to adequately capitalized and well-managed institutions and by requiring the regulator to determine that the new institution will be adequately capitalized and adequately managed.

I urge my colleagues to support H.R. 3841. While some may counsel delay, I do not believe that delay is warranted nor prudent. Today, the profitability of banks and the marketplace are stable. Action on this legislation will send a message to reinforce and enhance the soundness, certainty, and predictability of our national financial institutions' policy path.

Mr. Speaker, we need the banks and the banking role to remain an integral part of our financial community. We need these financial institutions to make loans to small businesses, to provide a full range of financial services to our constituents and to be a leading force in our communities.

As we talk of competing on the information superhighway, we cannot do it with financial institutions built like Ford's Model T. We cannot expect banks to make positive contributions if we tie their hands to an out-dated State by State law and rule. We should in 1994, finally, permit banks to compete in our national financial marketplace and to remain a viable force, the role the U.S. economy has relied upon for over 200 years. H.R. 3841 is an important step in achieving that goal. I urge the adoption of the conference report.

Mr. CASTLE. Mr. Speaker, I rise in support of the conference report on H.R. 3841. I believe the time for interstate banking and branching has come and I am pleased that the House and Senate have been able to produce a balanced bill which will make banking more efficient for business and more convenient for consumers, while protecting the ability of States to adjust their laws and prepare for the implementation interstate banking and branching.

I am particularly pleased that the conferees have agreed to set June 1, 1997, as the date interstate branching can begin. The House bill would have permitted branching through consolidation of subsidiaries as soon as 18 months after enactment of the bill. The later date of June 1997, will give all State governments adequate time to decide if they want to participate in interstate branching. This is especially important to States like Delaware which have an active and vibrant State banking business.

When the House Banking Committee was considering the interstate bill, Congressman CRAIG THOMAS and I offered an amendment in committee to provide a 3-year time period before all forms of branching could begin. While the amendment was not adopted in committee, I am very pleased that the House and Senate conferees ultimately adopted the 1997 date.

In addition, I want to thank Chairman NEAL, Chairman GONZALEZ, and Mr. LEACH and Mr. MCCOLLUM, for working with me to clarify the bill's language relating to a State's tax authority. The House bill and report protect a State's authority to tax the affiliates of banks and bank holding companies. With the support of Senator BILL ROTH, the Senate agreed to this language and the conference report reflects this agreement. I appreciate my colleagues' cooperation on this important issue.

I want to thank Chairman NEAL in particular for his efforts in crafting legislation which is fair and balanced. This legislation will provide a variety of benefits to businesses and consumers and I support enactment of H.R. 3841.

Mr. LAFALCE. Mr. Speaker, I rise in support of the legislation. It is long past time for Congress to enact interstate branching legislation. Indeed, the market has, over the past decade, formed its own interstate banking system. However, today's legislation is needed to allow nationwide banking to be done more efficiently and rationally—through branches in various States, rather than through separately capitalized banks in various States. The benefits to American consumers, business borrowers, the banking industry, and the overall economy are clear.

The success of the U.S. economy is based on the free flow of goods and capital across State lines. Interstate commercial activities have long been the accepted mode of operation in this country. It has always seemed anomalous to me that products of every description could move so readily across State borders as a natural part of interstate commerce, but banking services could not. These arbitrary restrictions on interstate operations and the costs they have imposed have had several adverse consequences: they have inhibited the development of truly national banking institutions in this country; diverted funds to duplicative corporate structures that might better have been spent on customer services or community reinvestment; and forestalled the geographic diversification that could help alleviate the adverse impact of regional economic downturns on this Nation's banks.

Perhaps the most unfortunate result of this inefficiency in the banking system has been reduced credit availability and increased consumer frustration. The time is long overdue for us to make the U.S. banking system as efficient as the rest of our economy. This legislation will make that possible.

This legislation recognizes the fundamental connection between the strength and competitiveness of our banking industry and the strength and competitiveness of our economy. Ultimately, the cost of restrictions and inefficiencies in our banking system is slower economic growth.

The benefits of interstate branching legislation are significant. First, by increasing geographic diversification, interstate branching will result in a safer and sounder banking system. A safer and sounder banking system will, in turn, result in a more stable and prosperous economy.

The benefits of geographic diversification in the banking industry have unfortunately not been fully appreciated in the past. An interstate branching structure will reduce any individual bank's exposure to downturns in a single regional economy. Regional economic downturns have in the past decade been the source of many bank and thrift failures. Such failures have drastically reduced the credit available to affected communities, thereby exacerbating existing weaknesses in a local economy. Had there been a nationwide branching structure in place permitting geographic diversification, fewer banks and thrifts might have failed in the 1980s. As a result, the regional economic downturns that occurred in various parts of the country in the 1980's might well have been far less devastating. The structure of our banking system has had a profound effect on the health of the underlying economy in the past. This legislation will ensure that effect is a positive one in the future.

The second major benefit of interstate branching will be the increased credit availability it brings to our communities. Under the current banking system banks must dedicate valuable capital to establishing separate banks in each State. With interstate branching, banks will be able to use their capital as the basis for more loans rather than using it on duplicative corporate structures.

We are all consumers of financial services. A more efficient, more competitive banking system provides the best assurance of providing all consumers—individuals, corporations, small- and medium-sized businesses, and governments—with access to a broad array of financial services at reasonable prices. The result of increased credit availability will be higher levels of economic growth and higher levels of employment.

In the past, there have been concerns that under interstate branching, States currently exercising authority over banks operating within their borders would lose that authority. As the conference report states, States have a legitimate interest in protecting their consumers, businesses, and communities. This legislation fully recognizes the crucial role States play in regulating financial institutions within their borders and particularly in protecting their consumers.

Specifically, the bill applies the laws of the host State regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches to the interstate branches of national banks established in the host State to the same extent as those laws apply to a branch of a State bank. The exception to this is when Federal law preempts the application of the State laws to a national bank, or when the Comptroller of the Currency determines that the State laws have a discriminatory effect on the branch compared to their effect on a branch of a State bank. In this way, the Comptroller of the Currency plays a key role in maintaining the balance that currently exists between Federal and State law under the dual banking system. This legislation intends to maintain that balance.

Furthermore, the taxation authority of States and their political subdivisions with regards to banks is unaffected by this legislation.

This bill also addresses the legitimate concerns often expressed by consumer groups in the past about the impact that interstate branching might have on local communities. First, CRA evaluations by regulators on large banking organizations with interstate branching networks are required under this legislation, not just on the institution's overall performance, but also in each State in which the bank maintains branches. Moreover, each State-by-State evaluation must present information separately for each metropolitan area within that State in which the institution maintains a branch, and for the nonmetropolitan area of the State if the institution has a branch in such area.

Second, this bill addresses the historical concerns of consumer groups that interstate branching would enable large banking organizations to take deposits out of local communities, ignoring the credit needs of that community. The bill will severely restrict the ability of banks to engage in this type of activity, requiring bank regulators to develop regulations to prevent interstate branches from being used as mere deposit production offices.

This bill also attempts to maintain the policy of national treatment for foreign banks operating in the United States. Doing so is important if the United States hopes to gain greater market access for U.S. financial institutions in foreign markets.

Once again, this legislation is much needed and long overdue. I urge its passage.

Mr. NEAL of North Carolina. Mr. Speaker, with that, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 3474, RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994

Mr. NEAL of North Carolina. Mr. Speaker, pursuant to House Resolution 506, I call up the conference report on the bill, (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 506, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 2, 1994, at page 19149.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. NEAL] will be recognized for 30 minutes, and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 3474.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I would like to do something out of the order a little. Let me point out to the membership we are holding hearings on Whitewater in our committee, and the gentleman from Massachusetts [Mr. FRANK] is an important part of that. He had planned a colloquy a little later in the session. I would like to interrupt the normal flow of events and enter into that colloquy with him now so he might return to the hearing.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, this is an important point where I believe some of our friends on the other side kind of overwrote what they were trying to accomplish, and I would like to get us to what it seems to me was intended by the conference. This is a colloquy I would like to have about section 331, relating to the Secretary of the Treasury's review of rulemakings of two bureaus under the Treasury, the OCC and the OTS.

Mr. Speaker, the language of section 331 regarding OCC and OTS rulemakings which Senator RIEGLE and I proposed and which the conferees accepted, states that "[t]he Secretary of the Treasury may not delay or prevent the issuance of any rule or regulation promulgated by the [OCC or the OTS]." The amendment does not state, nor does it imply, that the Secretary's role in reviewing and coordinating proposed regulations of its bureaus will be abrogated or otherwise adversely affected, does it Mr. Speaker?

Mr. NEAL of North Carolina. No. the language does not disturb the existing working relationship between the Treasury and its bureaus.

Mr. FRANK of Massachusetts. And as I recall, because I was one of those who proposed the compromise, the intent of the conferees was not to prohibit the Treasury's involvement in OCC and OTS rulemakings, but was to ensure that the Treasury does not, in the course of its review of proposed regulations, delay those regulations in a manner that is unreasonable under the circumstances or that effectively prevents their issuance. The term "delay," as used in section 331, does not include the time reasonably required for the Secretary to review proposed regulations and ensure their consistency with other regulations and with sound financial institutions policy, would you agree?

Mr. NEAL of North Carolina. The gentleman is correct.

Mr. FRANK of Massachusetts. And this is what is intended by the managers' statement is it not, Mr. Speaker? The managers' statement makes clear that section 331 does not preclude the Treasury from communicating its policy goals and objectives regarding a rulemaking, nor does it preclude a review process that does not block, delay, or force the rewriting of regulations?

Mr. NEAL of North Carolina. That is correct.

Mr. FRANK of Massachusetts. So we can expect the Secretary's role in reviewing proposed regulations, and again I wanted to stress on broad policymaking, not on a case-by-case situation, we can expect that role to continue, and appropriately so?

Mr. NEAL of North Carolina. Yes, the gentleman is correct.

Mr. FRANK of Massachusetts. Mr. Speaker, I think that is all that we have to cover. Let us say again, if I might, briefly and I did want to stress since you mentioned the hearings, the gentleman from Florida is correct when he talked about the significance of the interstate bill. This is also a significant bill. I think people ought to take note of the fact that the Committee on Banking, Finance and Urban Affairs is capable simultaneously of having differences discussed in the hearing room and at the same time working together on a completely bipartisan basis to bring forward legislation that is going to improve the functioning of the economic system in the United States.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge the adoption of the conference report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act of 1994.

Mr. Speaker, I first would like to compliment the chairman of the Banking Committee, Mr. GONZALEZ, and the ranking minority member, Mr. LEACH, for their leadership on this legislation. I would also like to salute the gentleman from New York [Mr. FLAKE] for his work on the community development component of this legislation, Mr. BEREUTER and Mr. BACCHUS of Florida for their efforts on the regulatory reform issue, and Mr. KENNEDY for his work on the consumer protection provisions.

This conference report is the result of a lot of hard work on the part of these and other members of the Banking Committee for the past year and a half.

It incorporates the Community Development Banking and Financial Institutions Act of 1993, passed by the House last November, which includes both a community development banking and a regulatory reform title; the Money Laundering Suppression Act of 1994, adopted by the House this past March; and the National Flood Insurance Reform Act of 1994, passed by the House in May.

This conference report contains five major titles. Let me briefly describe each of them.

Title I establishes a Community Development Financial Institutions Fund, as requested by the administration, to provide financial and technical assistance to community-based financial institutions [CDFI's]. In turn, these CDFI's will provide credit and technical assistance to qualified distressed communities.

This title also seeks to harness the expertise and resources of traditional financial institutions for community development purposes by funding and making various changes to the Bank Enterprise Act [BEA] program which provides such institutions with incentives for lending to qualified distressed communities.

This legislation authorizes $382 million for fiscal years 1995 through 1998, with one-third of the money designated for the BEA program.

In addition, this title provides consumers with protections against reverse redlining, the practice of providing credit on unfair terms within certain geographic boundaries based on race or ethnicity.

Title II is designed to increase small business access to capital by removing impediments to the securitization of small business loans and leases and by authorizing $50 million to expand State-run capital access programs for small businesses. This title also removes impediments to the securitization of commercial mortgages.

Title III contains approximately 50 provisions designed to provide regulatory burden relief, primarily for smaller banks, by repealing outdated and duplicative provisions.

These provisions direct regulators to consider regulatory burdens and benefits when developing new regulations; require more coordinated and unified examinations of financial institutions; lengthen the exam cycle for certain small, well-capitalized institutions; simplify CALL reports; require regulators to establish a regulatory appeals process, an ombudsman's office and an alternative dispute resolution program; and make various changes to simplify the formation of bank holding companies; among many other things.

Title IV will reduce the filing of unnecessary currency transaction reports that have little or no value to law enforcement authorities, thereby reducing the paperwork burden on financial institutions and improving the ability of law enforcement officials to combat money laundering.

Finally, title V will modernize and reform the National Flood Insurance Program.

Mr. Speaker, taken together, this legislation will help ensure that Americans in downtrodden communities have access to more of the opportunities the rest of us take for granted. It will ensure that bankers can spend less time completing regulatory paperwork and more time making loans. It will increase the flow of credit to businesses across the country. And it will protect consumers from unfair credit practices and protect homeowners from the losses caused by devastating floods.

This is important legislation and I encourage all Members to join with me in supporting this conference report.

Mr. GONZALEZ. Mr. Speaker, I am happy that today the House will cast its final vote on a program that offers support to our Nation's low-income and distressed communities. Right now, in almost all of our hometowns, community development financial institutions are at work building affordable housing, helping small businesses get off the ground, and providing essential basic financial services to those who have not historically been able to afford them. H.R. 3474 contains the President's initiative to establish a fund to provide financial and technical assistance to build greater capacity in these community lenders. While this program is not a panacea for distressed communities it does offer hope for their residents who have too often been bypassed by the financial services industry.

As my colleagues may remember, the House version of H.R. 3474 passed under a suspension of the rules. It contained only two titles—the community development financial institutions program that I just described, and several changes to banking law that will streamline bank regulation. However, during the Senate's consideration of this bill, many other items were added which remain in the conference report before the House today. These include: a program to increase credit availability for small businesses, a measure to better protect consumers from abusive home equity lenders, improvements to the Federal Flood Insurance Program, and the Money Laundering Suppression Act, which also passed the House under suspension of the rules.

H.R. 3474 contains very progressive and much needed consumer protections in title I, subtitle A, known as the Home Ownership and Equity Protection Act. This act amends the Truth in Lending Act to provide enhanced consumer protections for home equity loans with inflated interest rates or particularly high loan points and fees. Under the Home Ownership and Equity Protection Act, lenders that make these mortgages must provide consumers with additional disclosures so that consumers are fully aware of the terms of the loan, including that they could lose their homes if they default on payments. Additionally, this act prohibits certain loan terms that are most likely to cause hardships for low income consumers, particularly, prepayment penalties, balloon payments, and negative amortization. Finally, the act provides for State attorney general enforcement of the provisions, additional civil remedies for consumers, and the maintenance of consumer rights against assignees of these mortgages.

Title II will increase small business access to capital by removing impediments in existing law to the securitization of small business loans and leases. In addition, this title will also facilitate the establishment of capital access programs by the States. Those programs are designed to assist new and developing businesses and the creation of jobs. Congressman KANJORSKI, as chairman of the Economic Growth Subcommittee deserves credit for his work on this title.

Title III includes numerous provisions intended to reduce regulatory burden and streamline needlessly complex regulatory requirements. Among the regulatory improvements are the streamlining of application requirements, the establishment of procedures at the Federal banking agencies to address questions and concerns of consumers and financial institutions, depository institution call report simplification, and a directive to the Federal banking agencies to coordinate, and eventually unify, examinations of institutions in holding company structures subject to oversight by more than one Federal regulator.

Although many of the reforms in this title ease regulatory burdens, none of the measures impose any greater risks on the safety and soundness of insured depository institutions. All of the provisions have been carefully drafted to ensure that adequate protections and safeguards are retained, and that consumers' rights and benefits are not curtailed. In addition, several of the streamlining reforms tighten existing standards, such as the amendments to the Management Interlocks Act that require the Federal banking agencies to review the necessity for continued extension of otherwise prohibited interlocks that have been grandfathered for over 15 years.

Regarding the money laundering reforms in title IV, the General Accounting Office testified before the Banking Committee in May of 1993 and reported that the number of currency transaction reports [CTR's] submitted by financial institutions to the Federal Government was rising dramatically. In fact, the number of CTR's was nearing 10 million on a yearly basis and was seriously threatening the effectiveness of the Federal Government's computerized system—one of the most potent weapons we have against money laundering. Title IV directs financial institutions to submit CTR's for only those currency transactions over $10,000 that provide law enforcement officers with real and useful information. In addition, title IV further perfects Federal and State efforts to track and detect money laundering activities.

Title V contains important reforms to improve the operation and financial condition of the National Flood Insurance Program. The provisions will improve compliance with mandatory purchase requirements by lenders and secondary market purchasers, establish a supplementary mitigation insurance program to reduce claims, and requires a study of other issues for possible legislative action in the future, including the mapping of erosion hazard areas. I commend Congressman KENNEDY for his work on this title.

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Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of the Community Development Banking and Regulatory Improvement Act.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Nebraska for yielding time to me.

Mr. Speaker, I and many others are most pleased that the House is moving on this conference report today.

Among other things, H.R. 3474 will provide assistance to community-based financial institutions, will make it easier for small businesses to have access to capital, and it will provide some much-needed regulatory relief for many smaller banks. In addition, this conference report contains a package of reforms for the National Flood Insurance Program, which is of particular interest to people in my district of southwest Florida, and anyone who lives in a coastal or riverine community. Due to exemplary local management of the NFIP, Florida has consistently been a net donor to this program. Unfortunately, in other areas, the NFIP has been experiencing regular and repeated losses, threatening the solvency of the program. Earlier this year the House passed a flood insurance reform bill, H.R. 3191. This bill was a mixed bag—while it contained some sound, sensible measures, it landed wide of the mark in several places.

Fortunately, the flood insurance reform package included in this conference report is greatly improved. As passed by the House, H.R. 3191 would have:

Created a new purpose for the NFIP, completely unrelated to insurance issues—while providing no measurable benefit, this new purpose could have been a major liability for both local governments and FEMA.

In addition, the bill's original language establishing the community rating system was ambiguous, and there were concerns that it could have been used as a back-door means of creating the infamous erosion hazard zones which threatened the economic viability of coastal communities in Florida and other Coastal States.

Finally, the original mitigation assistance program would have been overly burdensome for individuals.

I am happy to say that each of these problems has been addressed in this conference report. I would like to thank my colleagues on the Banking Committee for listening to the comments of the Florida delegation and working to improve this bill in conference.

Mr. Speaker, this is, I think, true deliberative democracy. We have a good product. I urge its support.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises in strong support of the Community Development Banking and Regulatory Improvements Act conference report and urges its adoption. This Member would like to thank the chairman of the House Banking Committee, the distinguished Member from Texas, Mr. GONZALEZ, and the ranking minority member of the House Banking Committee, the distinguished Member from Iowa, Mr. LEACH, for their very supportive attitude and assistance in securing a strong bank burden-relief section in this measure. This Member declares victory in his longstanding effort to reduce regulatory burdens for safe and soundly managed depository institutions—an issue that will benefit customers as well as financial institutions.

Indeed, H.R. 3474 addresses many important issues that have been before the Banking Committee for the last several years. This conference report, in conjunction with the companion bill on interstate banking and branching, represent profound changes that will increase investment in underserved communities and small businesses, and will, on the whole, lead to a more efficient financial services industry.

The conference report contains six titles. Title I concerning Community Development and Consumer Protection establishes a Community Development Financial Institutions Fund, as requested by the administration, to provide financial and technical assistance to community-based financial institutions. This title also funds the Flake-Ridge Bank Enterprise Act program which promotes community lending by traditional financial institutions. The bill authorizes $382 million for this purpose for fiscal years 1995 through 1998, with one-third of the money designated for the BEA program. I am pleased that the administration has now indicated its strong support for the BEA and its commitment to funding the program.

Title II on securitization removes impediments in existing law to the securitization of small business loans and leases, as well as commercial mortgages, with the intention of increasing access to capital. Title II also authorizes $50 million to expand State-run Capital Access Programs for small businesses.

Title III on regulatory burden relief contains approximately 50 provisions designed to provide regulatory relief primarily for smaller banks by repealing outdated and duplicative provisions, and would direct regulators to consider regulatory burden when developing new regulations. The Title is based on legislation I first introduced in the 102d Congress and reintroduced last year with Mr. BACCHUS of Florida.

This Member has been concerned, for quite some time, about the increasing amount of mindless or unnecessary regulation heaped on banks and thrifts and the resulting rising costs to consumers in fees. For example, this Member sponsored with a colleague an amendment to the 1991 Federal Deposit Insurance Corporation Improvement Act, FDICIA, that called on the regulators to examine existing regulations and their specific impact on small banks. At the beginning of this session, this Member introduced two comprehensive bills to reduce regulatory burdens on financial institutions:

H.R. 59, the Depository Institution Burden Relief Act of 1993; and

H.R. 962, the Economic Growth and Financial Institutions Regulatory Paperwork Reduction Act of 1993, introduced February 18, 1993, along with his colleague, the distinguished gentleman from Florida, Mr. JIM BACCHUS.

Indeed, this Member would like to especially express his very sincere appreciation to the distinguished gentleman from Florida, Mr. JIM BACCHUS, this Member's cohort in the battle against undue regulatory burdens. His was an active and crucial role in our joint, bipartisan effort to bring a regulatory burden relief conference report to the House Floor today. Although the gentleman has chosen to retire from this House at the end of this Congress, his contributions to regulatory burden-relief for sound financial institutions is but one more of many reasons why his contributions as an active and courageous legislator will be sorely missed.

With respect to regulatory burden-relief, this Member has sought a legislative remedy based on two principles:

First, to provide regulatory relief only for those institutions which are—according to accepted and existing criteria—safe, financially sound, and prudently managed; and

Second, to require the regulators to discard stale regulations, but in a manner that does not affect bank regulators' authority to ensure that a financial institution is operating in a sound and lawful manner. Certain of the specific provisions of title III bear particular mention. Section 306, for example, would lengthen the exam cycle for certain small, well-capitalized institutions to allow these institutions to be examined every 18 months instead of every 12 months.

Section 309 would require each banking agency and the National Credit Union Administration [NCUA] to appoint an ombudsman to act as liaison with respect to any problem that any party may have in dealing with the agency. The Conferees recognized that implementation of these provisions could impose an undue burden on certain Federal agencies with limited staff and budgetary resources. Specifically, it would be expected that the NCUA might meet the requirements by an appropriate part-time employee. Nonetheless, it is intended that these provisions be carried out by each agency identified in this section.

Section 331 clarifies provisions relating to administrative autonomy by providing the FDIC, the Federal Revenue Board and the Office of the Comptroller of the Currency with exclusive authority to conduct litigation through their own attorneys.

Section 342 includes a provision which would require the Federal banking agencies to complete their regulatory review of the Community Reinvestment Act at the earliest practicable time.

In addition, title III contains other notable regulatory relief provisions, including those which would streamline regulatory requirements, eliminate duplicative filings, coordinate and unify examinations, simplify call reports, improve holding company audit requirements, expedite procedures for forming a bank holding company, simplify disclosures for existing depositors, and establish a new notice procedure for bank holding companies to seek approval to engage in certain activities.

Title III is strongly supported by the regulators and the financial industry. These regulatory improvements will lead to increased industry efficiency and consumer benefits.

Title IV of the conference report regarding money laundering reduces the filing of unnecessary currency transaction reports that have little or no value to law enforcement authorities, thereby reducing the paperwork burden on financial institutions.

Title V on flood insurance modernizes and reforms the National Flood Insurance Program. While I know that some Members, including this Member, would have liked to have seen certain additional reforms included, I am nevertheless satisfied that this legislation will make some helpful changes to existing law. I want to mention five reforms to the NFIP in particular.

Title V, of which the chairman, Chairman KENNEDY, of the subcommittee, has worked very long and hard with great energy and perseverance, does take modest steps forward. We had hoped for more, both he and I, but it does modernize and reform the National Flood Insurance Program.

There is more that could be said about that, but I think that the important provisions, the most important improvements are the lender compliance provisions.

Furthermore, Mr. Speaker, title V, the flood insurance provisions included in this conference report, are a small step forward in addressing the solvency and integrity of the National Flood Insurance Program [NFIP]. However, more than just small steps are necessary.

For that reason, this Member is pleased that the Conferees acquiesced to this Member's demand that the reauthorization be for 2 years only. This will provide the Congress with the opportunity to more seriously and comprehensively address shortcomings in the NFIP again in 2 years.

This Member is pleased, however, that under the provisions agreed to in conference, Federal flood insurance will have to have been purchased at least 30 days in advance of a flood event for beneficiaries to be covered. This change initiated and insisted upon by this gentleman closes a loophole in existing law which had allowed persons to wait until the last moment to purchase flood insurance. It is a change which will serve to protect the interests of U.S. taxpayers and the other responsible flood insurance premium payers. It will cause more individuals who should purchase flood insurance to do so routinely to protect against future flooding.

This provision, along with the more important and long overdue additional lender compliance provisions included in the legislation are the strongest points of the flood insurance title of H.R. 3474.

There are about four specific provisions of title V which this Member would vote for his colleagues:

First, title V contains bright line directions for lenders and services who make or service mortgages that are secured by property in special flood hazard areas. It states clearly that they must escrow for flood insurance premiums if they escrow for other items; that they can purchase flood insurance for a property if a borrower fails to do so; and that they will face penalties for noncompliance. This legislation also requires Fannie Mae and Freddie Mac to adopt policies to ensure that the mortgages they purchase that are secured by property in special flood hazard areas are covered by flood insurance for the term of the loan. The effect of these reforms should be to dramatically increase the rate of participation in the NFIP.

Second, title V establishes a grant program for States and communities to fund cost-effective flood control measures such as elevating, relocating, or demolishing flood-prone properties. The grant program is designed to award grants evenly among States and communities and is not intended to fund large-scale projects such as seawalls or levies.

Third, title V expands flood insurance coverage to include the costs of rebuilding structures that are repetitively damaged or substantially damaged, provided they are rebuilt in a manner to withstand future flooding. This is an important reform because, over time, it will remove from the inventory of insured properties those that have cost the NFIP the most.

Fourth, title V requires a study of the economic impact of mapping coastal and riverine areas subject to high rates of erosion. The study will provide Congress with the specific information it currently lacks to make additional reforms to the NFIP.

☐ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Speaker, I want to commend the gentleman from North Carolina [Mr. Neal], the gentleman from Nebraska [Mr. BEREUTER], the chairman of the Committee on Banking, Finance and Urban Affairs, and its ranking minority member, for their work to get us to this point. I also thank their respective colleagues in the other body, and other Members who have worked so hard to get us to where we are today on this conference report.

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from California [Mr. MOORHEAD], the ranking minority member of the Committee on Energy and Commerce.

Mr. MOORHEAD. Mr. Speaker, I rise in strong support of the conference report on H.R. 3474. Of particular interest to the members of the Energy and Commerce Committee are the provisions of the bill relating to the securitization of small business and commercial real estate loans.

The availability of capital is critical for millions of small U.S. businesses as they seek to develop new products, expand facilities and add employees.

In recent years and for a number of reasons, the financing available to small businesses from traditional sources, such as banks, appears to have fallen short of the needs of small businesses. At the same time, many costs of small businesses, particularly those related to regulation, have grown. The result of these trends has contributed to less vitality in the small business sector, which is the traditional backbone of the U.S. economy.

This legislation will help to increase the availability and affordability of credit to small business by removing regulatory obstacles that hinder the securitization of small business loans and leases.

Securitization will enable investors who do not lend directly to small businesses, such as pension funds and insurance companies, to invest in small business loans made by other financial institutions.

This bill also contains measures designed to make the commercial mortgage market more efficient and liquid and to increase the ability of commercial property lenders to obtain fresh capital for new loans. Although real estate markets in some areas of the country have begun to recover, instability and depressed values are still the norm in many regions. This bill will help to facilitate recovery in this important market sector.

I urge my colleagues to join me in supporting this conference report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, I rise in support of the conference agreement on H.R. 3474, the Community Development and Regulatory Improvement Act of 1994. This bill represents and important shot in the arm to our Nation's economy and I believe that many aspects of this legislation are essential for the United States to make long-term gains in the global marketplace.

During the consideration of this legislation, I was particularly active in the parts of the bill dealing with the creation of new secondary markets. For the benefit of our colleagues, I would like to take a few minutes and describe how, under title II and section 347 of this conference agreement, this issue was resolved.

Subtitle A of title II is intended to facilitate the creation of new jobs and stimulate economic growth in the United States by removing impediments in existing law to the securitization of small business loans and leases. This is accomplished by creating a new "small business related security" composed of small business loans and leases made by banks and other leading institutions. These new securities may then be sold to individual and institutional investors.

We expect that as a result of the creation of these new securities, banks and other lending institution will experience increased demand to purchase many of the small business loans they have made and currently hold in their own portfolios. In addition to creating new demand for the purchase of small business loans and leases, the sale of these loans and leases by lending institutions will increase their own liquidity, which should translate into increased lending to small businesses at lower interest rates. In other words, through the use of a secondary market, lending institutions will be better able to turn over and recycle funds as new loans to small businesses.

Under the subtitle's provisions, to enhance the creation of these new small business related securities, these securities are afforded benefits under the Secondary Mortgage Market Enhancement Act of 1984 [SMMEA], including eased margin requirements, permission for insured depository institutions to purchase the securities, and preemption of certain State securities laws. In addition, subtitle A provides that federally insured depository institutions will be required to hold risk based capital only on the portions of small business loans which they retain.

The Subcommittee on Economic Growth and Credit Formation, which I chair, held an extensive set of hearings on the creation of a new and robust secondary market. During this Congress, my subcommittee held six hearings on the need for a new secondary market for all business, commercial, and community development debt and equity investments. This is more hearings than were held by all other House and Senate committees combined. I believe that this conference report is a step in the right direction for robust securitization. At the same time, I am concerned that it does not go far enough.

Mid-size businesses will not share in the opportunities offered by the secondary market because they will not meet the strict definition of a small business as dictated by the Small Business Administration's regulations. Hearings held by my subcommittee have conclusively shown that medium-sized businesses, often called gazelles, are creating an increasingly large proportion of new jobs in the U.S. economy. Across this country, countless healthy medium-sized businesses face the same obstacles as small businesses in securing new financing, or even renewing an established line of credit. Frequently these mid-sized businesses provide a significant share of the jobs in local economies. Nevertheless, these businesses, and their current and potential new employees, are excluded from the benefits of this legislation.

As a result of this legislation, small business and commercial real estate will have access to a newly created secondary market. Large businesses already have access to the capital markets by virtue of their ability to directly issue their own commercial paper. The housing market enjoys its own established and successful secondary market. Medium-sized business will be one of the few sectors of our economy without effective access to a secondary market, putting them at a potentially severe competitive disadvantage.

Ironically, one of the other sectors of our economy left without effective access to a secondary market under this legislation is community development loans. Testimony given during my subcommittee's hearings clearly outlines the very real need for a secondary market for community development loans. Yet, such access is not afforded in the very bill in which we provide for the establishment of community development financial institutions. Many of us in Congress regard the level of funding provided for the creation of community development financial institutions as insufficient. A way to multiply and leverage the limited Federal capital of these institutions would be to allow them to sell all of their loans into the secondary market.

Despite these important missed opportunities, Mr. Speaker, I urge my colleagues to support the adoption of this conference report. While I believe that it is too limited, it is a positive step forward in increasing the availability of capital to small business and, therefore, in promoting economic development.

Mr. Speaker, for the benefits of our colleagues, I would like to highlight one part of subtitle A of title II of this conference agreement. Section 209 calls for the Board of Governors of the Federal Reserve System and the Securities and Exchange Commission to conduct joint studies of the impact of the provisions of this title on the credit and securities markets. The studies will include an evaluation of the impact of this title on the availability of credit for businesses and commercial enterprises in general, and in particular for businesses in low- and moderate-income areas, businesses owned by women and minorities, community development efforts, community development financial institutions, different geographical regions, and a diversity of types of businesses.

It is extremely important that we quickly gain insights into the extent to which the provisions of this subtitle are helping or hurting different types of businesses. During our hearings, concerns were raised that, if left unchecked, this new market may well increase demand for loans of only a limited number of business profiles. This so-called "cherry-picking" by the market may not be troubling in and of itself; however, if it results in decreasing the availability of credit to businesses which do not meet whatever profiles the market finds most desirable, it is critical that we understand if unintended, negative consequences are resulting from this legislation.

These section 209 studies will also examine the structure and operation of these new markets including the types of entities, such as pension funds and insurance companies, that are expected to be significant purchasers of these securities. Again, it is extremely important for us to determine if the structure and operation of these new markets represent a threat to the integrity of pension and insurance funds. If corrective measures are necessary in the future, it is far better for us to recognize this as early as possible. This is particularly true in the case of pension funds.

Let me remind my colleagues that, through the Pension Benefit Guaranty Corporation, the Federal Government is ultimately liable for the costs of large pension fund losses. Throughout my subcommittee's consideration of secondary market legislation, a constant theme I have sounded is the need to ensure that we are not sowing the seeds of a future savings and loan-type financial disaster for our pension funds. I am sufficiently convinced that this legislation does not represent such a threat; however, it is crucial that we have the kind of early warning system that is represented in the section 209 studies. In my mind, this is particularly important given the provisions contained in section 347 of this Act, which incorporate commercial real estate into the existing definition of a mortgage related security, significantly facilitating the securitization of commercial real estate.

Mr. Speaker, facilitating the securitization of small business loans will play an important role in spurring economic growth in this country. For this reason alone, the conference report should be adopted; however, as many of my colleagues of the Banking Committee have noted, there are many other important reasons to support this legislation. The Community Development and Regulatory Improvement Act of 1994 is the bipartisan byproduct of all our banking subcommittees. It represents hundreds, if not thousands of hours of work over 20 months by our entire committee. Virtually every Member of our committee contributed to this important legislation, and I would like to comment briefly on the other titles of this landmark legislation.

Subtitle A of title I, the Community Development Banking and Financial Institutions Act, is President Clinton's original CDFI bill. Chairmen GONZALEZ, NEAL, KENNEDY, and I jointly introduced the President's bill along with many other members of our committee. Our ranking Republican members, Mr. LEACH, Mr. MCCOLLUM, Mr. MCCANDLESS, and Mr. RIDGE, worked with us on this important legislation to help develop financial institutions and expand the availability of credit for economic growth in underserved areas. I am also pleased that subtitle A also includes the Flake-Ridge Bank Enterprise Act proposal to expand lending to underserved individuals by traditional financial institutions.

Subtitle B of title I, the Home Ownership and Equity Protection Act, prohibits unfair and deceptive practices which have robbed many Americans of their most valuable asset, their home. It also requires better disclosure of the cost and terms of high cost mortgages. This legislation should put an end to the ability of unscrupulous lenders to prey on senior citizens and other vulnerable homeowners and consequently I was proud to join Consumer Credit Subcommittee Chairman KENNEDY in introducing the original bill which eventually became subtitle B of this bill.

I have already described in some detail, the importance of subtitle A of title II which promotes economic growth and credit formation by facilitating the securitization of small business loans and leases, and commercial real estate. Subtitle B of title II will also expand the supply of credit for small business lending by providing Federal matching funds for State programs that provide special reserves to guarantee losses on small business loans. These capital access programs represent a unique partnership among lenders, small business, State governments and the Federal Government. They have the potential to greatly expand small business lending.

Since not all States currently have these capital access programs, it is my strong hope as the subcommittee chairman with jurisdiction over this program that the Community Development Financial Institutions Fund which will administer this program will work particularly closely with States which currently do not have capital access programs to help them set up programs. I also expect that the CDFI fund will work to ensure a fair geographic distribution of Federal funds under this Act.

Title III of the bill provides long overdue regulatory and paperwork reductions for federally insured financial institutions. Special credit should be given to Congressman BACCHUS of Florida and Congressman BEREUTER of Nebraska for shepherding this bipartisan initiative through the Congress. I was pleased to work with them to get rid of statutory and regulatory requirements that were duplicative or had outlived their usefulness. These changes will provide significant relief for financial institutions, making it easier for them to do their real job, providing credit to American consumers and businesses, without jeopardizing the safety and soundness of our financial system.

Title IV of the bill is legislation which has passed the House several times which is designed to reduce money-laundering. By hampering the ability of drug kingpins, organized crime, and even common criminals to launder the proceeds of their ill-gotten gains, we make it more difficult for them to stay in business. Equally importantly, we make it easier for Federal, State, and local officials to track down and prosecute criminals. Chairmen GONZALEZ and NEAL worked diligently on this title which will have the side benefit of reducing the paperwork burden on honest businessmen and financial institutions while simultaneously enhancing the ability of our law enforcement community to catch criminals.

Title V of the bill makes major changes in our Federal Flood Insurance Program. It is an initiative that is very important to northeastern Pennsylvania which, as many of my colleagues will remember, in 1972 was the center of the largest flood in our Nation's history to that date, the flood which accompanied tropical storm Agnes. At my request, former Policy Research and Insurance Subcommittee Chairman Ben Erdreich of Alabama brought our committee to Wilkes-Barre, PA, several years ago on the anniversary of the big flood to learn from the people of northeastern Pennsylvania how the flood insurance program could, and should, be changed.

I am pleased that after Chairman Erdreich's departure his good work on this issue was taken up by Consumer Credit Subcommittee Chairman JOE KENNEDY, who, working with myself, Congressman BEREUTER of Nebraska, and other Members of our committee has produced a bill which will significantly increase both participation in the National Flood Insurance Program and the financial stability of the flood insurance fund. These amendments are the most significant improvements in this program since it was created.

The bill brings into the flood insurance program lenders who were not previously included, it strengthens mandatory coverage requirements and requires escrowing of insurance premiums when an escrow account is established for other purposes like local real estate taxes and fire insurance, it codifies the current community rating system and provides incentives for better floodplain management, it creates a new supplementary mitigation insurance program to reduce the number of properties which are subject to flooding, and it provides direct funding for community mitigation assistance.

I am particularly pleased that the conference agreement includes provisions I added to the original House version of the flood insurance bill which authorize mitigation funds to be used for minor physical changes for whole groups of homes, and even whole neighborhoods. In my area we have often seen how minor physical changes such as flood proofing sewers, grading to direct flood waters away from homes, installing or improving floodgates, retention ponds, drain pipes, and pumping stations, and minor changes to dikes and levees, can be much more cost-effective than moving or elevating homes.

The conference agreement also includes provisions I authored which authorize the use of in-kind contributions to cover up to one-half of the cost of the local share of mitigation projects. It also includes language I inserted which allows communities to work together on mitigation activities, or to authorize other political subdivisions or authorities of a state such as counties to conduct broader mitigation activities for them. This is a sensible approach which will enable communities to achieve economies of scale, and to produce mitigation plans which help the entire region, rather than helping one community at the expense of another.

Mr. Speaker, title V of this bill will increase participation in the flood insurance program, which has been much lower than it should have been. By spreading the risk over a broader pool, and by increasing mitigation activities which reduce losses, it should help to restrain flood insurance premiums. These are long overdue changes and I commend Subcommittee Chairman KENNEDY, his ranking Republican Congressman AL MCCANDLESS, Congressman BEREUTER and all the other Members who worked so long and hard to develop this bipartisan consensus bill.

Finally, Mr. Speaker, title VI of this bill includes numerous miscellaneous and technical changes in our banking laws which will make them easier to understand and administer.

Mr. Speaker, the bill which Chairman GONZALEZ brings to the floor today on behalf of the Banking Committee is good for consumers, financial institutions, and our economy. It will make credit more readily available to average and underserved consumers and businesses thus creating jobs and expanding our economy. It will reduce unnecessary and expensive paperwork. It will protect senior citizens and other consumers from unfair and deceptive practices. It will shore up our National Flood Insurance Program. It will even help to deter crime and catch criminals. In short, it is a bipartisan bill which represents the best work of this institution, and it deserves the support of every Member of this body.

□ 1250

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 5 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. ROTH. Mr. Speaker, I thank my friend from Nebraska for yielding me this time.

Mr. Speaker, I urge my colleagues to approve this conference report on the Community Development Financial Institutions Act. This bill will make credit more available and at lower cost for consumers and small businesses.

We all know that no legislation is perfect. And this is a big, complicated, technical bill covering about 400 pages of very small type.

My colleagues on the conference committee, as well as both House and Senate Banking Committees, worked diligently for many overtime hours on this measure.

This legislation has strong bipartisan support in the Congress, in the financial services industry, and among many consumer groups.

Wisconsin's strong and vibrant financial services industry supports and will benefit by this legislation.

Looking ahead to future congressional action to further strengthen our financial services industry, I again commend to my colleagues the example of the Wisconsin experience.

Wisconsin is rightly famous for its successful and effective combination of supervision and enterprise for all segments of our financial industry.

Key sections of this measure move in the Wisconsin pattern.

So I will vote for the bill even though I have grave reservations about the bill's provisions that create a new Federal bureaucracy to create new subsidized nonbank lending institutions in urban inner-cities.

More than offsetting these objectionable provisions, in my judgment, are the 51 new, substantive sections providing significant regulatory relief to our banks, savings and loan associations and to the consumers they serve.

The bill addresses many other aspects of our Nation's financial services industry, including anticrime provisions to discourage money-laundering by drug traffickers and other criminals.

The bill clears away unnecessary legal obstacles to the securitization of business loans for resale into secondary markets.

An attempt is made to provide greater consumer protection against so-called high-cost mortgage lenders.

The bill also reforms our flood-insurance program to reduce losses of taxpayers money and to discourage new construction in flood-prone areas.

No other industry in the United States is more heavily regulated than our federally insured financial institutions.

Trade associations have estimated the regulatory burden on banks alone at more than $40 billion a year—a staggering amount that inevitably is paid for by consumers in fees and higher interest rates.

All in the name of safety and soundness, of course, Congress was panicked by the S&L collapse into imposing in 1991 layers and layers of new and unnecessary rules and regulations.

Some of these new regulations are still being implemented. They are driving up consumer costs because lenders must pass on the regulatory costs to borrowers and savers.

Insured lenders must do so if they are to remain in business and to continue their traditional vital role as the Nation's basic economic engine.

This portion of the bill is extremely technical, but it does begin to peel off some of the red tape, unnecessary paperwork, and general aggravation that comes with the heavy hand of the Federal Government.

The bill provides for formal consideration of the financial impact of any new regulations and a transition period for implementation.

The legislation streamlines many regulatory requirements, eliminates duplicative filings, and reduces numbers and kinds of examinations.

Community banking institutions with assets of $250 million or less will benefit most from these provisions.

The bill mandates an appeals procedure to improve fairness and appropriateness of Federal examiners operations and directives.

Federal regulatory agencies are required to coordinate their activities generally to reduce the Government's heavy hand upon the industry.

Mr. Speaker, this bill contains hundreds of compromises, many the product of years of collective consideration and discussion.

It is the distilled product of figurative legislative blood, sweat, and tears.

This legislation deserves approval, and I urge my colleagues to join me in voting for this legislation.

□ 1300

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Speaker, I rise today in strong support of the conference report on the Community Development and Regulatory Improvement Act, H.R. 3474.

We commend the President for lifting the concerns of communities to such a high height as he announced early on that he wanted new institutions that would invest in communities that have often been overlooked and, indeed, underserved by many of our banking communities.

I commend the gentleman from Texas, Mr. GONZALEZ, our chairman, Chairman RIEGEL, and commend all of those including the gentleman from North Carolina, Mr. NEAL, who, as chairman of Financial Institutions, has brought to us this moment of sharing what I consider to be one of the greatest pieces of legislation in this body, because it speaks to an area of concern that has often been overlooked. I thank Senator DODD. I thank the gentleman from Iowa [Mr. LEACH], and I thank the gentleman from Pennsylvania [Mr. RIDGE], who for the last 4 years have worked with me in trying to put together components of this bill that are now in place.

One needs but to do an analysis of the various communities that are a part of this landscape to realize that our country has had certain communities that have been ignored and overlooked. In those communities there has been a lack of investment; therefore, small businesses have not been able to thrive. Many of the commercial strips have not been rebuilt.

As the gentleman from Pennsylvania [Mr. KANJORSKI] has indicated, in too many instances there has not been a will to make investments in those communities.

This bill allows us an opportunity not only to create new entities but also to be able to mainstream existing entities in a way that will create jobs in the one sector of American society that is growing. That sector is the small-business sector.

By building up the small-business sector in these communities, we create the kind of jobs that eliminate the necessity for building more jails, giving more young men and women who could otherwise be productive individuals if given an opportunity in those communities the right to be able to participate fully in the American dream, that dream of having a job, being able to afford a home, being able to get a good education for their children and fulfill their responsibilities.

It is my hope that every Member today will vote in support of this conference report, because I believe that it says to the whole of America that at last we will not overlook communities but we will mainstream into the whole of this democracy all of those communities that have been ignored.

Mr. Speaker, I hope that all of our colleagues will join us and vote unanimously for the passage of this conference report.

Mr. BEREUTER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LAZIO], a very active and distinguished member of the Committee on Banking, Finance and Urban Affairs. Even though he is in his first term, he is active in many important areas.

Mr. LAZIO. Mr. Speaker, I thank the gentleman from Nebraska for his kind remarks, and I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in support of the conference report to H.R. 3474. In particular, I want to address title V of the bill, the National Flood Insurance Reform Act.

Certainly, before he leaves, I want to commend my good friend, the gentleman from New York [Mr. FLAKE], who just spoke, for his help on this one point.

Mr. Speaker, I represent thousands of middle-class coastal residents who would have been adversely affected by this title as reported by the House Banking Committee. The economic recovery is showing few signs of life on Long Island, and the committee provisions of sections 407 and 604 would have depressed the struggling real estate industry in my district.

Thanks to the work of the subcommittee chairman, the ranking member of the subcommittee, Mr. MCCANDLESS and his staff, a sound compromise was reached when the bill was brought to the floor as H.R. 3191.

The compromise ensures compliance with the National Flood Program through lender compliance provisions which enjoy widespread support from the lending industry. Therefore, more people will be paying into the national flood insurance fund, more structures will meet minimum building codes, and lenders will have expanded powers to protect their collateral.

The compromise mandates a study of the controversial erosion hazard zones. FEMA will have the authority to map erosion hazard zones in a sample survey of communities around the country. FEMA will also conduct a cost-benefit analysis of erosion hazard maps to determine if nationwide mapping will save the national flood insurance fund money. FEMA will also study the economic affects of such mapping on the affected communities. Many coastal communities rely on property taxes from coastal residents to pay for their local firemen, policemen, and teachers. The compromise recognizes the importance of giving Congress the facts first so an informed decision can be made.

When I spoke during the debate on H.R. 3191, I mentioned reservations I had concerning the bill's purposes clause. As a member of the conference committee on title 5, I am happy to report to Members who shared my concern that this provision has been struck from the bill.

Mr. Speaker, the rest of the conference report contains provisions that will enhance community development and financial institutions. Other Members have spoken about those provisions and I share their enthusiasm for the report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I rise in strong support of the conference report on H.R. 3474, the Community Development and Regulatory Improvement Act.

This legislation, which first passed the House on November 21 by voice vote, provides $382 million over the next 4 years to assist a wide variety of financial institutions and organizations to finance economic development in distressed urban and rural areas across the United States.

Mr. Speaker, this money will be leveraged by attracting private bank funds to invest in rebuilding these areas which so sorely need it, and most important, it will help to create jobs, more new, good, high-paying jobs in areas where unemployment is very high.

The newly created Community Development Banking and Financial Institutions Fund would provide this financial assistance through equity investments, grants, loans, credit union shares, and deposits. The end result will be additional private investment in urban areas like so many we have in my area of northern New Jersey where there has been a longstanding credit shortage and where traditional lending institutions are nowhere to be found.

Many cities in my own congressional district are positioned to reap the benefits of community development banking. Organizations eligible to receive assistance must have a long-term plan in place to serve the credit and development needs of disadvantaged groups or an economically distressed area. But this is not a handout my friends. These organizations must match the assistance they receive.

Funds may be used for a wide variety of activities such as commercial facilities, business creation and expansion efforts, community services for low- and moderate-income people, development services and low- and middle-income housing. This is in truth an ideal public-private partnership.

But this conference agreement does much more.

It helps establish secondary markets for business loans in order to increase small business access to capital.

And by doing that, again, it leverages the amount of funds that are available for investment in these areas which so sorely need it in order to create the new jobs.

It contains a number of provisions to cut paperwork requirements for banks and exempt healthy small banks from annual examination requirements. The savings resulting from relieving these overburdened regulations can be passed on to consumers.

Increased lending means increased investment. And again, I stress new jobs.

Mr. Speaker, I was proud to be an original cosponsor of this bill, and I am proud to support it now. I urge all to vote for the conference report.

Mr. BEREUTER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. RIDGE], an active and involved member of the Committee on Banking, Finance and Urban Affairs.

□ 1310

Mr. RIDGE. I thank the gentleman for yielding this time to me.

Mr. Speaker, this community development bank bill is a worthy first step to address the banking needs of our poorest urban and rural Pennsylvania communities, and I support it as a downpayment on future activity.

Almost 4 years ago, my colleague, the gentleman from New York, FLOYD FLAKE, and I came up with a new idea: Why not offer incentives to banks and thrifts seeking to expand their lending in underserved areas? Why not provide incentives for banks and thrifts that radically increase their investment in targeted areas? In creating the Bank Enterprise Act, we said then, as we still believe now, that "neighborhoods without credit are like land without rain—nothing grows. No amount of direct government involvement, no amount at all, can compensate for a nonexistent private sector. Land without rain becomes lifeless desert, and neighborhoods without credit become desolate places as well."

We also inserted the first Federal statute on community development banks when we stipulated that banks could earn credit for capitalizing the South Shores of this country.

In the bill before us today, I regret that two-thirds of the money goes to what I believe will become highly bureaucratic, government-sponsored specialty lenders. I regret that we are supposed to have two kinds of financial institutions—mainstream ones for most Pennsylvanians and carve out lenders for our poorer areas. I have always believed that people left behind want to become part of the mainstreams gain. That is the American dream. Do not separate us with separate institutions—bring us back to the main office, the mainstream.

But this shortcoming will be made up by the fact that the one-third of funds going to the Bank Enterprise Act will leverage at least ten times that amount in private dollars, and $125 million will become $1.25 billion in new activity. Neighborhoods in North Philadelphia, Erie, and Washington Counties are some places that come to mind immediately as benefitting from this bill. Others will benefit as well, as banks and neighborhood groups put their heads together and learn to win.

Finally, I thank my colleagues for their help and support on this measure. I believe we will see very soon that incentives work better and longer than punitive measures. We will find that banks can make a profit on these ventures and people in the neighborhoods will start rejoining the mainstream of opportunity.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Pennsylvania [Mr. RIDGE] that I share his concerns just expressed. I appreciate very much the initiative of the gentleman from Pennsylvania and the gentleman from New York [Mr. FLAKE]. I feel that is a better provision in that particular title.

Mr. Speaker, several Members have already made reference to the flood insurance reform elements of this multifaceted legislation.

I would say while the revisions to the National Flood Insurance Program included in H.R. 3474 do move us in the right direction, a true reform of the program will not be achieved until the Congress exerts the will to put a stop to the repeated claims made on the NFIP by those who with great interstate and intrastate cross-subsidization, knowingly build and rebuild in unstable flood prone areas. Until such true reform is achieved, the solvency of the fund will continue to be threatened; bailouts from the taxpayers for the fund and much higher costs for flood and hurricane damage will continue. The necessary comprehensive reform provisions were reintroduced in this Congress by this Member once again in the form of H.R. 62, but only limited elements of its survived committee and conference action.

This Member strongly urges his colleagues to support the passage of the conference report.

In closing, let me say that literally years of work have gone into the CDFI bill and the interstate bill by Congress, the administration, the affected industry and consumer groups. While certain notable provisions were not included in the final package, such as the fair trade in financial services provision, the conference report represents one of the most constructive pieces of legislation that has been passed during my tenure on the Banking Committee. The conference report provides much needed financial industry reforms and regulatory improvements, and I urge its prompt adoption.

Mr. Speaker, I would like to recognize two former colleagues, the gentleman from Alabama, Ben Erdreich, and the distinguished Member, the gentleman from Delaware, Mr. Tom Carper, now Governor Carper, who both had elements in the earlier legislation. Their leadership continues to be felt in this legislation that we are passing here today.

Finally, I would like to say that we have a great deal of dedication and effective staff assistants in the crafting of this multifaceted bill. I want to mention Joe Seidel, Rob Zimmer, Sean Cassidy, Terri Miller, Gary Parker, Jim Hyland, Stacy Kincaid, and Joe Pigg, who joined in working very effectively and dedicatedly. I want to thank all those staff members who deserve any kind of recognition they receive, which is far too little for all the work that they do.

Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. BAKER], a distinguished member of the Committee on Banking, Finance and Urban Affairs, who is very active in several of the provisions of this bill.

Mr. BAKER of Louisiana. I thank the gentleman for yielding this time to me.

Mr. Speaker, I wish to compliment the gentleman from Nebraska [Mr. BEREUTER] for his work, and the gentleman from North Carolina [Mr. NEAL] for his work on this measure. it does contain a number of important elements which I think are important to the modernization of our financial system, not the least of which is the community development bank proposal, to which the gentleman from Pennsylvania [Mr. RIDGE], spoke just moments ago, which I think will make great strides in making access by those in minority communities, the opportunity to get access to needed credit.

I also wish to speak to the important elements included in this measure relating to small-business loan securitization and commercial mortgage securitization, simply stating that these two aspects, I think, will probably enhance market opportunities for the Mom-and-Pop businesses of America to get access to credit for commercial needs that heretofore has been very difficult to obtain.

Allowing these mortgages to be originated by the small bank in a rural community or an inner-city bank for a particular business growth plan, and take that loan and basically sell it off to Wall Street, this is a very important tool which will open up vast opportunities for extension of credit.

The gentleman from New York [Mr. D'AMATO] on the Senate side, was a strong advocate of the loan securitization measure in the Senate, and the gentleman from Massachusetts [Mr. FRANK] on the commercial mortgage provisions. I have worked with their staffs, and I think we have accomplished a great deal with the inclusion of these two measures in this package.

Mr. Speaker, last but certainly not least, the gentleman from Nebraska [Mr. BEREUTER] is to be complimented for his hard work and effort on the regulatory relief measures. I think simplifying the regulatory process, lowering the cost to make credit available will ultimately work not just to the commercial mortgage and banking interests but to the consumer interests. The less regulatory interference we have in these activities, the lower costs required to get access, everybody wins.

To those Members who have worked so many hours on this matter, let me say I appreciate your efforts, and I know the banks and consumers will eventually appreciate your efforts.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

I simply want to say that I thank the gentleman for his kind remarks and thank him for all of his great work on this legislation. It bears his mark, as it does of many Members of the majority and the minority.

Having no further requests for time, Mr. Speaker, I urge strong support of this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we hear daily, constantly, a drumbeat of negative comments in the press and from other sources about our Congress, and so little is ever said about the positive contribution that this institution makes to the lives of the American people.

I have become ever more troubled by this and do not know, frankly, what to do about it. I do not know that anything will be done about it. Maybe it has always been that way and always will be.

But the fact of the matter is that the people that serve in the House are almost to a person fine, decent, honest, hardworking, dedicated people who are devoting their lives to serving others. Unfortunately, that message rarely comes through.

Not only is that true in a general sense but it is true in a very specific sense. Hardly a day goes by here without legislation being reported out of committee or passing this body or the Senate, or finally, as today, being approved as a conference report—and much of that legislation would significantly improve the lives of the American public; legislation that would significantly improve the lives of the people we represent, the American people.

Let me just point out that is our job here. Most of us see our jobs here as being servants of the American people, trying to improve the lives of our people, and laboring to improve the human condition. Day in and day out, we do things that accomplish that.

□ 1320

Let me just take a minute here in closing to point out what this legislation does. I cannot begin to do it justice, and I am not going to take long because we have other business to deal with—other business, I would say, that will help the American people.

Earlier I commented briefly on the interstate bill we just passed, and how much easier it will make life. I pointed out how much less suffering there will be with interstate branching when economic conditions deteriorate in various parts of this country because those conditions will have less of an impact on people. I mentioned how less expensive it is likely that the financial system will be to the American public because the system will be strengthened by interstate branching legislation.

The community development bill that is a part of this big bill before us now will in many ways improve the everyday living conditions of thousands of people all around this country. It will raise their standard of living, make it easier to educate their children, and help improve their standard of living. Likewise the small business loan securitization provisions will make it easier for small business to attract new capital, grow, provide jobs and thus improve the standard of living for thousands, tens of thousands of American citizens. The regulatory relief provisions in this bill may sound dry and dull, I am sure, to most people, but in over 50 ways they will reduce unnecessary red tape and regulations, to make it more possible for banks to do what they are there to do, which is to make loans to help our economy work for the benefit of all of our people. I commend the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Florida [Mr. BACCHUS] for their leadership on the regulatory relief title. I would also point out this bill's provisions to tighten the money laundering statutes, so that law enforcement agencies can spend their time tracking down drug dealers, instead of wasting their time shuffling paper.

All of this, legislation has happened with the very strong support of the Clinton administration, which has led the way and has provided the initial push for much of this. All of this has also enjoyed great bipartisan support within the Congress, and is a very good example of this Congress working, as it should, for the benefit of the American people.

So, Mr. Speaker, I want to say I am very grateful to all of my colleagues here who have worked hard on this legislation and who, day in, day out, after weekend in, weekend out as well, spend their lives working for the benefit of the American people. I also want to thank the administration for their tireless efforts on behalf of the American people, and also let me thank staff members who have worked tirelessly over many months on this and other legislation.

This legislation that we are passing today is vastly complicated, and took months of hard work on the part of a number of people. I would just like to mention some of the full Banking Committee staff who worked on it. Armando Falcon, Amy Friend, Kevin Petrasic, Kelsay Meek; Rick Maurano; Briget Polichene; Leslie Fisher; and Joe Reilly have worked tirelessly to help us produce this very fine legislation and we could not have done so without them.

Mr. Speaker, I thank them and, of course, the staffs of the other subcommittees for all their hard work in helping us develop and pass this legislation.

Mr. MFUME. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Maryland.

Mr. MFUME. Mr. Speaker, I rise to congratulate the gentleman from North Carolina [Mr. NEAL] on his many years of work on the Committee on Banking, Finance and Urban Affairs, recognizing that for all intents and purposes this is probably the last major piece of legislation that he will be moving forward under his leadership here in the House. There are many of us who have served on that committee a number of years with him, have gone through a number of debates and worked on a number of issues, and I know I speak on behalf of all of them when I express our sincere thanks for his leadership over many difficult years through many major pieces of legislation and for being truly a gentleman and a distinguished, very distinguished, member of the Committee on Banking, Finance and Urban Affairs.

Mr. NEAL of North Carolina. Mr. Speaker, I thank the distinguished gentleman from Maryland.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, the gentleman should know how this gentleman feels about him, and I expressed my views about the gentleman's service, his traits, his admirable qualities and the contributions he has made to his district, and State and Nation as we discussed the interstate banking bill, but I think it is true, as the gentleman from Maryland suggested, this may well be one of the last major bills where the gentleman from North Carolina plays a role, and I think he has provided one more service to the country by the perspective that he has just provided to, not only the body, but especially to people who are listening to the proceedings and who will read about these proceedings because he has talked about the valuable way that Members, with the assistance of their staff, make their contributions to serve the American public at a time when bashing the Congress is very popular, unfortunately, and when sometimes engaged in by Members of this institution for political purposes. The gentleman has put the proper perspective on the routine, positive activity that goes on in this body, and the gentleman has been a leader in providing that kind of bipartisan, positive action for the House, and we are going to miss him greatly, and I wish him well in his continued public service and in his private life.

Mr. COBLE. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from North Carolina.

Mr. COBLE. Mr. Speaker, I may be completely out of line because I do not sit on the Committee on Banking, Finance and Urban Affairs, but, since we are extending roses to the gentleman from North Carolina [Mr. NEAL], at this time I see no one on the floor who is from North Carolina.

Mr. Speaker, the gentleman from North Carolina and I share a common area in the piedmont of North Carolina. Our districts are contiguous to one another. We represent jointly tobacco, textiles, furniture, other industries, and, being a nonmember of the Committee on Banking, Finance and Urban Affairs, I would like to add to what the gentleman from Maryland [Mr. MFUME] and the gentleman from Nebraska [Mr. BEREUTER] have said and extend good wishes to him as he begins a new portion of his life.

Mr. RUSH. Mr. Speaker, I rise today in strong support of the conference report for the Community Development Banking and Financial Institutions Act, a pivotal piece of legislation which the House will consider today. House Banking, Finance and Urban Affairs Committee Chairman HENRY GONZALEZ, Senate Banking, Housing and Urban Affairs Committee Chairman DONALD RIEGLE, and President Clinton are to be heartily congratulated for their efforts in putting together this landmark legislation.

When this legislation was introduced, I commended the administration for their extensive outreach effort to community, banking and consumer groups in putting this bill together. In May, I introduced the Community Development Financial Institutions Act of 1993, H.R. 2250. I must say that I considered it a mark of honor that their and my bills ended up looking so very similar—twin sons of different mothers, if you will. Through discussions with many of the same individuals and groups and because of the administration's and my mutual desire to generate effective and comprehensive community development, we developed analogous approaches to many of the critical issues fundamental to such an effort. And it is because we substantially came to share the same approach that I rise today in support of this bill.

I strongly believe that this legislation will palpably and responsibly begin to address the credit and community development needs of our Nation's most disinvested areas. I support this bill because of my belief that meeting the economic needs of the people of inner city communities, rural areas and close-in suburban areas is one of a series of steps necessary to make sure that equal opportunities are fully extended to all Americans. The bill is designed to assist Americans who, as President Clinton has described them, are "willing to work hard and play by the rules."

This legislation will create the Community Development Banking and Financial Institutions Fund, an entity with a mission of fostering the growth and, where necessary, the establishment that will increase access to credit and financial services by low- and moderate-income people as well as small, minority- and women-owned businesses. These are the groups and individuals which have traditionally been denied access to adequate levels of capital and credit. All too frequently, these groups and individuals are located within disinvested communities like many of those located in Illinois' First Congressional District, which I represent.

Community development financial institutions, known as CDFI's across the country, which are innovative entities comprised of individuals who know first hand what steps to take to improve their communities, will now be able to better obtain the economic resources with which to do so. The fund, through competitive awarding of a wide range of assistance, will enable creative ventures to be undertaken including everything from supporting the efforts of local groups to demolish and remove abandoned buildings, to facilitating the development of low- and moderate-income housing, to helping groups with successful track records building small projects to obtain capital and credit to do more of their crucial work. Organizations and financial institutions will apply for assistance from the fund—such as community development banks, credit unions, loan funds, community development corporations, microlenders, and other entities.

The administrator of the fund will determine which among competing proposals from CDFI's will do the most comprehensive job of rejuvenating all aspects of the target community's economic and social vitality. And, Mr. Speaker, the fund will accomplish these goals in a way that does not create one more Federal bureaucracy, but instead will build on the insights gained from some of the hard-fought struggles, and mistakes, of the past as these CDFI's learned what did and did not work in fostering community development.

The fund will encourage healthy competition among applicants to get the most bang for its limited bucks. It will require matching private funds for much of the assistance it awards, which will mean that applicants will not only have to compete on the basis of the comprehensiveness of their application, but will be put through the additional real world filter of securing scarce private sector funds.

Finally, the real significance of this legislation is that it is not just about credit or banking. It is about genuine, comprehensive, permanent community development. With this bill, we will give individuals the tools to determine their own destinies; to take their, and their families', futures into their own hands and work hard to achieve what, until now, has been on the horizon but still beyond their grasp—that elusive goal called prosperity. Real prosperity cannot exist without the economic building blocks that so many of the hard working men and women in disinvested urban, suburban, and rural communities lack. The kind of development that the fund will foster is that which will measurably and steadily increase the confidence of the residents, business owners, and workers in targeted communities that their own futures and opportunities are on the rise. But just as critically, it will also convince outside investors that these communities merit their careful and considered attention—and their investment dollars.

I urge my colleagues to support this bill, which is designed to foster increased access to good-paying jobs; encourage entrepreneurship and self-sufficiency; increase living standards and quality of life; make credit and financial services more readily available; and give community members access to a broader spectrum of goods and services. I believe that it will engender myriad economic opportunities, including ownership of businesses, buildings, homes, and other assets within our communities.

By devoting resources to precisely targeted community development financial institutions that are undertaking activities that aim to reduce the cycle of violence and hopelessness that so many of our citizens now experience, by putting our people back to work at decent jobs, and by helping to ensure that our communities believe in the possibilities that underlie even our Nation's most deep-seated problems, I firmly believe that the Community Development Banking and Financial Institutions Act will be a catalyst for real change in the lives of countless Americans during the years to come.

Mr. ORTON. Mr. Speaker, I rise today in strong support of H.R. 3474, the Community Development and Regulatory Improvement Act.

This bill proves that we in Congress can work together in a bipartisan manner to enact legislation which benefits people throughout our country. While this bill is popularly referred to as a banking bill, it would more appropriately be called a borrower's bill. Because that is who will most benefit by passage of this bill. Small businesses, individuals, homebuyers, and almost anyone seeking credit may be impacted by the provisions of H.R. 3474.

I am particularly pleased to see this legislation becoming law. As a cosponsor of H.R. 962, the Regulatory Relief Act, I believe it is critical that we eliminate unneeded banking regulations which take time and resources away from banks' primary function—lending. I particularly commend Representatives DOUG BEREUTER and JIM BACCHUS for their hard work in passing most of the provisions in their bill.

I am also pleased to see us enact provisions to promote secondary markets transactions for small business and commercial real estate. This has not been given much attention. However, in the long run, it could have a significant impact on increasing credit in these areas. I was pleased to be an original cosponsor of the House version of the final bill that passed, and would like to commend my good friend and colleague, PAUL KANJORSKI, for his hard work in making this a reality.

Finally, I am supportive of the administration's initiative to create more community development financial institutions. The purpose of this title is to provide leveraging for community-based lenders seeking to provide funds to borrowers having difficulty obtaining credit from traditional lending sources. I am pleased to see the conference report contain my Credit Union Community Development Enhancement Act, a bill I introduced to provide additional funds for the already successful community development credit union revolving loan fund.

Most of all, I am pleased to see that the bill we are passing today contains so many recommendations made by participants at a congressional field hearing held in my district last fall.

Last August, Representative KANJORSKI agreed to have the Economic Growth and Credit Formation Subcommittee, which he chairs, hold a field hearing in West Valley City, UT. I invited a wide range of participants, including Utah Lt. Governor Olene Walker, and representatives of small businesses, banks, credit unions, realtors, and low-income and minority business groups.

This field hearing focussed on credit availability for small businesses, real estate, housing, and consumers. The panelists made a very effective case that we in Washington need to take action to improve credit availability for businesses and consumers alike. Their recommendations were very specific.

I would like all of the panelists to know that I listened very carefully to these recommendations. Upon returning to Washington, I pushed for adoption of changes to our banking and securities laws which reflected these recommendations. Today, with passage of H.R. 3474, many of these recommendations are becoming a reality. I believe this shows that legislators can be responsive to those they represent.

Let me outline some specific examples. A number of the panelists of our field hearing made a strong case for the elimination of burdensome, unnecessary banking regulations. Specifically, Lt. Governor Walker made a "plea for a reduction in banking regulations." She went on to explain how this is critical to maintain credit availability for a wide range of businesses, including software businesses, which are so vital in Utah.

This plea was echoed by Robert Ligget, representing the Salt Lake Area Chamber of Commerce. Noting the difficulty small businesses have in obtaining financing, he asked us in Washington to "remove excessive regulation that inhibits the banks from lending." He explained the link between unneeded regulations and reduced lending by noting that "The net effect for business has been that the lending banks have had to create larger, more complicated hoops for small businesses to jump through in order to comply with the new regulations."

These thoughts were also echoed by bankers who must comply with these regulations. Representatives of both big and small banks made a persuasive case that they are sidetracked from their primary role as lender by the need to comply with complicated and costly regulations. Many of these regulations serve no purpose in protecting the safety and soundness of these institutions.

Similar comments were made by representatives of credit unions, homebuilders, and builders and advocates of affordable rental housing. The message was loud and clear: we have to eliminate burdensome banking regulations which impede loans for small businesses, for affordable housing, for homebuilding, and for consumers throughout Utah.

So what have we done in Congress? We listened. Today, with passage of the regulatory relief portion of the bill, we will be eliminating dozens of unnecessary banking regulations. These include directing banking regulators to review and streamline regulations, requiring regulators to coordinate and unify banking examinations, providing for more flexibility with regard to micromanagement provisions, and many other provisions.

At our field hearing, we also heard from panelists about the need for programs to provide credit to businesses and individuals who are creditworthy, but have trouble obtaining credit from traditional lenders. Veda Barrie-Weatherbee, the president of the Utah Association of Women Business Owners, described the special difficulties women entrepreneurs have in obtaining credit. She outlined a number of steps that should be taken.

We also heard from Pete Suazo, of the Salt Lake Minority Business Development Center. He characterized the special problems that minorities sometimes have in obtaining credit, and also made suggestions to meet this need. These suggestions included eliminating unneeded banking regulations, which we have done in this bill. He also advocated expanded lending to minority businesses through programs targeted to these borrowers, but doing so within the private sector.

I believe we are doing just that with the enactment of the Community Development Financial Institutions title of H.R. 3474. This title will provide leveraged financing for community-based lending institutions which serve low-income individuals and targeted populations within underserved areas. The program also provides training programs for financial institutions in order to help them undertake development financing. This need for training was specifically cited by Mr. Suazo and Ms. Barrie-Weatherbee.

Finally, I would like to not a major recommendation Chairman KANJORSKI made at this hearing. He mentioned the introduction of H.R. 2600, his Business, Commercial and Community Development Secondary Market Development Act. I was pleased to be an original cosponsor of this bill, which became the House version of the secondary markets legislation that we are passing in H.R. 3474. As Chairman KANJORSKI stated,

> A secondary market will expand the overall supply of credit by purchasing loans made by banks and packaging them into large pools of loans which are sold to institutional investors like pensions funds and insurance companies. A secondary market helps redeploy funds where they are needed.

I believe this new title may prove to be especially beneficial for Utah. We are a high-growth State, in need of additional capital from other areas of the country not enjoying the same robust growth we have. Secondary markets allow local lending institutions to sell off portions of loan portfolios and use the funds to make additional loans. In the same way that secondary markets have become a tremendous source of low-rate financing for the residential mortgage market, expanding these markets to small businesses and commercial real estate could have a dramatic long-term effect for credit in these areas.

In short, the bill we are passing today is an important legislative achievement, which should have the practical effect of increasing lending and encouraging economic growth. I commend the many individuals in the House and Senate who have made this bill a reality and urge final adoption.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong support of the conference report for H.R. 3474, the Community Development and Regulatory Improvement Act.

This landmark legislation includes a number of provisions that will help finance much-needed economic development in distressed areas of the country and stimulate community revitalization. The targeting of assistance to organizations and financial institutions geared toward community development, will enable the newly-created Community Development Banking and Financial Institutions Fund to significantly improve prospects for real and meaningful economic growth and community revitalization.

H.R. 3474 also provides important incentives for banks and thrifts to make investments in distressed communities. Historically, these communities have simply been unable to break the vicious cycle that perpetuates chronic poverty because of the unavailability of adequate sources of private sector financing.

I also strongly support the conference report because of the strong consumer protection provisions protecting homeowners against high cost loans and because of the meaningful reforms to the national flood insurance program. In addition, the provisions related to small business capital formation and paperwork reduction and regulatory relief will further stimulate opportunities for financial institutions to improve their operations.

H.R. 3474 is one of the most important pieces of legislation to be considered by Congress in this session. I urge my colleagues to vote yes on the conference report.

Mr. VENTO. Mr. Speaker, I rise in support of H.R. 3474, the Riegle Community Development Regulatory Improvement Act. I commend Chairman GONZALEZ for his leadership on this legislation. I congratulate my colleagues on the House Banking Committee for their hard work on this important initiative.

Mr. Speaker, H.R. 3474 is composed of several unrelated but important components. However, the key elements of this bill, along with H.R. 3841, the Riegle-Neal Interstate Banking and Branching Efficiency Act, which we will consider separately, have somewhat common goals—to increase the efficiency of the total American financial services network and its ability to interface, while at the same time to provide needed credit opportunities to local communities and individual consumers.

The centerpiece of H.R. 3474 is title I which authorizes the National Fund for Community Development Banking. This is a key initiative and while a larger authorization commitment could have accomplished more, this program provides a crucial, much needed lifeline in the areas slated for such institutions.

President Clinton as a candidate in 1992 appropriately recognized the need for such a new mechanism to help communities and consumers. As this initiative has moved forward, I have been contacted by more and more groups with creative and exciting concepts to help the people in my district and across Minnesota; groups that need crucial financial help and that can bring the community development financial institutions proposal to fruition. It is important to note that those individuals who have contacted me represented low income neighborhoods or disadvantaged groups such as native Americans and the Hmong, a Southeast Asian minority group with a significant presence in Minnesota. I am pleased that the final product specifically includes Indian tribes as eligible recipients and Indian reservations as eligible communities. Equally important, the definition of targeted population is sufficiently broad to include Minnesota's Hmong population.

Title I also contains a careful compromise on the issue of high cost mortgages. The House Banking, Financing and Urban Affairs Committee has seen egregious examples of lenders who have taken advantage of vulnerable, often elderly and low-income folks with exorbitant high interest rate loans. The outrageous consequence of such loans is too often foreclosure and displacement of people from their homes. This conference agreement balances the concern of the legitimate industry and consumer use of this type of loan with the need to regulate and prevent the unacceptable practices of some.

Title II is an important title which will expand the availability of credit for small businesses by creating a secondary market for small business loans. I am pleased we were able to come to this agreement which will be another tool to assist with credit crunch concerns.

Title III, the paperwork reduction and regulatory improvement title, includes modifications to reduce red tape to allow banks to efficiently conduct their business. An important section of this title requires Federal banking agencies to consider the burden and benefits of any new regulations.

In addition, this bill requires Federal banking agencies to review and streamline its regulations and written supervisory policies within 2 years. The goal of this review is to eliminate inconsistent, outmoded or duplicative requirements.

Finally, this conference agreement includes flood insurance reform which represents many years of hard work by several members and their staff. And while I may have hoped for stronger environmental consideration in the mitigation efforts of this agreement, I am mindful that we have strengthened and expanded the insurance purchasing requirements. I support the codification of the community rating system which provides incentives for preventing actions by communities in order to reduce insurance losses. This goes hand in hand with the establishment of a national flood mitigation fund that will provide grants to reduce the risk of flood damage for use in relocation, demolition and other mitigation efforts.

Mr. Speaker, today's proposed action by the House will represent major changes in our Nation's financial services network. Interstate banking and branching, the creation of the National Fund for Community Development Banking, flood insurance reform and the regulatory streamlined provisions will translate into greater access of capitol and better services for our constituents and communities—and better credit availability translates into more enterprise and a stronger, more effective, efficient U.S. economy.

Mr. MORAN. Mr. Speaker, I rise in support of the conference report on the Community Development and Regulatory Improvement Act.

This legislation provides many communities with the seed capital they desperately need to reverse redlining and revitalize their community.

We are all familiar with the success of Chicago's Southside Bank.

With the passage of this conference report, Chicago's success can be duplicated in other communities across this country.

I also want to call attention to another provision in this bill that has gone largely unnoticed but will have comparable or greater impact on the availability of capital and credit for small businesses and commercial real estate development including the construction of more moderate- and low-income housing.

This provision will facilitate the creation of a secondary market for commercial and small business loans.

By removing the legal impediments, this legislation will create the financial mechanism through which the lending community will be able to attract more capital, provide greater liquidity, and lower the cost of borrowing.

Just as Fannie Mae's and Freddie Mac's ability to convert residential mortgages into securities has expanded the opportunity for home ownership, this legislation will enable many struggling businesses to secure the capital they need to survive and grow.

Mr. Speaker, more than 3 years ago during the height of the recession when businesses were failing for lack of credit, I offered a sense-of-the-Congress resolution on the credit crunch.

This resolution outlined a series of regulatory and tax policy changes necessary to end the crisis, stabilize collapsing real estate values, and revitalize the banking industry.

This resolution called for restoration of the passive loss provision for real estate, liberalization of pension fund investment rules, removal of the tax penalties for loan restructuring, elimination of mark-to-market liquidation-based appraisals, and securitization of commercial loans.

All but one of these recommendations have become a reality. With today's favorable vote, the securitization of business and commercial loans will soon become a reality.

Mr. LAFALCE. Mr. Speaker, I rise in support of this legislation. This omnibus legislation contains several elements that are intended to facilitate the flow of credit to parts of our economy that have historically been underserved. Title I of the legislation, the Community Development Financial Institutions Act, will encourage the flow of capital to low- and moderate-income communities. The legislation builds on the framework of the administration's original proposal, which contemplates a network of independent community development banking entities. However, an important addition to the concept of community development banking has been made in the form of the Bank Enterprise Act, initially passed by Congress in 1991 as part of the FDICIA legislation, and finally provided with funding in this legislation.

The Bank Enterprise Act is based on the proposition that the most effective way to increase the level of lending and investment in low- and moderate-income communities is to provide incentives for existing financial institutions to get involved in serving those communities. It is our commercial banking system that has the capital resources required to meet the needs of underserved communities. Therefore, our objective is to find ways to channel the available resources into the communities where they are needed.

The Bank Enterprise Act is an effort to ensure that our underserved communities are brought into the mainstream of the financial services marketplace. We must avoid marginalizing low- and moderate-income communities by assuming they can only be served by a separate, specialized network of lending entities. This is not to suggest that lending institutions specializing in serving underserved communities do not have an important role to play, but this role must be in close cooperation with—rather than in conflict with—existing financial institutions. Our objective is an efficient and effective financial services marketplace which recognizes both the needs and opportunities involved in lending and investing in historically underserved communities.

Title 2 of this legislation will encourage the development of a secondary market for small business loans. This is an issue that I have been involved with for the past decade. Whereas larger businesses can access the capital markets, small businesses remain dependent on bank loans for their financing. Yet because bank loans to small businesses are structured to meet the specific needs of individual businesses and are therefore difficult to standardize, the development of a secondary market in small business loans has been slow.

This legislation will lift various regulatory barriers that have hindered the development of a secondary market for small business loans. It remains to be seen whether doing so will provide a sufficient incentive for the market to develop. However, this legislation represents a necessary first step in the process of encouraging the securitization of small business loans. This bill gives the Federal Reserve and the SEC the responsibility to study the development of the secondary market for small business loans. Within a few years, we may conclude that additional steps are needed to encourage the securitization process.

Finally, title 3 of the bill represents an important first step in addressing the overwhelming regulatory burden currently stifling our regulated financial institutions. It has become increasingly difficult for our banks and thrifts to concentrate on providing credit when they are forced to spend so much of their time and resources addressing regulatory demands that too often have no relevance whatsoever to safety and soundness. Although there remains much more to be done in the area of relieving regulatory burden, this legislation hopefully represents a turning point.

This is important legislation and I urge its passage.

Mr. SCHUMER. Mr. Speaker, I rise in support of both banking conference bills that are on the floor today—the interstate banking bill and the Community Development and Regulatory Improvement Act.

Both of these bills are good for consumers and good for the financial services industry, and they both deserve the bipartisan support that they have received thus far.

The interstate banking bill will allow banks to merge and expand across State lines without needing to have a separately managed bank in each State. That means that banks can branch out to other States but not have to needlessly have a separate board of directors, group or executives, and capitalization requirement for each of the 50 States.

Finally, after many attempts, we will have a truly integrated, national banking system. This means a more efficient banking system which will reduce the cost and expand services to consumers in every State.

This bill will contribute to a stronger banking system that will be less vulnerable to the massive failures that we saw in the past. If you look at many of the bank failures in the eighties, a lot of the banks were governed by arcane and obtusive State regulations.

The bill includes safeguards to protect small community banks, and banks will still have to follow State requirements on fair lending, consumer protection, community reinvestment, and taxation. In addition, the bill has strong requirements ensuring that all banks are adequately capitalized.

Both the interstate branching bill and the CDFI bill deserves our strong support.

In my limited time, I would like to express my disappointment that another very important bill was not included in the conference agreement. I am referring to the fair trade in financial services bill that I introduced with Congressman LEACH and Congressman STARK.

Fair trade in financial services and tremendous bipartisan support, passing the Senate by a wide margin and passing the House Banking Committee by, I believe, a unanimous vote.

It would give the Treasury Department the right to sanction foreign-owned banks in America if that country discriminates against our banks and financial services overseas.

It makes complete sense. We should have the same opportunity to export our financial services that we give to virtually every other nation.

For decades we have been victims of our own sense of fair play. Certain predator foreign trading partners have taken advantage of America's fair and open banking and financial services laws to invest heavily in the United States while our firms are shut out from competing in their country.

We have the most advanced and most competitive financial services industry in the world.

We are the champs.

But in certain countries, like Japan, our firms cannot even play the game. It's like having an international basketball competition but not allowing the dream team to play. Our financial services industry is the dream team of the finance world. But, because U.S.T.R. is notoriously weak when it comes to the service sector—particularly the financial service sector—our team cannot even get off the bus.

The Fair Trade in Financial Services Act was left out of the conference on purely jurisdictional grounds. Yes, jurisdiction is important, but each committee squandered a year-long opportunity to mark up and comment on the bill.

What we have lost by not including fair trade in financial services is the chance to improve our trade balance by billions of dollars. Our dream-team, financial service sector, if allowed to fully compete in Japan, South Korea, Brazil and elsewhere would generate billions of dollars in wealth for our country. By having our banks in these countries, our companies would be able to find capital to expand our businesses abroad. All of these mean American jobs and a stronger U.S. economy.

It is a shame that we were not able to include this very important legislation which was endorsed, if I may add, by the Treasury Department, U.S.T.R., the banking industry, the insurance industry, and the securities industry.

Chairman GONZALEZ and Congressman FRANK, I would like to express my gratitude to you for your attempts to find a way to include this language in the conference report. I greatly appreciate the hours and hours that both of you spent to try and get this fair trade language in the bill. Unfortunately, we have missed a great opportunity, and one of our strongest industry sectors will continue mostly as a specter in the competition of world trade.

Mrs. UNSOELD. Mr. Speaker, I rise in strong support of the two banking bills before us on the floor today. The Interstate Banking and Branching Efficiency Act is a vital initiative to increase the efficiency of interstate banking while also protecting the rights of States to control entry into their markets. This legislation not only provides a workable solution to a problem that has been plaguing legislators for decades—but it does so in a bi-partisan and non-controversial way.

I am also delighted that we are about to pass the Community Development and Regulatory Improvement Act, legislation which will establish a fund to finance economic development in distressed communities, restrict the activities of lenders targeting high-cost loans to low-income areas, and reduce unnecessary paperwork. I am particularly pleased over the inclusion in this bill of regulatory burden relief provisions authored by Representatives BACHUS and BEREUTER. Whenever possible we should remove paperwork burdens that fail to protect taxpayers and may serve only to confuse consumers.

Mr. MARKEY. Mr. Speaker, I am pleased to support, on behalf of the Subcommittee on Telecommunications and Finance, the conference committee's report on the Riegle-Neal Community Development and Regulatory Improvement Act of 1994. As you know, this legislation represents the fulfillment of a major Clinton administration initiative, and I am extremely pleased to rise in support of it here today.

My subcommittee looked carefully at the provisions of this legislation which are designed to greatly increase the capital available to small businesses for growth and expansion. Increasing the flow of capital, and making the flow more steady and predictable, is vitally important to the health of our Nation's economy.

Small businesses employ more than 57 million Americans. They also employ more than half of the workers in my home State. Despite their crucial role in the economy, however, these small businesses—the same ones that help put dinner on the table in over half the homes in Massachusetts—experienced in the late 1980's and early 1990's a devastating credit crunch from which they have only recently begun to recover. A few weeks ago, however, I was reminded of how far we still have to go. The New England Regional Administrator of the Small Business Administration said that "many [small] business owners are still financing their businesses and inventories on their credit cards. That's a crime. [But] they can't get the door open to get access to capital."

Although some statistics indicate that the worst problems are behind us and that many small businesses are now helping to rebuild and restore the nation's economic muscle, and Congress owes it to workers and taxpayers to take reasonable steps to make sure that the credit crunch does not reappear.

The small business provisions of the administration's community development banking bill should go a long way to protect us against future cyclical credit crunches. The key elements of the bill are the provisions that will, for the first time, help create a vibrant secondary market for small business loans, a process known as securitization. Securitization is one of those Wall Street words that has a numbing effect on most intelligent people. Unlike most other arcane Wall Street words, however, this one is both important and relevant to anyone who cares about real economic growth.

Securitization enables lenders to provide more capital, borrowers to get more reliable access to credit, and investors to purchase new types of financial instruments. This is possible by allowing banks and other lenders to sell loans. Many people with home mortgages, or car loans, or student loans, are familiar with this because for many years now, banks have routinely sold these loans to other institutions. Buyers of these loans typically join or pool them together with hundreds or even thousands of other similar loans that have also been purchased from banks or other lenders. This single pool of near-identical loans is then registered with the Securities and Exchange Commission, often by means of a simplified and less expensive process, and interests or shares in the securitized pool are sold to investors. The cash flow generated by the loan payments made by the borrowers finances the payments to investors. Perhaps most important, however, the bank now has the ability to make new loans because its capital—which is the most important indicator of how much money it has available to lend—was replenished when it sold the original loan.

The evidence suggests that these benefits are both real and lasting. Securitization has worked successfully in the residential mortgage market. In 1984, the Energy and Commerce Committee helped draft the Secondary Mortgage Market Enhancement Act [SMMEA], which facilitated the development of a private secondary market for residential mortgages. It is noteworthy that even in the worst days of the credit crunch in New England and other parts of the country, mortgages remained readily available to qualified borrowers. The small business securitization proposal is modeled almost exactly on SMMEA.

Mr. Speaker, the securitization provisions of the community development banking bill will increase capital available to small businesses, will make the flow of capital more steady and predictable, and will achieve all of this at no cost to taxpayers and without creating new risks for investors.

Finally, I also note that the Senate provisions on fair trade in financial services were not included in the conference report. I regret that we were not able to reach an agreement in this area and hope that we will continue our work on this issue in the next Congress. I hope that U.S. trade representatives will work on this area in the interim and help secure national treatment for American securities firms abroad.

I wish to commend Chairman GONZALEZ and Chairman RIEGLE for their outstanding leadership on this issue, and to compliment the conferees and their respective staffs on the House and Senate Banking Committees, the Energy and Commerce Committee, as well as my own subcommittee, all of whom together worked diligently and effectively to bring the small business provisions of this bill to the floor today. I urge my colleagues in the House to give this legislation their full support.

Mr. DINGELL. Mr. Speaker, I rise in support of the conference report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act. I especially want to commend the gentleman from Texas [Mr. GONZALEZ] and Senator RIEGLE, the distinguished Senator from Michigan, for their leadership, and the memberships of the House and Senate Banking Committees and the members of the conference committee for their diligence and hard work on this legislation and for the courtesies that they extended to the conferees from the Committee on Energy and Commerce. We pledge to do our part within our jurisdiction to see that the laws that we enact today are implemented in the public interest and for their intended purposes. We are pleased to have been able to contribute to this important effort to facilitate community development and small business capital formation.

The following is provided as clarification of conference report 103–652 as it relates to certain matters within the rule X jurisdiction of the Committee on Energy and Commerce over "securities and exchanges" and shall constitute the legislative history along with that conference report:

Title I.—Community Development And Consumer Protection

Subtitle A—Community Development Banking and Financial Institutions Act.

1. Establishment of Fund. Section 104(h) expressly prohibits the Fund from issuing stock, bonds, debentures, notes, or other securities. The Fund would not have authority to issue securities of any kind. In addition to prohibiting the issuance of the Fund's own securities, this provision prohibits the Fund from engaging in securitization activity with respect to loans or equity investments in its portfolio. It is not the intent of Congress

that the Fund engage in securities activities, including any secondary market activities with respect to securities.

2. Assistance Provided by the Fund. Section 108(a)(2) requires that the Fund's equity investment assistance be structured in such a way that the Fund does not own more than 50 percent of the equity of an assisted community development financial institution and may not "control" the operations of such institution. The Fund may only hold transferable, nonvoting equity investments; however, such investments may provide for convertibility to voting stock upon transfer by the Fund.

It is not the intent of Congress that the Fund engage in making and selling equity investments on a regular basis. While the Fund may seek to sell an equity investment in its portfolio from time to time, in general, the Fund is not authorized to engage in the securities business, including any secondary market activities with respect to securities.

In addition, this provision is not intended to impact the determination of "control" for purposes of the federal securities laws. As such, the Fund's equity ownership position and its involvement in the operations of the community development financial institution would be among the facts and circumstances considered in determining "control" for purposes of the federal securities laws. Similarly, although the Fund may hold only nonvoting equity securities, the potential conversion of those securities of voting stock upon a transfer would be a factor in determining "control" for purposes of the federal securities laws. If the Fund is determined to "control" the issuer of the equity securities, the Fund would be an "affiliate" of the issuer under the Securities Act of 1933 and, absent an available exemption from registration, would be required to register its resales of the equity securities described in this section. As a general matter, Congress intends that investors purchasing securities from the Fund should have the benefits of disclosure and prospectus delivery requirements imposed under the federal securities laws.

Section 108(f)(3) provides that the Fund has authority to impose sanctions against assisted community development financial institutions if such entitles engage in, among other things, fraud or mismanagement. To the extent that any such fraud or malfeasance involves securities activities of an assisted institution, the Fund shall also refer such matter to the Securities and Exchange Commission for its investigation.

Section 108(g) would permit the Fund to invest in, and then resell, its equity investments (e.g., securities). It is not the intent of Congress that the Fund engage in making and selling equity investments on a regular basis. While the Fund may seek to sell an equity investment in its portfolio from time to time, in general, the Fund is not authorized to engage in the securities business, including any secondary market activities with respect to securities.

Title II—Small Business Loan Securitization

1. Underwriting. Section 206 should not be interpreted to permit national banks (which are exempt from broker-dealer regulation pursuant to the Securities Exchange Act of 1934) to participate in the underwriting of small business related securities.

Title III.—Paperwork Reduction and Regulatory Improvement

Section 340. Simplified Disclosure for Existing Depositors.

Section 340 amends Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) to require depositors to acknowledge that a "noninsured depository institution" is not federally insured. As a matter of law, registered broker-dealers and investment companies are not engaged in the type of activities that would render them "depository institutions" for the purpose of §1831t. Moreover, due to the disclosure requirements already contained in the federal securities regulatory scheme, customers of such firms are already comprehensively regulated under a federal scheme that promotes investor protection.

Section 347. Commercial Mortgage Related Securities.

1. Underwriting. Section 347 should not be interpreted to permit national banks (which are exempt from broker-dealer regulation pursuant to the Securities Exchange Act of 1934) to participate in the underwriting of mortgage related, including commercial mortgage related, securities.

2. Effective date. Section 347(d) provides that Section 347 will not go into effect until the Comptroller of the Currency has promulgated final regulations regarding bank purchases of commercial mortgage related securities as investment securities.

Mr. FIELDS of Texas. Mr. Speaker, through the joint efforts of the Banking Committee and the Energy and Commerce Committee leadership, including Chairman DINGELL, ranking member CARLOS MOORHEAD and Subcommittee Chairman MARKEY, we have produced agreement on some critical titles of this bill relating to the securitization of small business and commercial real estate loans. I also want to commend Senator D'AMATO the distinguished Senator from New York, for his leadership and hard work on this legislation.

Small businesses are vitally important to employment and the overall vitality of the U.S. economy. They account for at least half of the entire U.S. gross domestic product and have always been an important source of new jobs, new products, and new technologies.

In order to play their crucial role in economic growth and job creation, small businesses must have access to capital.

Title II, subtitle A of the bill amends the Federal securities laws to encourage the securitization of, and the growth of, a secondary market for small business and commercial real estate loans.

The approach of the bill is based on the framework for securitization of mortgage loans developed in the Secondary Mortgage Market Enhancement Act of 1984 [SMMEA]. SMMEA removed a number of legal impediments to the securitization of residential mortgages which has led to a large and thriving secondary market for mortgage loans.

The adoption of a SMEAA-like approach for small business loans will, among other things, increase the supply of capital to small businesses. That is, by selling loans to investors, thereby transferring risks and generating fee income, lenders will free up resources to make new loans.

The legislation extends to small business related securities the same exemptions to margin requirements and delivery rules that are available to mortgage-backed securities under SMMEA. It also amends the Federal securities laws to include commercial real estate loans in the definition of mortgage-related securities under SMEAA.

The legislation also encourages the sale and marketing of small business and commercial real estate related securities by preempting current State blue sky and legal investment laws with respect to such securities. States will be able to opt out of these preemptions so long as they do so within 7 years after the bill's enactment.

In short, enactment of this legislation will make it easier for small firms to raise capital and for investors, directly or indirectly, to invest in small firms and commercial real estate ventures.

This legislation is a narrow, focused, and consistent approach based on a proven regulatory framework that has been tested in the marketplace and is working extremely well.

It encourages securitization and fosters a secondary market without sacrificing market integrity and investor protection, the touchstones of the Federal securities laws.

Mr. STOKES. Mr. Speaker, I rise today in strong support of the conference report on H.R. 3474, Community Development Financial Institutions. I want to take this opportunity to commend the chairman of the Banking Committee, Congressman GONZALEZ, for his leadership and steadfast determination to bring this very important legislation through the Conference Committee and to the House floor.

The Community Development Financial Institutions Act is vital to promoting economic growth in communities all over the United States, especially communities like east Cleveland, and the city of Cleveland in my congressional district, as well as the city of San Antonio, which is represented by the gentleman from Texas. The bill establishes a wholly owned Government corporation, known as the Community Development Financial Institutions Fund, to provide financial and technical assistance to financial institutions which have community development as their primary mission, and serve an underserved area or population. The bill provides $382 million over 4 years in "seed capital" for banks, credit unions, and other lending institutions which are committed to serving low-income communities. Many of these institutions are presently unable to meet the financial needs of businesses and individuals in their communities due to a lack of adequate capital.

The Community Development Financial Institutions Fund, by relying on the existing infrastructure of nonprofit alternative lenders already present in many communities, will produce more immediate results than establishing a network of community development banks from scratch. One of the many advantages of providing "seed capital" to alternative lenders is that the funds can often be used to leverage additional funding from banks and Government agencies. Through the matching requirements in the legislation, lenders will have to assume more of the risk for loans to microenterprises and disadvantaged businesses. This will in turn make community development projects funded through their seed money more attractive to traditional financial institutions, who are faced with regulations restricting the amount of high-risk loans they can make.

Mr. Speaker, I am extremely pleased to give my support to this important and worthwhile legislation. This is an enormous step forward to revitalizing low-income and disadvantaged communities in our Nation's cities and in rural areas. As a Member of Congress who has represented economically disadvantaged communities in Cleveland, Ohio, for the past 25 years in this House, I believe that passage of this legislation will bring about significant improvements in the lives of my constituents, and, in turn, all Americans will benefit from the increased economic independence for low-income citizens which will be created through the establishment of the Community Development Financial Institutions Fund. I strongly urge all my colleagues to support this bill and to vote in favor of adoption of the conference report.

Mr. NEAL of North Carolina: Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BILBRAY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. MFUME. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 410, nays 12, answered "present" 2, not voting 10, as follows:

[Roll No. 375]

YEAS—410

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velázquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—12

Archer
Armey
Crane
Gekas
Hancock
Johnson, Sam
Rangel
Rohrabacher
Royce
Solomon
Stump
Taylor (MS)

ANSWERED "PRESENT"—2

Brooks
Hyde

NOT VOTING—10

Clement
Collins (IL)
Cox
DeFazio
Ford (TN)
Laughlin
Rose
Sundquist
Washington
Wilson

☐ 1348

Mr. ROHRABACHER changed his vote from "yea" to "nay."

Mr. STUPAK changed his vote from "nay" to "yea."

Mr. HYDE changed his vote from "yea" to "present."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1350

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 28, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, I am transmitting herewith the resolutions (originals plus one copy) approved today by the Committee on Public Works and Transportation.

Sincerely yours,
NORMAN Y. MINETA,
Chair, Committee on
Public Works and Transportation.

Enclosures.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959 (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility and need for acquiring or constructing a federal building in Columbia, South Carolina, and submit a report to Congress within 60 days.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959 (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility for a federal geo-science building to be located at the University of Hawaii (UH), Hilo, Hawaii, and submit a report to Congress within 90 days.

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the U.S. House of Representatives, that pursuant to section 11(b) of the Public Buildings Act of 1959, (40 U.S.C. 610), the Administrator of General Services shall investigate the feasibility and need for acquiring or constructing a federal building in Corpus Christi, Texas, and submit a report to Congress within 60 days.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4506, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1995

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4506) making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes.

The SPEAKER pro tempore (Mr. BILBRAY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1995

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 504 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 504

Resolved, That all points of order against the conference report to accompany the bill (H.R. 4426) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995, and against its consideration are waived.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 504 is the rule that provides for the consideration of the conference report on H.R. 4426, the fiscal year 1995 foreign operations appropriation bill. The rule would waive all points of order against the conference report, and against its consideration. This is necessary so that we may bring up this important bill in a timely fashion and move forward on important legislative business.

This legislation, Mr. Speaker, appropriates funds for our U.S. foreign aid programs. This final agreement is a fiscally sound compromise which spends less money than we have in the past, while responding to the changing needs of the world. It is approximately $630 million under the amount appropriated last year.

This bill also successfully balances the need to exercise fiscal restraint while still meeting our moral obligation to assist those suffering from hunger and poverty around the world. I would personally like to commend Chairman OBEY for specific language directing the Agency for International Development to fund child survival activities at the recommended level of $280 million, basic education at $135 million, and, micronutrient programs at $25 million.

Finally, the bill contains a fiscal year 1994 supplemental appropriation of $50 million for Rwandan refugees. These funds are desperately needed for a people dying of hunger and disease. I would point out that these humanitarian funds are able to be provided without violating any budget restrictions.

Mr. Speaker, this is an excellent rule which passed the House Rules Committee by voice vote. I would urge my colleagues to adopt it.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Ohio [Mr. HALL] has just indicated, we have before us a rule that provides for the expeditious consideration of the conference report on the foreign operations appropriations bill for fiscal year 1995.

This rule waives all points of order against the conference report itself and against its consideration.

I must say to Members that a rule of this type has become something of a standard procedure for the foreign operations conference report—and there is a compelling reason for that.

Mr. Speaker, let me interrupt for a minute and just announce that I am not going to call for a vote on this rule, in case Members are waiting around for that purpose. The rule will not take that long, but there probably will not be a vote on it. Therefore, I would ask for a little order.

Mr. Speaker, the reason is simply this: Congress has not enacted a foreign aid authorization bill since 1985. Indeed, I remember it well because I served as a conferee for that bill 9 years ago. That is the last time we had an authorization bill on this floor.

Mr. Speaker, in the absence of authorizing legislation since then, the Appropriations Subcommittee on Foreign Operations has had no choice but to step into the breach each year and, in effect, write the annual foreign aid bill.

It hardly needs noting that many items in this conference report are unauthorized. It also contains legislative language several items that are out of scope, and even a tariff measure.

That last item, Members may be interested to know, is new authority for the President to impose import sanctions on Serbia and its ally Montenegro.

Mr. Speaker, given the special circumstances that surround this legislation and the need to bring it to the floor in an expeditious manner, I shall not ask Members to oppose this rule—despite the waivers.

Turning now to the substance of the conference report itself, I find a number of items that will prompt me to vote "no" on final passage.

First, there is the question of the spending level. I know the statement will be made that this bill represents a reduction in spending from the fiscal year 1994 level.

By my calculations, that reduction is in the neighborhood of 7 percent. But let us take a closer look.

The fiscal year 1994 appropriations bill contained a massive aid package for the former Soviet Union, but that aid package was charged as a supplemental appropriation for fiscal year 1993.

So one must subtract that supplemental appropriation from last year's bill to get a better idea of what was the actual appropriated level for fiscal year 1994 spending.

Based on that calculation, I have concluded that this present conference report actually represents an increase of about 4 percent above the fiscal year 1994 appropriated level.

That figure is probably even a little higher when rescissions are taken into account.

Mr. Speaker, during a period when our own domestic budget is subject to intense pressure and serious cuts have been made in many programs, I cannot support an increase in overseas programs.

Then there is the issue of a $99 million subsidy appropriation to facilitate the forgiveness of Jordan's official debt to our Government.

Here again, Mr. Speaker, I cannot justify this expenditure. As a matter of principle, I have consistently opposed debt relief for other countries throughout my congressional career, and I cannot alter that stance today.

The United States has already committed—and spent—tens of billions of dollars toward the establishment of a secure political environment in the Middle East.

In terms of absolute dollars, the Middle East has received more from the United States than has any other region—by far. Figure it out on a per capita basis and the line will go off the chart.

Do not get me wrong; this has not gone for naught. And it is for very good reason that the United States is the only country that can serve as an honest broker—trusted by all sides—in the Middle East.

But does there not come a time when pure self-interest should be enough to bring some of these countries to the peace table? How many more candy canes and gumdrops must we throw around to induce some of these countries to cooperate?

Finally, Mr. Speaker, it is much to be regretted that this conference report does not contain an amendment concerning North Korea that was passed by a 95-to-0 vote in the Senate.

That amendment would have prohibited any and all United States aid from going to the Kim family theme park in Tyranny, otherwise known as North Korea.

The amendment was evidently prompted by a plan that is being floated by the administration to provide the North Korean Communist regime with a nuclear reactor which has application for civilian use as an incentive for North Korea to give up its current nuclear program.

Nobody can question the value of such a goal. But using this means to reach that end is so ludicrous on its face that the Senate was moved to vote unanimously for an amendment that would have stopped it.

Mr. Speaker, there are other problems with this conference report that concern me. Suffice to say that enough of the priorities and programs contained in this legislation are of such dubious value in my own mind that I cannot support it on final passage.

Mr. Speaker, I do not oppose the rule; let me make that clear.

□ 1400

Mr. Speaker, I yield whatever time he might consume to the gentleman from Sanibel, FL [Mr. GOSS], a very valuable member of the Committee on Rules and a former member of the Committee on Foreign Affairs.

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON], the ranking member of the Committee on Rules, for yielding me this time. I wanted to speak for a moment to again underscore some of the points he has made and add a few others, particularly with regard to Haiti.

Mr. Speaker, I understand the need to move this conference report quickly—the emergency funds for crises such as Rwanda are urgently needed. I also understand the need for certain waivers—many of the programs funded in this bill remain unauthorized because we have not passed a foreign and authorization bill since 1985. But as we continue the recent trend of considering conference reports under rules that waive all points of order, it is important to remember that conference reports are privileged and do not need a rule for consideration. These routine waivers are a dangerous trend that needs to be addressed. It is also interesting to note some of the things we are protecting under the blanket waiver: $90 million in debt forgiveness to Jordan, for instance. Some would suggest that this is a very large speaking fee for King Hussein's recent appearance before Congress. The other issue at stake here is the United States policy toward Haiti. Since the revote of the Goss amendment to the defense authorization, this House has not had an official stance of Haiti.

This is a potentially dangerous abdication of our responsibilities. I had intended to offer a motion to recommit this conference report with instructions to accept the Senate amendment on Haiti—deleted in conference—which stated it was the sense of Congress that the President should not invade Haiti without first seeking authorization from Congress. I find it troubling that the administration has seen fit to go hat in hand to the United Nations for approval for an invasion of Haiti, yet it refuses to consult Congress. While I will not offer my motion to recommit today, I want to let Members know that we will have to revisit this issue one way or another in the near future—at the very least, we will need to consider a supplemental appropriations package to cover the hundreds of millions of dollars that are being spent on our constantly changing Haiti policy. And the DOD estimates that this figure will be over $1 billion should we decide to invade.

Mr. Speaker, I do not know where that $1 billion is going to come from and I do not know where the hundreds of millions that are being spent now are going to come from, but I know that we are going to have to reckon with it sooner or later. I know there will be a tendency to say, "Let us just add it to the national debt." That is what we do when we have these kinds of things. I do not think that answer is going to satisfy people anymore, especially when we are talking about things as inane as invading a friendly foreign country that is a neighboring country.

I feel at this point that it is necessary to go forward with this rule, and I supported the rule. I am not going to be able to support the bill because I think some things have been put up in here that do not have the approval necessary of the people of the United States of America. I do know we have not faced the Haiti issue. I am sorry we have missed that opportunity.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. OBEY. Mr. Speaker, pursuant to House Resolution 504, I call up the conference report on the bill (H.R. 4426), making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SWIFT). Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 1, 1994, at page 18811.)

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes and the gentleman from Louisiana [Mr. LIVINGSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I will not take long. I simply want to thank the House for their support of the bill when it was before us previously and to indicate that the bill has really not changed all that much since it has left the body, save for the two emergency requests which have been referred to earlier in discussion today, the provision which helps facilitate the peace accord announced on the White House lawn last week between Israel and Jordan, and the emergency funding for the starving souls in Rwanda.

This bill is $664 million below the amount contained in the bill which was enacted last year, $419 million below the administration's request, $151 million below the committee's 602(b) allocation.

We had 166 amendments adopted by the Senate. Only 19 of them were financial. The others were legislative. We stripped most of them out. There are no new earmarks in this bill above those contained last year.

Mr. Speaker, I think that is all I need to say, except that I think it is important for the House to take note of the departure of persons who have served this House and served it well. Those who know Mike Marek who has served as my foreign affairs assistant for the past 19 years know that he has been appointed by President Clinton to be the new alternative executive director at the World Bank. I am going to miss him terribly, and I know the committee is going to miss him terribly, but I think that is an honor which he has simply earned.

Mike has seen this bill come before this House since 1975. He has seen this committee work with the demise of the Soviet Union, with the year after year conflict in the Middle East which is now finally giving way to peace agreements in the Middle East. He has given his energy and talents to the committee and has with great graciousness explained me to all kinds of Members of the House, and that takes a special talent, I think. But I really do appreciate the work that he has done.

Mike was born and educated in Chicago, IL, he has degrees from both Boston University and Roosevelt University. He is the recipient of the American Foreign Service Association

Award for Recognition and Appreciation and is a founding member of the Congressional Staff Forum on Food and International Development.

I simply wanted to publicly thank him for all the service he has provided to me, to my constituents, to this House and this country. I think he epitomizes what public service is supposed to be all about, and I wanted to extend a special thanks to him and all of the members of the staff who have worked so hard to help put this bill together.

I also wanted to extend my appreciation to all of the members of the subcommittee, including the gentleman from Louisiana [Mr. LIVINGSTON], our ranking Republican member, who has been of invaluable assistance in putting together a bipartisan bill.

Mr. Speaker, I include the program summary of the bill and related documents, as follows:

FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL, 1995

PROGRAM SUMMARY

The conference committee has considered the bill H.R. 4426, and has recommended a total of $13,679,235,750 and $149,000,000 in a fiscal year 1994 supplemental.

The bill is $345,721,344 below the President's request and $663,651,116 below the fiscal year 1994 appropriation.

INTERNATIONAL FINANCIAL INSTITUTIONS

The committe has recommended $1,927,894,750 of the $2,101,977,094 requested for the international financial institutions, including $90,000,000 for the Global Environment Facility of the World Bank. The overall reduction is $174,082,344 below this year's request.

DEVELOPMENT ASSISTANCE

For development assistance, the committee has recommended a total of $1,303,000,000. Of that, $853,000,000 is for general development assistance, which is $43,000,000 above the level requested by the President. Population programs are funded at $450,000,000, the amount requested. For Africa, the committee has included $802,000,000 in the Development Fund for Africa, an increase of $19,300,000 above the request. The committee has also included $169,998,000 for disaster assistance worldwide. Much of this assistance is likely to be used in Africa. The committee has included $7,000,000 for debt restructuring for poor countries eligible for relief under the Toronto terms.

ASSISTANCE FOR CHILDREN

The committee has recommended substantial funding for a number of health, children's and development-related programs. Population assistance is recommended at $450,000,000 plus amounts from the Development Fund for Africa and $50,000,000 for the U.N. Population Fund [UNFPA]. This represents an increase of about $70,000,000 over the population amounts provided last year.

The committee has recommended that the Agency for International Development [AID] should provide at least $280,000,000 for Child Survival, $135,000,000 for Basic Education and $25,000,000 for micronutrients from all sources of funds. This is a slight increase in the amounts recommended for fiscal year 1994.

ASSISTANCE TO THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION AND EASTERN EUROPE

The committee has included a total of $850,000,000 in assistance to the New Independent States of the former Soviet Union, which is $50,000,000 below the President's request. The Committee has also provided $359,000,000 for Eastern Europe and the Baltics.

REFUGEE ASSISTANCE

The committee has recommended a total of $721,000,000 for refugee programs. Of that, $671,000,000 is for the Migration and Refugee Assistance Program, and $50,000,000 is for the Emergency Refugee and Migration Assistance Fund.

EXPORT ASSISTANCE

For export and trade related programs, the committee has recommended a total of $935,031,000. The subsidy appropriation for the Export-Import Bank is $786,551,000, which is an $86,551,000 increase over last year's appropriation when adjusted for the increase provided for the New Independent States of the former Soviet Union. The Trade and Development Agency is funded at $44,986,000. The committee has provided $33,944,000 for the subsidy appropriation for the Overseas Private Investment Corporation.

SECURITY ASSISTANCE

Economic Assistance under the Economic Support Fund totals $2,349,000,000. Of this, $1,200,000,000 has been earmarked for Israel, $815,000,000 for Egypt, and $15,000,000 for Cyprus. These are the levels requested by the President.

For Foreign Military Financing, the committee has recommended a grant program of $3,151,279,000 and a loan program of $619,650,000. The net effect of these actions is a military assistance program level of $3,770,929,000. The committee has included $10,000,000 for the Non-Proliferation and Disarmament Fund, $15,244,000 for Anti-Terrorism Assistance and $105,000,000 for International Narcotics Control.

FISCAL YEAR 1994 SUPPLEMENTAL

The committee also included supplemental appropriations for fiscal year 1994 providing for debt forgiveness for Jordan and emergency refugee and disaster assistance funds for Rwanda.

The Jordan debt relief subsidy appropriation totals $99,000,000 which will permit the forgiveness of up to $220,000,000 of debt owed to AID.

The Emergency Assistance for Rwanda supplemental includes $30,000,000 for the Emergency Refugee and Migration Assistance Fund and $20,000,000 for International Disaster Assistance.

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426)

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - MULTILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Financial Institutions						
World Bank Group						
Contribution to the International Bank for Reconstruction and Development:						
Paid-in capital	27,910,500	23,288,564	23,009,101	23,009,101	23,009,101	-4,901,399
(Limitation on callable capital)	(902,439,500)	(752,959,427)	(743,923,914)	(743,923,914)	(743,923,914)	(-158,515,586)
Contribution to the Global Environment Facility	30,000,000	100,000,000	88,800,000	98,800,000	90,000,000	+60,000,000
Total, contribution to the International Bank for Reconstruction and Development	(960,350,000)	(876,247,991)	(855,733,015)	(865,733,015)	(856,933,015)	(-103,416,985)
Contribution to the International Development Association	1,024,332,000	1,250,000,000	1,235,000,000	1,207,750,000	1,235,000,000	+210,668,000
Contribution to the International Finance Corporation	35,761,500	88,743,028	68,743,028	68,743,028	68,743,028	+32,981,528
Total, World Bank Group	(2,020,443,500)	(2,214,991,019)	(2,159,476,043)	(2,142,226,043)	(2,160,676,043)	(+140,232,543)
Budget authority	1,118,004,000	1,462,031,592	1,415,552,129	1,398,302,129	1,416,752,129	+298,748,129
Limitation on callable capital	(902,439,500)	(752,959,427)	(743,923,914)	(743,923,914)	(743,923,914)	(-158,515,586)
Contribution to the Inter-American Development Bank:						
Inter-regional paid-in capital	56,166,000	28,453,400	28,111,959	28,111,959	28,111,959	-28,054,041
(Limitation on callable capital)	(2,190,283,457)	(1,614,585,575)	(1,594,568,180)	(1,594,568,180)	(1,594,568,180)	(-595,715,277)
Fund for special operations	20,164,000	21,597,000	21,338,000	21,338,000	21,338,000	+1,174,000
Inter-American Investment Corporation		190,000	190,000	190,000	190,000	+190,000
Enterprise for the Americas Multilateral Investment Fund	75,000,000	100,000,000	75,000,000	75,000,000	75,000,000	
Total, contribution to the Inter-American Development Bank	(2,341,613,457)	(1,764,825,975)	(1,719,208,139)	(1,719,208,139)	(1,719,208,139)	(-622,405,318)
Contribution to the Asian Development Bank:						
Paid-in capital	13,026,366					-13,026,366
Development fund	62,500,000	170,000,000	167,960,000	167,960,000	167,960,000	+105,460,000
(Limitation on callable capital)	(95,438,437)					(-95,438,437)
Total, contribution to the Asian Development Bank	(170,964,803)	(170,000,000)	(167,960,000)	(167,960,000)	(167,960,000)	(-3,004,803)
Contribution to the African Development Fund	135,000,000	125,738,167	124,229,309	124,229,309	124,229,309	-10,770,691
Contribution to the African Development Bank:						
Paid-in capital		133,000	133,000	133,000	133,000	+133,000
(Limitation on callable capital)		(2,002,540)	(2,002,540)	(2,002,540)	(2,002,540)	(+2,002,540)
Total, contribution to the African Development Bank		(2,135,540)	(2,135,540)	(2,135,540)	(2,135,540)	(+2,135,540)
Contribution to the European Bank for Reconstruction and Development:						
Paid-in capital		70,020,600	69,180,353	69,180,353	69,180,353	+69,180,353
(Limitation on callable capital)		(163,381,400)	(161,420,824)	(161,420,824)	(161,420,824)	(+161,420,824)
Total, contribution to the European Bank for Reconstruction and Development		(233,402,000)	(230,601,177)	(230,601,177)	(230,601,177)	(+230,601,177)
Multilateral development banks - other		23,813,335				
International Monetary Fund						
Contribution to the enhanced structural adjustment facility		100,000,000		25,000,000	25,000,000	+25,000,000
Total, contribution to International Financial Institutions	(4,668,021,760)	(4,634,906,036)	(4,403,610,208)	(4,411,360,208)	(4,429,810,208)	(-238,211,552)
Budget authority	1,479,860,366	2,101,977,094	1,901,694,750	1,909,444,750	1,927,894,750	+448,034,384
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
International Organizations and Programs						
International organizations and programs	360,628,000	403,000,000	366,000,000	382,000,000	374,000,000	+13,372,000
Total, title I, contribution for Multilateral Economic Assistance	(5,028,649,760)	(5,037,906,036)	(4,769,610,208)	(4,793,360,208)	(4,803,810,208)	(-224,839,552)
Budget authority	1,840,488,366	2,504,977,094	2,267,694,750	2,291,444,750	2,301,894,750	+461,406,384
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
TITLE II - BILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
Agency for International Development						
Development assistance	811,900,000	811,000,000	811,000,000	882,000,000	853,000,000	+41,100,000
Rescission (sec. 545(b))	-5,100,000					+5,100,000
Population, development assistance	392,000,000	450,000,000	450,000,000	450,000,000	450,000,000	+58,000,000
Sub-Saharan Africa:						
Development assistance	784,000,000	782,700,000	790,000,000	802,000,000	802,000,000	+18,000,000
International disaster assistance	145,985,000	169,998,000	169,998,000	169,998,000	169,998,000	+24,013,000
Debt restructuring	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Micro and Small Enterprise Development program:						
Subsidy appropriations	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	+500,000
Administrative expenses		500,000	500,000	500,000	500,000	+500,000
(Estimated level of guaranteed loans)	(25,000,000)	(25,989,000)	(25,989,000)	(18,564,000)	(18,564,000)	(-6,436,000)
(Estimated level of direct loans)		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+1,000,000)
Housing and other credit guaranty programs:						
Subsidy appropriations	16,078,000	19,300,000	19,300,000	19,300,000	19,300,000	+3,222,000
Operating expenses	8,239,000	8,000,000	8,000,000	8,000,000	8,000,000	-239,000
(Estimated level of guaranteed loans)	(110,000,000)	(137,474,000)	(137,474,000)	(137,474,000)	(137,474,000)	(+27,474,000)
Subtotal, development assistance	2,161,102,000	2,249,998,000	2,257,298,000	2,340,298,000	2,311,298,000	+150,196,000
Payment to the Foreign Service Retirement and Disability Fund	44,151,000	45,118,000	45,118,000	45,118,000	45,118,000	+967,000
Operating expenses of the Agency for International Development	501,760,000	526,111,000	517,500,000	517,800,000	517,500,000	+15,740,000
Reform and downsizing	3,000,000					-3,000,000
Operating expenses of the Agency for International Development Office of Inspector General	39,118,000	39,954,000	39,118,000	39,118,000	39,118,000	
Subtotal, Agency for International Development	2,749,131,000	2,861,181,000	2,859,034,000	2,942,334,000	2,913,034,000	+163,903,000
Economic Initiatives						
Economic support fund	2,364,562,000	2,414,502,000	2,339,000,000	2,359,200,000	2,349,000,000	-15,562,000
Rescission (sec. 545(a))	-203,000,000					+203,000,000
International fund for Ireland	19,600,000	20,000,000	19,600,000	15,000,000	19,600,000	
Assistance for the Philippines: Multilateral assistance initiative for the Philippines	(20,000,000)					
Assistance for Eastern Europe	390,000,000	380,000,000	360,000,000	359,000,000	359,000,000	-31,000,000
Assistance for former republics of the Soviet Union	548,820,000	900,000,000	875,500,000	839,000,000	850,000,000	+301,180,000
Supplemental, 1993 (P.L. 103-87) - Foreign Ops	630,000,000					-630,000,000
Supplemental, 1993 (P.L. 103-87) - Defense	979,000,000					-979,000,000
Procurement: General provisions		-1,598,000	-1,598,000	-1,598,000	-1,598,000	-1,598,000
Subtotal, Economic Initiatives	4,728,982,000	3,712,904,000	3,592,502,000	3,570,602,000	3,576,002,000	-1,152,980,000
Total, Agency for International Development	7,478,113,000	6,574,085,000	6,451,536,000	6,512,936,000	6,489,036,000	-989,077,000
Independent Agencies						
African Development Foundation						
Appropriations	16,905,000	16,905,000	16,905,000	16,905,000	16,905,000	
Inter-American Foundation						
Appropriations	30,960,000	30,960,000	30,960,000	30,960,000	30,960,000	
Total, Funds Appropriated to the President	7,525,978,000	6,621,950,000	6,499,401,000	6,560,801,000	6,536,901,000	-989,077,000
Peace Corps						
Appropriations	219,745,000	225,411,000	219,745,000	221,745,000	219,745,000	
Department of State						
International narcotics control	100,000,000	152,400,000	115,000,000	100,000,000	105,000,000	+5,000,000
Migration and refugee assistance	670,688,000	632,888,000	670,688,000	671,000,000	671,000,000	+312,000
Refugee resettlement assistance			12,000,000		6,000,000	+6,000,000
United States Emergency Refugee and Migration Assistance Fund	49,261,000	50,000,000	50,000,000	50,000,000	50,000,000	+739,000
Anti-terrorism assistance	15,244,000	15,244,000	15,244,000	15,244,000	15,244,000	
Nonproliferation and Disarmament Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	
Total, Department of State	845,193,000	860,532,000	872,932,000	846,244,000	857,244,000	+12,051,000
Total, title II, Bilateral economic assistance	8,590,916,000	7,707,893,000	7,592,078,000	7,628,790,000	7,613,890,000	-977,026,000
Appropriations	(8,799,016,000)	(7,707,893,000)	(7,592,078,000)	(7,628,790,000)	(7,613,890,000)	(-1,185,126,000)
Rescissions	(-208,100,000)					(+208,100,000)
(Estimated level of direct/guaranteed loans)	(135,000,000)	(164,463,000)	(164,463,000)	(157,038,000)	(157,038,000)	(+22,038,000)
TITLE III - MILITARY ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
International Military Education and Training	21,250,000	25,500,000	25,500,000	25,500,000	25,500,000	+4,250,000
(By transfer)				(850,000)	(850,000)	(+850,000)
Military to military contact	(10,000,000)	46,300,000	12,000,000	12,000,000	12,000,000	+12,000,000

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
Foreign Military Financing Program:						
Grants	3,149,279,000	3,162,458,000	3,149,279,000	3,151,279,000	3,151,279,000	+2,000,000
(Limitation on administrative expenses)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
Direct concessional loans:						
Subsidy appropriations	46,530,000	59,598,000	47,917,000	47,917,000	47,917,000	+1,387,000
(Estimated level of direct loans)	(769,500,000)	(770,000,000)	(619,650,000)	(619,650,000)	(619,650,000)	(-149,850,000)
FMF program level	(3,918,779,000)	(3,932,458,000)	(3,768,929,000)	(3,770,929,000)	(3,770,929,000)	(-147,850,000)
Subtotal, Foreign military financing program	3,195,809,000	3,222,056,000	3,197,196,000	3,199,196,000	3,199,196,000	+3,387,000
Reappropriation (deobligation/reobligation) authority (sec. 515):						
Foreign military financing	500,000					-500,000
Total, Foreign military assistance	3,196,309,000	3,222,056,000	3,197,196,000	3,199,196,000	3,199,196,000	+2,887,000
Special Defense Acquisition Fund:						
Offsetting collections	-266,000,000	-282,000,000	-282,000,000	-282,000,000	-282,000,000	-16,000,000
Peacekeeping operations	75,623,000	75,000,000	75,000,000	75,000,000	75,000,000	-623,000
Total, title III, Military assistance programs	3,027,182,000	3,086,856,000	3,027,696,000	3,029,696,000	3,029,696,000	+2,514,000
(By transfer)				(850,000)	(850,000)	(+850,000)
(Limitation on obligations)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
(Estimated level of direct loans)	(769,500,000)	(770,000,000)	(619,650,000)	(619,650,000)	(619,650,000)	(-149,850,000)
TITLE IV - EXPORT ASSISTANCE						
EXPORT-IMPORT BANK OF THE UNITED STATES						
Limitation of Program Activity:						
Subsidy appropriations	1,000,000,000	799,873,000	792,653,000	786,551,000	786,551,000	-213,449,000
(Loan limitation)		(17,637,000,000)	(19,000,000,000)			
Administrative expenses	45,369,000	45,228,000	44,550,000	45,228,000	45,228,000	-141,000
Negative subsidy	-51,783,000	-49,656,000	-49,656,000	-49,656,000	-49,656,000	+2,127,000
Total, Export-Import Bank of the United States	993,586,000	795,445,000	787,547,000	782,123,000	782,123,000	-211,463,000
OVERSEAS PRIVATE INVESTMENT CORPORATION						
Loan subsidies:						
Direct	2,717,000	2,829,000	5,658,000	8,487,000	8,214,000	+5,497,000
Guaranteed	6,348,000	8,819,000	17,638,000	26,457,000	25,730,000	+19,382,000
Total	9,065,000	11,648,000	23,296,000	34,944,000	33,944,000	+24,879,000
Operating expenses	7,518,000	8,383,000	7,933,000	7,933,000	7,933,000	+415,000
Non-credit administrative expenses		16,389,000	16,389,000	16,389,000	16,389,000	+16,389,000
Offsetting collections		-151,620,000	-151,620,000	-151,620,000	-151,620,000	-151,620,000
(Estimated level of direct loans)		(19,895,000)	(19,895,000)	(59,685,000)	(19,895,000)	(+19,895,000)
(Estimated level of guaranteed loans)		(481,913,000)	(481,913,000)	(445,700,000)	(481,913,000)	(+481,913,000)
Total, Overseas Private Investment Corporation	16,583,000	-115,200,000	-104,002,000	-92,354,000	-93,354,000	-109,937,000
FUNDS APPROPRIATED TO THE PRESIDENT						
Trade and Development Assistance						
Trade and development	40,000,000	44,986,000	44,986,000	44,986,000	44,986,000	+4,986,000
Total, title IV, Export assistance	1,050,169,000	725,231,000	728,531,000	734,755,000	733,755,000	-316,414,000
(Loan limitation)		(18,138,808,000)	(19,501,808,000)	(505,385,000)	(501,808,000)	(+501,808,000)
FY 1994 SUPPLEMENTAL APPROPRIATIONS						
DEPARTMENT OF STATE						
Jordan debt relief subsidy appropriations					99,000,000	+99,000,000
(Loan forgiveness limitation)					(220,000,000)	(+220,000,000)
Agency for International Development						
International disaster assistance (emergency)		20,000,000			20,000,000	+20,000,000
DEPARTMENT OF STATE						
United States Emergency Refugee and Migration Assistance Fund (emergency)		30,000,000			30,000,000	+30,000,000
GENERAL PROVISIONS						
OVERSEAS PRIVATE INVESTMENT CORPORATION						
Loan subsidies:						
Direct (by transfer) (sec. 573)				(2,904,000)	(2,904,000)	(+2,904,000)
Guaranteed (by transfer) (sec. 573)				(9,096,000)	(9,096,000)	(+9,096,000)

FOREIGN OPERATIONS APPROPRIATIONS BILL, 1995 (H.R. 4426), continued

	FY 1994 Enacted	FY 1995 Estimate	House	Senate	Conference	Conference compared with enacted
TRADE AND DEVELOPMENT ASSISTANCE						
Trade and development (by transfer) (sec. 573)	....	....	....	(1,000,000)	(1,000,000)	(+1,000,000)
Total, FY 1994 Supplemental Appropriations	....	50,000,000	....	....	149,000,000	+149,000,000
Supplemental, 1994 (P.L. 103-211)	-165,868,500	....	....	....	....	+165,868,500
Grand total	14,342,886,866	14,074,957,094	13,615,999,750	13,684,685,750	13,828,235,750	-514,651,116
Fiscal year 1994	....	(50,000,000)	....	....	(149,000,000)	(+149,000,000)
Fiscal year 1995	(14,342,886,866)	(14,024,957,094)	(13,615,999,750)	(13,684,685,750)	(13,679,235,750)	(-663,651,116)
Appropriations	(14,716,855,366)	(14,024,957,094)	(13,615,999,750)	(13,684,685,750)	(13,679,235,750)	(-1,037,619,616)
Rescissions	(-373,968,500)	....	....	....	....	(+373,968,500)
(By transfer)	....	....	....	(13,850,000)	(13,850,000)	(+13,850,000)
(Limitation on obligations)	(23,558,000)	(23,558,000)	(22,150,000)	(22,150,000)	(22,150,000)	(-1,408,000)
(Limitation on callable capital)	(3,188,161,394)	(2,532,928,942)	(2,501,915,458)	(2,501,915,458)	(2,501,915,458)	(-686,245,936)
(Estimated level of direct/guaranteed loans)	(904,500,000)	(19,073,271,000)	(20,285,921,000)	(1,282,073,000)	(1,498,496,000)	(+593,996,000)

Mr. MCDADE. Mr. Speaker, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Pennsylvania.

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Mr. MCDADE. Mr. Speaker, I want to say that I want to acknowledge in front of the House of Representatives the work of the distinguished gentleman from Wisconsin [Mr. OBEY], who has so long and so hard labored over this very, very difficult bill, as has my dear friend, the gentleman from the State of Louisiana [Mr. LIVINGSTON]. I echo the gentleman's comments about the members of the staff who have worked long and hard to help bring this to fruition.

I do want the House to know, in the higher traditions of bipartisanship of this body, this bill is unanimously supported, virtually, and that is in large part due to the work of the able gentleman from Wisconsin and the able gentleman from Louisiana.

Mr. Speaker, I rise in support of the conference report to accompany H.R. 4426, the foreign operations bill and to urge its approval by this House.

Mr. Speaker, I want to call attention to the provisions of this bill that implement the administration's request for debt relief for Jordan. The committee acted to help provide some momentum for the Washington declaration ending the state of belligerency between Israel and Jordan. This was an historic act that we hope will be followed up by other historic acts if we are to have peace in the Middle East. I want to especially thank Chairman DAVE OBEY and ranking Republican member BOB LIVINGSTON for producing a bill that gives support to the peace process while protecting the interests of Congress and the taxpayers regarding future assistance to Jordan. The conference report provides $99 million in outlays to forgive $220 million in Jordanian debt. We expect that any future requests will be transmitted as a budget request to the Congress. This is to assure a better process than this time, when we were consulted very late. No budget request has been forthcoming and a Presidential endorsement has been hard to find. Any future forgiveness will be contingent on future appropriations and the report language is quite specific that future requests will be judged on progress toward a formal peace treaty, an end to the economic embargo against Israel, and formal compliance with U.N. sanctions against Iraq.

Mr. Speaker, the committee also provided authority for Jordan to purchase excess defense articles limited by report language to small arms and ammunition and by bill language to compliance with the U.N. sanctions against Iraq. Any other requests after the signing of a formal peace treaty would be provided in accordance with existing notification procedures. These provisions are such that I believe all Members of the House can support them. Our success in working them out should serve as a sign to the administration that when we are consulted we are constructive and we can enjoy success.

Mr. Speaker, this is a good bill. It deserves our support. It makes a modest but tangible contribution to our efforts toward peace in the Middle East.

Mr. OBEY. Mr. Chairman, I thank the gentleman from Pennsylvania.

Mr. Speaker, I reserve the balance of my time.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Chairman, I want to thank the gentleman from Wisconsin [Mr. OBEY], the chairman of the subcommittee and the full Committee on Appropriations, as well as the gentleman from Pennsylvania [Mr. MCDADE], for their comments and for their cooperation and guidance on this bill. I think we have a remarkable achievement that satisfies the needs and concerns of all of the Members from the various viewpoints that were expressed, both on the subcommittee, the full committee, both houses of Congress and this entire body. So I thank the Members for their cooperation.

I also want to specifically thank the staff on both sides of the aisle for being so fair and working in generally bipartisan effort to bring forward this bill to the floor and make sure that it got through the conference. I add a special note to thank Mike Marek who has been on Chairman OBEY's staff, and has been his principal adviser on foreign policy and international economic trade and defense issues since 1975. We wish him well as he undertakes his new responsibilities at the World Bank, and thank him for all his valiant service here in the House of Representatives.

Mr. Speaker, throughout the progress of this bill in the House, and ultimately in the conference which lasted to 3 o'clock in the morning while Chairman OBEY had pneumonia, we enjoyed spirited debate with the other body, and we considered some 166 Senate amendments, plus administration requests for emergency supplemental appropriations for Jordan and Rwanda.

The House was largely successful in fending off harmful amendments and excessive earmarking which would tie the hands of the executive branch with Congressional micromanagement. We have produced a conference report that I think all Members can support.

Traditionally, this is not a popular bill, but this year's bill is responsible given the declining foreign aid budget.

Last year: $12.9 billion in fiscal year 1994 BA+$1.6 billion in fiscal year 1993 Supplementals (Russia)=$14.5 billion (total).

This year: $13,679,235,750 in fiscal year 1995 BA+$149,000,000 in fiscal year 1994 Supplemental=$13,828,235,750 (Total in fiscal year 1995 conference agreement).

$680 million less than last year's tally; $196 million less than the President's request.

The conference report represents a downward trend. It is substantially less than the 1985 peak of $19 billion, which amounts to $25.8 billion when adjusted for inflation.

We earmark funding levels to honor our Camp David commitments to Egypt and Israel. This funding is crucial to support the ongoing Middle East peace process. $3 billion for Israel and $2.1 billion for Egypt.

The conference report provides $850 million for the New Independent States of the former Soviet Union. These funds will support the historic opportunity to help develop free markets and democracy in the former Soviet Union.

The conferees provide $1.9 billion for the multilateral development banks [MDBs], which cuts $174 million from the President's request. The United States is $850 million in arrears to the MDB's. This legislation fulfills our negotiated obligations and makes a downpayment on arrearages.

The House provided nearly full funding for development assistance, Sub-Saharan Africa, international refugees, and disaster assistance in the House bill, and the conference report provides even more funding for these programs that benefit the world's most impoverished nations.

The conference agreement cuts $65 million in economic support funds from request. If you take out Egypt and Israel, only $324 million for the rest of the world—the United States provided $811 million in 1985.

If you take out Egypt and Israel, we provide only $29 million in foreign military financing [FMF] grants and only a $48 million subsidy to provide $620 million in FMF loans. Only 5 years ago, we provided $1.6 billion in FMF grants to our other allies beside Egypt and Israel.

I would prefer to see more funding for our strategic allies through the ESF and FMF programs, but I understand that tough decisions must be made to meet the declining foreign aid budget.

The conferees provide $734 million in export subsidies through Export-Import Bank, Overseas Private Investment Corp [OPIC], and the Trade Development Administration [TDA]. That's $5 million above the President's request.

We maintain the Kemp-Kasten language which prevents funding for abortions, or funding for organizations which practice coerced abortions.

The conference agreement also responds to the heralded Washington declaration that ends the state of belligerency between Jordan and Israel. In order to help ensure that this progress continues, and to encourage further significant steps in the peace process by Jordan, the conferees have provided $99 million in appropriations to permit the forgiveness of up to $220 million in Jordan's crippling debt problem. Due to the diligent effort of the appropriations ranking member, Mr. MCDADE, the statement of managers makes it clear that any future debt relief for Jordan will be based on reaching a final peace agreement with Israel, ending Jordan's economic boycott of Israel, and complying with the United Nations embargo of Iraq.

The conference report also addresses the disaster in Rwanda with $50 million in emergency supplemental appropriations for refugee and disaster assistance. This emergency supplement appropriation will provide immediate funding to address one of the worst humanitarian disasters in a decade.

In summary, the conference report continues our support for Israel and Egypt during this crucial time as the peace process moves forward.

It continues our privatization and democratization efforts in the former Soviet Union. It provides humanitarian and refugee assistance to our turmoil-racked world. And, we continue the trend of reduced levels of foreign aid. I urge my colleagues to support this responsible conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, I thank the chairman of the subcommittee for yielding me the time.

Mr. Speaker, as you know American trade policy during the last several decades has been in many ways a disaster for the average American worker. Instead of exporting products, the United States has been exporting jobs. Millions of decent paying manufacturing jobs in the United States have been exported to desperate Third World countries where workers are paid starvation wages and are denied the most basic worker rights. This policy is unfair to American workers who are losing their jobs and seeing their wages decline and it is equally unfair to the desperate workers in impoverished countries who are crying out for dignity.

Mr. Speaker, to a significant degree the international financial institutions such as the World Bank and the International Monetary Fund are financially underwriting this process. Time after time, IMF loans and World Bank projects have only exacerbated poverty in already terribly poor countries, and American workers are seeing their right and living standards moving in the direction of Third World levels.

Mr. Speaker, the amendment that I introduced that is incorporated in this bill as the encouragement of fair labor practices, is a very simple but important piece of legislation. For the first time in the history of the international financial institutions, these powerful organizations will be asked to respect the basic rights of working people everywhere. Specifically what this provision does is require the United States to use its influence to pressure these institutions and borrowing countries to guarantee fundamental worker rights.

This is extremely important to American workers because, without fair labor practices, multinational corporations are often encouraged by economic factors to take advantage of labor forces who are easily exploited. This perverse dynamic in the global economy is illustrated by the fact that, in 1992, American companies invested $16 billion in new plants and equipment in China where to say the very least, many workers do not have fundamental worker rights. Therefore, my fair labor practices amendment not only protects the workers abroad, but also discourage the export of American jobs. It begins leveling the playing field on which hardworking Americans are competing for their livelihood.

Mr. Speaker, the U.S. Government should be working hard to protect decent-paying jobs in America and at the same time trying to improve the standard of living of desperate workers throughout the world. My amendment does both.

I want to take this opportunity to thank Chairman OBEY for incorporating the amendment into the Foreign Operations Appropriations bill and Subcommittee Chairman FRANK for his strong support for this legislation throughout the process.

Mr. LIVINGSTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER], a very distinguished member of the subcommittee.

Mr. PORTER. Mr. Speaker, I want to thank my good friend, the gentleman from Louisiana [Mr. LIVINGSTON], for yielding me the time, and thank him for his hard work in helping to guide this conference report through the process and getting it to the floor in what may be record time. I also commend Mr. OBEY for his leadership on our bill and for his fine efforts in his new role as full committee chairman, and I thank the staff of both parties for the fine job they do in producing the bill moving it expeditiously down the legislative trail.

Mr. Speaker, there are a number of issues in this bill that I believe are high priorities including voluntary family planning, assistance for Israel and Egypt for Cyprus, for Armenia, and the countries of the former Soviet Union, our further commitments to the Middle East peace process, humanitarian assistance to places like Rwanda, and others. But I would like to focus my comments today on one issue—our relationship with Turkey.

I believe that in the post-cold-war world, the United States has a responsibility to ourselves and our citizens to promote our values—respect for human rights, the rule of law, democracy, and independent judiciary, good relations with neighbors, free markets—to all corners of the globe. We must reexamine our cold war security arrangements and reshape them to reflect these priorities.

In the post-cold-war world, the need for the United States to sometimes overlook violations of the values on which our country is based in order to further our security interests has been eliminated. There are simply no circumstances today where the national security benefits to our Nation outweigh the moral repugnance of supporting repressive regimes.

In the post-cold-war world, our litmus test for foreign assistance must be shared values. Our foreign policy like every nation's foreign policy, is predicated upon advancing our Nation's interests. Thus, where nations aspire to a free and fair political and economic system, we should be willing to help them reach those goals. But where they do not—and Turkey is one of the glaring examples of a country that does not, through its systematic abuse of human rights—we should make our feelings known clearly and quickly by cutting off all foreign aid, except humanitarian assistance.

I am very pleased that this conference report embraces this new way of thinking regarding Turkey. Turkey has been highlighted by the State Department, Amnesty International, Freedom House, Human Rights Watch, and many, many other monitoring groups as an egregious abuser of the rights of all of its citizens and particularly of its Kurdish population.

Turkey has repressed the Kurds for decades, but in the last 18 months the government-instigated violence has reached unprecedented levels. My wife, Kathryn, visited Turkey in April to attempt to meet with six Kurdish parliamentarians who were arrested and their lawyers, who were also arrested. Not only was she denied access to the parliamentarians, she was followed everywhere she went, and while she was there several human rights activists were murdered, execution-style or disappeared in the town of Diyakirbir, where she was staying. Unfortunately, that is not unusual in that part of Turkey in these times.

But these incidents, Mr. Speaker, only bring into focus the larger picture of the atrocities that are being perpetrated against the Kurds in Turkey. Since 1984, 11,000 people have been killed in the southeast of Turkey—the Kurdish area—but one-third of them, nearly 4,000, have been killed in the last year alone. Nine hundred Kurdish villages have been razed. Some were evacuated first. There are allegations that people were rounded up and killed in others. Nine of the Turkish Human Rights Association's workers have been killed in the last year and 27 of its 57 offices have been closed. In 1992, 17 journalists and 14 distributors of pro-Kurdish publications have been assassinated, many shot in the back of the head. And 40 people have died in house raids by the police.

It is a travesty that we are providing any funds to the Turkish Government while it has the fresh blood of innocent noncombatants on its hands and is apparently committing more atrocities every day. By doing so we are endorsing this type of barbarism, and providing the Government the resources—the very equipment—by which it is carried on.

Worse yet, despite years of systematic abuses, the Turkish Government apparently believes it is above reproach and should be allowed to operate in accordance with a separate set of standards than the other civilized nations of the world. When the House passed its version of this bill, which conditioned 25 percent of U.S. military assistance to Turkey, Turkish Prime Minister Tansu Ciller said publicly that she would not accept foreign assistance that had any conditions attached. The arrogance of this statement, especially by the head of a government that is trying actively to enter the EU, is staggering. It evidences that Turkey has yet to accept the inalienability of human rights that the other EU members recognized long ago and that Turkey is far, far away from qualifying for EU membership.

Turkey clearly does not share our values in may political areas, and they are retrogressing on human rights. While I would have preferred a 100-percent cutoff until the President could certify that the violations had substantially stopped, the provision in this bill conditioning 10 percent of Turkish military aid is designed to send a message that we are serious on this matter, even if Turkey is not.

I strongly believe we need to do more and completely stop our complicity in this situation. I will continue to encourage the subcommittee to make clear to Turkey that in a time of very tight budgets we simply do not have money to give to violators of human rights, particularly blatant, unabashed violators like Turkey.

I also support the conditionality this bill places on Turkey for its conduct relating to Cyprus. For the last 20 years, the separation of Cyprus has been enforced by 35,000 Turkish troops stationed in the northern third of the island. Turkey is the only nation that recognizes the north as a legitimate political entity. It has sent tens of thousands of settlers to the north and has provided massive economic assistance to the north. Clearly, Turkey has great influence with the Turkish-Cypriot leadership. Yet it has made very, very little effort to find a fair and democratic settlement to the ongoing separation of Cyprus. I believe Turkey, the nation that divided Cyprus, is responsible for working actively to find a solution, and I look forward to the State Department report regarding the extent of Turkey's efforts.

Mr. Speaker, this conference report also contains a healthy increase in funds for international family planning. Sustainable development and the preservation of the environment are nearly impossible in undeveloped nations when their population is skyrocketing. A number of nations have annual population growth rates of 4 percent. In order to simply stay even, these nations have to have growth rates of 4 percent. Starting from this hole, it is almost impossible to get ahead. Even if these countries could achieve economic growth greater than their population growth, at such a high rate it would almost certainly come at a very high environmental cost as natural resources are harvested, agriculture leads to soil and water degradation, and factories pollute the air and water.

This conference report addresses this pressing concern and provides a nearly 15-percent increase in population funding in the development assistance account. These funds will provide education about voluntary family planning services and services to tens of millions of couples around the globe. The bill also provides funds through the U.N. fund for population activities, which will help the United States take a strong leadership role at the International Conference on Population and Development in Cairo in September, which I and a number of other Members plan to attend.

Also, I support the earmarks in the FMF and ESF accounts to fully meet our Nation's Camp David commitments. The Middle East remains a very volatile area, but tremendous progress is being made toward peace. Continued strong support from the United States and our allies is key to achieving a lasting solution, and I commend the chairman for ensuring that these funds can be made available.

In addition, this conference report provides ample funds in the section on the Newly Independent States for the nation of Armenia. Armenia, which has a vibrant democratic system, is privatizing and embracing free markets, respects the human rights of its citizens and, in many ways, is a model NIS country, is suffering greatly from an embargo by several of its neighbors. We must continue to support Armenia with no less than the level of assistance it received last year, which is $75 million from the NIS funds provided in this bill.

In addition, there is one other issue I would like to raise. During the conference, an issue that effects a company in Illinois, Cobra Electronics. Cobra has suffered significant economic losses as a result of violations of its international trademarks. While the conferees did not take formal action on this problem, some of us believe it is important to note for the RECORD that we consider this a very serious matter, and that we will continue to track the progress of this case to see what the Government of Paraguay will take to protect Cobra's rightful trademark.

Cobra Electronics, a Chicago-based company which employs 125 people in Northern Illinois, has unsuccessfully sought protection from the Paraguayan Government of its worldwide trademark rights for cordless phones, CB radios, and other products marketed in Paraguay. These rights are registered and recognized around the world. Paraguay's trademark office has not acted on Cobra's attempt to register its name and trademark. More importantly, in clear violation of Cobra's rights, the Paraguayan trademark office has accepted the registration of another company, Importadora y Exportadora Pascaos S.R.L. [Pascos]. Pascos has now moved through the Paraguayan legal process to seize all legitimate Cobra products in Paraguay.

The State Department and the USTR have begun working with the Paraguayans to support Cobra's rights, and I encourage them to continue to do so. Cobra has waited over 2 years to have this situation resolved by the Paraguayan legal system, and it is clear that United States Government intervention at the highest levels is necessary and appropriate. I am concerned about Paraguay's unwillingness to address this issue, and I urge Members to join me in monitoring this situation in the future.

Mr. Speaker, I encourage Members to vote for this conference report.

□ 1420

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. TORRES].

Mr. TORRES. Mr. Speaker, I would like to rise to enter into a brief colloquy with the gentleman.

Mr. Speaker, I rise today to express my concern about the deep cuts sustained by the Latin American and Caribbean region over the last 2 years and, in light of the historic, strategic, economic, and cultural importance of the region to the United States, I want to convey my strong support for full funding of the President's request for the region. As we approach the December summit of the Americas, these resources will signal the commitment of the United States to the long-term prosperity and development of the region.

Mr. Speaker, it is my understanding that the committee supports full funding at the request level for Latin America for both development assistance and the Economic Support Fund to promote economic development and regional stability. Is this correct?

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. TORRES. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, the gentleman is correct.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from

Iowa [Mr. LIGHTFOOT], another distinguished member of the subcommittee.

Mr. LIGHTFOOT. Mr. Speaker, I rise in support of the conference report. Let me commend Chairman OBEY and our ranking member, BOB LIVINGSTON, for a job well done. This is not a popular bill but it is important to promoting the national interests of our country.

Although the bill is largely devoid of earmarks, I am pleased it includes the earmark for the Camp David Accord countries. This year we have seen great progress toward lasting peace in the Middle East. But only one country is taking the risks toward peace and this earmark demonstrates our commitment to our democratic ally, Israel.

This earmark is more than a symbol. Earlier this year I was disturbed to learn that among the options under consideration by the National Security Council to reduce our U.N. peacekeeping arrearage, was one option to reduce aid to Israel and Egypt. At a March 1 hearing before our subcommittee, Secretary of State Christopher did not deny this option was under consideration. Later one State Department official explained to my staff that the State Department was like a business, all options had to be considered.

Well, unlike the lifetime bureaucrats at State, I run a business and let me tell you, some options are never considered because they make no sense. And at this point I see no reason to add to Israel's uncertainty by leaving the funding of Israel and Egypt to administration promises.

I also commend the conferees for accepting Senate language with regard to the PLO. Congress is sending a signal to the PLO that they should live up to their commitments.

There is one issue within this bill that troubles me. That is the issue of Jordanian debt relief.

Although we are all pleased with Jordan's July 25 decision to end its state of war with Israel, Jordan simply does not yet deserve U.S. debt relief. At the end of my statement I will submit for the RECORD a two-part article which appeared in the Christian Science Monitor. These articles detail Jordan's role as Iraq's supplier of military goods.

According to the Monitor, this administration, desperate for a foreign policy victory, has turned a blind eye to Jordanian violation of U.N. sanctions against Iraq and agreed to suspend U.S. inspection of ships bound for Jordan. Former CIA Director Gates states that Jordan is the major point of entry for military goods bound for Iraq. Gates argues that President Clinton's suspension of shipboard inspection is tantamount to lifting the embargo against Iraq.

If the Administration continues this policy of ignoring the long-term implications of Iraq's possible reemergence as a destabilizing force in the Middle East, then I believe Congress should consider taking action next year similar to what we have done in this conference report with respect to the PLO.

But, by and large, this is a good conference report, it continues the downward spiral in foreign assistance spending and with the one exception I mentioned, I commend this report to my colleagues for adoption.

Mr. Speaker, I include for the RECORD the Monitor article, as follows:

[From the Christian Science Monitor, July 18, 1994]

U.S. TURNS BLIND EYE TO JORDAN'S BREACH OF SANCTIONS ON IRAQ

(By Amy Kaslow)

Even as the Clinton administration nudges Jordan toward a peace pact with Israel, it is looking the other way as Jordan permits exports to Iraq that could help retool the war-making capability of Iraqi leader Saddam Hussein.

According to United States court documents and interviews with U.S. law-enforcement and government officials, United Nations diplomats and businessmen from Mideast and Western countries, the White House has purposely remained idle as Jordan has allowed the re-export to Iraq of so-called dual-use equipment that can be used for both military and civilian purposes.

This conciliatory approach, which as become more fixed as the Arab-Israeli peace talks have gained momentum during the past year, sources say, is in direct contrast to the administration's tough public stand on UN sanctions involved at the end of the Gulf war to strangle Iraq's military might.

President Clinton hopes to sponsor a historic hand-shaking agreement between Israel and Jordan at the White House on July 25. The two Mideast nations begin open talks on final details of an agreement today.

A State Department official denies that the U.S. is lenient on Jordan's violations of the sanctions. "That is nonsense, absolute nonsense. Any agreement we reach with the Jordanians [to promote new ties with Israel] will maintain and strengthen sanctions against the [Iraqi] regime and will not weaken them." But, he adds, "we think it is well-understood that the peace process and the sanctions are not related and we certainly do not relate them."

But other sources in the State and Treasury Departments, all of whom request anonymity, describe how Washington is increasingly tolerant of embargo violations that provide Iraq access not only to defense materials but also to international financing needed to rebuild its war machine. Jordan, a pivotal player in the U.S.-sponsored Mideast peace process, is at the center of the Iraqi procurement network.

QUESTION OF WORTH

"The question the administration has to answer is: Is it worth it?" asserts a senior U.S. official who has been monitoring Iraq's compliance with the embargo. He asks whether it is worth jeopardizing the U.S. policy toward Iraq for the sake of cementing Jordanian ties with Israel. "It's putting Iraq back on the fast track, and all of this peace stuff will be moot if Saddam is able to build his arsenal and mobilize his military again," the official says.

Robert Gates, former director of the Central Intelligence Agency (CIA) during the Bush administration, says "Part of the problem is that the Clinton administration has tactical instead of strategic plans. By tactical I mean a short-term perspective, such as responding to Jordan's pleas for help without a full consideration of the long-term implications of Iraq's possible reemergence as a destabilizing force in the Middle East."

In the past month, the Clinton administration has withheld support for U.S. Customs officials who have sought help from the CIA and the National Security Council (NSC) in investigating U.S.-based Jordanian nationals engaged in the export of dual-use equipment to Iraq through holding companies in Jordan. Several indictments have been issued in recent months by grand juries and at least a dozen other investigations are under way.

A host of products—from the most basic, such as tires for military trucks, to the technical, such as agricultural and veterinarian equipment that can be used for biological-weapons programs or devices used for testing nuclear military equipment—are transported into Iraq through Jordan, U.S. court documents show.

In order for the Customs Service or the Justice Department to proceed with Jordanian-related matters, they have had to go through the State Department's Jordan desk routinely since early this year, says a senior US official monitoring Iraq's sanctions compliance. "Often the desk will [terminate] investigations in favor of diplomatic considerations," the official says. "While the State Department maintains major leverage over timing and what will be allowed to be presented, the NSC itself is handling all matters dealing with Jordan," given the White House drive for a Jordanian-Israeli peace pact, he adds.

Another senior State Department official concedes that the administration is giving Jordan some slack and will do all it can to avoid exposing major sanctions violations and forced US action against the kingdom. "We're trying to get goodies for Jordan right now [including Clinton's recent pledge to forgive Jordan's $900 million debt and plans to help it beef up Jordan's military]. The last thing we want to do is embarrass the Jordanians and push them away from the peace process," this official says.

BENIGN NEGLECT

Despite its demands for steadfast support for the sanctions, the US has failed in its obligation to apprise Capitol Hill lawmakers and specially designated UN international monitors of the Jordanian infractions.

The White House sends Congress a bimonthly update on international compliance with the sanctions. The last three public 60-day reviews delivered by the White House, covering December 1993 through May of this year, make no mention of Jordanian violations of the embargo. That includes the latest report Clinton signed on June 6, which he sent to US lawmakers just to weeks before King Hussein made his first official visit to Washington. Ironically, Clinton did stress that "continued vigilance is necessary because we believe that Saddam Hussein is committed to rebuilding his WMD [weapons of mass destruction] capability."

At the United Nations Iraqi Sanctions Committee "there have been no official complaints over the last few months," says Jinghang Wan, special aide to the committee. The last action investigated by the committee was in December 1993, he says.

Law-enforcement officials are slugging through a backlog of old cases, and continue to uncover new illegal export schemes involving Amman. Still working their way through US courts are transgressions uncovered in the late-1980s and early-1990s that implicate Jordan. Last Wednesday, the US Attorney for the District of Columbia charged four US-based firms and two individuals with conspiracy to skirt US export-licensing procedures to send components for cluster bombs and warheads to Iraq through Jordan's port of Aqaba.

Just last March, US customs officials charged a Jordanian national who set up an illegal export operation from Richmond, Va. According to court records, Al M. Harb (who uses a number of other aliases) procured for shipment via Jordan, globe valves, motor brushes, and other technical goods bound for Iraq's nuclear program.

Detailing such schemes as the Al Harb case, Thomas Madigan, a senior special agent of the US Customs Service who worked on the Harb case as well as three other illegal Iraqi procurement cases, swore in a February affadavit: "I am aware that the Iraqi government has developed an intricate network of transshipment routes designed to circumvent international scrutiny of the procurement of restricted commodities. It has been my investigative experience that neighboring Jordan has served as the primary point of diversion for illegal smuggling into Iraq since implementation of the embargo."

Currently, law-enforcement officials say there are at least a dozen sitting grand juries probing US-based individuals and companies who are now sending contraband to Iraq.

Customs officials at headquarters here, however, claim that these investigations are not centrally coordinated either by their agency or by the US Justice Department; rather they are spearheaded by the individual agents in the field. Furthermore, even when these field investigators manage to uncover a network, they receive little of the support from the intelligence community that is needed to successfully bring cases to trial.

LOW MORALE AT CUSTOMS

"Morale is low because we feel we are going to be undercut by those with 'higher purposes,'" says one investigator. Sources familiar with the Al Harb case, for example, claim that the NSC and CIA are failing to provide valuable information about front companies and individuals in Amman that is essential to prosecutors.

Mr. Gates, who says that during his tenure as CIA director, the agency worked very closely with US customs investigators, says Jordan has been the biggest enabler to Iraq's effort to rebuild its defensive and offensive capacity. He adds that according to US intelligence reports, some members of "the [Jordanian] royal family and the Cabinet" have been involved in the "smuggling and busting" of the embargo against Iraq.

US knowledge of their culpability "was so detailed" during the Bush administration, Gates recalls, that "on a couple of occasions I was sent to Jordan to take it up with the king. He was very unhappy to learn [that] there were efforts to evade the sanctions. I had the impression that the specifics I conveyed to him were shocking to him." Gates is uncertain whether the king was shocked because he had been unaware of this information or because US intelligence knew of it.

A Mideast businessman with close ties to Amman says that during US meetings with Jordanian officials, the administration thanks Jordan for its past help in adhering to the embargo. White House reports on just how well that has been achieved "really don't matter" he adds cynically, "they're going to put the best gloss on this."

[From the Christian Science Monitor, July 19, 1994]

IN PEACE BID, U.S. EASES GRIP ON JORDAN TRADE

(By Amy Kaslow)

When Jordan's King Hussein met with United States Secretary of State Warren Christopher in London this past April, the Arab monarch pressed for an end to the US-led interception of ships heading for the Jordanian port of Aqaba. Hussein had long complained that US warships stopping United Nations-embargoed goods from reaching Iraq were damaging to Jordan's already ailing economy.

Anxious to move forward in its regional peace initiative, the Clinton administration acceded to the Jordanian request after the king said it was the only way Jordan would enter bilateral negotiations with Israel.

Critics of the recent US decision, including US Customs and Pentagon officials, charge that it increases the opportunities for Jordan's transfer of forbidden goods to neighboring Iraq, including equipment for Saddam Hussein's military.

There to intercept contraband cargo, the US ships had diverted vessels from delivering prohibited goods since the sanctions were imposed against Iraq in August 1990. Jordan claims this action has cost the Hashemite Kingdom more than $1 billion.

This month, in a Jordanian-US agreement, the London-based Lloyd's Register assumes its role as neutral examiner of Aqaba-bound ships. Verifications of the cargo will not be done, as before, aboard ships at sea, but on land, where Jordanian port and customs officials will assist the Lloyds agent in "monitoring," not "searching," the cargo, according to Jordanian officials.

A senior administration official who tracks compliance with sanctions against Iraq fears that the new inspection agreement "could significantly alter that [sanctions] picture" by providing Jordan-based firms the opportunity to conceal a greater amount of cargo and to transport it more quickly to Iraq. He in fact contends that Iraq has been able to resupply and fine-tune its weapons-of-mass-destruction program of late, largely with supplies coming through its border with Jordan.

Robert Gates, Central Intelligence Agency director during the Bush administration, says evidence suggests that Jordan is the major point of entry for military goods bound for Iraq. He calls the new Lloyds agreement "tantamount to lifting the embargo against Iraq."

Indeed, that appears to be what many foreign suppliers are banking on. According to import-export merchants and intelligence sources, Amman is the center where foreigners are using their embassies as commercial outposts for re-exports to Iraq. According to a Mideast businessman, "They are using Jordan as a conduit and importing for reexport everything Jordan normally imports, including high-technology equipment, trucks, tires, fertilizers, and chemicals"-all of which Iraq desires for its nuclear, biological, and chemical weapons programs.

Jordan's infractions have been documented in US courts and in on-going US Customs investigations that reveal US-based Jordanian nationals transferring forbidden materials to Iraq through Jordanian holding companies—but the Clinton administration has decided not to take action in many of these cases.

In fact, to entice King Hussein into a face-to-face meeting with Israeli Prime Minister Yitzhak Rabin, now scheduled to take place July 25 in Washington, the US has offered debt relief and military assistance to Jordan.

"This [US] government is aware of the lack of total cooperation we get from the Jordanian government, but you can only push so far," a Pentagon official says. "This is an administration that is afraid of confrontation. We're aware of the [Jordanian] front companies, but there has been little or no action to get the front companies to shut down."

The only reason they would shut down is if there were no financial incentives to keep operating, the Middle Eastern businessman says. While the Iraqis are in a money crunch, he says, "they are still paying off [some very high-level] Jordanians," to form front companies.

Iraq's need for hard currency has led it to aggressively seek outlets for oil exports. Again, the White House has remained silent to a proposal that would provide Iraq with more foreign exchange.

Under the proposal, Jordan could sell a portion of the 60,000 barrels of oil it is allowed to import daily from Iraq under the UN embargo to West Bank and Gaza Palestinians. At present, the Iraqi oil helps pay down an old debt to Jordan; the Hashemite Kingdom pays for part of the oil mainly with bartered goods.

A senior member of Clinton's foreign policy team who was present at a Paris donors' conference for Palestinian aid several weeks ago recounts that a proposal was made to ship Iraqi oil through Jordan to the Palestinians. It struck him as a possible violation and he reported it when he returned to Washington.

A source close to the king insists that the request for the oil, which came straight from the Palestine Liberation Organization, has become a "very politically embarrassing issue." He says, "We told them we are not an oil-producing country, but that we are getting our supplies from Iraq." Jordan's refining capacity is small, and the country refines what it needs, and no more, he says. "We are not in a position to provide it to others." Besides, he says, "there is no sound basis for it now. I am not going to not observe UN resolutions pertaining to the sanctions."

Jingzhang Wan, special aid to the UN Sanctions Committee, along with other UN officials, has heard a lot of discussion about the possible oil deal. But, he says, "no country has complained or asked us to investigate this, so we have taken no official action."

Amman is home to a new front company for the illegal export of Iraqi oil, according to Al-Sharq Al-Awsat, an Arab newspaper in London. It reported last month that "Baghdad has begun to implement a new marketing strategy for its oil sales . . . which relies on Iraqi-Iranian cooperation in connection with export facilities and on a network of front companies owned by the Iraqi government." It reported that the Iraq oil ministry has set up two broker companies abroad under Iraqi names, one of which is in Amman.

Iraq is currently violating the sanctions by selling oil, according to a Saudi Arabian official. He says US intelligence has shared aerial photos with the Saudis that reveal truck movements across the Iraqi-Iranian border as Iraq exports some 25,000 barrels of oil per day. Iran has been selling it at a profit on the spot market and moving it to Sudan, which has sent Iraq food and livestock in return, the Saudi official says.

His country strongly opposes any relaxation of the embargo against Iraq, and is impatient with Washington's failure to clamp down on the Jordanians. The Saudi official says Riyadh advised against the recent US decision to change the inspection sites for ships at the Aquba port. "The administration can force the Jordanian government to put an end to [sanctions violations], but it has looked toward the peace process, which is its overriding concern," he says. The result is that "the US [has] closed an eye" as Iraq rebuilds its military strength.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. CALLAHAN], another member of the subcommittee.

□ 1430

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise to thank the gentleman from Louisiana for his patience and understanding and his efforts to assist me as a new member of the subcommittee on foreign operations. I also want to thank the chairman of the committee, the gentleman from Wisconsin [Mr. OBEY], for the efforts he has made to be bipartisan and fair in all the deliberations we have had during the progress of this bill.

Mr. Speaker, the foreign aid bill is not a popular bill to handle, it is not something you go back to your district and are proud to say, "We have given a great deal of money to foreign countries," when we indeed are borrowing money for our needs in this country.

But under the circumstances, I think it is as fair a bill as we can possibly expect. There are some things in this bill that I really do not like, and thus I am going to vote against it. But I must admit we are moving in the right direction.

We have reduced historically for the last 3 years the amount of aid we are sending to foreign countries, we have put some constraints on some of the recipients of this money. This is moving in the right direction.

So while it is still not a popular bill and it is still not a bill I can vote for, I must admit it is an improvement.

For example, one of the things I supported was the McConnell amendment to the Senate bill. Senator MCCONNELL had some language that the other body adopted, that we ought to tell President Yeltsin to get out of Estonia and to get out by August 31 or lose the aid provided in this bill. We in the conference decided to remove that language. But in the interim, Mr. Yeltsin finally changed his mind and said, "We are getting out of Estonia and we are getting out by August 31."

So only time will tell whether or not the message of the McConnell amendment had any impact on Mr. Yeltsin at all, but I think it did.

On the aid to the NIS, the former Soviet Union States, we were successful in putting language in the bill that would restrict to the country of Russia only 50 percent of the $850 million that we are sending to Russia and the other states. So we made some good steps.

Incidentally, I do not think it comes as any surprise to the Members of this body that I have been against aid to Russia; we did and were able and were successful in bringing that aid down by $50 to $850 million, which I think is the right direction.

One other thing that concerns me in this bill, and in our foreign policy, is the indication that the administration wants to forgive Jordan's $700 million debt to the United States. While I welcome the peace between Israel and Jordan, I think it is a magnificent step, and I agreed with everything King Hussein said when he came and addressed this body, let me tell this body we are making a serious mistake in the forgiveness of this debt. We are sending the wrong message. Even though this bill does not forgive all of the $700 million, it does forgive some $200 million of the debt to Jordan.

So I am still going to vote against the bill, but I am not here advocating that people vote against it; I just wanted to bring out some of the things that I am still concerned about and, hopefully, by next year we will be able to address in a more positive fashion.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. I thank the gentleman from Wisconsin for yielding this time to me.

Mr. Speaker, I rise in strong support of the conference report, and I thank the gentleman from Wisconsin [Mr. OBEY] for all the consideration he has given to me over the past year.

I also want to congratulate Mr. Mike Marek and wish him good luck and godspeed. I also want to thank all the staff on the committee who have been so very helpful to me as the bill has moved along.

Mr. Speaker, this bill deserves our support. I am particularly proud that it includes $3 billion in aid to Israel and $80 million for the resettlement of refugees there. It also includes a requirement I authored that any aid to the Palestinians is linked to the PLO's compliance with the terms of its agreement with Irsrael.

The conference report also cuts off IMET training to Indonesia and a ban on the transfer of small arms to that country. The Government of Indonesia must know that United States relations with Indonesia will not be normalized until the people of East Timor are granted their basic human rights.

This bill continues our aid to the States of the former Soviet Union with a clear statement that all such aid must be monitored closely and targetted carefully. I am particularly pleased that we include $75 million for Armenia.

This bill also sends a strong message to Turkey that unless they end their occupation of Cyprus, and improve human rights for their own minorities, they will face growing opposition in Congress to aid to Turkey of any kind.

Again, I urge support for this conference report. It is a good bill.

Mr. LIVINGSTON. Mr. Speaker, I am very pleased to yield 4 minutes to the gentleman from New York [Mr. GILMAN], the outstanding ranking member of the authorizing committee, the Committee on Foreign Affairs.

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the conference report on H.R. 4426, the fiscal year 1995 fiscal assistance appropriations bill. I commend chairman OBEY and the distinguished ranking member, Mr. LIVINGSTON, for crafting a responsible foreign assistance appropriations package.

The conference report provides $13.673 billion in fiscal year 1995 foreign assistance appropriations, a reduction of $669.8 million from the fiscal year 1994 enacted level. The conference report also includes a fiscal year 1994 supplemental appropriations for debt relief for Jordan and a fiscal year 1994 emergency supplemental appropriations for Rwanda.

I am gratified that this bill retains the Camp David accords earmark. We are finally seeing the fruits of our labors with the new peace agreement between Israel and Jordan. Our continued commitment should encourage continuation of the peace process in the region.

I am also pleased that the conferees recommended that the USAID should increase its funding for Child Survival, Basic Education, and Micronutrient programs. These programs have demonstrated their benefit. Although the earmark did not survive the conference, I am pleased that AID Administrator Atwood has committed to meet these levels.

I am also pleased that up to $30 million has been set aside for law enforcement training efforts in Russia and the other New Independent States. Today organized crime and corruption seriously jeopardize reform and democracy in this region. This critical law enforcement training will be carried out by our FBI, DEA, U.S. Customs, and other U.S. law enforcement entities. It will help to thwart, and prevent the further spread of this crime epidemic, that affects both the region and our own domestic problems, aggravated by these organized crime elements in Russia with their growing links to the United States.

Crime now seriously threatens democracy and reform in the former Soviet Union. We can ill afford to ignore the problem any longer, while providing massive amounts of U.S. aid intended to promote this desired reform and democracy.

An article in last week's Moscow daily Izvestia reportedly indicates that mafia clans control more than 40,000 businesses in Russia, and that as much as $20 billion made from criminal activity, is eventually laundered in the West.

This Nation owes a huge debt of gratitude to FBI Director Louie Freeh for his foresight and leadership in helping fight the corrosive effect of this massive organized crime epidemic in the former Soviet Union, after the collapse of communism. He also knows that this organized crime there, affects us Americans here at home, as well.

FBI Director Freeh has traveled to Russia and the region, and learned first hand the basic training needs of the local police, and border control agencies to fight this scourge. Basic skills that are needed now by local police to get a handle on this organized crime before it smothers reform, democracy, and turns the Russian people to unacceptable totalitarian alternatives, can now be provided under this bill.

Our action here is a clear message that Congress sees organized crime in this region, as a serious threat today. We want all our Government agencies to be responsive to the threat in the former Soviet Union, and make it a priority.

Incidentally, this $30 million in police training dollars isn't strictly just another overseas assistance program needed in Russia today. These dollars provided for in this bill, also have domestic U.S. benefits as well.

Many elements of organized crime in that region of the world have developed links to the United States, and are now operating here in places like New York City. In fact, as part of FBI Director Freeh's most recent visit to Russia, the Russian authorities asked his assistance with at least six Soviet criminals currently operating in the United States. The Russian mafia links to the United States and the threat to our own domestic society, are clear.

I thank Chairman OBEY and ranking Republican member Mr. LIVINGSTON, along with Senators D'AMATO, MCCONNELL, and LEAHY for their leadership and support for these critical moneys for law enforcement training in the former Soviet Union, and the New Independent States.

History will someday judge this initial $30 million law enforcement training effort, as recognition in the United States of the real threat organized crime presents to reform and democracy in Russia today. It will also establish a strong and effective United States led effort to help prevent this organized crime threat from bringing the fledgling reform and democracy in Russia and the region to its knees.

My only disappointment is the decrease in funding for the international narcotics matter appropriation for the State Department. This is the second year where this important program has been forced to absorb a nearly 33 percent cut. This reduction will make it much harder for us to keep up our fight overseas against drug production and distribution, before they reach our streets and our schools here at home. We are already feeling the impact of increased drug use for the first time since the Carter era. This severe cut does nothing to reverse that alarming trend.

Accordingly, despite this single reservation, I urge adoption of this conference report.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in support of the fiscal year 1995 foreign operations appropriations conference report. As a member of the Foreign Operations Subcommittee, I would like to commend Chairman OBEY and ranking minority member LIVINGSTON as well as the subcommittee staff for their many hours of hard work.

Foreign aid legislation has become an increasingly unpopular expenditure in recent years, but it is still vitally important to the economic, political, humanitarian, and security interests of the United States. This year, the conferees have recommended $13.7 billion for foreign aid programs. This provides $7.6 billion, 56 percent, for bilateral economic assistance; $2.3 billion, 17 percent, for multilateral economic assistance; $3.2 billion, 22 percent, for military assistance; and $734 million, 5 percent, for export assistance.

Mr. Speaker, this conference report represents an equitable balance between computing foreign and domestic policy goals. Moreover, it signifies a commitment by the United States to remain engaged in global affairs while acknowledging pressing domestic needs.

Mr. Speaker, among the many programs of note, I would like to acknowledge several which deserve special recognition and that I have strongly supported during our consideration of the foreign operations bill. I would like to express my support for the continued aid to the republics of the former Soviet Union. The conference report has approved $850 million in aid of which 50 percent is designated for Russia. These funds will be used to support the withdrawal and resettlement of Soviet military personnel from the Baltic nations and former Soviet republics. In addition, the funds will expand U.S. trade and investment programs, assist in the development of energy and environmental initiatives, and provide additional humanitarian assistance. An investment like this represents a forward thinking approach to our foreign policy regarding Russia and the rest of the republics. By assisting Russia now, we may prevent future political and economic instability which would only assist Vladimir Zhirinovsky and other vocal opponents of Russia's nascent democracy.

Additionally, the report provides $359 million for the Baltic States and the countries of central and eastern Europe. These funds would also be used to improve the political and economic infrastructures of the region's budding democracies.

The conference report also provides $2.2 billion in aid for the countries of Africa, including $802 million for the development fund for Africa, $170 million for international disaster assistance, and $860 million in United States funds to be disbursed through multilateral institutions. Sub-Saharan Africa is the only region of the world where poverty is projected to continue increasing. This trend must be reversed and I am pleased that the conference report demonstrates a commitment to advancing sustainable development and fighting poverty in sub-Saharan Africa. The report also includes $50 million in emergency supplemental fiscal year 1994 assistance for Rwandan refugees.

Mr. Speaker, I am also pleased that the conference report reflects continued support for such important transnational issues as population development assistance and UNFPA funding, the environment, refugee aid, and nonproliferation. Specifically, $450 million has been provided for bilateral population activities which is an increase of $58 million over fiscal year 1994. The conference report also contains language which addresses my concerns and the concerns of a number of colleagues about UNFPA's participation in China, a country which continues to engage in draconian family planning practices.

While $7 million has been allocated for voluntary family planning programs in China, this represents a reduction in United States funding and is meant to ensure that the United States does not in any way subsidize China's programs.

The conference has also urged that $280 million be provided for child survival activities, $135 million for basic education, $25 million for micronutrients programs, and $13 million for the Agency for International Development's [AID] Women in Development Program. AID has reported to Congress that programs designed to assist children in the developing world can make a profound and immediate difference in the lives of the children, their families, and their communities in more than 60 countries. These programs represent an investment with substantial returns for the United States.

The conference report also recognizes the central role played by women in the economies of the developing world by funding AID's Women in Development Program. The conference report reflects the hope that AID will assist women in activities that are critical to their self-reliance and development. Of particular importance are programs dedicated to economic self-reliance, such as microenterprise development. The Grameen Bank in Bangladesh is an excellent illustration of a successful microenterprise investment which assists women entrepreneurs. In addition, programs designed to counteract local discrimination against women will be assisted through this appropriation.

This conference report also contains $121 million for international AIDS programs. I believe that money spent now to prevent HIV transmission throughout the developing world should be as important a funding priority as bilateral military assistance and I am pleased that the conferees agree.

Mr. Speaker, I am also very thankful that the peace process in the Middle East has continued to develop positively. The conference report reflects continued support for this process by forgiving $220 million in AID debt to Jordan. The conference report has also recommended that $7 million in economic support funds be provided for the Middle East Regional Cooperation Program. This program complements the peace talks on regional issues such as water, the environment, and economic cooperation. Programs like this demonstrate that peaceful cooperation can yield tangible benefits for all parties involved. In addition to this program, I am pleased that the conferees have continued to support both Israel and Egypt with generous levels of support. The report also includes $80 million for refugee resettlement in Israel.

Finally Mr. Speaker, I am pleased to note that the conference report indicates continued support for human rights throughout the world. In Indonesia, small arms transfers have been banned pending improvements in the human rights situation in East Timor. In Zaire, a prohibition on United States aid has been continued because of continuing electoral and human rights abuses. Under this conference report, the traditional 7 to 10 ratio of aid to Greece and Turkey is maintained. Greece will receive $225 million and Turkey will receive $365 million.

Mr. Speaker, we can be justifiably proud of this foreign operations bill. This conference report provides maximum flexibility and congressional guidance and will allow the administration and Congress to work together on promoting a foreign aid agenda which promotes democracy, sustainable development, and new priorities based on a rapidly changing world. I urge my colleagues to support this conference report.

□ 1440

Mr. LIVINGSTON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY], the gentleman with the broken hand.

Mr. OXLEY. Mr. Speaker, when the House first considered the 1995 foreign operations appropriations bill, Mr. GILMAN, Mr. RANGEL, and I sought to boost funding for international counter-narcotics programs by about $52 million to meet the President's request. Through the cooperation of Chairman OBEY we succeeded in getting an increase of $15 million, but in the conference we lost all but $5 million of that increase.

These are cooperative programs to combat narcotics traffickers in source nations in Latin America and Asia. President Clinton has indicated his desire to emphasize in-country operations. Unfortunately, we have seen international antidrug programs cut, not expanded, by the U.S. Congress.

Illegal drug use is, in large part, a function of availability. Cooperative international drug enforcement and an unambiguous foreign counter-narcotics policy are critical to combatting drug abuse in America.

More to the point, slashing our international antidrug efforts can only lead to the increased flow of South American cocaine and Asian heroin into this country and onto our streets. The results will be cheaper, purer, more readily available coke and smack. In other words, more crime, more misery, and more death in America.

Mr. Speaker, I am deeply concerned by the dramatic cuts we have seen in antidrug foreign aid, and I am deeply disappointed that this conference report does so little to restore them.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I rise in strong support of the conference report. I want to say that it has been a joy to work with members of this subcommittee on both sides of the aisle, and the bill that has been produced by the subcommittee and by the full committee is a very good one.

I rise especially, Mr. Speaker, to join the chairman, the gentleman from Wisconsin [Mr. OBEY], in the encomiums heaped upon our mutual friend, Mike Marek. I knew Mike Marek, I think, long before the gentleman from Wisconsin [Mr. OBEY] knew him. In fact, Mike participated in a congressional campaign of mine as a volunteer in 1968, and, with the lessons he learned in that campaign Mr. Speaker, he had the foundation with which to go to a graduate school in Massachusetts where he earned a degree that led to his being hired by Mr. OBEY. Mike has been warm, and friendly and cooperative. He has been a true, and loyal and conscientious member of the staff. It has been a joy to work with him in connection with work on the bill and on other matters as well. I dislike very much to see him go because of his many contributions to the work of this committee, but I know that the new job that he will be taking very shortly will give him the opportunity to exercise his talents in a much broader field and with greater responsibilities, and I wish him the best of luck.

Mr. LIVINGSTON. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I take this time to express my deep concern about the funding level in this bill for the Global Environment Facility or GEF. When the House considered the foreign operations bill in May, I offered an amendment to reduce the funding level for the GEF from $98.8 million to last year's level of $30 million.

I offered my amendment because since its inception, the GEF's performance has been nothing short of dismal. And, despite a scathing internal review of the GEF's performance and abundant complaints from contributor countries and environmental groups, the GEF has blatantly failed to implement critical recommendations of reform.

In an effort to address the well-documented failure of the GEF's activities and to discuss necessary reforms, a GEF restructuring meeting including the United States and other contributor countries was held this March.

The response of the Environmental Defense Fund after the meeting was that

> "The GEF restructuring . . . did not deal with issues that are critical to ensure that the permanent GEF is a transparent and accountable entity . . . these are fundamental problems especially in light of the highly critical official evaluation report of the GEF pilot program . . . the report concluded that no new money should be invested in GEF projects until the GEF had put in place strategy and a set of guidelines.

The administration's response was to declare that the GEF had progressed toward making some reforms and where they haven't yet developed reforms they are in the process of developing them. And, in its wisdom, the administration pledged to contribute over $400 million over the next 4 years to the GEF and released $30 million to the GEF in previously withheld fiscal year 1994 funds.

The $98 million appropriation level included in the original House bill and the final level of $90 million—a tripling of the U.S. contribution—agreed on by the conference would erroneously lead Members to believe that this program has been an unheralded success.

Despite the funding level included in the House bill, I think the chairman of the subcommittee recognizes the magnitude of problems at the GEF. The chairman offered an amendment to my amendment during House consideration that reduced the GEF's fiscal year 1995 funding by $10 million. I agreed to accept his amendment because the chairman gave me his word that if the GEF was not performing in a productive and competent manner by the time of the conference, that he would support a $30 million appropriation level for the GEF.

Since the House consideration, the GEF held its first council meeting on July 12 and 13 failing to resolve the GEF's well-documented problems and postponing critical decisions for meetings later in the year.

Further, the GEF is trying to get council approval of plans for up to $400 million in new projects over the next year. This approach directly contradicts the essence of the internal review which states clearly that no new money should be invested in GEF until reforms are in place. The Environmental Defense Funds agrees, "The strategy must come first and then the projects" and that the rush to get projects off the ground has resulted in poorly designed schemes.

Despite the clear lack of progress since the May 25 consideration of the foreign operations bill, the conference decided to allocate $90 million to the GEF.

Mr. Speaker, I am greatly disappointed that the conference committee chose to ignore the entrenched problems of the GEF and allocate a funding level three times that of last year. Clearly, giving the GEF more money is putting taxpayer dollars at great risk. Frankly, I don't think we ought to be sending any money to the GEF until reforms have been implemented and evaluated as successful.

I hope that the officials at the World Bank and the GEF take heed of the widespread disapproval of their activities over this next year because, make no mistake, if the necessary reforms continue to go ignored, there will be an all-out effort to zero out the U.S. contribution to the GEF next year.

□ 1450

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I want to say at the outset that it is my fondest hope that America's great allies, Greece and Turkey, will soon put aside their differences of past ages and lay down their arms and learn to live in peace with each other. Both are loyal and trusted allies of the United States, and the provisions that affect them in this bill are simply intended to lead them to enjoy the benefits of peace, democracy, and respect for human rights of their own citizens.

That being said, Mr. Speaker, I also want to say that we now, in the passage of the conference report of this bill, have to recognize that the old Soviet Union, known to many of us as the "Evil Empire," has collapsed. But America is making her way through the quagmire of a tumultuous and dangerous world yet today. We still stand very much as a beacon of freedom and liberty around the world. And while foreign assistance is not popular in my district or throughout most part of this country, it is still a very important component in our overall foreign policy, in that it allows us to maintain a presence and a role among those countries that genuinely need humanitarian aid or assistance in their efforts to provide democracy for their own people.

With these goals in mind, I think it is also important to recall that this conference report does indeed represent a downward trend. It is substantially less than the 1985 peak of $19 billion, which now in today's dollars would amount to $25.8 billion if adjusted for inflation.

This is a good bill, it is a reduced bill, but it meets the needs of the United States in the troubled world, and I urge the adoption of the conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. HOYER], the Democratic caucus chairman.

Mr. HOYER. Mr. Speaker, I want to commend my distinguished colleagues on the Foreign Operations Conference Committee who worked until 3 o'clock in the morning last Friday to finalize this important piece of legislation. I wish to particularly praise the leadership of Mr. OBEY and Mr. LEAHY, as well as the fine work of Mr. PORTER, Mr. DECONCINI, and others who devoted close attention to the sections pertaining to Turkey. I want to express my strong support for the principled position that was adopted with respect to Turkey.

Passage of this bill sends an unequivocable message to the Government of Turkey that this Congress will not conduct business as usual when United States supplied equipment is used against civilians and to destroy crops, livestock, and villages. Additionally, as the conference report language indicates, this legislation reflects our deep concern over the fact that parliamentarians, journalists, and others face capital punishment simply for their expressing their opinions.

We have long urged Turkey's leaders to seek nonmilitary solutions to the Kurdish question, but our appeals have fallen upon deaf ears. We are making it clear that we cannot unconditionally provide aid which is used by Turkey's military to wage an increasingly costly and violent campaign against Kurdish civilians. Mr. Speaker, recent pressure from the United States Government has prompted some Turkish officials to claim that United States officials and Members of Congress want to change Turkey's borders and contest the right of Turkey's Government to defend its citizens against terrorism. This could not be farther from the truth. The United States respects both principles. This legislation expresses our belief that the Turkish Government must not pursue its war against terrorism at the expense of free speech and other human rights and against civilians.

Mr. Speaker, while I realize that this legislation will cause consternation among some of Turkey's leaders and people, this action is not simply a shortsighted slap on the wrist to express our displeasure with the uncompromising military approach of Turkey's leadership toward its Kurdish citizenry. Turkey is a critical economic and strategic partner whose predominately pro-Western, secular government makes it a strong ally of the United States. This legislation attempts to promote a long-term, mutually respectful alliance that can only realize its full potential if a peaceful resolution of the Kurdish crisis is reached and the primary threat to Turkish democracy is resolved. Peaceful resolution of this issue would strengthen democratic institutions and bring Turkey closer to realizing its CSCE and other international commitments. This important bill gives added substance to a growing chorus calling on Turkey to pursue political approaches to the Kurdish situation.

Mr. Speaker, I am very pleased to see that the conferees agreed to keep my language offered during full committee markup that requires the Secretary of State to consult with the Department of Defense in compiling a report on use of U.S. supplied equipment and other pressing rights issues. It is clear that Turkey's military leaders play a critical role in policymaking. Over the years the Pentagon has developed close ties with Turkey's military and holds substantial influence with the Turkish military. DOD has both the expertise and personnel on the ground to contribute significantly to the report. DOD's participation in compiling the report further demonstrates this body's concern and understanding of a complex and difficult situation.

Mr. Speaker, the central dilemma facing our Government is how to encourage the further development of democratic institutions and respect for human rights without isolating Turkey or turning its leaders and people away from a pro-Western orientation. As a proven ally and supporter of Turkey, the United States is in a better position than most to effectuate this diplomatic balancing act. Our shared strategic and economic interests in promoting peace and stability in the former Yugoslavia, Central Asia, the Middle East, and in other areas make cooperation between our states critical. So, while Turkey remains a close NATO partner and ally, this legislation is a measured and responsible statement of our concern over the deteriorating rights situation and demonstrates that business as usual is out of the question as long as an uncompromising military approach to the Kurdish question is pursued. Our alliance will be much stronger, as will Turkey's democracy and economy, when the Kurdish situation is peacefully resolved.

Mr. Speaker, I urge passage of this conference report.

Mr. OBEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I rise in reluctant support of this report, reluctant because I am opposed to the aid to the PLO.

Mr. Speaker, I rise in reluctant support of H.R. 4426, the conference report on Foreign Operations, Export Financing and Related Programs Appropriations Act of 1995.

This report merits our bipartisan support because it maintains U.S. leadership and presence as a force for peace around the world. I am pleased that the bill includes $3 billion of earmarked aid to Israel. This money continues to be a critical importance to the State of Israel. Nothing should be compromised in our unwavering support for the security of Israel.

The conference report also includes language prohibiting the creation of a new United States Government office in any part of Jerusalem established to deal with the Palestinian Authority over issues regarding the West Bank and Gaza. This reaffirms United States policy that no official meeting will take place in Jerusalem between United States and Palestinian Authority officials.

I also support the language removing the President's authority to provide direct aid to the PLO until they strictly comply with their peace accord promises. The PLO must be held to the toughest standard.

While all these provisions are reason enough to support the conference report, I wish to point out one area where I strongly disagree with the chairman and that is giving aid to the PLO.

Aid cannot and should not be given to the PLO until they make good on their promises—not one second before. The PLO has a long history of hostility to Israel, with their orchestration of the horrific killings against innocent civilians, and continued economic terrorism by complying with the Arab boycott. This hostility is not a thing of the past, it continues to be perpetrated today. Their covenant still calls for the destruction of the State of Israel, and since September 1993 there have been 89 terrorist attacks on Israelis.

Last year I opposed a waiver that would enable the PLO to receive aid. It was my demand then, and it still is today, that the PLO make good on their commitments. Not only must Yassir Arafat erase the violent sections of the PLO covenant, but he must renounce the Arab boycott against Israel and get a hold of all the factions of the PLO. If he cannot stop the terrorist attacks by members of the PLO umbrella, and he will not denounce them, he should not have said he could do so. Mr. Arafat's consistent inability to do what he says he is going to do makes him a questionable recipient of U.S. aid. False promises, and a lack of control are formula for disaster.

On three separate occasions, the PLO signed agreements pledging to control and eliminate violence and terrorism against Israelis. They committed to:

First, renounce terrorism and other acts of violence;

Second, prevent incitement to violence;

Third, change their covenant;

Fourth, prosecute terrorists; and

Fifth, discipline violators by "assuming responsibility over all PLO elements and personnel."

Even with this list of unfulfilled promises, we have committed ourselves to give the PLO substantial assistance to be used in the West Bank and Gaza.

Mr. Speaker, no aid should be given to the PLO at least until they reciprocate the concessions made with the State of Israel. It is now or never. If we do not take this opportunity to impress upon them the importance of reciprocity, then any future negotiations will not be able to force them to do so.

Mr. OBEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say in closing that I think this is a bill which is certainly in the interests of the United States and its citizens to pass, and I urge Members to support it.

I would have simply one observation for a number of groups who have lobbied this bill, and, in my view, lobbied it with a minimum of fairness and lobbied it with a minimum recognition of reality. The fact is that this committee takes a lot of heat from a lot of sources in order to provide each and every dollar in this bill. This is not the most popular bill in the world.

There are a large number of groups who seem to assume that they are automatically entitled to 'a specific dollar amount in the bill. There is no party entitled to money under this bill. Every agency, every country, every group looking for money, needs to earn it.

I would simply note in light of some of the criticism that has been made of the committee since the conference by groups who are unhappy because they did not get more money guaranteed to their favorite constituency, that it is not the job of this committee to guarantee money to any group. It is the job of this committee to protect the national interests of the United States and to protect the interests of the American taxpayer.

Mr. Speaker, I would simply make the point further that were it not for this committee and were it not for this Congress, there would have been no aid provided in the first place to all kinds of nations which were formerly part of the Soviet Union.

It just seems to me as I sat in conference that people ought to remember a lesson that old Ben Riehle from my hometown tried to deliver a long time ago. Ben was a farmer who represented rural Marathon County, in the legislature and he was in a debate one night with his opponent, who was a teacher. They were appearing before the local teacher association.

Ben's opponent strode up to the mike and he said he was for increased teacher salaries, he was for increased State aid to education, he was for increased aid to vocational and technical education, but he was against a tax increase.

When it came Ben's turn to speak, Ben simply looked at the group, and he said "I know you are unhappy with my votes on the Joint Finance Committee, because I have not always supported every dollar that you ever wanted. But I would just remind you of one thing. I may not have voted for every dollar you ever got. And if you are thoughtful about it, you will think about it and you will recognize there is a message in there somewhere."

Mr. Speaker, I would deliver the same message to every single political group in this country who seem to believe that they can demand of this committee that we provide a specific amount of money, regardless of how much that leaves for somebody else.

□ 1600

In this bill as in all others there is a need to share. There is a need to share equitably. There is a need to put the national interest before the needs of any individual group.

I would not just ask those who lobby this committee, I would demand of them that they recognize that it is our duty to recognize that fact. They have no business lobbying this Congress if they do not recognize that we have an obligation to put the national interest and the overall interest first.

I think if everybody recognizes that on the outside as well as the inside, this country would function a whole lot better.

Mrs. MALONEY. Mr. Speaker, I rise in strong support of the conference agreement on Foreign Operations Appropriations and I urge the House to pass it.

I first want to commend Chairman OBEY for all of his hard work, and I also want to pay tribute to my colleagues from New York who serve on the subcommittee that put the bill together—NITA LOWEY and JOSE SERRANO.

Mr. Speaker, as focused as the Congress and our constituents are on solving America's domestic problems, we cannot forget the important role that the United States must play in a host of regions around the world. And I believe that this bill advances U.S. foreign policy objectives in several critical ways.

First, however, I must note that in keeping with our objectives to cut spending and reduce the deficit, the conference agreement before us today represents a net reduction of over $600 million from what we are currently spending on foreign aid. Critics of foreign and must recognize that foreign aid is not exempt from budget cuts and that well over a half-a-billion dollars in spending has been eliminated.

But in many areas, Mr. Speaker, I think that the funding in this bill is very well spent. For example, the agreement includes a $15 million earmark for Cyprus—critical funding that will help the citizens of this island nation address their economic problems while continuing their heroic fight for freedom and justice. I'm also pleased that for the first time in 20 years, American aid to Turkey is being conditioned on that country's human rights record. The bill mandates that 10 percent of loans to Turkey be withheld pending an administration report on human rights abuses by the Turkish military.

Other provisions of note include an appropriation of $20 million for the International Fund for Ireland. This funding will be used for job creation and investment in the Republic of Ireland and in Northern Ireland and will help facilitate the ongoing peacemaking efforts.

I'm also proud that Congress is responding to the tragedy and turmoil in Rwanda by including $50 million in emergency assistance to help the Rwandan refugees. It would be inconceivable for us to turn our back on the millions who are suffering in this ravaged nation.

Finally, Mr. Speaker, I want to address the important provisions in the bill pertaining to the Middle East. I strongly support the $3 billion economic and military assistance package for Israel because it is imperative for us to continue to provide Israel with the help it needs to advance on the historic road to peace. I'm also pleased that the bill includes strong language that condemns the Arab boycott of Israel. Earlier this year, the President signed a version of my bill, the Arab Boycott Arms Sales Prohibition Act, which will bar U.S. weapons transfers to nation that blacklist American companies who do business with Israel. As the cause of peace advances in the Middle East, there is no excuse for Arab countries to continue the blatantly discriminatory policy of the boycott.

The legislation before us today also recognizes that the climate in the Middle East is changing. I am pleased that the bill includes a tough new provision requiring any U.S. aid to the PLO to be conditioned on the PLO's honoring its peace agreement with Israel.

I also support the loan forgiveness provisions for Jordan, which I believe will enhance the rapidly-moving Israeli-Jordanian peace efforts. A few months ago, it would have been inconceivable to imagine Prime Minister Rabin and King Hussein sitting side-by-side in the House of Representatives addressing a Joint Session of Congress. Or that just yesterday, the King would fly over Israeli air space, his plane escorted by Israeli fighter pilots, while speaking with Mr. Rabin on the phone. Yesterday, the Israeli Knesset voted 91 to 3 to approve the Washington Declaration agreement between Israel and Jordan. The Clinton administration deserves enormous credit for this achievement, and we in Congress must do all that we can to help Israel and its neighbors conclude fair and lasting peace agreements.

Mr. PACKARD. Mr. Speaker, I rise in opposition to H.R. 4426, the fiscal year 1995 Foreign Operations Appropriations bill. This bill represents fiscal irresponsibility and ignores the strategic interests of the United States.

As this Nation faces a soaring deficit, and tight budgetary constraints, Congress has an obligation to carefully scrutinize all spending—especially that which we send overseas. However, the Foreign Aid bill we have before us, abrogates that responsibility. We can hardly afford the kind of whimsical spending this bill represents.

For example, this bill offers aid to North Korea. This flies in the face of common sense. Clinton administration officials have warned members that these funds may ultimately fund North Korea's dreaded nuclear program. The American taxpayers deserve a more responsible use of their hard-earned dollars.

Furthermore, this Congress should not be funding a foreign policy which the American people know is wrong. Only 35 percent of the American people give the Clinton administration's foreign policy passing marks.

The huge $400 billion deficit hangs over our country, getting bigger every year threatening the economic health of America. Congress can send a signal to the American people that this institution is serious about the economic well-being of this country. Congress has continually demonstrated its lack of discipline by passing spending bills like this, full of wasteful spending.

If we are to provide our children and grandchildren with any kind of a legacy, we must ensure that legacy is not one of economic decline caused by congressional inability to control its insatiable appetite for spending.

Mr. Speaker, our responsibility is to represent the interests of the American people and to advance the strategic interests of the United States. This bill does neither. For this reason, I urge my colleagues to not support this bill.

Mr. OBEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SYNAR). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LIVINGSTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 85, not voting 8, as follows:

[Roll No. 376]

YEAS—341

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Bachus (AL)
Baesler
Ballenger
Barca
Barcia
Barlow
Barrett (WI)
Bartlett
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Burton
Byrne
Calvert
Camp
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (MI)
Conyers
Cooper
Coppersmith
Cox
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Dornan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Engel
English
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastert
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutto
Hyde
Inhofe
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Santorum
Sawyer
Saxton
Schenk
Schiff
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spratt
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Upton
Velázquez
Vento
Visclosky
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—85

Applegate
Archer
Armey
Baker (CA)
Baker (LA)
Barrett (NE)
Barton
Bonilla
Brooks
Bunning
Buyer
Callahan

Canady
Collins (GA)
Combest
Condit
Costello
Crane
Crapo
Doolittle
Dreier
Duncan
Emerson
Everett
Fields (TX)
Gallegly
Gekas
Goodling
Goss
Grandy
Hall (TX)
Hancock
Hansen
Hayes
Hefley
Herger
Hutchinson
Inglis
Jacobs
Johnson, Sam
Kaptur
Lewis (FL)
Lloyd
McCandless
McKeon
Mica
Miller (FL)
Minge
Montgomery
Moorhead
Myers
Nussle
Orton
Oxley
Packard
Petri
Pombo
Rahall
Roberts
Roemer
Rogers
Rohrabacher
Roth
Sanders
Sarpalius
Schaefer
Schroeder
Sensenbrenner
Shuster
Slattery
Smith (MI)
Smith (OR)
Solomon
Spence
Stark
Stearns
Stump
Tanner
Taylor (MS)
Traficant
Valentine
Volkmer
Walker
Weldon
Young (FL)

NOT VOTING—8

Clement
Collins (IL)
DeFazio
Ford (TN)
Laughlin
Quillen
Sundquist
Washington

□ 1524

Mr. EMERSON changed his vote from "yea" to "nay."

Mr. DELAY and Mr. ALLARD changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4426, and that I may be permitted to include charts, tables, and other materials.

The SPEAKER pro tempore (Mr. CLYBURN). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4649, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1995 AND DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1994

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4277, SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the Old-Age, Survivors, and Disability Insurance Program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1587, FEDERAL ACQUISITION STREAMLINING ACT OF 1994

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1587) to revise and streamline the acquisition laws of the Federal Government, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Michigan?

The Chair hears none and, without objection, appoints the following conferees:

Conferees from the Committee on Government Operations, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. CONYERS, SYNAR, NEAL of North Carolina, LANTOS, OWENS, TOWNS, SPRATT, and RUSH, Mrs. MALONEY, Ms. MARGOLIES-MEZVINSKY, and Messrs. CLINGER, MCCANDLESS, HASTERT, KYL, SHAYS, and SCHIFF.

As additional conferees from the Committee on Armed Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. DELLUMS, SISISKY, EVANS, BILBRAY and EDWARDS of Texas, Ms. FURSE, and Messrs. SPENCE, KASICH, BATEMAN, and WELDON.

As additional conferees from the Committee on Education and Labor, for consideration of sections 4024(d), 4101(b), 4101(c), 6101–02, 8005(c)(2), and 11001–04 of the Senate bill, and section 4105 of the House amendment, and modifications committed to conference:

Messrs. FORD of Michigan, MURPHY, and FAWELL.

As additional conferees from the Committee on the Judiciary, for consideration of sections 1421–22, 1437, 2451, 2551–53, 2555, that portion of section 4011 that adds a new section 29(b)(2) to the Federal Procurement Policy Act, sections 4024 (a), (b), (c), and (f), 4101 (b) and (c), 6001–04, 6053, and 8005 (c)(3) and (c)(4) of the Senate bill; and that portion of section 4011 that adds a new section 4B(c) to the Federal Procurement Policy Act, that portion of section 4031 that adds a new subsection (c)(9) to section 23012a of title 10, United States Code, that portion of section 4041 that adds a new subsection (c)(2) to section 302A of the Federal Property and Administrative Services Act of 1949, sections 4051, 5003, that portion of section 7106 that adds a new section 2285(a)(12) to title 10, United States Code, that portion of section 7205 that adds a new section 314D(a)(4) to the Federal Property and Administrative Services Act of 1949, and section 7301(b) of the House amendment, and modifications committed to conference:

Messrs. BROOKS, BRYANT, and FISH.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 1056 and 1067 of the Senate bill and modifications committed to conference:

Messrs. MINETA, TRAFICANT, and SHUSTER.

As additional conferees from the Committee on Small Business, for consideration of sections 1055(b)(2), 2554, 4102–05, that portion of section 4011 that adds a new section 29(b)(1) to the Office of Federal Procurement Policy Act, sections 4012, 4014(d), 4015(d), and 4074 of the Senate bill, and sections 4104 and 8002 of the House amendment, and modifications committed to conference:

Mr. LAFALCE, Mr. SMITH of Iowa, and Mrs. MEYERS of Kansas.

There was no objection.

□ 1530

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4590

Mr. BARLOW. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 4590.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, Mr. Speaker, media accounts this morning in the newspapers of the Washington area and the other major cities across the country indicated that the President's "B team" has met again yesterday to talk about the situation in Haiti.

The media reports indicate that there is considerable disarray among the ranks of the President's advisers, and there is considerable disagreement in the team effort on what to do about our Haitian policy. National Security Adviser Strobe Talbott, according to the media accounts, is ready for an early charge into Haiti. The media does not indicate in their report whether Mr. Talbott himself wants to be in the lead, but he is arguing for an early invasion of Haiti. He called the idea of offering inducements to the military regime that is illegally there in power, the military junta, he called the idea of trying to negotiate and offer them inducements to leave as "morally repugnant."

But Secretary of Defense William Perry wants to do everything possible to avoid military conflict, and he countered to the media that it is immoral for the United States not to do whatever it can to avoid the loss of lives of American soldiers and expenditure of taxpayers' money.

It seems to me those are pretty basic and severe disagreements, and it is a shame they are there, because apparently nobody was in the room, and there is nobody on the B team that has a better idea than either of those two bad ideas. And there are some very good ideas about negotiating with the moderates that do not involve bribes to the military, and do not involve the invading of Haiti with our military might.

Last night President Clinton held a prime time press conference and when asked whether or not he will seek congressional approval now that he has gotten the approval from the United Nations, seems a reasonable question to ask the President of the United States, he said he would welcome the support of the U.S. Congress, but he did not say that he was willing to ask for it. If we look closely at the word and the followup comments the President made in that press conference, it clearly indicates that he has absolutely no intention of asking for Congress' views or opinions on the subject of invading Haiti as this time.

I wonder why the President would go to a bunch of foreigners in New York at the United Nations and get their approval to use our troops in harm's way, and he will not come to the elected representatives of the people of the United States, including those people who presumably would be in an armed invasion, and ask us what we felt about such an invasion? It is a rather curious omission on the President's part.

When asked if there were any security issues in Haiti that would require an invasion, in other words, are the Haitians about to invade us, or are our borders about to be overtaken by armed Haitians, or unarmed Haitians for that matter, that was not the case, not at all. The President merely outlined a domino theory saying there are possible ramifications from the seriously bad situation in Haiti which we have made in large part because of our embargo or other countries in the Central and South American area. What he is basically saying is things are really bad in Haiti, and that means it might get bad elsewhere in the area, and that is our justification to invade.

I wonder if we are going to use that criteria for our armed services, does that mean we are going to invade the Dominican Republic where somebody suggested that the elections were not quite up to standards in terms of democratic oversight, or are we going to go anyplace else in the world every time we feel that democracy has not been handled in the same way that we would handle it in this country, and the only way we are going to get their cooperation is to send our military might?

I think that while we are talking about this and not getting very good answers from the White House on any of these points at all, the White House has made some commentary about gee, we have a lot of friends from Latin America who are really happy that we are going to think about invading Haiti. It turns out that is not really true. It turns out our allies in the Western Hemisphere, our neighbors and friends are not exactly jockeying for a place in the front line to lead the charge into Haiti. So far I think we have only Argentina, which is perhaps explained by the fact that we have now departed from a rather longstanding policy. Members will recall the Falklands war, the Malvinas Islands war between Argentina and Great Britain, which is a very serious matter for those two countries, and there were a great many casualties for those two countries, we have now changed our policy. It seems we have not been providing any assistance to Argentina and the price for them invading Haiti it seems is to change our policy. I wonder if that upsets our friends in Great Britain? Interesting point.

□ 1540

Brazil, Mexico, Venezuela, Uruguay, and Argentina have today said they would much rather meet with that military junta in Haiti than have an invasion.

So it seems our friends are not exactly with us on this idea of an invasion. In fact, there are very few people who think it is a good idea.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4217, FEDERAL CROP INSURANCE REFORM ACT OF 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103-666) on the resolution (H. Res. 507) providing for consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

THE CONDOM QUEEN MUST BE DEPOSED

Mr. DORNAN. Mr. Speaker, my subject today is the Surgeon General of the United States of America.

I had considered articles of impeachment, which is a privileged resolution, against Joycelyn Elders.

Then I looked at all the constitutional aspects of what she has done to hurt young people and the health of our country with this strange, fake, naval admiral's uniform and all of these rows of ribbons. There was rumor she was wearing a Purple Heart. I found out that is not true, however.

What are these two or three rows of ribbons she wears? She has never seen combat except in Arkansas. I am not going to throw stones at Arkansas, because big parts of California are combat zones now with crime.

But I looked at the articles of impeachment and everybody in this House would have to go on record as for or against Joycelyn Elders. Then I looked at the Constitution, which I respect so greatly, as we all do here, Mr. Speaker, and I said, "No. I will just do an hour special order."

So, Mr. Speaker, all of your friends and cousins, all of the great Americans visiting us in the gallery tonight, about 200 of them, 1,300,000 watching C–Span because we adjourned a little early tonight, everybody is going to have to be satisfied with the quotes and facts about Joycelyn Elders that I will insert for the RECORD.

Her quotes are so offensive and were coming out so regularly like clockwork until her son was busted for drugs, but even then she had the nerve to suggest we legalize drugs as a means to reduce crime. I had better repeat that, Mr. Speaker: Joycelyn Elders, knowing her son was busted for cocaine but before the public knew it, started upping the heat on legalizing drugs. Then when it came out her son was busted for cocaine and was going through a trial, she lowered her voice a little.

So here comes all of these quotes. My favorite is the one that she said when somebody held up a "Condom Queen" sign. She said:

> If Condom Queen means what I want to do to help young people, then, yes, I accept that title. I am the Condom Queen.

Well, I think the Condom Queen should be deposed. We do not have to banish her. Let her go back to Arkansas and live with all of those social problems that are going off the charts that started when she was the director of the health department in the State of Arkansas.

So I am going to put in the RECORD an article I wrote on the importance of two-parent families that was published in the Christian Science Monitor. I will also put in all of Joycelyn Elders quotes on religious bigotry, on abortion, on glorifying homosexuality, on teenage sexuality; I have got numerous quotes here, Mr. Speaker, that are just sizzling. I mean, if anybody had said any one of these things 5 years ago, 10 years ago, 20 years ago, they would have been out of office. Remember Earl

Butz, Secretary of Agriculture, privately told a joke to a person on an airplane that was distasteful. I think it was demeaning to one ethnic group of Americans. He was forced to resign because a newsman overheard the joke.

I mean, any one of these statements of hers would have caused somebody to be fired.

Let me close on this: Kristine Gebbie, the former czarina who said that when we teach kids about abstinence, and I am looking at some young faces in the gallery, we must also tell them how pleasurable it is that they are abstaining from. What a blithering idiot. She has been let go by the Clinton administration. Why? Because the activist homosexual community said to Clinton, "Dump the AIDS czarina," for all the wrong reasons, for all the wrong reasons, of course. She is gone, never the less.

Homosexuals are 1 percent of the Nation. Practicing Christians and Orthodox Jews who go to church or temple regularly still constitute an overwhelming majority of this country, more than any nation on the planet, more than any nation in history.

Christians say to the President, "Please, get rid of Joycelyn Elders," and he defies us. He says, "I like what you are doing, Joycelyn. Keep it up. I am proud of you. I stand behind you." Homosexuals ask for the end of the czarina, Gebbie is gone. Where are the President's priorities? It is outrageous. Joycelyn Elders has got to go.

Mr. Speaker, at this point in the RECORD I would like to insert 30 of Joycelyn Elders more infamous statements.

SURGEON GENERAL JOYCELYN ELDERS

1. The overall mission of the Office of the United States Surgeon General is the protection, improvement, and advancement of the health of all of the American people. The primary responsibility of the Surgeon General is to advise the Nation on public health matters.

2. As the nation's top spokesperson on issues of public health, the American people look to the person who serves as Surgeon General for guidance and leadership on such matters.

3. Clearly, our current Surgeon General, Joycelyn Elders, has failed in these regards.

4. Joycelyn Elders has demonstrated hostility towards mainstream American values and demonized American citizens who want public policy to reflect their moral and religious beliefs.

5. She has abused and violated the public trust and compromised her ability to unify the American people under the common goal of sound public health policies. Moreover, her policies and pronouncements are dangerous to the health and well-being of families in America.

TEENAGE SEXUALITY

6. Joycelyn Elders continues to taunt and ridicule Americans who advocate the principles of sexual restraint and responsibility as a means of preventing unwanted pregnancies and sexually-transmitted diseases.

7. She refuses to acknowledge that abstinence is the only proven method of preventing unplanned pregnancies and sexually-transmitted diseases.

8. In fact, Joycelyn Elders' prescription for dealing with the problem of teenage pregnancy includes unrestricted and tax-funded abortion, free condoms in schools, and explicit and graphic sex education beginning as early as kindergarten.

9. She even went so far as to say, "We have driver's ed for our kids. We've taught them what to do in the front seat of the car, but not what to do in the back seat." (Evening Times, 3/4/92).

10. Yet during the Surgeon General's previous tenure as Arkansas health director, the incidence of teenage pregnancy and sexually transmitted diseases actually rose steadily—even after posting steady declines in the years before her appointment (Alan Guttmacher Institute and Arkansas Department of Health).

HOMOSEXUALITY

11. The Surgeon General continues to advocate a re-definition of the traditional family structure by supporting the adoption of children by homosexuals (USA Weekend Interview, 6/2–5/94).

12. She has said, "Yes [Boy Scouts should admit homosexuals]. I also think girls who are lesbians should be allowed to join the Girl Scouts." (USA Weekend Interview, 6/3–5/94).

13. Regardless of documented evidence that shows homosexual behavior to be associated with such deadly communicable diseases as AIDS and hepatitis, the Surgeon General has endorsed homosexual sex as "wonderful," "normal" and "healthy" (The Advocate, 3/94). This has given a false sense of security to all those who engage in high-risk sexual behavior.

ABORTION

14. Joycelyn Elders is a tireless advocate for abortion on demand. She has even said that, "Abortion has reduced the number of children with severe birth defects * * *. The number of Down's Syndrome infants in Washington State in 1976 was 64 percent lower than it would have been without legal abortion * * *. Abortion was the single most important factor in the significant decrease in neonatal mortality between 1964 and 1977." (Testimony before Senate Labor Committee Committee on FOCA, 5/23/90).

15. The Surgeon General continues to insult and demean Americans who believe preborn children are human beings worthy of constitutional protections as well.

16. To a group of pro-abortion supporters, she snapped, "We would like for the right to life and antichoice groups to really get over their love affair with the fetus and start supporting children." (Arkansas Democrat-Gazette 1/19/92).

17. The Surgeon General has also characterized people who oppose abortion as "non-Christians with slave-master mentalities" who want "to keep people poor, ignorant, and enslaved." (American Medical News, 1/11/93).

18. For those who are morally opposed to taxpayer financed abortion, the Surgeon General claimed, "If Medicaid does not pay for abortions, does not pay for family planning, but pays for prenatal care and delivery, that's saying: I'll pay for you to have another good, healthy slave." (Arkansas Democrat-Gazette 1/19/92).

RELIGIOUS BIGOTRY

19. The Surgeon General has publicly demonized and marginalized Americans whose values are rooted in religious tenets and who advocate public policies that reflect their values.

20. She has characterized those who hold moral and religious values as harmful to our nation's children and has said, "We've got to be strong to take on those people who are selling our children out in the name of religion." (June 22, 1994, Lesbian and Gay Health Conference).

21. The Surgeon General has also criticized how religious leaders view human sexuality and has called those who oppose sex education the "un-Christian religious right" (June 22, 1994 Lesbian and Gay Health Conference).

22. When asked why there was such a sharp rise in teen pregnancy in Arkansas during her tenure as Arkansas Health Director to "poverty and ignorance and the Bible-Belt mentality." (National Review, "Life and Death in Arkansas," 4/26/93).

22. Furthermore, she continues to wage a non-stop, public attack on Roman Catholics by saying, prior to her appointment, "Look who's fighting the pro-choice movement: a celibate, male-dominated Church." (Address to Arkansas Coalition for Choice, 1/18/92).

JUDGMENT CALLS

24. The Surgeon General has demonstrated reckless judgment on serious societal problems with statements such as, "I would hope that we would provide them [drug-abusing prostitutes] Norplant, so they could still use sex if they must to buy their drugs." (CNBC "Talk Live", 6/19/93); and

25. In addition, despite strong evidence that illegal drug use is on the rise, the Surgeon General has said that "We would markedly reduce our crime rate if drugs were legalized" (National Press Club Luncheon) and recommended that "we have doctors or clinics set up where addicts can get their drugs free or pay $1." (USA Weekend, 6/3–5/94).

26. She has even justified higher federal spending on AIDS research rather than on cancer and heart disease because, "most of the people that die with heart disease and cancer are our elderly population, you know, and we all will probably die with something sooner or later" and that "we are losing the people that's going to be paying my Social Security, and that bothers me." (Senate committee hearing, 5/11/94).

27. And while claiming to care about the health of our children, Joycelyn Elders recklessly refused to notify the public about defective condoms dispensed by the state of Arkansas to school-based clinics.

IN CONCLUSION

28. The Surgeon General continues to exploit her privileged position and compromise her ability to unite the American people under the common goal of improving the health of the general public.

29. More importantly, she is failing to carry out the overall mission of the Office of the United States Surgeon General and is therefore failing to protect, improve, and advance the health of all Americans.

30. She is not deserving of our nation's top public health post and the President should ask for her resignation immediately.

THE OMNIBUS CRIME CONTROL ACT OF 1994

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, the Omnibus Crime Control Act of 1994 is an attack on a multitude of criminal actions that have battered our quality of life: murder, drug dealing, armed assault, rape, robbery, kidnaping, carjacking, child pornography, domestic violence. It contains an arsenal of weapons intended to return peace and security to our Nation's communities through measures that are punitive as well as preventive.

While some may accuse Congress of election-year politicking with this bill, and we have certainly heard a lot of partisan wrangling over parts of it and intraparty wrangling, the crime situation has moved far beyond politics. It is time to attack, and the Crime Control Act is a solid weapon to lead that attack.

Among its provisions, the Crime Control Act will provide $8.7 billion for new State prison construction. It sets aside 40 percent of the total for States that adopt truth-in-sentencing laws, requiring defendants to serve at least 85 percent of their sentence. It earmarks $8.8 billion to put 100,000 new police officers on the street.

Last year, I authored and put into the defense authorization act a program that is called Troops to Cops, which provided for retirees from the military who are not able to serve their full 20 or more years, if they joined a local police, a county sheriff's office, the Federal Government would reimburse that salary up to $25,000 the first year, another $25,000 years two through five. This is a great addition to help the local law enforcement of this country in their most difficult times that they have ever faced.

The Crime Control Act also authorizes $1 billion for the Border Patrol and Immigration and Naturalization Service, enough to fund almost 6,000 new Border Patrol agents who will be added to the current force of 4,900, and at last give us the tools to help control illegal immigration.

The Crime Control Act will impose the "three strikes and you're out" sentencing, mandatory life imprisonment without parole for criminals convicted of three violent crimes or serious drug offenses.

The act authorizes $1.8 billion to fight violence against women, a too-long-overlooked crime. Funds will go to train police, support battered women's shelters, promote rape-awareness education, and establish a national family violence hotline.

The Crime Control Act will also authorize funds for reimbursement to States for the costs of incarcerating illegal aliens. The bill alone in California is approximately $375 million a year to incarcerate illegal aliens. It is important to note the crime bill does not include the highly controversial Racial Justice Act which would have required judges to consider the defendant's race in sentences imposing the death penalty. I did not support that provision. It would have produced a number of damaging effects on our ability to control crime, both as a State and as a nation.

Mr. Speaker, whereas I support the merits of the program included in the crime bill, I do not support all of the methods for its funding. This Congress has authorized spending for a range of new and/or expanded programs, and proposes to pay for them with phantom savings.

□ 1550

The $30 billion funding mechanism for the crime bill is a hoax. A trust fund was created to provide for the contents of this bill. However, it is based on pure fiction. The formula was designed on the premise that Vice President GORE's proposal for a reduction in Federal spending, as determined by the National Performance Review, would provide $22 billion in savings. I am dubious that that money will be there to pay for these programs.

Despite this funding formula, there is a quality mixture of punitive and preventive measures in this bill. These measures are vital to combating crime in our communities, and I cannot hold these programs hostage to the excessive funding and extraneous padding that is also contained in parts of this bill. I have serious reservations as to whether these programs will ever materialize, but I am willing to take that chance with the hope that they will take effect and reduce the impact of crime on the lives of all too many Americans.

IS THE CLINTON HEALTH CARE BILL DEAD?

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the front page of the Washington Post this past Friday had this headline: "Health Bill Heads for House Floor—Democrats Retain Clinton Provisions."

Now, the Washington Post is a very liberal newspaper.

When they printed the headline—"Democrats Retain Clinton Provisions" they did not mean that as a negative headline.

However, as almost every recent poll has shown, a strong majority of the American people are opposed to the Clinton health plan.

Yet I am afraid that there is a misconception out in the country that the Clinton bill is dead.

The truth is that very minor changes have been made and as the Post said, the major provisions of the Clinton plan have been retained and are very much alive.

Apparently, due to the President's great unpopularity, the Clinton plan has been renamed but the nuts and bolts or core of the program has been reworked into the bill we will deal with in this body in just a few days.

Let's talk about the Clinton plan for a few moments.

Paul Craig Roberts, the nationally syndicated columnist wrote this:

> President Clinton's health plan will fail, because it will drive up demand but not supply. The result will be price increases or rationing. Price increases, combined with the expanded coverage Mr. Clinton wants, can mean an explosive increase in health care expenditures. Rationing can mean a deterioration in the quality and timeliness of care or denying treatment in cases where the patient's prospects are not good or the cost exceeds the value of the person's life.

Mr. Roberts went on to say that:

> Government has never improved anything it has touched, and the more deeply it gets involved in medical services the worse they are going to get.

Let me repeat that:

> Government has never improved anything it has touched, and the more deeply it gets involved in medical services the worse they are going to get.

Medicaid is a perfect example that proves this last point.

A few years ago, when Medicaid was passed, those who believe in government medicine, told us it would solve our medical problems.

Today, even liberals admit that it is filled with waste, fraud, and abuse.

Senator ROCKEFELLER, who recently was quoted as saying he was going to give us a national health plan whether the people wanted it or not, said this is a few months ago about Medicaid: "It is a horrible program, a vile program, and it ought to be abolished."

A scholar at the Brookings Institute, a liberal think tank, was quoted in the same article, as saying, jokingly: "Medicaid is a success story of the American political process. We make something so bad that we have to go to total reform."

Talk about an omen of things to come. If we go to some type of national or socialized health care now, it may sound good at first, but a few years down the road, we will be sorry we ever did it.

If we get the Federal Government even more involved in health care than now, I believe that in a few years, it will lead to shortages, waiting periods, a declining quality, and people in rural areas having to go further distances for certain types of treatment, and ultimately a black market, all at much greater cost than now.

Before the Federal Government got into the medical system in a big way, our medical costs were about 5 or 6 percent of our gross national product. Now they are 2½ times that much.

Why? The problem is twofold—first, too many Federal rules, regulations, and too much redtape already.

And second, insurance. As Paul Craig Roberts wrote:

> Insurance, whether private or government, drives up the price of health care, because a "third party" pays the bill. The patient will demand all he can get, and the provider

> doesn't have to prescribe with the patient's budget in mind. Government programs * * * simply load more demand on the system.

G. Scott Hunter, wrote in the Medical News:

> The real problem is that the system is backward. It encourages people to use more health care. It should encourage people to be thrifty about health care and practice worthwhile activities like preventive care. This irony has been brought on by a combination of citizen expectations on government and government acceptance of responsibility for the system, good or bad.

The only system presently before us that gives people incentive to not overuse the system is through some type of medical savings account.

This is because a person's use of the medical system goes up exactly in relation to the degree to which it is subsidized.

The Clinton plan, or some version thereof, will force costs to go up at the same time that quality goes down.

In the end, any big government medical plan will be all right for those with wealth or power or influence, or those who work for the Government, but the people will get the leftovers, or the crumbs, if anything at all.

MEDICARE, SOCIAL SECURITY, HEALTH CARE: FUTURE COSTS WILL EXCEED FUTURE FEDERAL REVENUES

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, I take this 5 minutes to really worry and wonder what is going on in this House. We just got notification this morning that the Democrat leadership has decided to extend the recess a week to pass the health care reform measure, but the Democrat leadership have no bill, they do not know what this bill is going to be. It changes every day. It is amazing to me they are even considering stuffing down the throats of the American people a health care reform proposal that they do not even know what it is. I am just outraged by the lack of leadership of the Democrat-controlled House and the Democrat-controlled Senate.

I heard it for the last few days that the majority leader over in the other body is chastizing Republicans for so-called throwing up roadblocks in front of health care reform. The Republicans are not putting roadblocks in front of health care reform. We had a bill introduced over a year ago, way before the Democrat President or the Democrat House or the Democrat Senate even introduced a bill. We have been, for days and weeks, working on a bipartisan measure with other Democrats, trying to write a bipartisan health care reform.

Then the majority leader of the other body said the Republicans warned us against Social Security, and they were wrong; they warned us about Medicare, and they were wrong; they warned us about the President's tax increase last year, and they were wrong.

Well, let me tell you that the American people know we were not wrong. In Medicare, when it was instituted in 1967, 3 percent of Federal revenues went to the program. In 1994, 20 percent of the our Federal revenues go to Medicare and Medicaid spending. We warned the American people that Medicare would do this. At this rate, by the year 2015, our spending on these programs will equal 100 percent of Federal revenues.

I do not particularly say, based on those figures—I do not think you can say that Medicare is a success, based on these figures.

Mr. Speaker, in 1965 the estimated benefits for the hospital insurance Medicare in the year 1990 were projected at $9 billion to be spent on Medicare. The actual 1990 expenditure was $67 billion. I think we were right about Medicare.

Now, Social Security, many, many years ago, the Republicans warned the American people that this would be a program that we could not afford. The United Seniors Association reports that the trustees' report predicts that combined expenditures for Social Security will exceed current tax income in the year 2013. The accumulative deficit between outlays and receipts by the year 2029 will be $127.3 trillion, going to Social Security by the year 2029.

□ 1600

In 1994 dollars, Mr. Speaker, that is $13 trillion, or three times our current national debt. That is a success that the Democrats are parading around the United States?

The Republicans warned the American people many years ago that Social Security would come to this. It is broke. They have been raiding the trust account to pay for their social programs, and they call it a success?

And let us talk about the tax increase of last year. They have been running around. The President last night in his press conference was touting the success of his program. This recovery that we are presently in is the slowest recovery on record, and it is because the Federal Government is taking private capital out of individuals' hands and are spending it themselves. The job growth that they are so proud of is the slowest job growth in any recovery coming out of a recession. We have interest rates going up, and they have been going up month by month. Housing starts have just declined by 14 percent.

This is a success?

Now they say we are going to spend the next couple of weeks talking on a health care reform package that we do not know what it is. They rewrite it every day. All they are doing is writing it so they can get 218 votes and stuff it down our throats. We will not be able to see it, and certainly the American people will not be able to see it.

I say, "If you got a bill, write the bill, lay it out over the August recess, let the American people see it, and then let's debate it in September."

WHAT'S THE RUSH?

The SPEAKER pro tempore (Mr. TORRES). Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, I would like to thank the gentleman from Texas [Mr. DELAY] for bringing to our attention something that I think is of very vital interest.

I called back to my district office last night, and then again earlier today, and I asked my district director what it was that my constituents were saying about this health care debate that we are involved in. She went back, and got the records, and came out, and she said, "It's pretty consistent. Almost everybody is saying, 'Why don't they take their time? What's the rush?' ".

Mr. Speaker, some of them have long enough memories to remember what we did with catastrophic care. We passed it, went home and found out that it did not sell, came back here and repealed it. It was a disaster.

So, the basic message is:

"What's the rush?"

"Take your time."

"Do it right."

"It's too important."

"It's not a political issue; it's a family issue. It affects my health. It affects my children's health. It affects my parents' health."

"Please do this right. Don't do it for some ulterior reason. Don't do it for some political reason."

"What's the rush?"

Well, I brought this chart with me to tell my colleagues what I think is the rush.

Here we are in the end of the chart in 1994 today. Today we learned that we are going to adjourn maybe on August 19 because somehow maybe the Democrat leadership can twist enough arms, or bend enough elbows, or find enough votes somehow to get something passed. Nobody knows what it is. But August 19 seems to be the drop-dead date.

Then all the way out in 1999 is when this program, I am told, will be fully implemented, 5 calendar years away.

What is the rush?

Well, the rush is November 8. There is an election coming, and we have to do something because during the campaign it was a major issue. And then

President Clinton came here, right there, held up his pen and said, "If you don't do it my way, I'll veto it."

"My way or the highway," he said.

November 8 is coming.

He went to Jersey City in my home State this week, and he stood at a podium and he pounded the podium until the presidential seal fell off. The message was, "We are going to do this, and we're going to do it my way," because November 8 is coming; it's an election. All of a sudden it is a political issue.

When I listen to my constituents, and I listen to their concerns and their questions, they do not care about November 8. They care about their health care. That is what this is about.

Let me tell my colleagues what some of the questions are they are asking me:

"Give me the answers, tell us the answers, go slow so we'll know what the answers are before you guys and ladies vote."

"How will health care reform affect my paycheck," they ask me, and I wish they would call everybody in this House and ask that question.

My older American citizens are asking me, "I hear they are going to cut Medicare maybe by $10 billion. How will that affect my Medicare plan? Will I have to buy extra supplemental? Will I have to make an appointment months ahead to go to the doctor? How does it affect my Medicare plan?"

"What kind of an effect," they say, "will it have on my job if my small businessman employer has to pay an extra tax, 80 percent or whatever it is? Will he be able to afford to keep me, or will he find a way to do without me? How will it affect my job?" they ask.

"How will it affect my small business," my business men and women are saying.

"At my drug store I have a certain markup that I can put on things, and, if I have to pay 80 percent of my part-time employees' health care, how will that affect my business?"

"How much will health care reform raise my taxes?" my constituents are asking.

Mr. Speaker, they are not asking about November 8. These are the questions they are asking.

I had a lady call me the other day. She said, "I just got back from England. I have an aunt there, and my aunt just went to the hospital and had an operation on her shoulder, and she told me how thankful she was that she thought enough to buy her own private health care plan because they have a government run health care system, and she said that in order to get her shoulder fixed she used her private health care plan because she would have had to have waited 3 years to get her shoulder taken care of otherwise."

So, in conclusion, Mr. Speaker, my constituents are asking these questions. They are not mentioning November 8. They do not care, and we should not either. We should take our time and do it right.

A MIXTURE OF BAD AND GOOD IN THE CRIME BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, my friends, Mr. and Mrs. Max Gardner in Baxley, GA, are owners of the Baxley News Banner. Mr. Gardner recently had a column in his paper which I thought was interesting. He tells a story of a little boy who wanted $100 very badly, and his mother said, "Well, why don't you pray for it?"

So, Mr. Speaker, he started praying to the Lord to send him $100, and, after a couple of weeks, he did not get his $100.

So, he was frustrated, and he decided he would write the President about it, and let me say parenthetically this is not this President necessarily. It is Presidents in general. He wrote the President and asked him for $100.

Mr. Speaker, the President was so amused by this letter that he sent the boy $5, and the little boy got it and was glad, and that night when he was saying his prayers he thanked the Lord for sending the $100 to him, and he said in his prayer:

"Dear God, thank you very much for the money, and I understand that you had to send it through a middle man, but please next time don't use anybody in Washington because they take too much of it out before sending it to me."

Mr. Speaker, I think that is the case with our taxes in general.

When we look at the crime bill, which we will be voting on the rule for tomorrow, we can see a good bill, a good concept, but with too much politics taken out, too much money deducted for non-crime-fighting things. The crime bill has lots of good in it. It has many decent programs in it that could help for prevention. It aims to put a hundred thousand police officers on the street. It contains the Byrne grant funding which is very important. It has about $1.8 billion used to fight violence against women, and it trains police to help in cases of domestic violence, and it has support for battered women shelters and promotes rape awareness education.

□ 1610

It has a national registration for any person convicted of a state criminal offense against a minor. It has $8.7 billion for new construction of prisons. It funds new Border Patrol agents. It also authorizes about $1.8 billion to fight illegal immigration. It contains the three-strikes-and-you-are-out.

All this is good stuff. It is all things that we need in the fight against crime.

However, we get to the Washington portion of the crime bill. When we read the fine print we find out that out of the 100,000 officers the bill aims to support, only 20,000 are paid for. The rest of them have to be funded through State and local governments. We find out that the $8.7 billion for new prisons was cut down from about 13 or 14 billion that was originally in the House bill. We find out that out of the $33 billion in the bill, $9 billion goes to social programs such as midnight basketball, promoting arts, crafts and dance, and self-esteem programs.

Now, we are already spending about $24 billion on 154 social programs aimed at high-risk inner city youth. If this is a way that works, why is it not working now, and why will spending $9 billion more on top of the $24 billion make a difference?

I want to repeat that number one more time. We have in place today, without additional legislation, 154 different programs. This is ironic, considering the Vice President's task force, one of his big things is to consolidate. But here we are, adding to it, and these programs are ineffective.

What is worse is the bill does not earmark where this $9 billion in social spending is going to go. Seventy-five percent of that is left up to the President. How convenient for an election year, because with here we go, we have passed this, it is somewhat of a stimulus program, and it is a social pork barrel program. And the President can go in, and if you are in Congress and you voted with the President on NAFTA, you voted for his tax increase, or did whatever, the President can come in and say, "And here today, to my favorite Congress Member sitting on the fence with 1 percent margin between his or her opponent, I am going to give a new grant or inner-city program."

My goodness, is this politics at its worst? We are talking crime control. We don't need this kind of thing. This is what is wrong with America today. This is why we had 110 new freshmen elected this year.

Mr. Speaker, I am going to vote "no" on the rule. I think we can do better than this. I urge my colleagues to do the same. Let us send the bill back and get one that is better.

Mr. Speaker, I include for the RECORD the editorial by Max Gardner.

[From the Baxley (GA) News-Banner]

SPEND, SPEND, SPEND . . .

(By Max Gardner)

Volumes have been written about government spending and taxation. But the more solutions that are offered the worser the situation seems to get.

Taxes consume the largest portion of our incomes today, and we do not see any full-fledged efforts by our national leaders to ease the burden.

I received the following little story that sums it up pretty well:

A little boy needed $100.00 very badly and his mother told him to pray to God for it. He prayed and prayed for two weeks but nothing turned up. Then he decided to write God a letter requesting the $100.00. When the postal authorities received the letter addressed to God, they opened it up and decided to send it to the President.

The President was so impressed, touched and amused that he instructed his secretary to send the little boy a check for $5.00. He thought this would appear to be a lot of money to a little boy. The little boy was delighted with the $5.00 and sat down to write a thank you letter to God, which reads as follows:

"Dear God, thank you very much for sending me the money. I noticed that you had to send it through Washington. As usual, those characters deducted $95.00."

The government certainly gets its generous cut. Now some of those greedy liberals who want to solve every problem by feeding it money are looking goggly-eyed at the nation's Social Security funds.

Lord help us if they get their mitts into this fund.

I am really concerned about our younger people who are paying in Social Security today. They could face the possibility of no funds available when they become eligible age.

And also they are trying to up the age on eligibility. What good will Social Security be to a person if he or she is at death's door?

Not all in Washington are spend-crazy idiots, however. Thank God we have a few like Congressman Jack Kingston who is fighting hard to cut out liberal, wasteful government spending.

Let's give him and others like him our full support.

SUPPORT THE PELOSI BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. WOLF] is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, I would like to address the House and my colleagues today about an issue that we are going to vote on next week, and that is the Pelosi bill, dealing with MFN for only a very narrow segment of the industry in China. The Pelosi bill does not eliminate MFN for China. The Pelosi bill deals with only the People's Liberation Army, which has done terrible things. We have seen pictures at Tiananmen Square and we know what they have done, and I have brought some pictures, some are so graphic that I probably will not show them today, but perhaps later on for Members, and also goods made by slave labor.

I had the opportunity to visit Beijing Prison No. 1, a slave labor prison, where 40 Tiananmen Square demonstrators were. The American people really do not want to permit goods to come in made by slave labor.

So we are really only talking about this very narrow thing. This is a graphic picture of a chemical processing room at a Qionghai garment factory, and the chemical eats into the naked bodies. This is slave labor working on this process in the garment factory.

The other pictures are too graphic, and I do not think we will deal with them today.

Let me say at the outset there are good and decent people on both sides of this issue, and I just want to share with the body a thought or two that I have with regard to this issue. As we do, it is important to remember this bill only deals with the People's Liberation Army, and also with slave labor goods.

I want to bring to the body's attention and talk about something that Secretary of State Hull said in 1933, a telegram indicating that in his opinion the mistreatment of the Jews in Nazi Germany was no longer a problem. I will insert these cables in the CONGRESSIONAL RECORD.

The first cable, March 3, 1933, said Mr. Hull reveals he had received reports that the entire Jewish population was "living under the shadow of a campaign of murder," scheduled to begin in a few days, but "pay no credence to them." The second cable of March 21, 1933, said although the State Department admits that the U.S. press was reporting widespread mistreatment of Jews in Germany, "telegrams thus far received from the embassy do not appear to bear out the gravity of the situation."

The March 24 cablegram, despite receiving pleas to take up the issue with the German Government, Mr. Hull was "of the opinion that outside intercession has rarely produced the results desired, and have frequently aggravated the situation."

Mr. Speaker, I would also like to include for the RECORD a New York Times article with the text of another telegram Mr. Hull sent 3 days later. In it he stated, "In the opinion of the embassy, such a stabilization appears to have been reached in the field of personal mistreatment, and there are indications that in other phases the situation is improving."

That was in 1933. We all know what happened after that.

We should not close our eyes in 1994 to the brutality occurring in China, persecution of the churches, eugenics, human organ transplant sales, torture of prisoners, slave labor, weapons sales to the Middle East and other countries, and other massive human rights violations.

Please understand I am not suggesting that the People's Republic of China is the 1994 version of the genocidal Nazi Germany. But, as in the thirties, when there was an unwillingness to believe that human rights violations could be occurring, I personally fear that the world today may be naively turning away from ongoing brutal repression in the People's Republic of China, and I believe that the world should not be silent in 1994, as it was in 1933.

This is a tough issue. Many people think it is a trade issue. I have been for every free trade bill in the Congress. I have never voted for the protectionist bill since I have been here. But I think this is a human rights bill, and it is also targeted against the People's Liberation Army.

Now, again, let me just say, there are good people on both sides, very decent people, and some people said this is not an important vote, because, one, the President is going to veto it. Well, nobody is going to get elected because of their vote or get defeated because of their vote. But this vote gives us an opportunity, even if the President does veto it, to send a message to the Chinese Government that the United States Congress cares about this issue.

Mr. Speaker, I will insert in the RECORD the documents that I spoke about.

[From the New York Times, March 27, 1933]

NAZIS END ATTACKS ON JEWS IN REICH, OUR EMBASSY FINDS

HOPES FOR EARLY CALM

WASHINGTON, March 26.—Mistreatment of Jews in Germany has virtually ceased, according to Secretary of State Hull, who conveyed this information today in telegrams to Dr. Cyrus Adler of Philadelphia and rabbi Stephen S. Wise of New York, who came to Washington last week to protest against German treatment of Jews.

Mr. Hull said Germans felt that such a far-reaching political readjustment could not have taken place without some delay in reaching a state of equilibrium. The situation was improving, he asserted, largely as the result of demands for discipline by Chancellor Hitler and also the reiteration by Vice Chancellor von Papen of the necessity for a cessation of individual depredations.

The Secretary of State will continue to watch the situation, he said, but felt hopeful that conditions would soon become normal.

SECRETARY HULL'S TELEGRAM

Secretary Hull's telegram to Rabbi Wise and Dr. Adler follows:

You will remember that at the time of your recent call at the department I informed you that, in view of numerous press statements indicating widespread mistreatment of the Jews in Germany, I would request the American Embassy at Berlin in consultation with the principal consulates in Germany to investigate the situation and submit a report.

A reply has now been received indicating that whereas there was for a short time considerable physical mistreatment of Jews, this phase may be considered virtually terminated. There was also some picketing of Jewish merchandising stores and instances of professional discrimination. These manifestations were viewed with serious concern by the German Government.

Hitler, in his capacity as leader of the Nazi party, issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade, and to avoid the creation of possibly embarrassing international incidents.

Later, von Papen delivered a speech at Breslau in which he not only reiterated Hitler's appeals for discipline but abjured the victors of the last election not to spoil their triumph by unworthy acts of revenge and violence which could only bring discredit upon the new regime in foreign countries. As a result, the embassy reports that the au thority of the regular police has been reinforced.

The feeling has been widespread in Germany that following so far-reaching a political readjustment as has recently taken place, some time must elapse before a state of equilibrium could be re-established. In the opinion of the embassy, such a stabilization appears to have been reached in the field of personal mistreatment, and there are indications that in other phases the situation is improving.

I feel hopeful, in view of the reported attitude of high German officials and the evidences of amelioration already indicated, that the situation, which has caused such widespread concern throughout the country, will soon revert to normal. Meanwhile, I shall continue to watch the situation closely, with a sympathetic interest and with a desire to be helpful in whatever way possible.

CORDELL HULL,
Secretary of State.

LEADERS REPLY TO HULL

The American Jewish Congress, through its officers, announced last night that the organization had replied to Secretary Hull's telegram. The text of the reply was as follows:

In the name of the American Jewish Congress we wish to thank you for your prompt report on the situation in Germany, which confirms our fears that there has been "considerable physical mistreatment of Jews, picketing of Jewish merchandising stores, and instances of professional discrimination."

The American Jewish Congress notes your statement that Hitler "has issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade and to avoid the creation of possibly embarrassing international incidents."

We are deeply grateful for your assurances that you will continue to watch the situation closely with a sympathetic interest. For we feel that, in view of the official program of the Nazi party and its record of thirteen years disseminating hatred against the Jewish people, the Jews of Germany are in great and imminent jeopardy of life and property, of civil rights and religious liberty. Until the status of the Jewish citizens of Germany is safeguarded and the position of the non-national Jews is secured, the enlightened option of America must watch with profoundest anxiety the development of events in Germany.

May we repeat what we emphasized in the course of our visit to the State Department, namely, that we are moved by no feeling of unfriendliness or ill will to the German nation. Our concern is for the security of the Jews of Germany and the safeguarding of their human and political rights.

STEPHEN S. WISE,
Honorary President.
BERNARD S. DEUTSCH,
President, The American Jewish Congress.

NEURATH DENIES RUMORS

GERMAN FOREIGN MINISTER CONDEMNS ANTI-NAZI PROPAGANDA

BERLIN, March 26.—Foreign Minister Constantin von Neurath, ordinarily the Hitler Cabinet's silent man who seldom receives journalists, broke his silence today to throw the entire weight of his internationally known personality against what he considers "the deliberate, sudden rebirth of the vilification campaign conducted during the World War against the German Government."

Speaking quietly, but with an inner emotion that even his composed attitude of a man of the world could not hide, he declared:

"It is my duty, both because I must defend the honor of my people and because I am a responsible statesman, to warn the world against permitting the baneful spirit of calumny in vogue during the war to flare up again."

To a general question regarding the Federal Government's attitude toward news published in the foreign press of alleged acts of terror committed against different-minded persons, and especially Jews, Baron von Neurath replied:

"Even the best organized administrative apparatus would not suffice to go to the bottom of each and every one of these malicious false reports and deny them.

"I find no other explanation for the present propaganda unloosed against the German Government than to consider it a deliberate, sudden rebirth of the vilification campaign conducted during the World War.

"Just as Belgian atrocity stories then mentioned chopped-off children's arms, so there is talk today of allegedly gouged eyes and cut-off ears. One would really think that the foreign public, which meanwhile realized the untruth of the World War atrocity stories, would not so easily again be deceived by a new dishing-up of similar fairy tales.

SOCIALISTS FOUND UNINJURED

"How absurd such propaganda is you yourself experienced Tuesday. That very morning you could read of unbelievable atrocities committed on Messrs. Breitscheld and Wels, but in the afternoon you had the opportunity with your own eyes to see these two gentlemen participate in the Reichstag session. (Dr. Rudolf Breitscheld and Otto Wels are Socialist members of the Reichstag.)

"It would seem to me that this one reference renders unnecessary my dwelling on other details.

"If at the beginning of the national revolution certain excesses may have been committed by isolated individuals, then that is certainly regrettable. At the same time it must be said that never in history did a revolutionary upheaval occur like that which now is completed in Germany without an accompaniment of certain hardships.

"According to my opinion, the German people gave proof of their tremendous innate discipline by the fact that such arbitrary individual acts took place only in a new cases, and even then only in comparatively mild form.

"You will yourself have noticed that the energetic appeals by the Reich's Chancellor and Minister Goering, who several days ago decreed severest penalties for such like arbitrary acts by individuals, were thoroughly and unqualifiedly successful and that no more cases of unauthorized procedure became known.

"As concerns Jews, I can only say that their propagandists abroad are rendering their co-religionists in Germany no service by giving the German public, through their distorted and untruthful news about persecution and torture of Jews, the impression that they actually halt at nothing, not even at lies and calumny, to fight the present German Government.

"Why, even a prominent Jewish banker told one of your American colleagues, "we reject all foreign interferences. German Jews are human enough to help ourselves.'

"Actually, every visitor must agree that when he walks through the streets of Berlin even today he encounters Jews, poor as well as elegantly dressed, who are attending their business. Nobody has harmed them.

SAYS PRESS WAS DUPED

"It is most regrettable that not only the yellow press but even some papers of the highest standing have permitted themselves to be duped by this propaganda. For instance, a big American sheet wrote several days ago that foreign correspondents must submit their reports to a censor. You must admit this was not the case.

"In those few instances, where telegraph authorities on the basis of an international treaty, held up reports of foreign correspondents, their news items were either untrue or so distorted that their publication indubitably had to be considered dangerous to the State.

"That in times like these steps were taken against them can be considered by nobody who thinks impartially by nobody who thinks impartially as an arbitrary interference with the freedom of the press. Amicable relations between peoples are not served if the grown irresponsible, malicious rumor managering.

When, therefore, is this very frank talk I have spoken so sharply against this sort of propaganda by the foreign press, I did it not only because I must defend the honor of my people but because as a responsible statesman I also have the duty to warn the world against permitting the baneful war-time spirit of vilification to flare up again."

DEPARTMENT OF STATE,
Washington, March 3, 1933.

AMERICAN EMBASSY,
Berlin, Germany

The following appeared as an Associate Press dispatch from London today in the Public Ledger, Philadelphia:

"London Daily Herald said today plans were complete for Anti-Jewish program in Germany on a scale as terrible as any instance Jewish persecution in two thousand years."

The paper ascribed its information to "high source" and whole Jewish population of Germany totaling six hundred thousand is living under shadow of a campaign of murder which may be initiated within a few hours and cannot be postponed for more than a few days".

While this Government is disinclined to lend credence to this report, it is causing widespread distress among a large section of the American people. You may, in your discretion, talk the matter over with German Government and acquaint them with the apprehension and distress that is being felt here.

STINSON

DEPARTMENT OF STATE,
Washington, March 21, 1933.

AMERICAN EMBASSY,
Berlin, Germany

Press reports indicating widespread mistreatment of Jews in Germany, are causing deep concern and even alarm to a large section of our population. This is showing itself not only in press comment, but in a series of meetings and conferences, the most important of which is to be a mass meeting scheduled in New York for March 27. A delegation of important Jewish leaders called at the Department this afternoon.

Telegrams thus far received from the Embassy would not appear to bear out the gravity of the situation reported above. It is important, however, for us to have an exact picture of what is taking place. Please therefore telegraph us the facts as you see them, after consulting the principal Consulates, by telephone if necessary, with a view to ascertaining the situation throughout different parts of the country.

HULL

DEPARTMENT OF STATE,
Washington, March 24, 1933.

AMERICAN EMBASSY,
Berlin, Germany

Public opinion in this country continues alarmed at the persistent press reports of mistreatment of Jews in Germany. We are under heavy pressure to make representations in their behalf to the German Government. I am of the opinion that outside intercession has rarely produced the results desired and has frequently aggravated the situation. Nevertheless if you perceive any way in which this Government could usefully be of assistance, I should appreciate your frank and confidential advice. On Monday next there is to be held in New York a monster mass meeting. If prior to that date an amelioration in the situation has taken place, which you could report in form susceptible of release to the press, together with public assurance by Hitler and other leaders, it would have a claiming effect.

HULL

SUPPORT UNIVERSAL COVERAGE AND SHARED RESPONSIBILITY IN HEALTH CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from West Virginia [Mr. WISE] is recognized for 60 minutes as the designee of the Majority Leader.

Mr. WISE. Mr. Speaker, I am pleased to be joined today, in effect cosponsoring this special order, by the gentleman from Maryland [Mr. CARDIN], a member of the Ways and Means Committee, and someone long active in health care who has a lot of respect in this body for his extensive knowledge of the subject. It is a privilege to be with him tonight.

Tonight, as last night, the subject was universal coverage, why it is that in comprehensive health care reform, all people need to be in the pool. There was a long discussion about that last night. Tonight what we are taking on is the shared responsibility. That is, how do you, what is the vehicle for providing that insurance.

□ 1620

So the legislation that is being shaped by the House leadership, by the majority leader particularly, builds upon that which we already have in our system of shared responsibility. That is, requiring employers to provide insurance.

In other words, getting the insurance where 9 out of 10 Americans who already have private insurance get it, and that is through the workplace, where we work.

Just as all Federal employees, including Members of this House, get theirs through the Federal employees health benefits pool in which the employer contributes a certain percentage and the employee contributes a certain percentage, just as most Americans who have insurance get it through their workplace, so would this legislation seek to expand upon that.

This is also about those people who work every day, who do their jobs that we run into and encounter every day and yet do not have insurance. And indeed, some of them work for the most profitable corporations of this land, those who work in fast food restaurants, those who work in gas stations, those who work in the hotels, those who work in a large number. And they are doing, incidentally, Mr. Speaker, what it is that our society asks them to do, do not get on welfare. Do not be on the dole. Go to work. And so they go to work. And they go to work at $4.25 an hour, the legal minimum wage, or they go to work at $5 or $6 or $7 an hour. And they do what society asks them to do.

But there is a problem. They do not have health insurance. As we discussed last night, when they finally get their health coverage and, yes, they will get treated at a hospital, but it will cost everyone in this room and in society four times as much for that person to go into the hospital emergency room as it does to get their treatment the regular way, which they would have gotten had they had health insurance.

So this is about those people who work every day, and it is about shared responsibility.

Under the plan that the House leadership is coming forward with, there would be shared responsibility that, by 1997, all businesses over 100 persons would have to provide insurance, and the employer would pay 80 percent of the premium. By 1999, 5 years from today, all businesses, that includes those under 100 persons, would have to supply insurance with the employer providing 80 percent of the premium. However, the employer gets certain assistance to do that.

The assistance, for instance, is that, first of all, they have reduced premium obligations through a tax credit of up to 50 percent of the employer's share of the premium. When you sort through it, what it means is that for many employers under 100 persons, while the requirement is that they pay 80 percent of the premium cost, after you take the 50 percent tax credit, that cuts it in half and so they are paying 40 percent of the premium cost.

It works out for many employers, those with under 25 employees, for instance, whose average income is $11,000 or less, it works out to an increase of about 61 cents an hour. But for that, everybody in the firm, including the employer and his or her spouse, often working in the firm, has a comprehensive policy and it cannot be taken away.

Other benefits to the employer include community ratings, spreading the cost out over a much bigger group, not just focusing on that restaurant or machine shop or gas station or whatever, where there maybe is 10 employees. And it one person gets seriously ill, the costs shoot up for everybody. Now the costs are spread out over the entire population. It keeps the rates down. They get relief through changes made to workers compensation.

Our hope is that that part that the employer is presently paying to workers compensation for health care, if a person is injured on the job, they need health care, and certainly in my State of West Virginia, that is one of the leading, if not the leading, concern of small businesses, that that would be taken care of through the health insurance system while leaving the rehabilitation and the weekly stipend checks to the workers comp system. But at any rate, that should result in significantly lower worker comp premiums.

The employer, for the first time, would have access to a safety net public program for those employers who have basically low-income workers, a Medicare Part C program. And, yes, there would also be, for those that find it worthwhile, a medical savings account that they would be eligible for in which they would buy a policy for their employees that would have a $2,000 out-of-pocket deductible, and then they would put the balance in an account that the employee would then be able to bank and decide whether or not to sue that for the basic primary health care or not.

Finally, self-employed individuals, a growing number in our society, who are now today not able to deduct any percent of their health care costs, would be able to deduct 80 percent of the premiums under this proposal.

Why are we even talking about employer-based health care?

Incidentally, just so everyone understands, the employer is paying 80 percent; the employee is sharing and paying up to 20 percent for low-income workers, and we will discuss that later. There is assistance for them as well. But everybody is paying. The employer is not asked to bear the whole freight, but the employer pays something. The employee pays something. The government pays something. So everybody is in this together. It is shared responsibility.

How did we get to the situation where 9 out of 10 Americans who have private insurance are deriving it from the workplace? Because following World War II, we had millions of people coming into the workplace that were returning home from abroad. And it was a social policy in this country of, first of all, getting them working and, second, how can we provide health care. This Congress chose not to address the issue of national health care then, although President Truman made proposals. And so instead they went to seeing what kind of incentives could be placed to provide insurance.

Well, if the government is not going to provide the insurance, who does? And so the goal was to have the employer provide the insurance. And to do that, the Congress instituted certain tax incentives that would encourage the employers of this country to provide that insurance.

One of them was deductibility of the premium costs as a business expense. The second was to make the benefits of the policy nontaxable to the employee. You and I do not pay, Mr. Speaker, income taxes based upon the value of that policy to us. And so that was the accord that was reached.

And the result was that more and more employers offered health insurance. In fact, during the 1970's and 1980's, employers even offered that health insurance in lieu of raises.

So you can see what has happened in our society. Income, real take-home income has actually been on a flat line or in some cases sloped downward, and that was done because people would have preferred to have kept their health insurance intact.

Now, some have suggested that the employer responsibility, the shared responsibility is some kind of wild idea that President Clinton came up with and it is harum-scarum and drives everybody out of business. Let me just suggest to you who originally came up with a very comprehensive shared responsibility concept.

Yes, it was that well-known radical socialist, single-payer advocate Richard Milhous Nixon who, in 1974, sent to this Congress a comprehensive health care bill which had, as its backbone, a shared responsibility provision by which employers would pay for 65 percent of the premium for a comprehensive plan. Employees would be responsible for 35 percent, and that over several years would then go up to a 75/25 split.

It also had other aspects of universal coverage because low-wage workers and low-income persons would get assistance through, yes, something similar to what is today called Medicare Part C. And so this is 1974 that this was proposed, and it is today 1994. So to those who would say delay because we have not had time to look at it, I would say, it has been about 20 years of exploration in this area.

There is much more to talk about, but I see my good friend, the gentleman from Maryland [Mr. CARDIN], who serves on the committee on Ways and Means, who was instrumental in putting together much of the components of this plan.

I welcome the remarks he may wish to make.

Mr. Speaker, I yield to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding to me.

First let me compliment my friend, the gentleman from West Virginia [Mr. WISE], for his hard work on health care reform, and his passion to bring this issue to the floor tonight, and his work on crafting a bill that will accomplish universal coverage and deal with the problems we have in our community.

Mr. Speaker, I first want to appreciate the gentleman's reference to 20 years ago. Actually we can go back 60 years that we have been debating health care reform. It is interesting that one of our colleagues from the other side of the aisle said "what is the rush?"

Mr. Speaker, we have been debating this issue for 60 years. It took us 30 years to get Medicare enacted, and now we are still trying to take care of the rest of our people, many of whom work every day of the week, trying to play according to the rules, and have no health insurance in order to protect their family.

The problems are real, Mr. Speaker. We need to address those problems now. Let me tell Members about real cases of people in my district in Maryland, about a mom who had to go on welfare, who has two children. She has been offered a job at minimum wage and would like to get off of welfare, would like to take that job, but one of her children has a major medical problem. If that mom accepts a job that does not have health care benefits, she jeopardizes giving up her Medicaid, her health care that she has today.

Mr. Speaker, I don't know of a person in this Chamber who does not want to enact welfare reform. The most important thing we can do for welfare reform is to guarantee everyone the right to insurance, so we need to move now. We need to address that problem, so that mom can get off welfare, can have insurance protection to help her family.

Let me tell you about a small business person who is in my district, playing according to the rules, runs a small retail establishment, provides health care insurance for his employees and wants to do that, because he believes it is the right thing to do, to provide health care benefits.

That person today is confronted with a real dilemma, because many of his competitors are not providing health care for their employees. Yet he is expected to compete in our marketplace today providing health care, finding ever-increasing premiums for his health insurance, and wondering whether he will be able to continue his health insurance.

What makes matters worse is that that person, the person who is providing health insurance, is being asked not only to pay for his own employees but for the employees of his competitor who work down the street.

We see, as you know, many people do not pay their bills. They have no insurance. They use our doctors and hospitals, but they do not pay their bills. It becomes uncompensated care.

At the University of Maryland Medical Center in Baltimore, 16 percent of their billings go uncollected because of uncompensated care. That raises the rates that you and I pay, and that small business person pays for his employees because they have to pay higher premiums to cover the uncompensated care, the uninsured. That is not fair. That is not fair to the person playing according to the rules.

Mr. Speaker, let me tell you about one more family in my district who has a young child who was born with a birth defect, a problem. The insurance industry calls that a preexisting condition. They do not have adequate insurance coverage to cover that child's needs, because of the practices within the insurance community.

What we want to do is to provide universal insurance coverage. It is the only answer. There is no other choice. Our colleague, the gentlewoman from Connecticut [Ms. DELAURO], last night pointed out why you cannot do incremental, you cannot just enact insurance reform and believe that you have done the job, because you have not.

If we just do insurance reform and do not provide universal coverage, which happens as people who are the oldest, who are the most vulnerable, who are the most expensive, who have preexisting conditions, become insured, sure, we want to get them insured, but the younger people, the less costly people without any shared responsibility with their employer, decide to leave the insurance pools. They do not want to pay the insurance cost, They do not think they are going to get sick.

The cost of insurance becomes more expensive for people who already have insurance. They leave the insurance pool. More and more people become uninsured. The problems get worse.

We have no choice, Mr. Speaker. The only way to answer the questions that have been posed by my constituents and the gentleman's constituents is to provide universal coverage. It is the only way we can do it.

The bill being put together by the majority leader, the gentleman from Missouri [Mr. GEPHARDT], is the only bill that will give us that universal coverage. Let me explain why. There are three ways, basically, you can get to universal insurance coverage. One way is to have the Government do it, the single-payer system. That will do it, but you and I know that we are not going to get the votes to pass that bill in this Congress.

There is a second way that you can get to universal coverage. We could pass an individual mandate and require all of our constituents to have health insurance. We could do that, but you and I know that a family working in my district who makes $20,000, where the employer does not pay any of the costs of health benefits, that that person cannot afford $5,000 of out-of-pocket costs in order to pay for the health benefits of his family.

It is not enforceable, it cannot work, unless we are willing to put up huge

Government subsidies and raise taxes to do it. We do not have the will to do that in this body. That is not the way we are going to proceed.

As you pointed out, Mr. WISE, the way that most people get their insurance today is through the marketplace, through the employment, so the third way and the way in which the majority leader's bill is configured is shared responsibility, having all employers and all employees contribute to the cost of their health care. That builds on our current system and has the least disruption, and is the fairest.

Why should that small business in my district have to pay the bill and its competitor not? The majority leader is putting together a bill where everyone pays their fair share. No free riders.

How do you finance the plan? That has been asked to me by many people. We finance it through premiums, by everybody paying premiums, rather than having so many people get health care today without paying their bills and without paying premiums. That is a fair way to do it.

Is it affordable? That is a very important point. We want to make sure it is affordable for the individual and affordable for the business, and as you pointed out, give relief for small businesses. If it is a small business that has low-wage workers, we give a tax credit. That impact may well be as low as paying 40 percent of the premium, which comes out to be about 45 cents an hour of additional labor costs, and it comes into effect in 1999. We give the small company four years to prepare for this change. It is very affordable. It deals with the problem.

Yes, we need universal coverage. We have proceeded the only feasible way to accomplish universal coverage, a fair way, an equitable way, a way that will achieve the results that we all believe in, and will do it in a way that will build on our current system, build on the quality of our current system.

I have a lot more that I could say, but I see we have been joined by some very distinguished individuals who have been extremely important in the development of health care reform in the House of Representatives, so at this time I want to thank the gentleman again.

Mr. WISE. I thank the gentleman from Maryland for taking this time with me in putting this special order together.

I yield to the gentlewoman from North Carolina [Mrs. CLAYTON] who has been very active on this issue.

Mrs. CLAYTON. Thank you for yielding to me. I would like to join with the gentleman in a colloquy.

Mr. Speaker, I am from a small business community and I am also from a rural community, so from that perspective, we look at it in terms of impact, the possibility of regulation causing the small business an enormous burden and taking away from its productivity.

We had hearings today, and we thank the chairman for having those, and we heard the administrator not only talk about what is in the plan, but given the condition of small businesses right now, small businesses right now by and large are the victims of high costs, and they have bare minimum coverage.

With having a health care plan where universal coverage is included, that gives them, in my judgment, and I like your comment on it, it gives them some relief for those businesses that are now covered. They will now have more affordable insurance premiums, and even better coverage, because what they are paying now is because they have to buy in small pools and they can bear the bare minimum. It is not really covering them.

Mr. Speaker, would the gentleman from West Virginia comment on that?

Mr. WISE. The gentlewoman raises a good point. I know she has small businesses in her district just like mine that are trying to provide insurance. I remember one of the small business people in my district, Jim Tillson, who runs an interior decorating firm, points out that he provides insurance for his employees, but every time he goes to bid against somebody for a job, whether Government or private sector, and that person does not provide insurance, he is at an automatic cost disadvantage, because he is doing what he should and yet the other person then comes in and they are late, and they have, because they are not putting in 8 to 10 to 14 percent of their labor costs into health insurance, they often come in and have an edge.

☐ 1640

There is another way that small businesses lose as well, because the small businessperson who could provide insurance but chooses not to may think that they are getting a break because they do not have to worry about their employees, but they are getting caught several different ways. First of all, they are paying more taxes, because their employees will eventually end up in the hospital and that uncompensated care is going to get paid somehow. In many cases, if they end up on Medicaid, we all pay.

Second is that if that employer is actually trying to provide some level of insurance to himself or herself or their family, they may not recognize that the premium they are paying, that they can take 30 percent of that premium and realize it is cost shifting. In other words, it is being used to pay the cost that somebody else did not pay. Therefore, all of us who have private insurance are paying. So that would be another great advantage, I believe, to having universal coverage and employer-based.

The third is that, I know this is true in North Carolina just like it is in West Virginia, workers' compensation costs are an increasingly higher component of a small business' burden, and those costs can be lessened in terms of the health care part of it by enactment of this kind of legislation, particularly if we are able as many of us are urging that the workers' comp burden would then go to the health part, the treatment of the injury that the worker suffered would be under the health plan, not under workers' comp. So that should assist that business as well.

I just wondered, too, if the gentlewoman might comment for just a second about any studies on job loss that have been done.

Mrs. CLAYTON. I will comment on that, not so much the study, but I want to comment that there are 92,000 individuals in my district uninsured. That is completely unacceptable. Then when you further look at that, 81 percent of those individuals are people who work and they are not covered.

Why should such a large number of people who are working not have coverage? The universal coverage means that once you get everyone in that pool, rural businesses in rural communities will certainly have that economy of scale. Some people are proposing and certainly the Chamber of Commerce, yes, we want reform, and the reforms that they are speaking about are good, these are issues that will be in our plan as well, but they miss the advantage of having everyone in there to reduce the cost as well as to raise the quality of care.

As far as losing jobs, the Rural Study Research Institute published a study comparing President Clinton's plan, COOPER's plan and one of the senatorial plans. What they found was that as it relates to businesses in rural communities over the long haul, it would not change it; although it would increase in the immediate future, over the long haul it would not be detrimental to small businesses.

What they further found, however, that the workers that would be improved, they would add to the productivity and, therefore, the inured benefit in not having to retrain and rehire would be to the business' advantage. More important, the rural families, those 92,000 people I was talking about, their health would be greatly enhanced.

So there are studies comparing that there is not that much negative impact projected if we had the shared responsibility.

Mr. CARDIN. Could I ask the gentleman to yield on the job loss issue, because I think we have heard that issue over and over again from some of the opponents of health care reform. We do not lose jobs when we increase the standards for working people in this country. We increase job opportunity and jobs in our community.

I heard the same arguments when we passed the minimum wage increase. We did not lose any jobs.

Mr. WISE. A 90-cent-an-hour minimum wage increase several years ago and the predictions were job killer, brings the economy to a halt, millions lost. Absolutely untrue. And many of the businesses that would be affected by this would be getting far less than a minimum wage increase and would be getting comprehensive health coverage.

Mr. CARDIN. The same arguments I might say were made when we passed the Medicare tax. We did not lose jobs. Instead we protected a group of people. Then when we passed Social Security back in the 1930's, the same arguments were made, we were going to lose jobs. We do not lose jobs when we improve the standard of living for people who are working.

Mrs. CLAYTON. Again in rural areas, there will be an increase of business opportunity as a result of health care reform. What will they be? There will be health-related industries. There will be the infrastructure and delivery. There will be the enhancement to the rural hospital, bringing in health providers. And in many of the smaller communities, the local hospital is the employer, so there is the opportunity of increasing business activity as it relates to the health industry. But the productivity of the citizen has to inure to the business benefit and I think that is very, very important.

Mr. WISE. I thank the gentlewoman for that contribution.

I would now yield any time he would wish to the majority leader who has been so active and has, of course, brought us to this point today.

Mr. GEPHARDT. I thank the gentleman for yielding. I want to support this point, that requiring employers and employees to be involved in shared responsibility really is at the heart of successful health care reform. I want to elaborate more as the people on the floor have been about why this is so vital to this effort of successful reform.

If voluntary programs were workable, the people who work for employers today would have been covered a long time ago. It is an attractive idea to say, "Well, let's put money out there, let's put subsidies out there and see if we can get people involved."

There are a couple of problems with that. One, where do we get the money to give them the subsidies? We usually get it from the people that are already involved. So we have to say to the 83 percent of employers and employees that they are already involved: "We want you to pay more money, to offer subsidies to people that have not done what you have done for a long, long time," without giving the people who have been involved any benefit or any help that you can give them through getting everybody involved.

In other words, you have got to ask them for more money to get people to do things that they have already been doing, and you give them no benefit in reduced premiums because you cannot ensure them that any of these people will get involved. So they will see it as a double unfairness.

The other thing I would like to bring up is that some have said this is a requirement, it is a mandate, it is a requirement of employers and employees and that is something we have never done. I want to point out to Members that when we did the Social Security Program, there were lots of Members who said, "Let's have a voluntary Social Security program. Let's let employers and employees voluntarily set up a pension program." If that is the case we would have made, we never would have had Social Security. Social Security is a requirement. It is a mandate. Every employer in the country and every employee in the country has to pay a payroll tax to put away the money so that they can get a pension when people hit 62 and 65 years of age.

When Medicare was on the floor of this House in 1965, the same suggestion was made. People said, "Make it a voluntary program. Why require people to do this?"

The problem was, if we did not make it mandatory to have a Medicare payroll tax, the Medicare Program would never have been achieved.

We all know that both programs are very popular. No one on this side of the aisle in the Republican Party, no one on the Democratic side will get up today and seriously suggest that we get rid of the mandatory nature of the Social Security Program or the Medicare Program. No one, I think, in the Congress would make that suggestion. If it worked for the elderly with the Pension Program and the Medicare Program, why will it not work with regard to medicine and medical care for everyone in the country?

The reason a requirement is necessary is that we will never get everybody involved until everybody knows what the rules are, and we will never stop the cost-shifting, we will never stop the unfairness and the unworkability of what we are doing today.

□ 1650

The final point is that people say this is going to lose jobs, that people will not be able to make these payments, they will close down their companies and jobs will be lost. This is the same argument we hear every time there is a suggestion to increase the minimum wage.

I have voted for minimum wage increases two or three times since I have been in Congress, and every time people will come and say we cannot do this because we will have to shut down companies and jobs will be lost. That is what people said when the minimum wage was increased by 90 cents in 1988. To my recollection, no jobs were lost because of the minimum wage increase. In fact, I would argue jobs were probably created because consumers, workers had more money and were able to buy more products and feed that money back into our economic system, which created more jobs. It is synergistic.

I would make the same argument about health care, but I would also say that small employers can afford this. If people will just look at our bill, the cost for many small businesses would be 60 cents an hour, less than the minimum wage increase of 1988. Some firms would have to pay 90 cents an hour, some firms a dollar, some firms a dollar and a quarter. They would have 4 years to get ready to do it.

We are not going to have a minimum wage increase in that time. If we get health care done, there is not going to be a minimum wage increase. So this supplants the minimum wage increase.

Let us also remember that under our bill companies that now provide insurance will get subsidies as well. This will lower the cost for companies that are already providing insurance. So they will be helped as well as the companies that are not now providing insurance. So the majority of companies in the country that are small and have a lot of low-wage employees, that are providing insurance today, will have their costs lowered for health care insurance. So it will help them create jobs, help them be able to do better at what they are doing.

The Economic Policy Institute says that more than 250,000 manufacturing jobs will be created as a result of this kind of a bill. The Employees Benefit Research Institute says 660,000 jobs will be created if we can pass this kind of a bill. The Brookings Institute estimates that 750,000 home health care jobs would be created as a result of this bill. And again, small business, which now pays as much as 35 percent more than large businesses for health care, will get dramatic discounts. That is why the Wall Street Journal called health care reform an unexpected windfall for small businesses.

I can understand small business people being concerned if they are asked to commit to a requirement. If I was a small businessman I would be concerned. But we have to look past the concern to the facts. The facts are that most small businesses would be advantaged, helped by the requirement that everybody has got to be in the pool, everybody has to be participating, everybody has to be responsible.

I want to end my little piece of this debate tonight with the word responsible. People say this bill is all about the right to have health care. Yes, it is about the right to have health care, but it is more about the responsibility to pay for health care. This is not a bill just about rights. It is a bill about responsibilities.

What is responsibility? Mr. BENNETT on the Republican side has written a book about virtue. It is a good book. In the book he talks about responsibility, how we all have to be responsible, responsible to ourselves and responsible to each other. The requirement or mandate for health care coverage in our bill is primarily about responsibility, the responsibility of employers to their workers, the responsibility of workers to their employers and to their fellow workers, the responsibility to ourselves.

If I am young, well, and healthy I probably would want to gamble on not having health insurance. So if I do not have health insurance as a young person, because my employer does not give it to me or I am not even working, maybe I am self-employed and I do not want to come up with the money, what happens if I get sick? What do I do? I probably do not go to a doctor if it is something that I do not think is too serious because I do not have coverage. I do not have insurance. I have not been responsible for prepayment of my health coverage. So maybe I get sicker than I should get, and then maybe I end up in an emergency room. Then I have worse problems than I should have had because I was not responsible to myself, as well as the cost I now put on all of my brothers and sisters who live in this country who are going to have to pay my cost.

This issue of the mandate, this issue of the requirement is primarily an issue about responsibility, responsibility to ourselves, our responsibility to our fellow country people. Our bill says at bottom, as we said in the 1930's in Social Security, as we said in the 1960's in Medicare, that each of us as Americans have to be responsible. That is how you get rights. It is the mirror of rights.

I just say to the gentleman who has taken this special order tonight to speak up for this requirement that in my view this is a debate at bottom about responsibility, about all of our responsibility to ourselves and each other. I believe with all my heart that the American people want us to be talking about this and doing this, and getting everyone to do it.

It would be terrific if we could put out some incentives and everybody would do the responsible thing. We know they would not do that in Social Security, they would not do that in Medicare. They are not going to do it in health care. We need the help of this requirement in the law to make this a better society.

Mr. WISE. I thank the majority leader for a very eloquent statement that I think lays out clearly what the issues are here.

Mr. Speaker, I am delighted to see the gentleman from Oregon [Mr. WYDEN], who has been an active member of the Committee on Energy and Commerce, certainly long active in health care.

Mr. Speaker, I yield to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. I thank the gentleman for yielding and want to pick up on the excellent statement he and the majority leader have made, because I think small business and the issue of how small business is treated in this discussion is probably the key piece to doing health care reform right.

The fact of the matter is in districts like mine across the country there are very few big businesses. Most of our districts are made up of small businesses. If health care ends up putting small businesses out of business, then folks are not going to have jobs, let alone health care. I think most of our constituents would think that would be fairly foolish, even by Federal standards. So this job has got to be done right.

I want to lay out why I think the Gephardt-Foley proposal is an effort to address the concerns of small business in a thoughtful way by talking first about a block in any one of our neighborhoods that is made up primarily of small businesses. Let us say that we have two small businesses on the block, and one of them covers their people and the other does not.

What we know in our State, and I think in virtually any part of the country is the business that covers its people, offers preventive coverage, catastrophic coverage, and some outpatient services, it is no Cadillac, it is no Mercedes, it is the basics, and small business does it in many instances at considerable hardship, but we also know that there is a business down the street that may not cover its people.

□ 1700

Well, those employees get sick. They are not going to be able to defy human nature. They are going to get sick, but they are not going to get early preventive coverage or maybe the outpatient services, and we know that they are going to end up going to the hospital emergency room, and when they go to the hospital emergency room, those expenses, and I want our colleagues to focus on this, those expenses are socialized. The hospital has got to socialize those expenses and pass them on to everybody else in the community, and especially the small businesses.

So what is helpful about what the gentleman from West Virginia and the majority leader are doing is they are saying we are going to bend over backwards to be sensitive to small business. That is why there have been so many changes like the voluntary alliance kind of concept.

But we are going to say we are going to be fair to all of the small businesses, make sure that all of them get a fair shake, and we do not perpetuate the situation we have today where the small businesses that often, at considerable expense and difficulty, cover their people end up having to pay a higher premium simply because there are many who do not.

I understand our caucus leader, the gentleman from Maryland, is under considerable time constraints, and I would be happy to have him yielded to for any comments that he chooses to make. We will pick him up a little bit later in the debate.

If I could continue then for a bit longer, it seems to me that, recognizing the situation of those two businesses located next to each other, one of them covering their people, the other not covering their people, when we started this discussion over a year ago, most of the small businesses that I talked to felt that they considered it fair that they make a contribution to the costs of their workers' health care. In fact, I could go into almost any Chamber of Commerce in my State, explain about health care financing, say that individuals should have to contribute because there needs to be individual responsibility, the Government has a role for the destitute, but, yes, businesses should contribute as well, because otherwise the businesses who cover their people would be subsidizing the ones who were not, and in virtually any Chamber of Commerce in my State when the debate started, the vast majority of small businesses would say, "Yes, we should make a contribution to the costs of our workers' health care, because it is unfair to do otherwise."

Over this period of a year, with all of the lobbying and all of the distortion and all of the half-truths, there has been this sense across the land that instead of saying we are all going to make a contribution to equitable financing of health care, that somehow the Federal Government was going to apply a tourniquet around the throats of our small businesses and in effect strangle them in the early days of their getting their business off the ground; well, I think what we have seen, as a result of a year's worth of listening to those small businesses to show that we were going to be especially sensitive to the messages coming from Chambers of Commerce and Rotary Clubs and the like, we have now the list of the many changes which the gentleman from West Virginia has put down, and I note that it does not even talk about some of the other ones that are of great benefit to small business such as the matter of voluntary alliances so the little guy can pool his purchasing power.

I think what is valuable about the gentleman's chart is that many of these changes have been made in direct response to what Members of this body have heard in the last year. They did not come about by accident. They came because the small business community said, "Yes, we are prepared to do our fair share. We know we have all got to contribute, but when the Congress takes this up, make it as nonbureaucratic and nonregulatory as possible." And what the gentleman's chart shows is that the Congress, now, in moving toward consideration of this bill in the next few weeks, has listened to the small business community and moved to make this bill less bureaucratic and less regulatory, so that it is not "one size fits all" Federal health policy, but health policy that can work for the small businesses across our country.

Mr. WISE. I thank the gentleman from Oregon very much. You, of course, were in the very beginning of this debate, which has gone on for well over a year now, and have been one of the advocates for small business and have been pointing out the impacts to small business, been one of the ones saying to businesses, "Actually put the pencil to it; do not just react to the arguments that are made by a lobbying group who, of course, gets paid based on how much conflict they can create, not on how much consensus." So you have taken a very, very active role, for which we are all grateful.

As we have been to the West in Oregon, we are going to move farther west right now to the gentleman from Hawaii. I think Hawaii has a unique story, because, of course, Hawaii is, I believe, and the gentleman may correct me, the only State that in its entirety has an employer mandate or shared responsibility in effect and has been in effect for quite awhile.

I yield to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. I thank the gentleman very much. I certainly appreciate this opportunity to get away a little bit from some of the heated rhetoric, to get away from some of the apocalyptic statements that have been made, to be able to focus for us in this special order for those who are observing here in the gallery and those who are tuning in to our debate and for those who will hear about it, that Hawaii, the 50th State, has for 20 years, and I would like to repeat that, for those who may not be aware of it, for 20 years, had a prepaid health care plan.

Mr. Speaker, I have in my hand the entire debate that took place starting in 1973. Here we are in 1994, 20-plus years later, trying to come to a determination that was reached two decades earlier by your fellow citizens out in the State of Hawaii.

What we did, and of particular interest here in this special order, is see to it that small businesses and those who could not otherwise afford insurance had their concerns addressed.

Hawaii, as many people no doubt know, is made up of business which is agriculturally based, governmental business with respect to the military and other Federal, State, and local government entities that have great prominence due to the particular nature of our State being the forward basing area, if you will, in the Pacific for the United States military, and tourism. All of these are, in effect, service-economy-based activities, and I want to indicate that for many years now, and I hope that the message that I am bringing will be listened to outside the light of partisan rhetoric, because this was overwhelmingly passed in the Hawaii State legislature and is overwhelmingly supported by most people, people in the State of Hawaii.

You will find that in this State of small businesses, of a service economy, that we have had, as a result of the passage of the prepaid health care plan in 1974, a situation in which virtually all employees are covered, all regular employees are covered by an employer mandate. Now, you can call it anything that you want. There is an obligation of the employer to address the health needs of the employee.

This has been in effect for 20 years. Within 20 days of passage, insurance companies who were there purely for one reason and one reason only, to extract the maximum amount of money from the individual or the business and return as little as possible to that individual or to that business with respect to any damages or medical services or any other kind of activity normally associated with medical insurance, went out of business.

Now, this is commonly known as cherrypicking. In other words, for those of you who are not familiar with it, the insurance companies look to see how they can maximize their profit and minimize their risk, not maximize their service to you, not maximize the medical services available to you as an individual, far from it, in fact, to keep you from getting those medical services, to minimize it.

Now, this is what happened: Virtually every company now offers the 100-percent coverage; we are talking about 80 percent, we are talking about 50 percent, we are talking about employee contributions. Very, very rapidly after the passage of our bill 20 years ago, businesses realized when the genuine health insurance companies came into existence, when real competition came into existence, when a health maintenance organization like the Kaiser Corp. and a Blue Cross/Blue Shield cooperative endeavors such as the Hawaii Health Insurance, Hawaii Medical Insurance Association, came into existence, doctors and hospitals offering an insurance policy, they began to compete with one another to drive prices down, not up, down.

□ 1710

Now, do not forget, Mr. Speaker, that we are in a situation in which most of our costs are higher than on the mainland. We are an island State. In order for us to get between our counties, between the major islands, we have to fly between the islands. We do not have roads, we cannot paddle. Well, if you have a team of paddlers and you train all year, you could make it in 8 or 10 hours between Molokai and Oahu. The fact is all or a majority of our costs are much higher than they are on the mainland, for obvious reasons having to do with our isolation, distance from one another.

All prices are higher except in one category, Mr. Speaker: health care costs. They are down a considerable percentage, 10 or 12 percent, depending on the area of the country compared.

No matter where you measure it in the rest of the country, our health insurance costs are down.

Also, Mr. Speaker, our unemployment figures have been consistently the lowest in the country.

One of the things you hear is if you put in employer mandates for small businesses, people are going to be fired, people are going to lose their jobs. If that is the case, why is it that Hawaii has one of the highest employment figures in the Nation?

You will see, if people will examine the situation honestly—and, Mr. Speaker, I am not trying to put this in partisan terms—I am hopeful that people on the other side of the aisle and those who have their doubts or are struggling to try to come up with something affirmative on this side of the aisle will realize this is something that effects everybody in the Nation. This is one vested interest group, one special interest group that does not have a voice other than the voices that we bring to it on the floor of this Congress; that is, the average person in the consuming public.

I can assure you that the experience of Hawaii indicates that not only does small business thrive but this becomes a distinct benefit and actually stabilizes the work force.

People have less anxiety, people have security, they are enthusiastic about their work.

And one final point with respect to this, because of all the publicity generated recently about some of the big franchises, Pizza Hut, in particular.

We have heard so much in the abstract and we have been able to particularize about Pizza Hut. This is one of the big franchises in country.

The reason it is such a good example to bring up is because everybody is familiar with it. I believe it is in all 50 States, if I am not mistaken.

Pizza Hut has health insurance for its employees in Germany, its employees in Japan, and its employees in Hawaii.

Now, do you mean they cannot provide that, then, in the other 49 States when they have been doing it for 20 years and they are expanding and they are good employers? There is nothing special about Pizza Hut employers, the franchisee in Hawaii. The people involved in that franchise are fine people, they are good business persons, they contribute to the community. I am proud that they are there, we are happy that they are there. They do a terrific business out there and deservedly so, and they provide health insurance for all of their employees, and their business is expanding.

Well, now, the bottom line is small business does not get hurt, small business and everybody's business improves when you have health care across the body public.

Mr. WISE. If the gentleman could answer this one quick question for me: It has been many years since my wife and I had the privilege of visiting Hawaii—that was before children—my question is are there McDonald franchises in Hawaii?

Mr. ABERCROMBIE. There are McDonald's franchises, every kind, Little Caesar's every kind of franchise there is, and every single one of these franchises, every single one of these national chains, there is COSTCO, Kmarts, all kinds of operations, every single one of them provides health insurance for their employees, does so today, and every one of these businesses is thriving, every one of these businesses in Hawaii is happy to be doing business in Hawaii, and those businesses are expanding.

Mr. WISE. I appreciate that, because now having had children, I know the importance of happy meals. I think a happy meal is even happier when the people serving it have health care, as well as those on the other side of the counter as well.

Mr. ABERCROMBIE. We are all in this together.

Mr. WISE. We certainly are. That is what shared responsibility is all about.

Mr. Speaker, in the couple of minutes left, to summarize: This is about shared responsibility, it is about building upon the base that already most Americans get their health insurance from, and that is 9 out of 10 who have private insurance get it through the workplace. This is about assisting businesses that would have a tough time making it on their own to provide the insurance; this is about assisting them to do that. It is comprehensive.

When you hear the scare tactics, Mr. Speaker, just remember Social Security, which is an employer mandate, shared responsibility by the employer and employee. Most of these arguments were made in the 30's about "job killer," "businesses will go under, how are we to survive?" Now, who is it today that urges that we do away with Social Security?

When you hear these arguments, Mr. Speaker, they were made in 1965 about Medicare. Indeed one of the advocates of not doing a Government mandate, Senator DOLE, the Dole bill we have heard a lot about, he voted against Medicare, incidentally. Yet, 30 years later, who is it that would call seriously to do away with Medicare? You would be lynched, justifiably so, by all of our seniors over 65 who know that that program, while not totally perfect, provides the assurance they need.

And, yes, I have heard about the great cost projections, how much higher Medicare is today than it was projected in 1965. Question: What is the alternative? Do you want to do away with it? No; you want to put it into a comprehensive package so you can deal with all of the issues at once.

We have heard these same arguments on minimum wage, we have heard the same arguments just recently on the deficit reduction package. It was to be a job killer too.

The Wall Street Journal today, ran an op-ed article by Al Hunt pointing out that all the doom and gloom projections about that are wrong and that the economy, instead of going down, is going up.

So that is what this issue is all about. We have a lot to debate over the next couple of weeks. But I just urge Members to look carefully at this issue. If you are serious about universal coverage, we must build upon the base that we know so well, assist employers to perform their obligation, as the employees, those of us who derive insurance from our workplace, while we at the same time meet our obligation, Government meets its obligation, and we reach truly that goal of having everyone with private health insurance that cannot be taken away.

THOUGHTS ON THE VARIOUS HEALTH CARE ALTERNATIVES

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's previously announced policy of February 11, 1994 and June 10, 1994, the gentleman from Indiana [Mr. BUYER] is recognized for 60 minutes as the designee of the minority leader.

Mr. BUYER. I thank the Speaker.

This is a wonderful opportunity for me to address the House. Last week I took the House floor, along with my colleagues, to identify approaches to health care and spell out specifically why the approaches of some of those who are advocating the Gephardt bill, who want to lead this country to a complete Government takeover of health care, would lead to rationing and to poorer quality. I have to admit that having watched the President's press conference last night, I do have to speak of a tremendous disappointment, a disappointment in what the President had stated: "Where is the Republican alternative?"

The President must be ill-served by some members of his staff. Congressman MICHEL introduced his proposal in September of last year, nearly 3 months before we had legislative language of the President's proposal to even debate. It had 140 cosponsors, more than the President's plan of 103, more than the single-payer plan of 88 cosponsors.

So I would say that last night it might be that the President would rather play blame-game to hide the inadequacies and inefficiencies of his own legislative abilities to move forward his own plan. The botton line, Mr. President, for which you are not getting the message from the American people is they do not want a Government takeover of health care. In the debate, actually it really was not a debate, last week, just as tonight, the Democrats went first in a special order for 1 hour and we followed for another hour. Tonight they went for an hour and we followed for 1 hour.

□ 1720

Last week it was my good friend from South Carolina that said from the other side of the aisle, "Let's not fool the American people." Boy, do I agree with that statement, "Let's not fool the American people."

Those whom I respect in this debate are those who say what we need for America is a single-payer plan. I respect them because they do not finesse it, they do not wiggle it, they do not waggle it. They come right out and say, "We think the government can run it better." They do not even finesse it. They are honest about it.

The ones that the American people should be frightened of are those who finesse it, who wiggle it, and even spin it, saying, "Well, we're going to look out after you, the small business people. We're going to look out after you, the middle class."

Well, I say to my colleagues, Whenever you put big government, big business and big labor bosses in the same room, middle class, look out, here it comes.

What I would like to do here tonight, Mr. Speaker, is address what the President said he had not seen. Well, I say to the President, I know that those of you in the White House are watching. Listen to what we would like to propose. You know it's been out there a lot. Those of us who believe that you are about to lead America on the wrong path, we support substantive incremental reforms in the present health care system to preserve the quality and to also preserve the freedom of choice of alternative methods of treatment and medical facilities.

What Congress can and should be doing to move a system that has coverage of Americans between debate it between 85 and 87 percent; if we want to move it forward to coverage of the 94 to 95 percent, there are things that we can do within the present medical system we have in this country without having Government intervention or Government take over health care. The

Congress can have insurance market reforms to address the affordability and preexisting conditions. We can move to greater risk pooling, to voluntary alliances. We can have the Medisave accounts. We can move with real tort reform and, that is, medical malpractice reform initiatives. We can move forward in issues of tax fairness. Those big-C corporations get to deduct 100 percent of their insurance premiums. Why not subchapter S corporations, sole proprietors, and partnerships? And also expanding the access into rural health care initiatives and also community health care hospitals and clinics?

There are many things we can do. Let me first address insurance market reforms.

I have to cite, if my colleagues recall, to win public support for the President for his health reform initiative he came here into the Congress, and he sought out and publicized health care horror stories of, quote, average Americans. Since announcing their plan last September the Clintons have invited carefully selected groups of citizens to share their heartrending stories at various forums and town meetings. They have depended heavily on the anecdotal evidence to persuade the Nation that there is truly the crisis of health care for which only Government can provide the support and initiative. The Clintons' cases are intended to show the arbitrariness and inadequacies of the current system, but on further examination paint rather a different picture of our health care situation. I would like to share with my colleagues the case of the Andersons.

The President claims that health-care reform is necessary because current medical costs are destroying the finances of many American families. To illustrate his point, he told the story of Richard Anderson in his first State of the Union Address. A few years ago Anderson was working as a parts salesman at a car dealership in Reno, NV, where he had health-insurance coverage for himself and his wife at a cost of just over $40 a month. Then, as the President described it, Anderson "lost his job and, with it, his health insurance. Two weeks later, his wife Judy suffered a cerebral aneurysm. He rushed her to the hospital, where she stayed in intensive care for 21 days. The Andersons' bills were over $120,000. Although Judy recovered and Richard went back to work, the bills were too much for them, and they were literally forced into bankruptcy."

That is what the President told this body and the Nation.

The actual course of events is considerably more complicated. First, despite being fired, Richard Anderson had the option of continuing his health insurance through COBRA. His wife was still employed, but they decided that they could not afford the investment of $240 a month even temporarily while he looked for another job. Even without insurance, the Andersons agree that Judy got excellent care during her emergency. Moreover, they weren't exactly forced into bankruptcy.

A closer look at the hospital—they maintain a fund to reimburse hardship patients. Families earning up to 150 percent of the poverty line can apply for a total remittance of their debt. Families earning a bit more, up to 175 percent of the poverty line, can apply for a 50-percent reduction in the bill and set up a long-term repayment plan for the rest. According to hospital records the Andersons were sent two applications for the fund, but they failed to use them. They chose bankruptcy instead because it was the least costly of their options and was an added benefit because it also wiped out their consumer debts with J.C. Penney's and Mastercard.

The reason I took the time to go into this is because, as my colleagues know, we can do all kinds of things in here in the Congress, but, as my colleagues know, we cannot legislate personal responsibility. If the Government wants to come in and take over health care, we cannot legislate personal responsibility. But I will tell my colleagues what we can do, though.

When we get out there and ask about universal coverage, people have terrific concerns about the issues of portability and preexisting conditions. We can address that without Government taking over health care.

I would like to yield to a gentleman who is with us who has a district that is 30 miles from Chicago's Loop in western Du Page County in the 14th District of Illinois which also contains the Fox River Valley with the industrial cities of Elgin and Aurora. He is the leader of the Republican health care task force, and I am pleased to welcome him to this special order, the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Speaker, I appreciate the gentleman from Indiana [Mr. BUYER] having this order. I think it is certainly timely, and it is timely to really look at these issues in depth and try to lay them out because what the American people really want are some choices, and I have to hand it to the gentleman from Indiana. Not only has he been a leader here on the House floor in trying to get these issues out, but I had the privilege of traveling through his district and talking to some of his folks about health care concerns, and he certainly has been in touch with his district, and the people who make the economic wheels turn in that district, and the people, just common folk, who need health insurance and certainly want to see it change.

I see one of the things that we want to talk about here tonight is we think there needs to be some change in health care. As a matter of fact, Republicans about 3 years ago looked at the situation, and we saw rising health care costs, and we saw folks that did not have portability because they could not move from job to job and make sure that they had health insurance, and we saw the problem with preexisting conditions.

I say, if your daughter has juvenile diabetes, and you lost your job, or you wanted to go to a better hospital, you were tied to the job you were at because you probably couldn't get insurance at the next stop.

Mr. Speaker, we felt those were real problems and started to try to find ways to solve those problems. I started working on health care in this Congress long before we ever knew that Bill Clinton was going to be President. But I have to hand it to the President. He has escalated the discussion and the debate, and it is to the point now where we really have to come down and make tough decisions, and most people in this country want to make sure that they can maintain the choice that they have in health care and they can maintain the quality that they have in health care, and I say to my colleagues, they just don't have the confidence that Government could take over their health care programs, the Government could take over their health care policies and that Government could take over the health care delivery system and folks would still get the quality and the choice that they have today.

As a matter of fact, Mr. Speaker, I have had a couple folks tell me that they are afraid that they are going to get health care quality which has the expediency and efficiency of the Post Office and the compassion of the IRS, and I think maybe that is what happens when Government takes over a huge delivery system that people have to depend on.

☐ 1730

So, what are we going to do? What are our options?

One of the things when we lay out parameters of health care, we want to ensure access to health care for every American. I think we share that goal with the President. We want to contain costs. We have to do that, because we cannot afford, for our public debt and the Government financing, to see costs go up and escalate up and out.

It was interesting to hear the gentleman from West Virginia in the previous special order talk about when we brought Medicaid in in 1965, and the prediction was in 1965 that the cost of Medicaid to the Federal Government in 1997 would be $9 billion. I tell you, folks, that cost has escalated, because in 1997 we think that costs will be closer to $121 billion when you start to look at all the medical costs that the Federal Government has to pick up and the private sector has to pick up. That is a huge expansion.

So what we do now in what seems to be minuscule proportions ends up a huge burden on our next generation, on our children's backs and our grandchildren's backs. So we have to be very careful of what we do.

But even more important, on the local and more timely basis, is how do we start to change the health care system so it helps small businesses, so it helps people that do not have insurance today, so it helps those people who have shouldered that burden of carrying their own insurance, picking up the cost of their insurance, and not having that provided necessarily by the place where they work.

Who are the people? We have heard that number, 37 million people, not being covered by health care. I think that is a number that has been put out by HCVA. We see that number thrown out there all the time. But we first have to ask, who are they? You really start to see who they are.

First of all, a big group of those people are people who own their own businesses. They are mom and pop barbers, truck drivers, farmers, beauticians, real estate agents, entrepreneurs. And when they go to the market to buy insurance as one or two people, they may have to pay $5,000, $7,000, $10,000 for health care. And when they have to do it, and they are earning $25,000 or $30,000 or $35,000 in a partnership or proprietorship business at the corner donut shop, all of a sudden they cannot afford health care.

We have to let those people pool with other groups like themselves so they have a group to go to the market so they can buy good, low cost health insurance. That makes sense. It is a common sense approach.

Who is another group of those people? They are folks under 26 years of age. When you talk to a young person under 26 years of age, just out of college or just out on their own trying to make their own way, a lot of those folks do not think they are going to die, let alone get sick. So how do you start? They need good, low cost catastrophic insurance. They need to be able to extend their folks' health care policy as a rider to stay on the policy, and not go out there without insurance.

The other group are people who work for a living. That is about 10 to 11 million people. They fall through the cracks. They are not covered by Medicare or Medicaid. What they do is they earn a living. They are under 100 percent of poverty, and not covered by insurance. Yet, they are folks who go to the hospital, wait until they are very sick to get care, and the emergency room costs and the costs of health care for those folks are very, very expensive.

So when they cannot pay, hospitals charge everybody else about 140 to 160 percent of the real cost of services to cross-subsidize or cost-shift for this 10 or 11 million people who have had a hard time paying for insurance, still need health care, providers give them health care, and then cost-shift to pay for it. So we need to address the needs of those people.

So I think when we start to calculate how do you do these things, one of the things we probably ought to do is reform Medicaid by giving Medicaid recipients the same choices as other Americans. We can privatize those billions of dollars that we send out to States into health care providers and huge bureaucracies and say let us let the private sector start to deal with this. Let us let the market bring down health care costs.

Another thing we need to do is give those small business people a chance to have 100 percent deductibility. When they go out and buy their insurance, just like any other business, but they have zero deductibility, that is wrong. It is not fair. So when a barber or truck driver or shoe salesman that owns his own shop goes out to buy insurance, he ought to have deductibility.

If that small business is a start-up business, and they have employees who have to buy their own insurance, they ought to get 100 percent deductibility, too. But what we do not want to do is to put a huge government mandate on small businesses, the start-up businesses.

In my district, and I think the gentleman from Indiana's district, they are very similar areas, we found that 70 percent of the new jobs created in the last year and a half are jobs that were created by small business, start up businesses, entrepreneurs starting up. When you start up with a business with a mom and pop organization or three or four people, and you are trying to make a payroll, maybe you cannot cover all those huge benefits. But shall we say we are going to put a mandate on those businesses, and say either you give health care or close down?

In my district, we would lose thousands of jobs. In the State of Illinois, we would lose 142,000 jobs, mostly on the back of small business, if we put out a health care mandate on small businesses.

Not only is that unfair, that is not smart. So we need to find the answers. I have always said, if we are going to pass health care in this country, Republicans cannot do it by themselves, and Democrats should not have to do it by themselves. We ought to do it on a bipartisan basis. We ought to bring the best ideas from both parties together. We ought to meet right over there in the middle aisle and come up with a good health care plan that we can present to the American people, that the American people can be proud of, and that represents mainstream America, not one end of the spectrum or the other end of the spectrum.

So I really appreciate your taking on this special order tonight. I know that some of your colleagues are here and have done a lot of work on this issue as well. It is going to be an interesting couple of weeks. But I think what the American people ought to know, they ought to be able to read what those health care bills have in them, they ought to be able to digest what those health care bills have in them, and they ought to know how it affects them before they let their Congressmen and Senators know what kind of bills they want for their future and their children.

So I thank the gentleman from Indiana immensely.

Mr. BUYER. Reclaiming my time, I appreciate your comments. You could not be more right on point. I am a Member of the body who is expressing a disappointment that the Gephardt bill would be introduced to the body, knowing that it would not receive any votes from the Republican side.

Why would you introduce a bill that is only going to deal with one side of the body? I think that that is wrong, that we should come together in a bipartisan fashion. And applaud your efforts to meet with those on the Rowland-Bilirakis and Cooper-Grandy to draft a bipartisan bill that will have a tremendous amount of substance for the incremental reforms to the President's system, without going out and having a complete brain transplant and revamp a whole new system.

Something, Mr. HASTERT, that you had mentioned about having these reforms to the private system without governmental controls, are you stating that a substitute bill that is being drafted right now is expanding insurance coverage without price controls or mandates and, if so, we are talking about moving access and moving coverage from 85 to around 91 percent? That is attainable, is it not, Mr. HASTERT?

Mr. HASTERT. I think we can do better than that. I can't give you exact details of the bill, because it is still being drafted and some things are still being negotiated. What we are trying to do is build a bill that does not have mandates in it, that lets business work its will, take care of its employees the best they can, give everybody a chance to get insurance who are not covered at their workplace, and at a low cost, a fair way to do it, those people who cannot afford insurance and are below 100 percent of poverty, to get some help on a free market way to do that, and then to move forward and say I think we can get by the year 2004, or sometime out there, up to a coverage of 95 percent coverage.

□ 1740

I think that is fair to say. The Lewin Group, who does a lot of number crunching around this city, has said about the same thing. So I think we can achieve it. We are not there yet. But I hope we will be by the end of this week or the first of next week. And that bill comes out, the American people can take a look at it.

Mr. BUYER. The Lewin-VHI agrees not only with what you said, but they agree with the CBO that three basic reforms would cover 91 percent of the population. That is insurance market reforms, the 100 percent deductibility for individuals and the self-employed, and then the low-income premium subsidies, up to 200 percent of the poverty level. We are talking about doing much more than that, about the greater risk pooling and Medisave accounts, tort reform, the expansion of community health centers and rural health care initiatives and many other things. So I appreciate the gentleman's contribution.

Let me, since we just mentioned Medisave accounts, let me yield to the gentleman who represents the 10th district of Ohio, an industrial base of sound-minded people who are pragmatic and family-oriented, that is the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentleman for yielding time. I really thank the gentleman from Indiana very much for his leadership in putting together this special order. It is in fact something I really like to talk about, the medical savings accounts, because I think that of all of the different plans and ideas that have been presented to the U.S. Congress and presented to the American people, probably medical savings has the greatest promise for actually having a real impact on the way that medical health care or medical services are delivered to the American people.

I will tell you why. Because the thing that is driving this debate more than anything else is not quality; it is not access. In fact, it is cost. The reason for that is that we have gone from spending 5 percent of our gross domestic product on health care in 1960 to spending 15 percent and more in 1994. In other words, we have tripled the amount of resources that are going to health care over the past 30 years. Why is that? How is that possible?

Because remember when we talk about health care and we talk about the problems with respect to health care, we are talking about a three-legged stool. One has to do with access; one has to do with quality, and the third has to do with cost. In this country the debate does not really focus on quality. There is large agreement that we do deliver the best quality health care in the world. There is some debate about access. Even though it is true that nearly 86, 87 percent of the American people have health care coverage and, in fact, it is also true that everybody who presents to an emergency room must be cared for, because of legislation that was enacted by this Congress, nonetheless, not everybody has access, certainly to preventative care or to care with dignity in this country. There is a debate about that.

But about which there is no question is the debate that goes on over cost. And the really insidious problem with respect to cost is that because costs have skyrocketed so much, it makes it impossible for, it squeezes out those people that are least able to afford health care from the system. So what is the solution? Is the solution more third-party payment and more Government payment? Or is there a different solution?

I would submit to you that the reason that we have skyrocketing costs with respect to health care is that we do not have a market for it. And the way that you best test that notion is by recognizing that none of us, none of us actually pay for our own health care. We do not pay for it ourselves personally. And becoming alienated from the function of actually buying the health care is at the nub of the problem. Who pays for the health care?

Well, 90 percent of the health care in this country is paid for either by insurance companies or by the Government. In other words, we personally do not pay out of our own pockets. It is paid by third parties.

What is the effect of that? The effect of that is that we have lost, in this case, 183 million drivers, those that are covered personally by private insurance, we have lost the power of 183 million drivers of price in this marketplace.

And for those of you who think that perhaps this is not a perfect market, and we cannot apply market principles to health care, let me give you one example where it worked so very, very well, that health care costs are not covered by insurance. This is in the area of something that most of the people in this Chamber looking around are familiar with. It has to do with eyewear. It has to do with the correction of vision, clearly a health problem, and yet something that is not covered generally by insurance.

It is something that we have to pay for out of our own pockets. What do we have in terms of the choices that are available for eyewear? We can go to optometrists. We can go to an ophthalmologist, or we can go to opticians. We can go to any mall in the country and get eyewear provided for us. And what has happened with respect to price? With respect to price, we have got an incredible record. Glasses have remained flat in inflation adjusted terms over the past 30 years and contact lenses have gone dramatically down in price over the past 30 years.

Mr. BUYER. In your discussions about bringing innovation into health care reform, in your discussion about the Medisave accounts, let us not forget that it was Pat Rooney of Indiana who runs the Golden Rule Insurance Co., that came up with this idea of injection of personal responsibility back into the health care equation.

I agree with the gentleman from Ohio when he says that we are distancing ourselves from the responsibility when we just receive the bill and send it off to an insurance company and not worry about what the cost is.

So right now that is what is happening. Employees elect a high-deductible, low-cost policy. Employers deposit the funds into an account for employees to cover routine medical bills. That is what we want to do. That is the Medisave accounts. The Golden Rule Insurance Co., deposits $2,000 a year into a medical savings account for employees who choose a $3,000 family deductible. Employees at Golden Rule have an option of a traditional policy with a $500 deductible and a 20-percent copayment up to a maximum of $1,000.

In 1993, 80 percent of the employees chose the medical savings account option. In 1994, the number is up to 90 percent who have chosen this Medisave account option. In 1993, the Golden Rule health costs were 40 percent lower than they otherwise would have been. Critics claim that medical savings accounts will not incentivize individuals to invest in preventive care. However, experience at Golden Rule shows just the opposite.

Of those employees who use the medical savings account, 1 out of every 5 used their medical savings account for a medical service they would not have purchased under the traditional insurance plan.

Mr. HOKE. I appreciate that. That is right. Mr. Rooney has shown a lot of leadership in this area. The Golden Rule Co., has used, and they have used medical savings accounts without having the tax advantages that would be a part of the plan that is in the Republican leader's health bill as well as in the Medisaver Patients Empowerment Act.

I would like to just explain on a very graphic basis exactly how a medical savings account works. It is a fairly easy concept. Right now the average amount of money that is spent on the average family plan in the United States for medical insurance is $4,500, $4,500 on average. Some plans are a lot more expensive; some are less expensive. But if you have got $4,500, what a medical savings account plan does, what Medisave would do is take, of that $4,500, $1,500 to purchase a high deductible comprehensive health insurance policy. That is what we are trying to do with self-insurance. We are trying to eliminate the anxiety that comes from believing that we might get wiped out financially.

So we take $1,500, buy a health insurance policy with a high-deductible amount. The deductible amount in this case is $3,000, a $3,000 deductible. We take the cash, the $3,000 that is left over from the $4,500 after the $1,500 is spent on the catastrophic or the high deductible insurance policy, and we put that $3,000 into a medical savings account.

From that medical savings account, each individual can draw down for whatever purchases, medical purchases he or she chooses for his or her family, and up to the amount of the $3,000 would come directly out of the savings account. Any money at the end of the year that is left over would belong to that individual. It does not go back to the company. It does not go to the insurance company. It does not go to the Government. It actually belongs to the individual. There is a tremendous financial incentive to make rational cost conscious choices.

Mr. BUYER. I thank the gentleman for his contribution. Medical savings accounts, says a study by the Cato Institute, would lower the Nation's annual health care bill by $300 billion and reduce administrative costs by $33 billion.

□ 1750

That is a tremendous number.

Where the Great and Little Miami Rivers drain south in Western Ohio sits the 8th district, represented by the gentleman by the name of JOHN BOEHNER.

I yield to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. I would like to thank the gentleman from Indiana for yielding time, and I would like to thank him for his efforts in putting together this special order and for his leadership on this issue.

Mr. Speaker, I come to the floor tonight to take part in this as a former small businessman, as a matter of fact, as someone who still owns part of a small business back in Ohio, in trying to look at what is going on here in Congress with regard to health care from the viewpoint of a small business person trying to succeed in America.

If we begin to look at the Clinton bill, Clinton-Gephardt bill, the Clinton-Mitchell bill, you will see that the central pain feature to pay for those bills is the employer mandate. It has been estimated by a number of research firms that that employer mandate will cost Americans, 1 to 3 million Americans, their jobs.

For those Americans who do not lose their jobs, they are going to see their wages reduced, their fringe benefits reduced, as a result of this requirement to make employers pay. Some 25 million American workers are estimated to be in this category that may see their wages not increase as fast as inflation, or their benefits reduced.

Companies that can pass along this increasing cost are going to do that. What does that do? That is nothing more than a tax on consumers, because it causes consumers to go out and consume those goods and services the companies provide, and they are required to pay higher prices because of this mandate. It is nothing more than a tax on them because of it.

Small businesses in America that currently do not offer health insurance would love to be able to do so today because it makes good business sense, and it makes good business sense today because if you want to be successful, we all know the key to a small business succeeding are the employees that they are able to keep on their payroll, because it is not the owner of the business that makes it successful, it is the employees that they have that make every company in America as successful as they are.

If they could do it, they would, but the reason they are not is, very simply, there are a lot of marginal businesses in this country. Think about your local dry cleaner, think about the local grocery store owner, or maybe the local gas station, that is being hit not only with health care mandates and employer mandates, but being hit by the Clean Air Act and other laws and other agencies of the Federal Government forcing up their costs.

To compound this problem, Mr. Speaker, or to solve this problem, I should say, what the Clinton folks and the Gephardt folks and the people over in the other body want to do is to offer subsidies to small employers, because they know if they have an employer mandate, it is going to have a devastating impact on employment in America, so they want to overcome this by giving subsidies to small employers.

Where do these subsidies come from? They come from the taxpayers. Either we are going to raise taxes or we are going to cut spending, but when it is all said and done, it is going to come from taxpayers, many of whom are small business people in America.

The second point I would make about subsidies is this promise: We are going to subsidize this. It is not going to really cost you very much. That is what we say, but what is going to happen next year when the budget crunch gets a little tougher? What is going to happen the year after?

We all know what the history of promises from Congress are. We can all look 5 years down the road, 7 years down the road, and realize those subsidies are not going to be there and the employer is going to get stuck with the bill.

The third point I make about subsidies is the fact that they are based on the size of a company. I do not know that it makes any sense to say that just because you have 10 employees, that you are more marginal than a company with 100 employees. You just may not be as large.

In my company, we had five employees. We were very successful. However, there are a lot of companies much larger that were in a much more marginal situation.

As we begin to look at the Clinton-Gephardt, Clinton-Mitchell plans, I think they have very serious problems from the viewpoint of a small business person. What is the alternative? I think the alternative, based on the Rowland-Bilirakis bill, would greatly assist small businesses in providing health insurance to their employees without mandates and without new taxes.

We would do this in several ways. First, we would allow small businesses to more easily group for the purposes of self-insuring, pooling their resources, pooling their risk, in order to bring their costs down.

If you are a small employer with 5 employees or 10, and you go to an insurance company and ask for a group policy, they laugh at you, because if you have anyone in that risk pool of 5 or 10 employees that has any kind of a health problem, it is going to put the rates out of reach for most employers. So by expanding the risk pool, we bring better rates to more employers. It is going to entice more employers to provide insurance for their employees.

Second, Mr. Speaker, we deal with those with preexisting conditions through a modified community rating system. A lot of these employers have an employee or an employees spouse or child that has a preexisting condition that puts their costs out of control.

If we solve the problem with preexisting conditions, as we do in the bipartisan approach, we, again, make it cheaper for small employers to find insurance for their employees.

Third, we change the Tax Code, so that the self-employed who today can only deduct 25 percent of the cost of their health care insurance premiums would be able to deduct the full cost of those premiums. Why is this important? If you are a corporation of any sort, you are allowed to fully deduct the cost of health care for your employees and yourself. However, if you are a partnership, a sole proprietorship, if you are a farmer, you can only deduct 25 percent of those premiums. It is discriminatory.

Therefore, if we put in 100 percent deductiblity for employers, it is going to entice more of those small employers to in fact be able to offer insurance to their employees. This type of approach, based on the market, based on having faith in the free enterprise system, we believe best delivers more health care to more Americans as opposed to the Clinton idea.

We all know the Government is too big and spends too much. We all know clearly that, as we see in the Clinton bill that has been around for the last 9 months, we all know that is going to do nothing more than make Government bigger and make it more expensive.

The American people are trusting us to do the right thing with their money. The American people have a certain cynicism about Government. They have heard about welfare, they have seen welfare not work. There has been a lot of promises given, but very little in the way of results that have been received by average Americans.

Therefore, as we begin to debate the health care issue, we begin to move forward, I would urge my colleagues to do what the American people want. That is trust them and to put these decisions in their hands, and not in the hands of bigger and more expensive Government. I thank the gentleman from Indiana.

Mr. BUYER. I thank the gentleman from Ohio for his contribution to this special order, from the perspective of a small businessman.

We have discussed so far initiatives in which we seek in a bipartisan fashion substantive incremental reforms in our present system to contain costs, open up access in health care, we discussed insurance market reforms, medisave accounts, tax fairness.

We also, let me talk for just a moment on greater risk pooling. What we seek across America are voluntary alliances. In northwest Indiana there is a health alliance. A group of employers in Lake, Porter, and LaPorte Counties in northwest Indiana have voluntarily joined together to gain market clout to buy health care coverage for their employees. Right now there are 340 employers who are in this alliance who enjoy savings of around 10 percent, which is extremely important. These employers are gaining access through innovation for occupational medicine programs and other medical programs. Employers in Porter County are already enjoying savings, like I said, of even 10 percent, 50 percent on occupational health. One of the obstacles the alliance faces is the area of employers with employees with preexisting conditions.

That is why what we seek to do here, in a bipartisan bill, would be to address the preexisting conditions and portability, so when we have businesses out there who want a risk pool and provide greater coverage for their employees, allow them to do that, and at the same time, let us stop this discriminatory practice that is going on and the cherry picking on portability and preexisting conditions.

There are many of them across the country, from California to Cleveland, OH, and even Minnesota's Business Health Care Action Group, a purchasing group of 21 employers, reduced its members' insurance premiums by 10 percent.

□ 1800

There are many things that we can do rather than, as the gentleman from Ohio said, let government take over health care. Government is already becoming too big, too large and too intrusive in the daily lives of the American people.

I would like now to yield to the gentleman who represents the Gold Rush counties in the foothills of the Sierras above Sacramento, CA. That district has truly produced a statesman with concerns for his constituents in California, and that is JOHN DOOLITTLE, to discuss universal coverage, what it really means.

Mr. DOOLITTLE. I thank the gentleman for raising this very important special order and giving us the opportunity to comment on some of the fundamentals of health care reform.

Earlier today I mentioned a quote by President Washington, and I would just like to reiterate what the gentleman from Ohio [Mr. BOEHNER] said: "Government is too big and spends too much."

President Washington said it a little differently but basically the same way:

> Government is not reason, it is not eloquence, it is force, and like fire it is a dangerous servant and a fearful master.

We could substitute today perhaps for "government" the word "Washington." Washington is not just eloquence, it is not reason obviously by what we see going on in the Halls of Congress each day. It ultimately is backed up by force. Whatever we do to pass a law involves the use of force and here the Clinton administration is talking about doing something with force that could be very, very detrimental to every American. I would like to talk about that.

I would like to also quote the junior Senator from West Virginia just to indicate that these people are serious when they talk about they know what is best for you and they are going to cram it down your throats whether you like it or not. Here is the quote:

> We are going to push through health care regardless of the views of the American people.

I would submit, Mr. Speaker, that is what is going on right now during the next 2 weeks.

These health care bills are about 1,300 to 1,500 pages long. They are extremely complex. Yet we have not even seen, we cannot even read the bill that the House of Representatives is supposed to consider. Why? Because it has not been written yet. Why? Because they are doing horse trading in the so-called proverbial smoke-filled rooms looking for that 218 votes, the magic majority. You can imagine what kind of sausage will be crafted in that sort of circumstance. Yet this is a process that is going to impact 1/7 of our national economy and will affect something that most of us hold near and dear, namely, our own health care and that of our family and friends and loved ones. That sets the stage by simply sharing the views of the junior Senator from West Virginia.

In yesterday's Washington Post, Mr. Samuelson who I believe is a Democrat, a more liberal person, writing for the Washington Post, made this observation. I would like just to share it because it has been spoken of before here but we as a Nation need to recognize what is at stake and what the problem really is. Before you offer a cure as a physician to someone's ailment, you better have a proper diagnosis. I would submit that the Clinton administration has misdiagnosed what the problem is and they are about ready to prescribe a cure that, far from helping the patient, could kill the patient and certainly will make the patient much sicker. Here is the quote:

> Health spending is not at the edge of the entitlement problem. It is the essence of the problem. Runaway health spending is the central problem—and it will get worse with time.

My colleagues on the opposite side of the aisle talk about the Medicare program and how great it is. This is a program that has tremendous problems paying for itself. We have hiked the taxes at least twice since 1986 in order to deal with this problem and we still have not dealt with it and under the Clinton proposal, we are going to expand it a great deal more, because we are going to mandate costs, we are going to pass a law that says every employer has to provide health insurance and then we are going to put a program together that figures out how we are going to cut here and so forth in order to pay for this. Figure what this means.

Steven Robinson in another article, I am just going to take it down briefly to what it means for the average individual.

He explains that in order to deal with cost-shifting, which we presently have right now, Medicare reimbursement rates to doctors and hospitals are about 45 percent to 55 percent of their normal charges. So how do they make up for it? They charge everybody else with private insurance more. That raises everybody else's costs. In order to deal with that problem, universal health coverage has been proposed. That means we have got to deal with a way to help people afford the premiums for those who cannot afford it, and that costs a certain amount of money. It actually costs under our projections $22 billion. Then the increased utilization which results, because now these people who do not have health insurance wait, they ration themselves. They cannot afford it, so they do not go as often as they otherwise could. But all the studies show, and we have seen this with the entitlement programs we have now, once you create an entitlement, once something becomes free you use more of it. Therefore, the projected increases in utilization is $39 billion.

As Mr. Robinson observes, what you end up doing in order to deal with saving, the cost of eliminating $29 billion in cost-shifting is going to be $59 billion in taxpayer money. It does not make sense. It is not businesslike.

What does that mean for the average family? For every person in the country, it means an extra $316 per person to pay for this. Universal coverage will force the government to seek ways to contain costs. That means we are going to get price controls. It will also result in rationing when the price controls fail to do the job, and we have rationing now in the great Canada, which is always cited as the example.

What that means for the average family is that we are going to tax them more, $316 per person. What are the statistics about taxes already in this country?

The average family of 4 with a median income pays 24 percent of its total income to the U.S. Government in taxes. Now we are going to take $316 times 4 and add it on to the tax burden of the average family.

Oh, yes, if I had time I would go in here and quote Mr. Samuelson further. When you really project out these costs, you heard the gentleman from Illinois [Mr. HASTERT] explain what is happening to Medicare, the costs have increased manyfold. It is reasonable to project that that is what will happen here and the debt, which is $4.5 trillion today, which is going to be $1 trillion more under President Clinton's 5-year deficit reduction plan, imagine what happens to the national debt when we go into this socialized health care that is being proposed.

Let me just say that rather than going for increased government, which we know has failed in the Soviet Union and in Communist China and in Cuba and throughout the world, let us go for freedom. Let us take the view of George Washington and Thomas Jefferson, who is President Clinton's mentor, supposedly. Let us go for that government which governs least, governs best. If we want to help people with health care, do not mandate universal coverage but go with the suggestions that have been offered by the speakers here. Help people help themselves. Create the opportunity with lower taxes, with more economic growth, with more job creation for people to be able to afford health insurance. People want health insurance. The only reason they do not have it is because they cannot afford it. Let us go to Medisave accounts which address the heart of the issue, cost control and let us get away from governmental directives passed down from on high with all the insensitivity and inefficiency of government and let us go with something that we know works, that has been proven around the world that works.

I thank the gentleman for the opportunity to offer those comments.

Mr. Speaker, I include for the RECORD the newspaper articles referred to in my remarks, as follows:

UNSPEAKABLE RUNAWAY SPENDING

(By Robert J. Samuelson)

If you haven't heard, we now have a Bipartisan Commission on Entitlement and Tax Reform. President Clinton created it last year to find ways to cut budget deficits and spending on entitlement programs, such as Social Security and Medicare. It's a hard job, which would get harder if Congress passes health insurance for the under-65 population. This would instantly become the largest entitlement in U.S. history. So far, the Entitlement Commission hasn't said "boo" about it.

What ought to be said is simple: Hold on, let's not invent new entitlements before controlling the old. But Sen. Bob Kerrey, the commission's chairman, admits he's reluctant to broach the health care issue because it might plunge the commission into partisan paralysis. (Two-thirds of its 32 members are members of Congress.) This, he argues, would sabotage any chance of consensus on what he sees as the larger issue: how to accommodate the retirement of the "baby boom" in the 21st century. By 2030, one American in five will be over 65, up from one in eight now.

Sounds reasonable. It isn't. The trouble with Kerrey's logic is that the pressures of an aging population stem mainly from rising health spending. Passage of new national health insurance would almost certainly make matters worse. It would probably increase spending while also changing the political climate. If vast new coverage is voted for younger Americans, older Americans will be even more reluctant—if that is possible—to consider controlling their own health care costs.

The Entitlement Commission's projections show the importance of health costs. Of course, an aging population will raise Social Security spending. By 2030, it's expected to hit 6.7 percent of our national income (gross domestic product). Today, it's 4.8 percent. That's a hefty increase of about two-fifths. Still, it could be tempered by raising the retirement age slightly (after all, we're living longer) and trimming some benefits.

The real spending explosion occurs in Medicare and Medicaid. (Medicare provides general insurance for the over-65 population; Medicaid helps pay for the poor and for nursing home care for the old.) Their spending, the commission estimates, could rise from 3.8 percent of national income in 1995 to 11 percent in 2030. That's tripling. The huge increase reflects two pressures: Health costs are growing faster than inflation, and the old need more care than the young. Only the first can be changed.

If it isn't, pressure for higher taxes or cutbacks in spending would be huge. By 2030 projected Medicare and Medicaid budgets would absorb more than half of all federal taxes under current laws; Social Security would take another large chunk. To run the rest of government would require at least a 50 percent jump in taxes, assuming that other programs remain at present levels.

Projections so far into the future are obviously inexact, but they do provide rough orders of magnitude. Health spending is not at the edge of the entitlement problem. It is the essence of the problem. What this suggests is that the entire health care debate has been misdirected. Sure, uncertain and incomplete insurance coverage are problems. But they could be alleviated (though not eliminated) by some fairly modest reforms. Runaway health spending is the central problem—and it will get worse with time.

Naturally, the health debate has all but ignored spending control. "Let's face it, you don't see any cost containment buses rolling across the country," as Lawrence O'Donnell, Jr., staff director of the Senate Finance Committee, told The Post. The plan of the House Democratic leadership creates huge new Medicare benefits and simply asserts that spending will be held down. Just how is unclear. But even critics of "universal coverage" have not truly addressed spending control. This epitomizes entitlement politics. Everyone emphasizes benefits and "rights," and no one mentions limits.

An "employer mandate"—the centerpiece of the Clinton program and that of House Democrats—is the response of politicians frustrated by high budget deficits and taxes from providing new government benefits. The solution is simply to order companies, via the "mandate," to spend money on government's behalf. Politically, this is appealing. In the future, Congress could please selected constituencies (advocates for children, cancer victims, alcoholics, etc.) by quietly expanding the mandate without corresponding increases in taxes or the budget deficit.

No honest observer of Congress can expect this power to be exercised with restraint. Every new benefit will seem compelling; every possible restriction will seem cruel. The mandate would represent a new category of entitlements worth hundreds of billions of dollars. It's a second budget, conveniently placed "off budget." It is an evasion of choice; to be sure, the choices are all hard. Medical advances often carry steep price tags. Consider the use of "in vitro fertilization" to induce pregnancy; a new study finds that the cost of a successful birth ranges from $67,000 to $114,000. Any realistic effort to limit spending would require restrictions on insurance coverage, cuts in federal tax subsidies for insurance or strict government cost controls.

But hard choices will only become harder with time. If the Entitlement Commission doesn't pronounce on this, what's it supposed to do? To be fair, Kerrey has personally been forthright in talking about the long-term problems of government spending, including health care. The idea of a commission was his, not Clinton's. And indeed, the Clintons (husband and wife) have championed the "something for nothing" rhetoric that defines the entitlement mentality. It is an exercise in national make-believe, as a new Wall Street Journal/NBC poll again shows.

In the poll, 61 percent of respondents say they favor cutting federal entitlement programs. But 66 percent of the respondents also oppose cutting Social Security, Medicare and Medicaid—the biggest entitlements. We are in a vicious circle. Politicians won't discuss choices, because that would offend public opinion. But the public hardly knows the choices exist, because politicians won't discuss them. Does anyone dare break the circle? Can anyone do so without committing political suicide?

[From the Washington Times, Mar. 3, 1994]

REPUBLICAN HEALTH CARE DELUSIONS

(By Steven M. Robinson)

There may be no such thing as a free lunch, but apparently dinner at the White House comes close enough to fool some Republican senators.

Last week, a number of Republican senators had dinner with President Clinton. The topic of conversation was health care. According to Sen. Bob Dole and Sen. Robert Packwood, there was a tacit agreement with the president that the goal of health care reform should be universal coverage. This week, at the invitation of Sen. John Chafee, who was also at the White House dinner, about 30 Republican senators, as well as three Republican governors and a half dozen House Republicans, are meeting in Annapolis to discuss health care. Among the issues to be discussed will be universal coverage. If the other Republicans in attendance agree with the president's dinner guest, Americans may soon be stuck with the bill for the most expensive free lunch in history.

Most Republicans say that what they don't like about Mr. Clinton's health care plan is all of the details. But, in this case, the devil is not in the details, it is in the destination. When it comes to universal coverage, all roads lead to bigger government. Achieving universal coverage will require government mandates on either employers or individuals. Implementing a mandate will require the government to make insurance "affordable" by providing low income subsidies and imposing price controls. Low income subsidies and price controls will lead to higher taxes, bigger deficits and health care rationing. In other words, all of the egregious details in the Clinton health plan are the inevitable result of any plan that promises universal coverage. That is why the goal of universal coverage must be rejected.

There are two arguments most often used to support the case for universal coverage. First, it is suggested that we are already paying for the uninsured through cost-shifting, so universal coverage won't cost anything. Second, it is claimed that the uninsured delay seeking health care until their condition deteriorates into a more costly illness, therefore universal coverage will reduce health care costs through early detection and prevention. Both arguments are wrong.

The cost of the health care of the uninsured in 1994 will be about $47 billion. Assuming the entire cost of health care for the uninsured (except for the $18 billion they pay out-of-pocket) is shifted to those with private insurance in the form of higher taxes and premiums, the total amount of cost-shifting would be $174 per person. However, insuring the uninsured would result in an increase in their utilization of health care services. Since these services would be covered by insurance, premiums would have to increase by at least $39 billion, or $194 per person.

Since some of the uninsured could not afford these premiums, government subsidies would have to be provided. If the Clinton plan were in effect in 1994, subsidies for the uninsured would be at least $20 billion. Thus, in addition to the $194 in higher premiums, those with private insurance would have to pay an additional $122 in higher taxes. Thus, the cost of eliminating $29 billion in cost-shifting would be $59 billion in higher taxes and premiums.

Some Republicans think they could minimize the increase in utilization and reduce the cost of premium subsidies by mandating a less comprehensive insurance policy than Mr. Clinton proposes. However, limiting coverage through higher deductibles or the exclusion of some services would mean continued cost-shifting. When the previously uninsured show up at a hospital in need of urgent medical care, the hospital is not going to tell them to come back when they have an illness that is covered by their policy. There is no reason to believe doctors and hospitals would not continue to provide free care to the same extent they do today. This is not to suggest that Republicans should oppose catastrophic insurance and medical savings accounts for the insured. Clearly, higher deductibles would reduce utilization relative to first-dollar coverage. However, higher deductibles will not reduce utilization relative to no coverage.

For those services that would be covered by a catastrophic or other type of minimum benefit policy, costs would increase. When a hospital provides services for free, it has every incentive to economize, because it might not be able to pass the cost on to its paying customers. But if both the patient and the hospital know insurance is picking up the tab, the patient will expect more and the hospital will be only too happy to comply. Furthermore, the history of Medicare and Medicaid shows that what begins as a minimum benefit will inevitably become a much more generous benefit. In fact, the threat to taxpayers' wallets from congressional pandering is probably greater than the threat to taxpayers' health from government rationing.

The second argument in support of universal coverage is based on the belief that the uninsured delay seeking health care until their condition deteriorates into a more costly illness. It is argued that universal coverage would allow the uninsured to avoid illness through preventive care, or receive care sooner, when it is less costly. While this argument has great intuitive appeal, it is not supported by the facts. The uninsured do not obtain a disproportionate share of their health care from emergency rooms, nor do they receive more expensive care. In fact, only 7 percent of physician contacts by the uninsured occur in an emergency room, and the average health care expense for the uninsured is less than two-thirds of the amount for the insured. Furthermore, numerous studies have shown that most preventive services increase health care costs.

Other countries with universal coverage have not made health care affordable in the sense of providing services more efficiently. Instead, doctors and hospitals have reduced the quality and quantity of services in order to keep costs within the limits set by their government. But, rather than asking Americans to make these sacrifices, Mr. Clinton is trying to sell universal coverage as a free lunch. Republicans have an opportunity this week to tell the president we're not buying.

Mr. BUYER. Mr. Speaker, I appreciate the contributions of the gentleman from California. His concerns about the expanding of entitlements and creation of certain new groups of a broad new menu of health care benefits is extremely concerning to many of us which also means, let us not rush this. Let us not rush and cram a health care bill down the throats of America. Let us give an opportunity for everyone to study what in fact is in there. Give membership here within this body the opportunity to take these competing bills back home to our districts, an opportunity to be, yes, responsible and responsive to the people who sent us here.

I appreciate the gentleman from California highlighting the concerns.

□ 1810

Mr. Speaker, right now I would like to yield for the moment to the gentleman representing the Clearwater and Tarpon areas, an old resort first settled by Greek sponge divers in the early 20th century in Florida, MIKE BILIRAKIS, a leader in this body for true health care reform without a government takeover.

Mr. BILIRAKIS. I certainly thank the gentleman for yielding. In my office I was able to catch a part of this special order. I know many good points were made. I trust the point was made that every Member of this House of Representatives, particularly, I cannot speak for the other body, feels that there are problems out there as far as our health care situation is concerned, and that something has got to be done about it. So there is clearly a feeling of not wanting to be obstructionists, clearly a feeling of a bipartisan effort that has been mentioned by some others here today, and this is a perfect illustration. Ayes appear.

I have a habit of holding many town meetings in my district. I represent an area in terms of age that is one of the older areas in the country. For a period of time, quite a period of time, no matter what the subject may have been, ordinarily I would have the public in my town meetings put up their hands and tell me there are problems with health care, and we have to have some sort of universal health care. They would talk about socialized medicine or something to that effect.

What I am finding now and have been finding for the last year or year and a half is a complete change in attitudes. I think that is basically borne out by the polls. These completely nonpartisan polls that are taken by various newspapers, various members of the media are to the effect that the American people really are frightened, they are really frightened of what Congress may do to them. They are frightened about what Congress may shove down their throat. What the people are really saying to me now is 85 percent of us are basically happy with our health care, and we know there are 15 or 12 percent, whatever the proper figure might be out there that are really hurting. Why do we not just concentrate on the 12 percent or the 15 percent and leave us alone. Of course, others have said basically the same thing. The gentleman from Indiana [Mr. BUYER] has said what is the hurry up there, take it easy, haste makes waste, take your time. Yes, we want to see you do something, we want to see you do something right.

Let me refer to last night's press conference. I know I heard one gentleman from Illinois [Mr. HASTERT] commend the administration for bringing this really to the forefront, for bringing it to the high point in all of our thinking. Without that I doubt very much we would be at this point. But I certainly also commend the President on that particular point.

But he had two unfortunate gentlemen there last night, and he used them as illustrations. One person was having a problem because of a lack of portability of insurance, and the other individual was having a problem because of preexisting conditions. The Rowland-Bilirakis plan, which is merely a consensus plan, was intended to take care of something like that. What we have received from the administration over this period of time is all or nothing. Let us not get out there and help the people now, and help cut costs now with malpractice reform, with streamlining the system, with antitrust reform and antifraud reforms, things of that nature, but let us sit back and take care of the entire thing first on an all-or-nothing type of approach.

This is something, of course, that all of us feel very strongly that we have to take care now of what we can do now, help people now, save money now, and then we can address the rest. But in any case the Rowland-Bilirakis plan, which is merely a consensus bill, led to a bipartisan group consisting of five Democrats and five Republicans. We have been meeting an average of 5, 6, or 7 hours a day, well into the night. Tonight is really unusual. We met a couple of times earlier today to try to come up with some sort of a bipartisan effort. I would say that the cosponsors of the Rowland-Bilirakis bill as well as the Cooper-Grandy piece of legislation, which is the only other bipartisan bill today out to 52 Democrats. So we should have 52 Democrats out there that should be helpful.

I know time is fleeting here, and I really do not have enough time to really go into what I want to say. But in any case, there are no obstructionists here. We believe very, very strongly in reforming health care, and we are all willing to give and take a little bit. We are going to get the job done.

Mr. BUYER. I appreciate the gentleman's contribution and his leadership for this bipartisan solution is commendable, and his statesmanship.

The only area we have not covered tonight, and I wish we had the time to get into it much more, is medical malpractice reforms.

I think America should realize that great victories were had in the back rooms for trial lawyers in the Gephardt bill, and that is not good-sounding news that America should receive.

In Indiana, 20 years ago, due to the strong leadership of our Governor at the time, Dr. Otis Bowen, medical malpractice reforms were put in place. The reforms included: caps on damages, sharp limits on contingency fees, and prohibitions on double recovery.

Today, in Indiana an orthopedic surgeon pays on average $10,875 per year in malpractice insurance. In Michigan, an orthopedic surgeon pays $108,762, 10 times as much.

All they had to do was just go a little bit to the north.

We need some real medical malpractice reform initiatives, not the hoax that is contained in the Gephardt bill.

Mr. Speaker, I yield to the gentleman from the 11th Congressional District of Michigan which includes one-half of Oakland County plus the suburbs of Redford Township and Livonia west of Detroit where people believe in the free market economics and oppose high taxes, and that is JOE KNOLLENBERG.

Mr. KNOLLENBERG. Mr. Speaker, I in fact want to enlarge on some of the things that were talked about here today. By the way, I do support the Bilirakis-Rowland bill. I think it is the move America wants to see done. If we look at the poll numbers, they tell us very, very clearly and glaringly that America does not want government-run health care. They want to fix what is wrong in what is right. That is precisely what the Bilirakis-Rowland bill does.

Before I came in this afternoon I got a call in my office from one of my constituents. She is a young mother. Her son had to go in for his third operation. It was open heart surgery. While she was there she was telling my staff they talked to patients, talked to doctors, they talked to nurses that told her they were all concerned about government-run health care. They were concerned about, if you want to call it any other name, the Clinton-Gephardt health care plan, which is nothing more than a heavy dose of taxes, of spending and regulation.

It is interesting that people across the country and in my district have concerns that even as we change the name of this bill from the Clinton bill to the Mitchell bill to the Gephardt bill, call it the Clinton-Gephardt bill if you will, people are concerned about government intrusion into their lives, and placing the government, a bureaucrat between themselves and their doctor.

I just want to suggest in the very short time I have, because I know speakers that have come on before have covered the bases, and I know the gentleman from Indiana, Mr. BUYER, wants a minute to wrap up, but I would tell you not just the polls across the country, the polls in my district tell me 9 out of 10 people do not want government-run health care. They want private insurance, and we can do that with the Bilirakis-Rowland bill.

Mr. BUYER. Reclaiming my time, I agree with the gentleman. Whatever you call this bill, on this side of the aisle it is still the Clinton plan, the Clinton plan, the Clinton plan. It does not have mandatory alliances, but it wants to lead to government takeover of health care.

There is a real alternative. It is substantive, incremental reforms in the present system.

□ 1820

WELFARE REFORM AND SUBSIDIES FOR THE TRUE VICTIMS

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of June 10, 1994, and February 11, 1994, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I yield to the distinguished chairman of the Democratic Caucus, the gentleman from Maryland [Mr. HOYER].

THE HEALTH CARE PLAN

Mr. HOYER. I thank my very good friend, the gentleman from New York [Mr. OWENS], who plays such a critical role in Congress as one of the leaders on education issues and health care issues in this country.

Mr. Speaker, I rise because I have heard of the Clinton plan, the Clinton plan, and the Clinton plan. The fact is the previous speakers would like it to be the Clinton plan, because they believe the Clinton plan is unpopular.

However, what we have seen in poll after poll is the components of what the President has suggested are very popular in everybody's district, because Americans in fact want to see universal coverage. They want to see all Americans covered by health care.

As the father of three daughters who have all attained the age of 22, I was very concerned that they would have health care coverage after they no longer were covered under their mother's and my insurance.

Americans know that health care is not an option. Health care is an absolute necessity when you get sick and particularly when you have a child that is sick. You want to have health assurance and health insurance.

Furthermore, Americans know that we need to have health insurance so that we can access not just critical care, not just going to the emergency room when one gets sick, the most expensive interface with the health care system. They know we also need preventive care, well-baby care. They know that we need to take care of people before they get so sick that they have to be hospitalized in critical-care facilities which are the most expensive ways to treat illness.

I have a great deal of respect for the gentleman who have spoken on the other side of the aisle, and I believe they do want to have a health care system that works for Americans. But I want to tell you very honestly that we are going to, in the weeks to come, go over the debate regarding Social Security in the middle 1930's; very little difference than the debate we heard today. We are going to go over the debate we heard in 1965 on Medicare.

Now, we have had substantial administrations, President Reagan and President Bush. They can do it now; if they do not like Medicare, they can put in bills to repeal Medicare, to turn the clock back, when we had seniors who were without health assurance, who did not have access to the health care system, who, as senior citizens when they most needed health security, had none.

I do not hear anybody saying, "We ought to touch Social Security; it is a lousy system." In fact, it has taken millions and millions and millions of our senior citizens and provided for them a life of dignity and security, certainly not opulence, certainly not wealth, but has provided them with some security that they could rely on, that would always be there.

Then in 1965 we adopted Medicare to make sure that they would have security.

And now what the President is saying and what the Democratic leadership has said in the bill that is known as the Gephardt bill, "Look, the President put a plan on the table. It had certain promises contained in it; Every American would have a health care assurance that would always be there." That is not just a catch phrase. That is security for every American. But it is much more than that. It is also the concept of shared responsibility, to make sure that everybody, all 250 million of us, participated in this assurance program, jointly taking responsibility, not only for ourselves but also joining with others to make sure that our community was a healthy community.

Now, a healthy community is a community of a higher quality of life and a more competitive community.

I heard words from the other side of the aisle like, "expanded bureaucracy," and we agree, that was one of the concerns. And the gentlemen said, "Oh, well, they have dumped the alliances. They are no longer there, but it is still the Clinton plan." In fact, the alliances were a central aspect, but the American public were in fact concerned, and many Members of this House were concerned. So we looked at that. We said, "There is a better way." We have a Medicare system that now exists. We do not have to create a new bureaucracy. We do not have to create any more hires, any more complication.

What we can do is make that accessible to some people and make sure that we have a more competitive private sector system that will compete so that we can keep costs down for individuals and families, because that is critical. That is an issue about average, hard-working, middle-class Americans who make this country great.

Now, those of us who are better off, we can afford perhaps health care, but only if we are millionaires and, frankly, multimillionaires can we have the assurance that we can afford any kind of health care, because it is so expensive when you get really sick.

Furthermore, if you are poor, you participate, but you only participate when you get sick, go to an emergency room, and in the critical-care setting where it is very expensive, and you do not go for free. You may not pay, but, frankly, every hard-working American who either gets their insurance through their employer, which 9 out of 10 do, or purchase it themselves, pay about 15 cents to 25 cents, there is a range, in additional premium dollars, an additional premium tax, if you will, so that they can pay to the providers for that uncompensated care. That is the care that the poor cannot pay for, and they are not in the system.

I heard that word "expanded bureaucracy"; in fact, the Gephardt bill provides that that will not be the case, that we will use existing structure.

I heard that they do not want a Government takeover of the health care system. Again, that debate was exactly what we heard in Medicare. This is not, in fact, any kind of a takeover of the health care system. It is, in fact, a system in which we believe the private sector is going to participate and be very much a part of, and what we are talking about is allowing people to buy private insurance so that they will be assured when they get sick that they will be able to pay for the care that is given to them and to their families.

And I heard that they do not want health care reform to come at the expense of anyone's job. We agree. We agree. That is why we have spent really thousands of hours trying to make sure that we have a system in which businesses, large and small, can participate.

Over 66 percent of businesses now participate jointly with their employees in assuring health care coverage, and those 66 percent that are paying are subsidizing their competitors who do not. We need to have joint responsibility.

We have talked a lot about responsibility. We need to take that responsibility, because very frankly, the employees of the business that does not have insurance, and 80 percent of the uninsured in America are in working families; one member at least in the family is working. These are not deadbeat Americans that some people say, "Oh, well, they do not deserve help." These are hard-working people playing by the rules, and they cannot afford insurance because they do not have any system that helps them get it. So they are being subsidized because they get sick just like the rest of us, and they go to the hospital just like the rest of us. Somebody pays the bill.

Who pays the bill? The 66 percent of the small businesses' employees who are in fact paying insurance, because the hospital bills are higher than they otherwise would be because everybody is not in the system.

□ 1830

Frankly, Mr. Speaker, what I did not hear were words like, "We finally have a solution."

At the outset of this debate, many years ago, frankly, under Presidents Nixon and Truman, both Nixon and Truman, Democrat and Republican, recommended to the Congress—as the gentleman from New York [Mr. OWENS] knows—substantially doing what we recommend today and what President Clinton has recommended and what we have changed but tried to keep the substance of, making sure that all Americans had health care coverage, private insurance that they could apply when they set sick.

I did not hear the words like, "Here is how health care costs can be fairly shared in our community." That is what insurance is all about. We know we are all not going to get sick, just like we know we are not all going to get into an automobile accident; so we pool our resources. An insurance pool is just that because we know one of us is going to get sick or one of us is going to get into an automobile accident and that that will place a real strain on us financially; but if we pool our resources, if we share the responsibility, we can accomplish the objective.

Someone recently said, and I quote—it was a Republican who said it, as a matter of fact—"Republicans have the appetite but not the stomach for health care reform." The appetite but not the stomach.

Now, it is nice to talk about health care assurance for all Americans, it is nice to talk about access. Frankly, people have access now. You can get into the health care system either through the emergency room of a hospital or into a doctor's office if you can afford it, and you can have access to insurance if you can pay for it. The critical component is how do we make sure that all of our family, all 250 million of us, have that assurance of health care security?

This debate will proceed, and I very much appreciate the gentleman from New York [Mr. OWENS] yielding to me. It is important that we act and that we act now. Americans are saying, by numbers of 70 to 80 percent, they expect this Congress to address this question. They know it is not easy, and they do not want some system that changes what we have, the security that they have. But they know that this is a system that is costing too much, is having too many people not covered and is not as competitive as they want to see it.

We are trying to adopt such a bill. We hope in the next few days we will do that. We are going to work hard toward that end. Americans expect us to do that, Americans want us to do that, and Americans deserve our best efforts to accomplish that objective.

Mr. Speaker, I thank the gentleman from New York [Mr. OWENS] again for yielding this floor to me.

Mr. OWENS. Mr. Speaker, I am quite pleased to assist the gentleman in unraveling and clarifying the great partisan plot that is underway to confuse the American people about health care reform.

Mr. Speaker, I want to discuss another subject. We heard before an accusation that health care reform has been moved too fast and that the American people are being rushed into this. But the process started 2 years ago, and I have not seen a more deliberative process applied to any piece of legislation in the 12 years that I have been in the House of Representatives.

This has been and continues to be a very deliberative process, large numbers of people and resources have been brought to bear in developing the legislation relating to health care from the Clinton plan all the way to the present plans being offered by the leadership of the other body and the leadership of this House.

Mr. Speaker, there is another very serious problem which is not getting that kind of deliberative process, not benefiting from that kind of deliberative process. That is, the welfare reform process, the welfare reform proposals.

I think we are being stampeded into the acceptance of legislation related to welfare reform. There is a need for much more deliberation on that.

It is very unfortunate that some of the people who have come forward to serve as the experts on welfare reform have been people who have had no contact with human resources programs in the past. Some of the Members, former members of the Committee on Intelligence, have come forward as experts on welfare reform. Some members on the Committee on Appropriations have come forward as experts on welfare reform. On and on it goes.

It seems some of the people who are most hostile toward poor people have put themselves forward as the experts on welfare reform. They are hostile to poor people, on the one hand. On the other hand, they are not hostile to waste and subsidy in Government.

Now, here is the problem: I think the American people are concerned with welfare reform because they think it will end a great deal of waste in Government and they do not want to see the waste; they want to see people helped. Surveys and focus groups, all kinds of mechanisms, show that basically the American people want to see people helped who do need help but they do not want to see waste.

It is very interesting how Members of Congress from all kinds of committees and all shades of the spectrum, conservative, neoconservative, liberal, everybody wants to move and move rapidly on welfare reform. And yet there are many other areas where there is a great deal of waste in Government that nobody is concerned with.

I think it would be great, and I want to explain from the very beginning that I am not opposed to President Clinton's initiative on welfare reform. I think when he says we are going to end welfare as we know it and we are going to place emphasis on jobs to replace welfare, that he is moving in a direction with which I certainly agree.

Now, I have no problem with putting greater emphasis on jobs and less emphasis on welfare. I will come back to that in a minute. But if you are concerned about waste in Government and you want to see our dollars spent most effectively, then we ought to be concerned with subsidy reform. We ought to ask ourselves the question: In how many ways are we subsidizing people? How many are we subsidizing? Americans, are we subsidizing businessmen, are we subsidizing farmers?

It is one thing to help victims, and we do subsidize victims in order to help them, whether it is a victim of the economic system, a person who needs a job, does not have a job and unemployment insurance is there. If they are not employed and do not qualify for unemployment insurance, welfare is there to help the victim.

If they are the victim of an earthquake, we have earthquake disaster relief funds to help. If they are a victim of a flood, we have relief to help. If they are a victim of a hurricane, we have hurricane relief.

So we help victims. I think it is very much fitting and proper that Government should help victims of all kinds.

But let us take a look at our other subsidies and even subsidies for victims. Welfare victims, people who are on welfare, are victims of an economic order that does not provide the jobs which are necessary. Either the jobs are not there which are necessary for the fathers who, if they had a job, would be able to support their children. I am all in favor of welfare reform which emphasizes a greater enforcement of child support payments. But we also ought to recognize that if the fathers do not have jobs, no matter how hard you try to cannot get them to make payments of money they do not have. Somewhere in welfare reform we ought to put in incentives for fathers who do not make payments, incentives built in so that we provide jobs "for you on condition you make payments." Of course, if we provide a job, we will make certain that you make payments. But there is no discussion of providing jobs to fathers so that fathers will make the payments and take care of their children.

Everything focuses on the mothers of children who are under-age, dependent children. But I am all in favor of a program which understands that the fathers are victims as well as mothers who want to go to work and cannot find jobs, they are victims. We need to help victims. That is what welfare is all about.

Flood relief is all about helping victims, victims of floods who need help, and Government should help. But if we look at what we provide individuals who are victims of floods, we may find that it is far more than we provide individuals who happen to be victims of economic conditions, especially those people who have been victims of floods 2 or 3 times.

☐ 1840

They get low interest loans; they get all kinds of disaster relief aid. There are a number of things we do. Victims of earthquakes, some of whom live in the same areas that have been victims of earthquakes more than once, we give low interest loans to rebuild houses. As my colleagues know, large amounts of money are laid out to take care of victims of earthquakes or victims of hurricanes. If we examine some of the expenditures in the budget recently, in just the last 3 years we appropriated $8 billion for earthquake relief for the California earthquake.

Again, I am all in favor of helping victims, but we ought to take a look at how much did each victim get. As my colleagues know, should we say there is a limit? Are we going to argue that welfare, people should be on welfare for 2 years and no more? And we should figure out what is the cost of being on welfare for 2 years. Is that the amount of money we are going to give to all victims whether they are victims of earthquakes, or victims of floods, or victims of hurricanes? Are we going to set a limit on what we give to victims, people who are victims of floods. Last year, the Midwest flood, we appropriated $6 billion, $6 billion. Before that we had the hurricane in Florida. We appropriated $6 billion. I am not saying million; I am talking about billions of dollars to help victims.

I am all in favor of helping victims. Why do we put the welfare victims in another category? I say to my colleagues, "You may find, if you look at the cost per family and the cost per person, what we do to help victims of earthquakes, floods and hurricanes is far greater per individual and per family than we do for some of the victims of economic conditions which forces people onto welfare. That is something we ought to think about, but my main point does not relate to that because victims should be helped.

We all agree that the Government, one of the roles of the Government, should be to come to the aid of people who are victims. There are some people who are not victims who are receiving continual subsidies from the Government, and, if we are going to have welfare reform, I think we ought to broaden it into subsidy reform and even put our emphasis there, deal with subsidy reform even before we deal with welfare reform because welfare, most of the people on welfare, are victims.

Sixty-eight percent of the people on welfare are children who have no control over their fate. Sixty-eight percent are children. The people who are on subsidies, like the farmers home loan mortgage program, are not victims. The farmers who get subsidies for their grazing, and they graze their cattle, and the cattle get fat, and they sell them, and we pay large amounts of money for the meat that we have subsidized, they do not need subsidies; they are not victims. The farmers who are receiving subsidies now at this late date, the farm subsidy program has been going on for many, several, decades. We are subsidizing farmers to keep the price of certain foods up so that we pay twice. We pay as taxpayers on the subsidy, and then we pay a higher price for groceries, a higher price for food, as a result of the subsidies of the farmers.

Farmers now constitute less than 3 percent of the population of the United States, as my colleagues know, so we are not subsidizing individuals. We are subsidizing farming corporations, agricultural corporations. it is big business. We are subsidizing big business and calling it farm subsidies. Then we say we need these farm subsidies in order to guarantee that America will always have farmers and never be in a position where we have our food supply jeopardized. Well, these are big businesses like any other big business, and why should we subsidize them in order to have them produce a product? Let them face competition. The farm subsidies are enormous, billions of dollars. It goes on, and on, and we have not weighed in to do anything about that.

Farmers home loan mortgages, to go back to farmers for a minute, farmers home loan mortgages have been exposed as a massive racketeering enterprise. Do my colleagues hear what I am saying; a massive racketeering enterprise. On the front pages of the Washington Post several months ago there was a story which nobody questioned the facts. The facts were accepted as true, that $11.5 billion in loans, and I said $11.5 billion, not million, $11.5 billion in loans had been forgiven by the Department of Agriculture to farmers. These are farmers home loan mortgages. Eleven point five billion had been forgiven. What does it mean to forgive? It means that loans that had been loans before were transformed into gifts. They do not have to pay it back. The taxpayers' moneys have been given to the farmers, $11.5 billion over the last 5 years. I say to my colleagues, "If you want to save money, then let's go after that kind of subsidy which is going to nonvictims."

These are loans on farms. Eleven point five billion was forgiven.

In the same story, Mr. Speaker, the names of four millionaires were cited. They actually gave the names and the facts related to four millionaires who were farmers on the side. They had other businesses, but they were farmers, and those four millionaires had not repaid, had not made payments on their loans for up to 5—from 5 to 10 years. One had not made a payment on his loan in 10 years. One of the individuals cited, one of the millionaires cited, was also on a board which decided on whether or not credit would be extended to farmers who had these loans on an actual board. They had been appointed by the previous administration under Mr. Bush.

So here is a case where we had massive amounts of subsidies and massive amounts of waste. It was all exposed on the front pages of the Washington Post, and not a single committee of Congress has held a hearing on it. I heard talk in the elevator shortly after the story was broken by the Washington Post. A person on the Committee on Agriculture said, "We are going to have hearings on that. We are going to deal with that." I have not seen any hearings held on the racketeering enterprise called the farmers whole loan mortgages. The subsidies that farmers receive may be more legal, more legitimate. We may not be giving away money in such a blatant way. But farmers also receive that. Farmers who have cattle, or ranches they call them, out West, they graze on Government land, and they get the grazing rights on the land for less than half of what they pay on private land. We are subsidizing the farmers to fatten their cattle that they then sell to us. Massive amounts of money could be raised if we raised the fee on Government land for the farmers to graze.

Miners out west receive enormous subsidies by having land for mining sold to them at very low prices. Even gold miners get very low prices, massive subsidies, and of course some other subsidies that we are more familiar with, which are more universal, they do not just cover the farm territories, the West and the Far West, they cover the whole country.

That is the S&L subsidy, subsidies that went to savings and loan banks that failed. We hear a lot today about Whitewater. Whitewater is shallow water compared to Silverado. Whitewater is all about an S&L that failed, that had less than a half a billion dollars, or did it have a hundred million? I do not even think it was a hundred million. The bank that failed in that case did not even have a hundred million. Silverado was in the billion dollar category. Silverado was a situation where the board of the bank, Silverado Bank, agreed to have a loan given to purchase a building in Denver, and the building was worth $13 million, but the board agreed to loan the people who were purchasing the building $26 million, twice as much as was needed, on condition that the person deposited the extra money in the Silverado Bank.

As my colleagues know, if ever there was a racketeering enterprise, if ever that was a deal that the bank made with the lender to benefit the bank, all of which is illegal, and when this bank, of course, making deals like that went under, the American people were left holding the bag because we insure the deposits of all the people who deposit their money in the Silverado Bank.

□ 1850

Silverado made many deals like that, so it went broke to the tune of more than $1 billion. This is what happened to a young man named Bush, the son of George Bush, Neal Bush. He sat on the board of Silverado. That was big money, far bigger than Whitewater. But Democrats were so kind and never had hearings which really dealt with Silverado and the kind of stealing, racketeering, that went on in the case of the Silverado Bank.

But we subsidized that. Taxpayers, we subsidize the banks. We stand behind the deposits, and we have seen in the savings and loan situations when they go under, the insurance that they pay, the depositors' insurance, is quickly, when you have massive bankruptcies, is quickly used up. We then dip into the taxpayers' till. It is off budget, so there is not much discussion about it, but we have subsidized the failed savings and loans to the tune of more than a quarter of a trillion dollars, $250 billion, and they keep the figures very confused and very secret. But Stanford University predicts when it is all over, the savings and loans subsidies will cost the taxpayers $500 billion. That is half a trillion dollars. That is conservative figure from Stanford University.

So I am saying we are subsidizing some of the richest people in America. We ought to look at all of these subsidies. Not welfare reform, but we ought to talk about subsidy reform, and talk about how we can save money by making sure that everything we subsidize as taxpayers is legitimate, that everything is not exploited by racketeering enterprises that we subsidize. We ought to take a look at that. And we ought to take a look at victims and understand that while we want to help victims, we want to be just and fair and try to help victims equally, and not be hostile toward poor people who are on welfare. Just because they are poor and do not have lawyers and lobbyists, we are going to go after them with a vengeance and have Congress stampeded into a welfare reform bill.

As I said before, I do not like the way we are being stampeded and moving too fast toward welfare reform. We are developing a lot of experts who are not experts, who are too hostile toward poor people. I do favor President Clinton's basic approach that we are going to give people jobs, instead of welfare. But I want the jobs to be real jobs.

I think America's problems as it goes into the New World Order can be very much resolved. We can solve a lot of our problems by putting a greater emphasis on jobs and the role of the Government to create jobs, a major role of the U.S. Government, the Federal Government. It should be the creation of jobs. You create jobs two ways: You stimulate the economy in very concrete kinds of ways, to create opportunities for private enterprise to create the jobs, or you provide direct jobs as a last resort.

I think if you handle the economy properly, accept the major role of the Government to stimulate the economy, we would create 75 percent of the jobs that need to be created through stimulus packages, the kind the President had on the table last year, stimulus packages which would lead to contracts going out to private enterprises to build the roads, to build the schools, to do all the things that have to be done.

There is a lot of work to be done. There is a lot of work to be done in America right now, for the next decade. There is still a lot of work to be done. We can adopt a full employment policy, providing work for everybody, and we would not have to worry about welfare, except for the very feeble and the very old and people who could not work. We would not have to talk about replacing welfare with real jobs. The economy would do it for us. It would be stimulated and we could go forward. I am all in favor of that portion of the proposed welfare reform. Let us have jobs, real jobs.

When I first came to Congress, the first bill I put in was a bill which called for a constitutional amendment to guarantee a job opportunity to every American who want to work. A constitutional amendment to guarantee a job opportunity to every American who wants to work.

I was told that is pie in the sky, it is naive, it is left wing, et cetera. You know, it is nothing new. The New Deal Bill of Rights Roosevelt had already proposed before. So I cannot claim it as a new and creative idea, to provide jobs and to have the society have a responsibility to provide jobs. It is not a new idea. In fact, it is very closely related to the very fundamental basis of our civilization.

Civilization is based on a premise that individuals out there in the jungle have something to gain by uniting with other individuals and living by a certain code. We create societies, we create a civilization by accepting certain rules, certain codes, certain regulations, and not living by the survival of the fittest doctrine. That is, you go into the jungle and you are hungry, somebody else has a piece of meat, you go ahead and take it. We have gone beyond that. You live in a civilized society and say it is not right to take things from people. There is an assumption that the society we create is going to be superior to the jungle. The society we create is going to be superior to the jungle. If it is going to be superior, then we always have to make the assumption that that society is going to provide a way, some way, for every individual to earn a living, to be able to earn income, to be able to survive.

The society owes it to an individual to provide a way to earn a living. That is basic. So when we say we are going to replace welfare with jobs, yes, jobs is where we should have been all the time. But let us have real jobs. When we say we are going to replace welfare with jobs, yes, there is plenty of work to be done. So we can do that, and we understand that the work to be done is not a job until somebody agrees to pay for it.

You have to have a way to pay for it. The Government must decide it wants to repair roads and bridges. The Government must decide that it wants to build schools. The Government must decide it wants to really clean up all the toxic waste sites across the country, give out contracts to private enterprise. It is all part of the economy.

As we go into the New World Order, it is different from the old world order in one basic respect: We do not have the threat of an evil empire. We do not have the threat of another superpower. We do not live under the cloud of a nuclear war. So we do not have to spend tremendous amounts of money, half of our Federal budget, on defense and protection from war, vehicles and instruments to make war.

That is the old world order. You do not have to do that. You do not have to spend that kind of money. If we dedicate ourself to the proposition that in the new world order the Federal Government will spend as much money over the next 10 years on creating jobs and stimulating the economy as it did on defense in the last 10 years, then you would have a transformation of American society. You would not have a welfare problem of any mignitude. You would end most of the problems relating to drugs and alcohol and a number of problems that very desperate people get into because they see no future. They have no way to survive with dignity, and we create problems by not allowing them an opportunity to earn an income, an opportunity to survive with dignity.

I do not see why we could not adopt a proposition that the new world order is going to provide jobs for everybody. I do not see why we could not have the proposition that we are going to spend as much to create jobs. Not all at once, I am not a radical. I am a very conservative guy. I think we ought to have a policy of spending down on defense, and as we spend down on defense, the same amount of money should be spent up on economic stimulus. You do not need all those additional weapons that are in the pipeline. We do not need to keep paying for overseas bases in Germany and Japan. We do not need all that anymore. Spend it down put it into a stimulus package, spend it up, and you will create more jobs.

Yes, the defense effort did create jobs. The defense effort helped the economy. It was a great stimulus. Many people argue that we should keep it going because it stimulutes the economy. Localities want their plants. But reasonable human beings cannot argue that we should create more weapons of war in order to stimulate the economy. We cannot stay with that argument very long. Let us do work that has to be done, which is part of the agenda of the new world order. We need more schools. We need more equipment in those schools. We need more hospitals. We need a lot of things that can be created, supported, at the same time we stimulate the economy to create jobs.

□ 1900

So let us replace welfare with real jobs. And to do that, we are going to have to spend some money.

The basic question to ask about all the welfare reform bills that are being proposed, and there are a number of them being proposed, is, will there be real job opportunities for the families we expect to work? Will we make work pay by creating jobs that leave families better off than they were on AFDC and really help to lift the children and the families out of poverty?

We have just heard a long argument tonight, one of many series of discussions on health care reform. Health care reform is absolutely necessary if you are going to have a new world order providing jobs for people and the jobs are going to be adequate. An adequate job means it has to pay a salary which allows a person to live decently and at the same time it has to have at least one component of a benefits package. It must have health care. We must have health care along with a salary which meets the needs of a family so providing work does not mean a new slavery.

There are some people who have said, well, do not worry about it; if you cannot find a job, make them work off their grants. Let them go out and dig ditches. Make them work it off.

Well, making them work it off at less than minimum wage and without health benefits means a new slavery. We are going to become government slave owners. We are going to have the largest plantation the world has ever seen by forcing people to work at less than minimum wage and without health benefits.

That is what we are proposing when we say it does not matter, does not matter whether they can find a job or not. We will make them work off their welfare grant.

No, we want real jobs. Let us replace welfare with real jobs. Let us save all the money we can save by getting rid of the subsidies that go to the rich, the farmers, the lawyers, the grazing, the mining, the S&L's. Let us stop being overly generous with flood victims, earthquake victims, hurricane victims, especially the second time, if they build a house near the water one time and it gets flooded, do not rebuild it a second time with taxpayer money. Let us do the things that are necessary to transfer the money to the place where it is needed.

And where it is needed most is in the area of job stimulation, a stimulus package which creates jobs, real jobs. All of America would benefit, and we could hold our heads up high and understand that we have been fair. We have been humane. We lived up to the part of the Constitution which requires us to promote the general welfare.

Promoting the general welfare means promoting the general welfare for everybody.

I am going to close with a quote from an editorial in the New York Times called "Common Sense on Welfare." What they are doing in this editorial is commenting on recent polls that have been taken in relation to the welfare problem and the welfare reform proposals.

What they are saying is that Congress may be out of step and some of the head hunters, some of the intensely angry people who are going after welfare people in a hostile way are out of step with the American people, that part of the reason Congress is held in such low esteem may be the fact that Congress refuses to go after the people with the Farmers Home Loan mortgages, 11.5 billion dollars' worth of waste. We do not go after that. We come after the welfare recipients with a great deal of hostility.

Let me read from the New York Times editorial. They are commenting on what these polls have shown:

> In fact, the public is sympathetic to major components of the serious welfare reform proposals now being considered. Majorities in the range of 80 percent to 90 percent of the public favor subsidizing child care for welfare mothers who go to work and guaranteeing that those who leave welfare do not lose their health insurance.

Let me repeat that, 80 to 90 percent of the American people favor subsidizing child care for welfare mothers who go to work and guaranteeing that those who leave welfare do not lose their health insurance.

To continue, "Majorities favor a 2-year limit on welfare benefits." A 2-year limit on welfare benefits is favored by the majority of the American people. Research shows that most welfare recipients only stay on 2 years anyhow. Two years is not a bad limit, if you do not apply it too arbitrarily, because most welfare recipients do not stay on any more than 2 years.

"And opinion is also unanimous in favoring tougher measures to collect child support from absentee fathers." We are going to collect child support from absentee. We are all in favor of that, but the absentee fathers need jobs. We ought to concern ourselves with stimulating the economy to provide jobs and maybe have incentives to say to absentee fathers, here is a job for those who have not been paying the child support payments and we are going to collect from you when you get this job, but it is incentive to go to work. And I assure you, most of the absentee fathers would respond by coming in to get the jobs.

I continue to quote from the New York Times editorial:

> But Americans are also sympathetic to expanded education and job training benefits for welfare recipients.

Americans are also sympathetic to expanded education and job training benefits:

> A large majority favor crating public service jobs for welfare recipients who cannot find work elsewhere. The public worries about the impact of time-limited welfare on children.

That 2-year rule, they support on the one hand. On the other hand, they do not want to see children suffer as a result of kicking somebody off welfare after 2 years and throwing the children into a situation where they cannot find housing on or be fair:

> The public worries about the impact of time limited-welfare on children. Nearly two-thirds of Americans say the government spends too little on poor children.

Nearly two-thirds of Americans say that the Government spends too little, too little on children, on poor children:

> As the pollsters said in their report, voters want welfare reform aimed at "promoting work and strengthening families." They will "support new programs and even some new spending toward these ends, provided they see personal responsibility and accountability being encouraged."

I want to repeat. The public says that they will support new programs and even some new spending toward these ends, provided they see personal responsibility and accountability being encouraged:

> The public is angry about the welfare system but when it comes to finding solutions, its emphasis is on practicality and concern for poor children.

The public is angry about the welfare system but when it comes to finding solutions, its emphasis is on practicality and concern for poor children:

> Welfare reformers would do well to make the public's emphasis their own emphasis.

By implication, Congress would do well to listen to the public and instead of acting like mad dogs or sharks in a feeding frenzy, blindly tearing away at the fabric of the welfare program to get at the poor, Congress should look at other subsidies, broaden our concern with subsidies, reform all subsidies at the same time we reform welfare, and provide what is needed to take care of poor children and to provide the job training and, most of all, to stimulate the economy so that we crate jobs.

Our civilization is dependent on our ability to guarantee work for everybody who wants to work, not to guarantee the best possible job or the job everybody wants but a job where a person can make a living, where a family can be fed.

The new world order ought to adopt that as a major goal. The new world order ought to be willing to spend as much on creating the jobs, stimulating the economy, as we have spent in the last 10 years on defense. The new world order ought to take responsibility for seeing to it that government and society is always superior to the jungle. What we have done is thrown certain categories of people into the jungle. When you have high unemployment, no way to get a job, then you are saying, you are out there in the jungle by yourself. You might as well act the way people act in the jungle or the way animals act in the jungle, because we as a society are taking no responsibility for trying to provide an opportunity, not to a handout, but an opportunity to earn a living, an opportunity to make income, and an opportunity to take care of a family.

□ 1910

Mr. Speaker, that is what welfare reform should strive to do. That is what our whole society ought to consider. We want to create maximum opportunity for everybody to earn a living. All the other problems will begin to fall in place, in large part, if we provide a means to earn a living for every person who wants to work.

THE STATUS OF AMERICA'S FORESTS TODAY

The SPEAKER pro tempore (Mr. TORRES). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from California [Mr. DOOLITTLE] is recognized for 30 minutes.

Mr. DOOLITTLE. Mr. Speaker, there are a lot of groups who have been spreading fear among the public that we've been virtually mowing down our national forests and are on the brink of cutting down our last tree.

The fact is, however, our forests are in better shape today than they were a 100 years ago.

Dr. Jack Ward Thomas, Chief of the U.S. Forest Service, recently noted that "* * * the condition of America's forests is much improved over that at the turn of the century."

In the western United States, more acres are covered today than in the mid-1800's.

Furthermore, the Forest Service recently debunked another myth about our forests when they reported that "Many of the wildlife species threatened with extinction have returned in abundance."

Mr. Speaker, I believe that it is not only important that the American people hear the truth about the condition of our forests, but that they see it, as well.

The California Forestry Association in cooperation with the California Forest Products Commission is currently in the process of conducting a photo-history study of the entire Sierra Nevada in order to document, in black and white, what the public is not being told about our forest lands in California.

Thanks to United Forest Families, a group created to guard the interests of families and communities who depend on the timber industry, I have several photos which compare the state of today's forests with those at the turn of the century.

These photos are a part of a study being compiled and published by Mr. George Gruell.

Mr. Gruell is a retired U.S. Forest Service wildlife biologist who, during his career, published extensively upon the subject of documenting long-term vegetative changes over time.

All of the photos that I will display, save one, are taken in my district in California.

Mr. Speaker, I would just like to point out that each one of these photos was taken from the same vantage point, although many years apart, in each case.

Let us begin, Mr. Speaker, with this photo here, which shows Spooner Summit, which is in Toiyabe National Forest. This photo is facing north on Spooner Summit at the location of the current Highway 50. The current 50 would have run down in the forefront of the picture, about where you see that log flume down here in this picture taken in 1876, and you can see the flume, and you can see that the whole hillside has been basically removed of trees, clear-cut. There are a few young conifers that are invading here in this picture.

Then, Mr. Speaker, in 1992, which would be some 116 years later, I guess, you can see from the same vantage point, here is modern Highway 50. Here you see the area has been totally reinvaded by Jeffrey pine. The stand is denser than the original stand cut in the 1870's, and the patches of brush are denser and more wildlife-prone than in the original photo, but you can see a dramatic difference in 114 years in this picture with the clear-cut, with the flume, here we go to Highway 50, and the very dense forest that has grown up.

Mr. Speaker, in the next photo, this next one is in Tuolumne County. It displays the photo of Switchback. In the picture down here in 1904, this shows a railroad logging operation. On the west side are timber company lands, east of the town of Tuolumne. The area has been harvested heavily. Note the scattered open nature of the original stand, and the logging operation's retention of seed trees for reforestation purposes, so even back then they were thinking in terms of providing for the future sustainable yield, et cetera, so they have left a few seed trees.

Mr. Speaker, we look at the same photographs taken in 1992, some 88 years later, the area has been totally reforested with an excellent stand of ponderosa pine, white fir, and incense cedar. The dense stands that have grown up in the area, by the way, have created excellent spotted owl habitat.

Mr. Speaker, we will go to the next picture here, which is Cold Springs Mill, also in Tuolumne County, CA. The original picture, taken in 1910, shows this millsite and operation at the time. You can see the area has been heavily harvested. The scattered stand in the background shows the widely spaced nature of the original, uncut stand, which would have been viewed as marginal spotted owl habitat.

In 1991, some 81 years later, you can see the dense stand of ponderosa pine in here. It has totally reforested the site. Back in here, right here, is the outline of the foundation of this mill 81 years older. The entire basin here is now considered excellent spotted owl habitat.

Mr. Speaker, the last photograph which I would like to talk about is not of my district, nor, indeed, is it of California. I show it only to illustrate what happens with fires. This is in Wyoming, in the Bridger-Teton National Forest.

This photo at the bottom was taken in 1910, facing southeast across Hoback River. The slopes here show signs of the wildfire, right in here, which burned through this area in 1879. The area has not been logged, but the fire, obviously, had an impact for a significant period of time. In 1960, some 59 years later, you can see the heavily forested slopes. Douglas fir has totally reinvaded the area and covered the majority of the near slope and the forested area has greatly expanded.

Mr. Speaker, I wanted to show those because a picture is worth a thousand words, and one really does get the impression from listening to some of the inflammatory rhetoric that people believe we have just about cut our last tree. I think it is important for people to realize that there is more timber today than there was standing in the mid-1870's, and you can see how the effects are manifest through the reforestation. It is interesting just to see the big trees that were standing where, indeed, 80 years ago there were no trees, virtually.

Mr. Speaker, I do not mean to imply that our forests are in perfect condition, for indeed, they are not, but I think it is important that we address the real cause of the decline in forest health.

□ 1920

The real problem threatening our forests today is not the lack of the trees but it is the condition of the trees.

Rather than being slowly decimated by the faller's ax, our forests are on the verge of literally growing themselves to death.

Due to the total elimination of Indian-initiated fires and the suppression of lightning-generated fires, our forests have over the last 150 years been converted from the open and park-like conditions that John Muir described to dense, thicket-like states that are highly susceptible to uncontrollable wildfire. Indeed already this year over 2 million acres have burned in wildfires. Currently 19 major fires in 6 Western States continue to burn. Thus far these fires have consumed over 192,000 acres alone.

Another problem is that the rate of incidence of diseased trees is higher where trees grow close together and compete for a limited water supply. I might add that in many parts of my district when we fly over it, we are looking at areas where as much as one-third of the trees are diseased and dying. It is really a tragedy and it is due to a combination of a drought which weakens the trees, and after the drought, the insects invade and, of course, they take, then, a very, very heavy toll.

If nothing is done to address the problem, that is when we get these enormous raging wildfires. The Indians deliberately set fires in order to clear out the underbrush, in order to provide light. Anyone who is a gardener, which I think is the most popular hobby in the country, knows that plants have to have light and trees are plants obviously, they start out very small. So what you need to do is create some space so that the trees are able to grow and get strong. It is just a principle that we are all familiar with as backyard gardeners, only it is applied on a larger scale.

As evidenced by the drought, particularly in the Tahoe basin, much of which I represent, we must move to a timber policy which is scientifically based, not one which merely attempts to preserve our forests.

Careful management would allow clearing for some trees in order to improve the overall health of the forest. Technology has improved the methods by which we can harvest and maintain timber stands.

In an effort to increase the removal of undergrowth, which is a major fuel in wildfires, I have cosponsored legislation introduced by Representative WALLY HERGER, also from California, which would allow more fuels treatment.

Mr. Speaker, let me reiterate the importance of the timber industry both environmentally and economically. It is time we adopt common sense policies to deal with our public forests.

Mr. POMBO. Mr. Speaker, will the gentleman yield?

Mr. DOOLITTLE. I would be pleased to yield to my colleague, the gentleman from California [Mr. POMBO], representing the great counties of San Joaquin and Sacramento.

Mr. POMBO. I thank the gentleman. As both you and I serve on the Committee on Agriculture and the Committee on Natural Resources, we have had many opportunities to debate and listen to testimony in public hearings in our committees over this very issue of forest health and the issues which affect our national forests as well as the private property that is currently in forest lands.

I recently had the opportunity to spend some time in northern California in WALLY HERGER's district and spent a great deal of time going throughout the forest and having the professional foresters take us through and explain to us the different methods in which they were currently harvesting trees versus what they did in the past and how they were trying to change their methods so that they would have the least impact on the natural forest and still be able to maintain those forests.

One of the most upsetting things I think I saw in that whole trip was one national forest, and it was public property, and it had not been cared for at all and it had deteriorated to the point that the entire undergrowth was old trees that had fallen down and were rotting and decaying and brush that had overtaken the underground. One of the foresters explained to us that what would happen is a small fire would start in that undergrowth and instead of quickly going through and leaving the healthy trees behind, would catch the trees themselves on fire and get up into the crown of the tree and literally destroy an entire forest.

I know in your area we are facing some of the same problems, and what this bill that the gentleman from California [Mr. HERGER] has introduced is trying to do is allow people to go in and clean that out so that we can maintain a more healthier forest.

Are we not in some of the same situations in your district now?

Mr. DOOLITTLE. We most definitely are. In fact, I am very, very concerned about this fall approaching. We have had an extremely dry year in California, as in some of the other Western States. I remember about 3 years ago when we had devastating forest fires then, which was in the middle of the drought that we had before this heavy snowfall we had the year before last, and there were as I recall in a 24-hour period some 11,000 lightning strikes and we had fires all over the place. It is not unreasonable to project that we will have similar situations cropping up, only we are drier now than we were then. It is going to be devastating.

The thing is, we have all heard it said that if one does not exercise the discipline from within, it will be exercised from without, namely, policemen, prisons, et cetera. That is a whole separate topic for a different special order. But in like fashion I would say if the forests are not managed by mankind as we know to do, if we simply leave them to literally their natural state, then the discipline will be imposed from without, but it is a harsh discipline. It is a discipline as we saw in that photo in one of the areas that when a forest fire burns through as you described, it climbs up the fuel ladder going from the underbrush, up into the tree and burns right on up to the top of the tree and burns the whole tree and burns the thousands of trees on either side of it. We are talking decades before that damage is repaired. Prudent management of the forest like we know to do but we have been prevented frankly by some of these fearmongering groups from doing is what is called for. Otherwise, we will truly hurt the environment and there will be nothing we can do to stop it.

Once we get one of these wildfires raging of this magnitude, we have got probably more built-up fuel now than we have had in well over 100 years, there will just be no stopping it. We saw what happened in Yellowstone. Just stand aside and let it burn, but it will leave deep, deep scars that will not be healed for many, many years.

Mr. POMBO. I know that in recent testimony that we heard in the Committee on Agriculture that it was very interesting, it was almost unanimous among the professional foresters, people from the Forest Service, people from the logging industry, the timber industry as well as responsible environmentalists that we do need to manage our forests and that we cannot close our eyes and be total preservationists. That because man is part of the environment and has changed our environment by stopping fires, by fire suppression, that it is responsible to manage the forests and to go in and clean out the dead wood, to go in and thin the forests and replant and to continually manage the forests. It was very interesting that it was almost unanimous among those who were there that that is something we have to do.

I think if we look into the new age of forest management and what we are going to do in the future to preserve our natural resources, to preserve our national forests and at the same time to provide lumber for our housing needs and for our paper needs, that we need to responsibly manage those resources. Part of that is to go in and take care of those forests the way that we know based on modern science and modern technology that we have to take care of those forests.

I would like to thank the gentleman for taking the special order out tonight because I do feel it is important that our colleagues hear the kind of things we have heard in committee and the kind of testimony, because unfortunately not everyone has access and has an easy opportunity to sit through those hearings and to hear the people, the real people who are out there managing our forests and the real people out there who are in charge of taking care of these natural resources, to hear their testimony. Many times all we are exposed to here is the special interest groups inside the beltway. It is important that our colleagues have that information.

Mr. DOOLITTLE. I thank the gentleman for joining me in this special order just to bring out a few of the facts. There is so much hysteria about this. I wish these pictures could be printed in the CONGRESSIONAL RECORD because all the people will see there are the words, so it is a little hard to visualize. Nevertheless, I hope the discussion this evening has been useful.

☐ 1930

We have tremendous resources. It truly is a national treasure, but it needs to be properly managed. Failing to properly manage it ourselves leaves us really at the mercy of nature, of wildfires striking whenever they may, and that can devastate a community, and instead of having jobs that are provided for people to work in the forests, when that forest completely burns up there will be nothing there. People will have to fold up the tent and leave and go someplace else.

It is for that purpose that I wanted to come tonight and explain this point of view. I appreciate the gentleman from California joining me.

CONFERENCE REPORT ON H.R. 4277

Mr. GIBBONS submitted the following conference report and statement on the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program:

CONFERENCE REPORT (H. REPT. 103-670)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Social Security Independence and Program Improvements Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

Sec. 101. Establishment of Social Security Administration as an independent agency.
Sec. 102. Commissioner and Deputy Commissioner; other officers.
Sec. 103. Social Security Advisory Board.
Sec. 104. Personnel; budgetary matters; seal of office.
Sec. 105. Transfers to the new Social Security Administration.
Sec. 106. Transition rules.
Sec. 107. Conforming amendments to titles II and XVI of the Social Security Act.
Sec. 108. Additional conforming amendments.
Sec. 109. Rules of construction.
Sec. 110. Effective dates.

TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

Sec. 201. Restrictions on payment of benefits based on disability to substance abusers.
Sec. 202. Commission on childhood disability.
Sec. 203. Regulations regarding completion of plans for achieving self-support.
Sec. 204. SSI eligibility for students temporarily abroad.
Sec. 205. Disregard of cost-of-living increases for continued eligibility for work incentives.
Sec. 206. Expansion of the authority of the Social Security Administration to prevent, detect, and terminate fraudulent claims for OASDI and SSI benefits.
Sec. 207. Disability review required for SSI recipients who are 18 years of age.
Sec. 208. Continuing disability reviews.
Sec. 209. Exemption from adjustment in pass-along requirements.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

Sec. 301. Issuance of physical documents in the form of bonds, notes, or certificates to the social security trust funds.
Sec. 302. GAO study regarding telephone access to local offices of the Social Security Administration.
Sec. 303. Expansion of State option to exclude service of election officials or election workers from coverage.
Sec. 304. Use of social security numbers by States and local governments and Federal district courts for jury selection purposes.
Sec. 305. Authorization for all States to extend coverage to State and local police officers and firefighters under existing coverage agreements.
Sec. 306. Limited exemption for Canadian ministers from certain self-employment tax liability.
Sec. 307. Exclusion of totalization benefits from the application of the windfall elimination provision.
Sec. 308. Exclusion of military reservists from application of the government pension offset and windfall elimination provisions.
Sec. 309. Repeal of the facility-of-payment provision.
Sec. 310. Maximum family benefits in guarantee cases.
Sec. 311. Authorization for disclosure of social security information for purposes of public or private epidemiological and similar research.
Sec. 312. Misuse of symbols, emblems, or names in reference to Social Security Administration, Department of Health and Human Services, or Department of the Treasury.
Sec. 313. Increased penalties for unauthorized disclosure of social security information.
Sec. 314. Increase in authorized period for extension of time to file annual earnings report.
Sec. 315. Extension of disability insurance program demonstration project authority.
Sec. 316. Cross-matching of social security account number information and employer identification number information maintained by the Department of Agriculture.
Sec. 317. Certain transfers to railroad retirement account made permanent.
Sec. 318. Authorization for use of social security account numbers by Department of Labor in administration of Federal workers' compensation laws.
Sec. 319. Coverage under FICA of Federal employees transferred temporarily to international organizations.
Sec. 320. Extension of the FICA tax exemption and certain tax rules to individuals who enter the United States under a visa issued under section 101 of the Immigration and Nationality Act.
Sec. 321. Technical and clerical amendments.

TITLE I—ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 101. ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY.

Section 701 of the Social Security Act (42 U.S.C. 901) is amended to read as follows:

"SOCIAL SECURITY ADMINISTRATION

"SEC. 701. (a) There is hereby established, as an independent agency in the executive branch of the Government, a Social Security Administration (in this title referred to as the 'Administration').

"(b) It shall be the duty of the Administration to administer the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI.

SEC. 102. COMMISSIONER AND DEPUTY COMMISSIONER; OTHER OFFICERS.

Section 702 of the Social Security Act (42 U.S.C. 902) is amended to read as follows:

"COMMISSIONER; DEPUTY COMMISSIONER; OTHER OFFICERS

"Commissioner of Social Security

"SEC. 702. (a)(1) There shall be in the Administration a Commissioner of Social Security (in this title referred to as the 'Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Commissioner shall be compensated at the rate provided for level I of the Executive Schedule.

"(3) The Commissioner shall be appointed for a term of 6 years, except that the initial term of office for Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Commissioner's term of office, such Commissioner may continue in office until the entry upon office of such a successor. A Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term. An individual serving in the office of Commissioner may be removed from office only pursuant to a finding by the President of neglect of duty or malfeasance in office.

"(4) The Commissioner shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

"(5) The Commissioner may prescribe such rules and regulations as the Commissioner determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Commissioner shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

"(6) The Commissioner may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Commissioner considers necessary or appropriate, except that this paragraph shall not apply with respect to any unit, component, or provision provided for by this Act.

"(7) The Commissioner may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Commissioner may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Commissioner.

"(8) The Commissioner and the Secretary of Health and Human Services (in this title referred to as the 'Secretary') shall consult, on an ongoing basis, to ensure—

"(A) the coordination of the programs administered by the Commissioner, as described in section 701, with the programs administered by the Secretary under titles XVIII and XIX of this Act; and

"(B) that adequate information concerning benefits under such titles XVIII and XIX is available to the public.

"Deputy Commissioner of Social Security

"(b)(1) There shall be in the Administration a Deputy Commissioner of Social Security (in this title referred to as the 'Deputy Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Deputy Commissioner shall be appointed for a term of 6 years, except that the initial term of office for the Deputy Commissioner shall terminate January 19, 2001. In any case in which a successor does not take office at the end of a Deputy Commissioner's term of office, such Deputy Commissioner may continue in office until the entry upon office of such a successor. A Deputy Commissioner appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

"(3) The Deputy Commissioner shall be compensated at the rate provided for level II of the Executive Schedule.

"(4) The Deputy Commissioner shall perform such duties and exercise such powers as the Commissioner shall from time to time assign or delegate. The Deputy Commissioner shall be Acting Commissioner of the Administration during the absence or disability of the Commissioner and, unless the President designates another officer of the Government as Acting Commissioner, in the event of a vacancy in the office of the Commissioner.

"Chief Financial Officer

"(c) There shall be in the Administration a Chief Financial Officer appointed by the Commissioner in accordance with section 901(a)(2) of title 31, United States Code.

"Inspector General

"(d) There shall be in the Administration an Inspector General appointed by the President, by and with the advice and consent of the Senate, in accordance with section 3(a) of the Inspector General Act of 1978.".

SEC. 103. SOCIAL SECURITY ADVISORY BOARD.

Section 703 of the Social Security Act (42 U.S.C. 903) is amended to read as follows:

"SOCIAL SECURITY ADVISORY BOARD

"Establishment of Board

"SEC. 703. (a) There shall be established a Social Security Advisory Board (in this section referred to as the 'Board').

"Functions of the Board

"(b) On and after the date the Commissioner takes office, the Board shall advise the Commissioner on policies related to the old-age, survivors, and disability insurance program under title II and the supplemental security income program under title XVI. Specific functions of the Board shall include—

"(1) analyzing the Nation's retirement and disability systems and making recommendations with respect to how the old-age, survivors, and disability insurance program and the supplemental security income program, supported by other public and private systems, can most effectively assure economic security;

"(2) studying and making recommendations relating to the coordination of programs that provide health security with programs described in paragraph (1);

"(3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;

"(4) making recommendations with respect to the quality of service that the Administration provides to the public;

"(5) making recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;

"(6) increasing public understanding of the social security system;

"(7) making recommendations with respect to a long-range research and program evaluation plan for the Administration;

"(8) reviewing and assessing any major studies of social security as may come to the attention of the Board; and

"(9) making recommendations with respect to such other matters as the Board determines to be appropriate.

"Structure and Membership of the Board

"(c)(1) The Board shall be composed of 7 members who shall be appointed as follows:

"(A) 3 members shall be appointed by the President, by and with the advice and consent of the Senate. Not more than 2 of such members shall be from the same political party.

"(B) 2 members (each member from a different political party) shall be appointed by the President pro tempore of the Senate with the advice of the Chairman and the Ranking Minority Member of the Senate Committee on Finance.

"(C) 2 members (each member from a different political party) shall be appointed by the Speaker of the House of Representatives, with the advice of the Chairman and the Ranking Minority Member of the House Committee on Ways and Means.

"(2) The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

"Terms of Appointment

"(d) Each member of the Board shall serve for a term of 6 years, except that—

"(1) a member appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term; and

"(2) the terms of service of the members initially appointed under this section shall begin on October 1, 1994, and expire as follows:

"(A) The terms of service of the members initially appointed by the President shall expire as designated by the President at the time of nomination, 1 each at the end of—

"(i) 2 years;
"(ii) 4 years; and
"(iii) 6 years.

"(B) The terms of service of members initially appointed by the President pro tempore of the Senate shall expire as designated by the President pro tempore of the Senate at the time of nomination, 1 each at the end of—

"(i) 3 years; and
"(ii) 6 years.

"(C) The terms of service of members initially appointed by the Speaker of the House of Representatives shall expire as designated by the Speaker of the House of Representatives at the time of nomination, 1 each at the end of—

"(i) 4 years; and
"(ii) 5 years.

"Chairman

"(e) A member of the Board shall be designated by the President to serve as Chairman for a term of 4 years, coincident with the term of the President, or until the designation of a successor.

"Expenses and Per Diem

"(f) Members of the Board shall serve without compensation, except that, while serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"Meetings

"(g)(1) The Board shall meet at the call of the Chairman (in consultation with the other members of the Board) not less than 4 times each year to consider a specific agenda of issues, as determined by the Chairman in consultation with the other members of the Board.

"(2) Four members of the Board (not more than 3 of whom may be of the same political party) shall constitute a quorum for purposes of conducting business.

"Federal Advisory Committee Act

"(h) The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

"Personnel

"(i) The Board shall, without regard to the provisions of title 5, United States Code, relating to the competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code. The Board shall appoint such additional personnel as the Board determines to be necessary to provide adequate clerical support for the Board, and may compensate such additional personnel without regard to the provisions of title 5, United States Code, relating to the competitive service.

"Authorization of Appropriations

"(j) There are authorized to be appropriated, out of the Federal Disability Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund, and the general fund of the Treasury, such sums as are necessary to carry out the purposes of this section.".

SEC. 104. PERSONNEL; BUDGETARY MATTERS; SEAL OF OFFICE.

(a) IN GENERAL.—Section 704 of the Social Security Act (42 U.S.C. 904) is amended to read as follows:

"ADMINISTRATIVE DUTIES OF THE COMMISSIONER

"Personnel

"SEC. 704. (a)(1) The Commissioner shall appoint such additional officers and employees as the Commissioner considers necessary to carry out the functions of the Administration under this Act, and attorneys and experts may be appointed without regard to the civil service laws. Except as otherwise provided in the preceding sentence or in any other provision of law, such officers and employees shall be appointed, and their compensation shall be fixed, in accordance with title 5, United States Code.

"(2) The Commissioner may procure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

"(3) Notwithstanding any requirements of section 3133 of title 5, United States Code, the Director of the Office of Personnel Management shall authorize for the Administration a total number of Senior Executive Service positions which is substantially greater than the number of such positions authorized in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994 to the extent that the greater number of such authorized positions is specified in the comprehensive work force plan as established and revised by the Commissioner under subsection (b)(2). The total number of such positions authorized for the Administration shall not at any time be less than the number of such authorized positions as of immediately before such date.

"Budgetary Matters

"(b)(1) The Commissioner shall prepare an annual budget for the Administration, which shall be submitted by the President to the Congress without revision, together with the President's annual budget for the Administration.

"(2)(A) Appropriations requests for staffing and personnel of the Administration shall be based upon a comprehensive work force plan, which shall be established and revised from time to time by the Commissioner.

"(B) Appropriations for administrative expenses of the Administration are authorized to be provided on a biennial basis.

"Employment Restriction

"(c) The total number of positions in the Administration (other than positions established under section 702) which—

"(1) are held by noncareer appointees (within the meaning of section 3132(a)(7) of title 5, United States Code) in the Senior Executive Service, or

"(2) have been determined by the President or the Office of Personnel Management to be of a confidential, policy-determining, policy-making, or policy-advocating character and have been excepted from the competitive service thereby,

may not exceed at any time the equivalent of 20 full-time positions.

"Seal of Office

"(d) The Commissioner shall cause a seal of office to be made for the Administration of such design as the Commissioner shall approve. Judicial notice shall be taken of such seal.

"Data Exchanges

"(e)(1) Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code)—

"(A) the Secretary shall disclose to the Commissioner any record or information requested in writing by the Commissioner for the purpose of administering any program administered by the Commissioner, if records or information of such type were disclosed to the Commissioner of Social Security in the Department of Health and

Human Services under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994; and

"(B) the Commissioner shall disclose to the Secretary or to any State any record or information requested in writing by the Secretary to be so disclosed for the purpose of administering any program administered by the Secretary, if records or information of such type were so disclosed under applicable rules, regulations, and procedures in effect before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994.

"(2) The Commissioner and the Secretary shall enter into an agreement under which the Commissioner provides the Secretary data concerning the quality of the services and information provided to beneficiaries of the programs under titles XVIII and XIX and the administrative services provided by the Social Security Administration in support of such programs. Such agreement shall stipulate the type of data to be provided and the terms and conditions under which the data are to be provided.

"(3) The Commissioner and the Secretary shall periodically review the need for exchanges of information not referred to in paragraph (1) or (2) and shall enter into such agreements as may be necessary and appropriate to provide information to each other or to States in order to meet the programmatic needs of the requesting agencies.

"(4)(A) Any disclosure from a system of records (as defined in section 552a(a)(5) of title 5, United States Code) pursuant to this subsection shall be made as a routine use under subsection (b)(3) of section 552a of such title (unless otherwise authorized under such section 552a).

"(B) Any computerized comparison of records, including matching programs, between the Commissioner and the Secretary shall be conducted in accordance with subsections (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code.

"(5) The Commissioner and the Secretary shall each ensure that timely action is taken to establish any necessary routine uses for disclosures required under paragraph (1) or agreed to pursuant to paragraph (3).".

(b) REPORT ON SES POSITIONS UNDER COMPREHENSIVE WORK FORCE PLAN.—Within 60 days after the establishment by the Commissioner of Social Security of the comprehensive work force plan required under section 704(b)(2) of the Social Security Act (as amended by this Act), the Director of the Office of Personnel Management shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report specifying the total number of Senior Executive Services positions authorized for the Social Security Administration in connection with such work force plan.

(c) EFFECTIVE DATE AND TRANSITION RULE FOR CERTAIN DATA EXCHANGE PROVISIONS.—

(1) EFFECTIVE DATE.—Section 704(e)(4) of the Social Security Act (as amended by subsection (a)) shall take effect March 31, 1996.

(2) TRANSITION RULE.—Notwithstanding any other provision of law (including subsections (b), (o), (p), (q), (r), and (u) of section 552a of title 5, United States Code), arrangements for disclosure of records or other information, and arrangements for computer matching of records, which were in effect immediately before the date of the enactment of this Act between the Social Security Administration in the Department of Health and Human Services and other components of such Department may continue between the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) and such Department during the period beginning on the date of the enactment of this Act and ending March 31, 1996.

SEC. 105. TRANSFERS TO THE NEW SOCIAL SECURITY ADMINISTRATION.

(a) FUNCTIONS.—

(1) IN GENERAL.—There are transferred to the Social Security Administration all functions of the Secretary of Health and Human Services with respect to or in support of the programs and activities the administration of which is vested in the Social Security Administration by reason of this title and the amendments made thereby. The Commissioner of Social Security shall allocate such functions in accordance with sections 701, 702, 703, and 704 of the Social Security Act (as amended by this title).

(2) FUNCTIONS OF OTHER AGENCIES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Social Security Administration shall also perform—

(i) the functions of the Department of Health and Human Services, including functions relating to titles XVIII and XIX of the Social Security Act (including adjudications, subject to final decisions by the Secretary of Health and Human Services), that the Social Security Administration in such Department performed as of immediately before the date of the enactment of this Act, and

(ii) the functions of any other agency for which administrative responsibility was vested in the Social Security Administration in the Department of Health and Human Services as of immediately before the date of the enactment of this Act.

(B) RULES GOVERNING CONTINUATION OF FUNCTIONS IN THE ADMINISTRATION.—The Social Security Administration shall perform, on behalf of the Secretary of Health and Human Services (or the head of any other agency, as applicable), the functions described in subparagraph (A) in accordance with the same financial and other terms in effect on the day before the date of the enactment of this Act, except to the extent that the Commissioner and the Secretary (or other agency head, as applicable) agree to alter such terms pertaining to any such function or to terminate the performance by the Social Security Administration of any such function.

(b) PERSONNEL, ASSETS, ETC.—

(1) IN GENERAL.—There are transferred from the Department of Health and Human Services to the Social Security Administration, for appropriate allocation by the Commissioner of Social Security in the Social Security Administration—

(A) the personnel employed in connection with the functions transferred by this title and the amendments made thereby; and

(B) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with such functions, arising from such functions, or available, or to be made available, in connection with such functions.

(2) UNEXPENDED FUNDS.—Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally appropriated.

(3) EMPLOYMENT PROTECTIONS.—

(A) IN GENERAL.—During the 1-year period beginning March 31, 1995,—

(i) the transfer pursuant to this section of any full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such personnel to be separated or reduced in grade or compensation solely as a result of such transfer, and

(ii) except as provided in subparagraph (B), any such personnel who were not employed in the Social Security Administration in the Department of Health and Human Services immediately before the date of the enactment of this Act shall not be subject to directed reassignment to a duty station outside their commuting area.

(B) SPECIAL RULES.—

(i) In the case of personnel whose duty station is in the Washington, District of Columbia, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Baltimore, Maryland, commuting area after September 30, 1995.

(ii) In the case of personnel whose duty station is in the Baltimore, Maryland, commuting area immediately before March 31, 1995, subparagraph (A)(ii) shall not apply with respect to directed reassignment to a duty station in the Washington, District of Columbia, commuting area after September 30, 1995.

(4) OFFICE SPACE.—Notwithstanding section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606), and subject to available appropriations, the Administrator of General Services may, after consultation with the Commissioner of Social Security and under such terms and conditions as the Administrator finds to be in the interests of the United States—

(A) acquire occupiable space in the metropolitan area of Washington, District of Columbia, for housing the Social Security Administration, and

(B) renovate such space as necessary.

(c) INTER-AGENCY TRANSFER ARRANGEMENT.—The Secretary of Health and Human Services and the Commissioner of Social Security shall enter into a written inter-agency transfer arrangement (in this subsection referred to as the "arrangement"), which shall be effective March 31, 1995. Transfers made pursuant to this section shall be in accordance with the arrangement, which shall specify the personnel and resources to be transferred as provided under this section. The terms of such arrangement shall be transmitted not later than January 1, 1995, to the Committee on Ways and Means of the House of Representatives, to the Committee on Finance of the Senate, and to the Comptroller General of the United States. Not later than February 15, 1995, the Comptroller General shall submit a report to each such Committee setting forth an evaluation of such arrangement.

SEC. 106. TRANSITION RULES.

(a) TRANSITION RULES RELATING TO OFFICERS OF THE SOCIAL SECURITY ADMINISTRATION.—

(1) APPOINTMENT OF INITIAL COMMISSIONER OF SOCIAL SECURITY.—The President shall nominate for appointment the initial Commissioner of Social Security to serve as head of the Social Security Administration established under section 701 of the Social Security Act (as amended by this Act) not later than 60 days after the date of the enactment of this Act.

(2) ASSUMPTION OF OFFICE OF INITIAL COMMISSIONER BEFORE EFFECTIVE DATE OF NEW AGENCY.—If the appointment of the initial Commissioner of Social Security pursuant to section 702 of the Social Security Act (as amended by this Act) is confirmed by the Senate pursuant to such section 702 before March 31, 1995, the individual shall take office as Commissioner immediately upon confirmation, and, until March 31, 1995, such Commissioner shall perform the functions of the Commissioner of Social Security in the Department of Health and Human Services.

(3) TREATMENT OF INSPECTOR GENERAL AND OTHER APPOINTMENTS.—At any time on or after the date of the enactment of this Act, any of the officers provided for in section 702 of the Social Security Act (as amended by this title) and any of the members of the Social Security Advisory Board provided for in section 703 of such Act (as so amended) may be nominated and take office, under the terms and conditions set out in such sections.

(4) COMPENSATION FOR INITIAL OFFICERS AND BOARD MEMBERS BEFORE EFFECTIVE DATE OF

NEW AGENCY.—Funds available to any official or component of the Department of Health and Human Services, functions of which are transferred to the Commissioner of Social Security or the Social Security Administration by this title, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer or employee of the new Social Security Administration and of any member or staff of the Social Security Advisory Board who takes office pursuant to this subsection before March 31, 1995, until such time as funds for that purpose are otherwise available.

(5) INTERIM ROLE OF CURRENT COMMISSIONER AFTER EFFECTIVE DATE OF NEW AGENCY.—In the event that, as of March 31, 1995, an individual appointed to serve as the initial Commissioner of Social Security has not taken office, until such initial Commissioner has taken office, the officer serving on March 31, 1995, as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall, while continuing to serve as such Commissioner of Social Security (or Acting Commissioner of Social Security), serve as Commissioner of Social Security (or Acting Commissioner of Social Security, respectively) in the Social Security Administration established under such section 701 and shall assume the powers and duties under such Act (as amended by this Act) of the Commissioner of Social Security in the Social Security Administration as so established under such section 701. In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the office of Commissioner of Social Security in the Social Security Administration established under such section 701, then the individual serving as Commissioner of Social Security (or Acting Commissioner of Social Security, if applicable) in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the Social Security Administration as so established under such section 701.

(6) INTERIM INSPECTOR GENERAL.—The Commissioner of Social Security may appoint an individual to assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under section 701 of the Social Security Act for a period not to exceed 60 days. The Inspector General of the Department of Health and Human Services may, when so requested by the Commissioner, while continuing to serve as Inspector General in such Department, serve as Inspector General of the Social Security Administration established under such section 701 and shall assume the powers and duties under the Inspector General Act of 1978 of Inspector General of the Social Security Administration as established under such section 701. The Social Security Administration shall reimburse the Office of Inspector General of the Department of Health and Human Services for costs of any functions performed pursuant to this subsection, from funds available to the Administration at the time the functions are performed. The authority under this paragraph to exercise the powers and duties of the Inspector General shall terminate upon the entry upon office of an Inspector General for the Social Security Administration under the Inspector General Act of 1978.

(7) ABOLISHMENT OF OFFICE OF COMMISSIONER OF SOCIAL SECURITY IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Effective when the initial Commissioner of Social Security of the Social Security Administration established under section 701 of the Social Security Act (as amended by this title) takes office pursuant to section 702 of such Act (as so amended)—

(A) the position of Commissioner of Social Security in the Department of Health and Human Services is abolished; and

(B) section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Social Security, Department of Health and Human Services.".

(b) CONTINUATION OF ORDERS, DETERMINATIONS, RULES, REGULATIONS, ETC.—All orders, determinations, rules, regulations, permits, contracts, collective bargaining agreements (and ongoing negotiations relating to such collective bargaining agreements), recognitions of labor organizations, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health and Human Services (or the Secretary's delegate), and (B) which relate to functions which, by reason of this title, the amendments made thereby, and regulations prescribed thereunder, are vested in the Commissioner of Social Security; and

(2) which are in effect immediately before March 31, 1995,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by such Commissioner, except that any collective bargaining agreement shall remain in effect until the date of termination specified in such agreement.

(c) CONTINUATION OF PROCEEDINGS.—The provisions of this title (including the amendments made thereby) shall not affect any proceeding pending before the Secretary of Health and Human Services immediately before March 31, 1995, with respect to functions vested (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) in the Commissioner of Social Security, except that such proceedings, to the extent that such proceedings relate to such functions, shall continue before such Commissioner. Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this title had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by such Commissioner, by a court of competent jurisdiction, or by operation of law.

(d) CONTINUATION OF SUITS.—Except as provided in this subsection—

(1) the provisions of this title shall not affect suits commenced before March 31, 1995; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No cause of action, and no suit, action, or other proceeding commenced by or against any officer in such officer's official capacity as an officer of the Department of Health and Human Services, shall abate by reason of the enactment of this title. In any suit, action, or other proceeding pending immediately before March 31, 1995, the court or hearing officer may at any time, on the motion of the court or hearing officer or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(e) CONTINUATION OF PENALTIES.—This title shall not have the effect of releasing or extinguishing any civil or criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this title, the amendments made thereby, and regulations prescribed thereunder) is vested in the Commissioner of Social Security.

(f) JUDICIAL REVIEW.—Orders and actions of the Commissioner of Social Security in the exercise of functions vested in such Commissioner under this title and the amendments made thereby (other than functions performed pursuant to 105(a)(2)) shall be subject to judicial review to the same extent and in the same manner as if such orders had been made and such actions had been taken by the Secretary of Health and Human Services in the exercise of such functions immediately before March 31, 1995. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in such Commissioner shall continue to apply to the exercise of such function by such Commissioner.

(g) EXERCISE OF FUNCTIONS.—In the exercise of the functions vested in the Commissioner of Social Security under this title, the amendments made thereby, and regulations prescribed thereunder, such Commissioner shall have the same authority as that vested in the Secretary of Health and Human Services with respect to the exercise of such functions immediately preceding the vesting of such functions in such Commissioner, and actions of such Commissioner shall have the same force and effect as when exercised by such Secretary.

SEC. 107. CONFORMING AMENDMENTS TO TITLES II AND XVI OF THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) (other than section 201, section 231(c), section 226, and section 226A) and title XVI of such Act (42 U.S.C. 1382 et seq.) (other than section 1614(f)(2)(B)) are each amended—

(1) by striking, wherever it appears, "Secretary of Health and Human Services" and inserting "Commissioner of Social Security";

(2) by striking, wherever it appears, "Department of Health and Human Services" and inserting "Social Security Administration";

(3) by striking, wherever it appears, "Department" (but only if it is not immediately succeeded by the words "of Health and Human Services", and only if it is used in reference to the Department of Health and Human Services) and inserting "Administration";

(4) by striking, wherever it appears, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health and Human Services): "Secretary", "Secretary's", "his", "him", "he", "her", and "she", and inserting (in the case of the word "Secretary") "Commissioner of Social Security", (in the case of the word "Secretary's") "Commissioner's", (in the case of the word "his") "the Commissioner's", (in the case of the word "him") "the Commissioner", (in the case of the word "her") "the Commissioner" or "the Commissioner's", as may be appropriate, and (in the case of the words "she" or "he") "the Commissioner"; and

(b) AMENDMENTS TO SECTION 201.—

(1) Subsections (a)(3), (a)(4), (b)(1), and (b)(2) of section 201 of such Act (42 U.S.C. 401) are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(2) Subsections (a)(3) and (b)(1) of section 201 of such Act (42 U.S.C. 401) are amended by striking "such Secretary" and inserting "such Commissioner".

(3) Section 201(c) of such Act (42 U.S.C. 401(c)) is amended—

(A) in the first sentence, by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(B) in the fifth sentence, by striking "Commissioner of Social Security" and inserting "Deputy Commissioner of Social Security".

(4) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended—

(A) in clause (i), by striking "by him and the Secretary of Health and Human Services" and inserting "by the Managing Trustee, the Commissioner of Social Security, and the Secretary

of Health and Human Services", and by striking "by the Department of Health and Human Services and the Treasury Department for the administration of titles II, XVI, and XVIII of this Act" and inserting "by the Department of Health and Human Services for the administration of title XVIII of this Act, and by the Department of the Treasury for the administration of titles II and XVIII of this Act";

(B) in clause (ii), by striking "method prescribed by the Board of Trustees under paragraph (4)" and inserting "applicable method prescribed under paragraph (4)", by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security", and by striking "the Department of Health and Human Services" and inserting "the Social Security Administration"; and

(C) in the matter following clause (ii), by striking "titles II, XVI, and XVIII" in the first sentence and inserting "titles II and XVIII", and by striking the last sentence and inserting the following: "There are hereby authorized to be made available for expenditure, out of any or all of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of the part of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible, the costs of title XVIII for which the Secretary of Health and Human Services is responsible, and the costs of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) of the first sentence of this subparagraph.".

(4)(A) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is further amended by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) After the close of each fiscal year—

"(i) the Commissioner of Social Security shall determine—

"(I) the portion of the costs, incurred during such fiscal year, of administration of this title, title XVI, and title XVIII for which the Commissioner is responsible and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)), which should have been borne by the general fund of the Treasury,

"(II) the portion of such costs which should have been borne by the Federal Old-Age and Survivors Insurance Trust Fund,

"(III) the portion of such costs which should have been borne by the Federal Disability Insurance Trust Fund,

"(IV) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

"(V) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund, and

"(ii) the Secretary of Health and Human Services shall determine—

"(I) the portion of the costs, incurred during such fiscal year, of the administration of title XVIII for which the Secretary is responsible, which should have been borne by the general fund of the Treasury,

"(II) the portion of such costs which should have been borne by the Federal Hospital Insurance Trust Fund, and

"(III) the portion of such costs which should have been borne by the Federal Supplementary Medical Insurance Trust Fund.

"(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commisioner of Social Security and the Secretary shall each certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund of the Treasury, in order to ensure that each of the Trust Funds and the general fund of the Treasury have borne their proper share of the costs, incurred during such fiscal year, for—

"(i) the parts of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible,

"(ii) the parts of the administration of title XVIII for which the Secretary is responsible, and

"(iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)).

The Managing Trustee shall transfer any such amounts in accordance with any certification so made.

"(D) The determinations required under subclauses (IV) and (V) of subparagraph (B)(i) shall be made in accordance with the cost allocation methodology in existence on the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, until such time as the methodology for making the determinations required under such subclauses is revised by agreement of the Commissioner and the Secretary, except that the determination of the amounts to be borne by the general fund of the Treasury with respect to expenditures incurred in carrying out the functions of the Social Security Administration specified in section 232 shall be made pursuant to the applicable method prescribed under paragraph (4).".

(5) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended, in the second sentence, by striking "established and maintained by the Secretary of Health and Human Services" and inserting "maintained by the Commissioner of Social Security", and by striking "Secretary shall furnish" and inserting "Commissioner of Social Security shall furnish".

(6) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended to read as follows:

"(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as in effect immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, for determining the costs which should be borne by the general fund of the Treasury of carrying out the functions of the Commissioner, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). If at any time or times thereafter the Boards of Trustees of such Trust Funds consider such action advisable, they may modify the method of determining such costs.".

(7) Section 201(i)(1) of such Act (42 U.S.C. 401(i)(1)) is amended to read as follows:

"(i)(1) The Managing Trustee may accept on behalf of the United States money gifts and bequests made unconditionally to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund or to the Social Security Administration, the Department of Health and Human Services, or any part or officer thereof, for the benefit of any of such Funds or any activity financed through such Funds.".

(8) Subsections (j) and (k) of section 201 of such Act (42 U.S.C. 401) are each amended by striking "Secretary" each place it appears and inserting "Commissioner of Social Security".

(9) Section 201(l)(3)(B)(iii)(II) of such Act (42 U.S.C. 401(l)(3)(B)(iii)(II)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(10) Section 201(m)(3) of such Act (42 U.S.C. 401(m)(3)) is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(c) AMENDMENT TO SECTION 231.—Section 231(c) of such Act (42 U.S.C. 431(c)) is amended by striking "Secretary determines" and inserting "Commissioner of Social Security and the Secretary jointly determine".

SEC. 108. ADDITIONAL CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TITLE VII.—

(1) Title VII of the Social Security Act (42 U.S.C. 901 et seq.) is amended by adding at the end the following new section:

"DUTIES AND AUTHORITY OF SECRETARY

"SEC. 712. The Secretary shall perform the duties imposed upon the Secretary by this Act. The Secretary is authorized to appoint and fix the compensation of such officers and employees, and to make such expenditures as may be necessary for carrying out the functions of the Secretary under this Act. The Secretary may appoint attorneys and experts without regard to the civil service laws.".

(2) Section 706 of such Act (42 U.S.C. 907) is repealed. This paragraph shall not apply with respect to the Advisory Council for Social Security appointed in 1994.

(3) Paragraph (2) of section 709(b) of such Act (42 U.S.C. 910(b)) is amended by striking "(as estimated by the Secretary)" and inserting "(for amounts which will be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as estimated by the Commissioner, and for amounts which will be paid from the Federal Hospital Insurance Trust and the Federal Supplementary Medical Insurance Trust Fund, as estimated by the Secretary)".

(b) AMENDMENTS TO TITLE XI.—

(1) Section 1101(a) of such Act (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'Administration' means the Social Security Administration, except where the context requires otherwise.".

(2) Section 1106(a) of such Act (42 U.S.C. 1306(a)) is amended—

(A) by inserting "(1)" after "(a)";

(B) by striking "Department of Health and Human Services" each place it appears and inserting "applicable agency";

(C) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(D) by adding at the end the following new paragraph:

"(2) For purposes of this subsection and subsection (b), the term 'applicable agency' means—

"(A) the Social Security Administration, with respect to matter transmitted to or obtained by such Administration or matter disclosed by such Administration, or

"(B) the Department of Health and Human Services, with respect to matter transmitted to or obtained by such Department or matter disclosed by such Department.".

(3) Section 1106(b) of such Act (42 U.S.C. 1306(b)) is amended—

(A) by striking "Secretary" each place it appears and inserting "head of the applicable agency"; and

(B) by striking "Department of Health and Human Services" and inserting "applicable agency".

(4) Section 1106(c) of such Act (42 U.S.C. 1306(c)) is amended—

(A) by striking "the Secretary" the first place it appears and inserting "the Commissioner of Social Security or the Secretary"; and

(B) by striking "the Secretary" each subsequent place it appears and inserting "such Commissioner or Secretary".

(5) Section 1106(d) of such Act (added by section 311 of this Act) is amended—

(A) by striking "Secretary" the first place it appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary" the second place it appears and inserting "Commissioner";

(C) by striking "Secretary" the third place it appears and inserting "Commissioner in consultation with the Secretary of Health and Human Services"; and

(D) by striking "Secretary" each subsequent place it appears and inserting "Commissioner".

(6) Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended by striking "the Secretary of Health and Human Services" and inserting "the Commissioner of Social Security or the Secretary".

(7) Section 1110 of such Act (42 U.S.C. 1310) is amended—

(A) by striking "he", "his", and "him" each place they appear (except in subsection (b)(2)(A)) and inserting "the Commissioner", "the Commissioner's", and "the Commissioner", respectively;

(B) in subsection (a)(2), by inserting "(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)" after "Secretary";

(C) in subsection (b)(1)—

(i) by striking "Secretary" each place it appears in the first two sentences and inserting "Commissioner";

(ii) by striking in the third sentence "determined by the Secretary," and inserting "determined by the Commissioner with respect to the old-age, survivors, and disability insurance programs under title II and the supplemental security income program under title XVI, and by the Secretary with respect to other titles of this Act,"; and

(iii) by striking the fourth sentence and inserting the following new sentences: "If, in order to carry out a project under this subsection, the Commissioner requests a State to make supplementary payments (or the Commissioner makes them pursuant to an agreement under section 1616) to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not make such payments, the Commissioner shall reimburse such State for the non-Federal share of such payments from amounts appropriated to carry out title XVI. If, in order to carry out a project under this subsection, the Secretary requests a State to provide medical assistance under its plan approved under title XIX to individuals who are not eligible therefor, or in amounts or under circumstances in which the State does not provide such medical assistance, the Secretary shall reimburse such State for the non-Federal share of such assistance from amounts appropriated to carry out title XVI, which shall be provided by the Commissioner to the Secretary for this purpose.";

(D) in subsection (b)(2), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(E) in subsection (b), by striking paragraph (3).

(8) Subsections (b) and (c) of section 1127 of such Act (42 U.S.C. 1320a–6) are each amended by striking "Secretary" and inserting "Commissioner of Social Security".

(9) Section 1128(f) of such Act (42 U.S.C. 1320a–7(f)) is amended—

(A) in paragraph (1), by inserting after "section 205(g)" the following: ", except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively", and

(B) in paragraph (3), by inserting after "title II" the following: ", except that, in so applying such section and section 205(l), any reference therein to the Commissioner of Social Security shall be considered a reference to the Secretary".

(10)(A) Section 1129 of such Act (added by section 206(b) of this Act) is amended—

(i) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(ii) in subsection (a)(1)—

(I) by striking "exclude, as provided in section 1128," and inserting "recommend that the Secretary exclude, as provided in section 1128,"; and

(II) by striking "and to direct" and all that follows through "determines";

(iii) in subsection (g)—

(I) by striking "Secretary's" and inserting "Commissioner's"; and

(II) by striking "the provisions" and all that follows and inserting the following: "the Commissioner shall notify the Secretary of the final determination and the reasons therefor, and the Secretary shall then notify the entities described in section 1128A(h) of such final determination.";

(iv) in subsection (k), by inserting "based on a recommendation under subsection (a)" after "section 1128"; and

(v) in subsection (l) (added by section 206(e)(1)), by striking "Department of Health and Human Services" and inserting "Social Security Administration".

(B) Section 206(g) of this Act is amended—

(i) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security"; and

(ii) by striking "Secretary has exercised" and inserting "Commissioner has exercised".

(11) Section 1131 of such Act (42 U.S.C. 1320b–1) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (a)(1)(A), by adding "or" at the end;

(C) in subsection (a)(1)(B), by striking "or" at the end;

(D) by striking subsection (a)(1)(C);

(E) by redesignating subsection (a)(2) as subsection (a)(3);

(F) by inserting after subsection (a)(1) the following new paragraph:

"(2) the Secretary makes a finding of fact and a decision as to the entitlement under section 226 of any individual to hospital insurance benefits under part A of title XVIII, or"; and

(G) in the matter in subsection (a) following paragraph (3) (as so redesignated), by striking "he" and inserting "the Commissioner of Social Security", by striking "paragraph (1)" and inserting "paragraph (1) or (2)", by striking "paragraph (2)" and inserting "paragraph (3)", and by striking "paragraph (1) or (2)(A)" and inserting "paragraph (1), (2), or (3)(A)".

(12) Section 1140 of such Act (42 U.S.C. 1320b–10) (as amended by section 312 of this Act) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "or of the Department of Health and Human Services";

(iii) by striking "which the Secretary shall prescribe" and inserting "which the Commissioner of Social Security shall prescribe"; and

(iv) by adding at the end the following new subparagraph:

"(B) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.";

(B) in subsection (b), by striking "the Secretary" and inserting "the Commissioner or the Secretary (as applicable)";

(C) in subsection (c)(2), by striking "the Secretary" each place it appears and inserting "the Commissioner or the Secretary (as applicable)"; and

(D) in subsection (d), by striking "the Office of Inspector General of the Department of Health and Human Services" and inserting "the Office of the Inspector General of the Social Security Administration or the Office of the Inspector General of the Department of Health and Human Services (as appropriate)".

(13) Section 1141 of such Act (42 U.S.C. 1320b–11) is amended—

(A) by striking "Secretary" each place it appears and inserting "Commissioner of Social Security";

(B) by striking "Secretary's" each place it appears and inserting "Commissioner's";

(C) in the first sentence of subsection (a), by striking "under the direction of the Commissioner of Social Security,"; and

(D) in subsection (d)(6), by striking "Department of Health Services and inserting "Social Security Administration".

(14) Section 1155 of such Act (42 U.S.C. 1320c–4) is amended by striking "(to the same extent as is provided in section 205(b))" and all that follows and inserting "(to the same extent as beneficiaries under title II are entitled to a hearing by the Commissioner of Social Security under section 205(b)). For purposes of the preceding sentence, subsection (l) of section 205 shall apply, except that any reference in such subsection to the Commissioner of Social Security or the Social Security Administration shall be deemed a reference to the Secretary or the Department of Health and Human Services, respectively. Where the amount in controversy is $2,000 or more, such beneficiary shall be entitled to judicial review of any final decision relating to a reconsideration described in this subsection.".

(c) AMENDMENTS TO TITLE XVIII.—

(1) Section 1817 of such Act (42 U.S.C. 1395i) is amended—

(A) in subsection (a), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(B) in subsection (b), by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury"; and

(C) in subsection (f), by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 1840(a) of such Act (42 U.S.C. 1395s(a)) is amended—

(A) in paragraph (1), by striking "Secretary" and inserting "Commissioner of Social Security", and by adding at the end the following new sentence: "Such regulations shall be prescribed after consultation with the Secretary."; and

(B) in paragraph (2), by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(3) Section 1841(b) of such Act (42 U.S.C. 1395t) is amended by inserting "the Commissioner of Social Security," before "the Secretary of the Treasury".

(4) Section 1872 of such Act (42 U.S.C. 1395ii) is amended by inserting after "title II" the following: ", except that, in applying such provisions with respect to this title, any reference

therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(5) Sections 1866(h)(1), 1869(b)(1), and 1881(g)(3) of such Act (42 U.S.C. 1395cc(h)(1), 1395ff(b)(1), 1395rr(g)(3)) are amended by inserting after "section 205(g)" the following: ", except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(6) Section 1876(c)(5)(B) of such Act (42 U.S.C. 1395mm(c)(5)(B)) is amended by adding at the end the following: "In applying sections 205(b) and 205(g) as provided in this subparagraph, and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively.".

(d) AMENDMENTS TO TITLE XIX.—

(1) Section 1902(a)(10)(A)(ii)(XI) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XI)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(2) Section 1905(j) of such Act (42 U.S.C. 1396d(j)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(3) Section 1905(q)(2) of such Act (42 U.S.C. 1396d(q)(2)) is amended by striking "Secretary" and inserting "Commissioner of Social Security".

(4) Section 1910(b)(2) of such Act (42 U.S.C. 1396i(b)(2)) is amended, in the first sentence, by inserting after "section 205(g)" the following: ", except that, in so applying such sections and in applying section 205(l) thereto, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(5) Section 1918 of such Act (42 U.S.C. 1396q) is amended by inserting after "title II" the following: ", except that, in so applying such subsections, and in applying section 205(l) thereto, with respect to this title, any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively".

(e) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) by adding at the end of section 5312 the following new item:

"Commissioner of Social Security, Social Security Administration.";

(2) by adding at the end of section 5313 the following new item:

"Deputy Commissioner of Social Security, Social Security Administration.";

(3) by adding at the end of section 5315 the following new item:

"Inspector General, Social Security Administration.";

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears in section 8141 and inserting "Commissioner of Social Security"; and

(5) by striking "Secretary of Health and Human Services" in section 8347(m)(3) and inserting "Commissioner of Social Security".

(f) AMENDMENTS TO FOOD STAMP ACT OF 1977.—

(1) Sections 6(c)(3) and 8(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(3) and 2017(e)(6)) are each amended by inserting "the Commissioner of Social Security and" before "the Secretary of Health and Human Services".

(2) Sections 6(g), 11(j), and 16(e) of such Act (7 U.S.C. 2015(g), 2020(j), and 2025(e)) are each amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding ", the Commissioner of Social Security" after "the Secretary".

(g) AMENDMENT TO TITLE 14, UNITED STATES CODE.—Section 707(e)(3) of title 14, United States Code, is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(h) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) Subsections (c)(1), (c)(2)(E), (e)(2), (g)(1), (g)(2)(A), and (g)(2)(B) of section 1402 of the Internal Revenue Code of 1986 are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(2) Section 3121(b)(10)(B) of such Code is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(3) Section 3127 of such Code is amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(4) Section 6050F(c)(1)(A) of such Code is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(5) Subsections (d) and (f) of section 6057 of such Code are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(6) Section 6103(l)(5) of such Code is amended—

(A) by striking "DEPARTMENT OF HEALTH AND HUMAN SERVICES" in the heading and inserting "SOCIAL SECURITY ADMINISTRATION"; and

(B) by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(7) Subsections (d)(3)(C) and (e) of section 6402 of such Code are amended by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security".

(8) Section 6511(d)(5) of such Code is amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(9)(A) Subsections (b)(2) and (h) of section 9704 of such Code are amended by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security".

(B) Section 9706 of such Code is amended—

(i) by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security";

(ii) in such section as amended by clause (i), by striking "Secretary" each place it appears and inserting "Commissioner"; and

(iii) in subsection (d)(3), by striking "Secretary's" and inserting "Commissioner's".

(i) AMENDMENTS TO BLACK LUNG BENEFITS ACT.—

(1) Section 402(c) of the Black Lung Benefits Act (30 U.S.C. 902(c)) is amended by striking "where used in part B" and all that follows through "part C" and insert "where used in part C".

(2) Part B of such Act (30 U.S.C. 921 et seq.) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security, and by striking "Secretary" each place it otherwise appears in reference to the Secretary of Health and Human Services and inserting "Commissioner of Social Security".

(3) Section 426 of such Act (30 U.S.C. 936) is amended—

(A) in subsection (a), by striking "and the Secretary of Health, Education, and Welfare" and inserting ", the Commissioner of Social Security, and the Secretary of Health and Human Services"; and

(B) in subsection (b), by striking "the Secretary of Health, Education, and Welfare" and inserting "the Commissioner of Social Security".

(4) Section 435 of such Act (30 U.S.C. 945) is amended by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Commissioner of Social Security".

(5) Section 508 of such Act (30 U.S.C. 957) is amended by striking "the Secretary of Health, Education, and Welfare," and inserting "the Secretary of Health and Human Services, the Commissioner of Social Security,".

(j) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) Section 901(b)(2) of title 31, United States Code, is amended by adding at the end the following:

"(H) The Social Security Administration.".

(2) Section 3720A(f)(2) of such title is amended by striking "Secretary of Health and Human Services" each place it appears in and inserting "Commissioner of Social Security".

(k) AMENDMENTS TO TITLE 38, UNITED STATES CODE.—Section 5105 of title 38, United States Code, is amended—

(1) by striking "Secretary of Health and Human Services" each place it appears and inserting "Commissioner of Social Security"; and

(2) by striking the second sentence of subsection (b) and inserting the following new sentence: "A copy of each such application filed with either the Secretary or the Commissioner, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Secretary or the Commissioner with such application, and which may be needed by the other official in connection therewith, shall be transmitted by the Secretary or the Commissioner receiving the application to the other official.".

(l) AMENDMENTS TO INSPECTOR GENERAL ACT OF 1978.—

(1) Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) by striking "and" at the end of suchparagraph (V); and

(B) by adding at the end the following new subparagraph:

"(W) of the Social Security Administration, the functions of the Inspector General of the Department of Health and Human Services which are transferred to the Social Security Administration by the Social Security Independence and Program Improvements Act of 1994 (other than functions performed pursuant to section 105(a)(2) of such Act), except that such transfers shall be made in accordance with the provisions of such Act and shall not be subject to subsections (b) through (d) of this section; and".

(2) Section 11 of such Act (5 U.S.C. App.) is amended—

(A) in paragraph (1), by inserting "; or the Commissioner of Social Security, Social Security Administration" before "; as the case may be"; and

(B) in paragraph (2), by inserting ", or the Social Security Administration" before "; as the case may be".

(m) SECTION 505 OF THE SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980.—Section 505 of the Social Security Disability Amendments of 1980 is amended—

(1) in subsection (a), by striking "Secretary of Health and Human Services" and inserting "Commissioner of Social Security";

(2) in subsection (a)(3), by amending the first sentence to read as follows: "In the case of any experiment or demonstration project under paragraph (1) which is initiated before June 10, 1996, the Commissioner may waive compliance with the benefit requirements of title II of the Social Security Act, and the Secretary of Health and Human Services may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII of such Act, insofar as is necessary for a thorough evaluation of the alternative methods under consideration."; and

(3) in subsections (a) and (c), by striking "Secretary" each place it otherwise appears and inserting "Commissioner".

SEC. 109. RULES OF CONSTRUCTION.

(a) REFERENCES TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Department of Health and Human Services with respect to such Department's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Social Security Administration.

(b) REFERENCES TO THE SECRETARY OF HEALTH AND HUMAN SERVICES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to the Secretary of Health and Human Services with respect to such Secretary's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the Commissioner of Social Security pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the Commissioner of Social Security.

(c) REFERENCES TO OTHER OFFICERS AND EMPLOYEES.—Whenever any reference is made in any provision of law (other than this title or a provision of law amended by this title), regulation, rule, record, or document to any other officer or employee of the Department of Health and Human Services with respect to such officer or employee's functions under the old-age, survivors, and disability insurance program under title II of the Social Security Act or the supplemental security income program under title XVI of such Act or other functions performed by the officer or employee of the Social Security Administration pursuant to section 105(a)(2) of this Act, such reference shall be considered a reference to the appropriate officer or employee of the Social Security Administration.

SEC. 110. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this title, this title, and the amendments made by such title, shall take effect March 31, 1995.

(b) TRANSITION RULES.—Section 106 shall take effect on the date of the enactment of this Act.

(c) EXCEPTIONS.—The amendments made by section 103, subsections (b)(4) and (c) of section 105, and subsections (a)(1), (e)(1), (e)(2), (e)(3), and (l)(2) of section 108 shall take effect on the date of the enactment of this Act.

TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI

SEC. 201. RESTRICTIONS ON PAYMENT OF BENEFITS BASED ON DISABILITY TO SUBSTANCE ABUSERS.

(a) AMENDMENTS RELATING TO BENEFITS BASED ON DISABILITY UNDER TITLE II OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 205(j)(1) of the Social Security Act (42 U.S.C. 405(j)(1)) is amended—

(i) by inserting "(A)" after "(j)(1)";

(ii) in the last sentence, by inserting ", if the interest of the individual under this title would be served thereby," after "alternative representative payee or"; and

(iii) by adding at the end the following new subparagraph:

"(B) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, certification of payment of such benefits to a representative payee shall be deemed to serve the interest of such individual under this title. In any case in which such certification is so deemed under this subparagraph to serve the interest of an individual, the Secretary shall include, in such individual's notification of entitlement, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary's determination of such individual's disability and that the Secretary is therefore required to make a certification of payment of such individual's benefits to a representative payee.".

(B) CONFORMING AMENDMENT.—Section 205(j)(2)(D)(ii)(II) of such Act (42 U.S.C. 402(j)(2)(D)(ii)(II)) is amended by striking "or under the age of 15" and inserting ", under the age of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability) is eligible for benefits under this title by reason of disability.".

(C) 90-DAY DELAY IN DEFERRAL OR SUSPENSION OF BENEFITS FOR CURRENT BENEFICIARIES.—In the case of an individual who, as of 180 days after the date of the enactment of this Act, has been determined to be under a disability, if alcoholism or drug addiction is a contributing factor material to the determination of the Secretary of Health and Human Services that the individual is under a disability, the Secretary may, notwithstanding clauses (i) and (ii) of section 205(j)(2)(D) of the Social Security Act, make direct payment of benefits to such individual during the 90-day period commencing with the date on which such individual is provided the notice described in subparagraph (D)(ii) of this paragraph, until such time during such period as the selection of a representative payee is made pursuant to section 205(j) of such Act.

(D) EFFECTIVE DATE.—

(i) GENERAL RULE.—Except as provided in clause (ii), the amendments made by this paragraph shall apply with respect to benefits paid in months beginning after 180 days after the date of the enactment of this Act.

(ii) TREATMENT OF CURRENT BENEFICIARIES.—In any case in which—

(I) an individual is entitled to benefits based on disability (as defined in section 205(j)(7) of the Social Security Act, as amended by this section),

(II) the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and

(III) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability,

the amendments made by this paragraph shall apply with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that the Secretary is therefore required to make a certification of payment of such individual's benefits to a representative payee.

(E) STUDY REGARDING FEASIBILITY, COST, AND EQUITY OF REQUIRING REPRESENTATIVE PAYEES FOR ALL DISABILITY BENEFICIARIES SUFFERING FROM ALCOHOLISM OR DRUG ADDICTION.—

(i) STUDY.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of the representative payee program. In such study, the Secretary shall examine—

(I) the feasibility, cost, and equity of requiring representative payees for all individuals entitled to benefits based on disability under title II or XVI of the Social Security Act who suffer from alcoholism or drug addiction, irrespective of whether the alcoholism or drug addiction was material in any case to the Secretary's determination of disability,

(II) the feasibility, cost, and equity of providing benefits through non-cash means, including (but not limited to) vouchers, debit cards, and electronic benefits transfer systems,

(III) the extent to which child beneficiaries are afflicted by drug addition or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and

(IV) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify children's representative payees afflicted by drug addition or alcoholism and to ensure that benefits continue to be provided to beneficiaries appropriately.

(ii) REPORT.—Not later than December 31, 1995, the Secretary shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report setting forth the findings of the Secretary based on such study. Such report shall include such recommendations for administrative or legislative changes as the Secretary considers appropriate.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 205(j)(2)(C) of such Act (42 U.S.C. 405(j)(2)(C)) is amended by adding at the end the following new clause:

"(v) In the case of an individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State,

"(II) a Federal, State, or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities,

"(III) a State or local government agency with fiduciary responsibilities, or

"(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 205(j)(4)(A) of such Act (42 U.S.C. 405(j)(4)) is amended—

(I) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(II) by inserting "(i)" after "(4)(A)";

(III) by striking subclause (II) (as redesignated by subclause (I) of this clause) and inserting the following:

"(II) $25.00 per month ($50.00 per month in any case in which the individual is entitled to

benefits based on disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability).'';

(IV) by inserting, after and below subclause (II) (as amended), the following new sentence:

''The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of $1.00 shall be rounded to the nearest multiple of $1.00.''; and

(V) by adding at the end the following new clause:

''(ii) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom all past-due benefits have not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).''.

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 205(j)(4)(B) of such Act (42 U.S.C. 405(j)(4)(B))) is amended—

(I) by inserting ''State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any'' after ''means any'';

(II) by striking ''representative payee and which,'' and inserting ''representative payee, if such agency,'';

(III) by striking '', and'' at the end of clause (ii) and inserting a period; and

(IV) by striking clause (iii).

(iii) RETROACTIVE REPEAL OF SUNSET.—Effective July 1, 1994, section 205(j)(4) of such Act (42 U.S.C. 405(j)(4)) is amended by striking subparagraph (D).

(C) DEFINITION.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended by adding at the end the following new paragraph:

''(7) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on such individual's disability.''.

(D) EFFECTIVE DATE.—Except as provided in subparagraph (B)(iii), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 225 of such Act (42 U.S.C. 425) is amended—

(i) by striking the heading and inserting the following:

''ADDITIONAL RULES RELATING TO BENEFITS
BASED ON DISABILITY

''Suspension of Benefits'';

(ii) by inserting before subsection (b) the following new heading:

''Continued Payments During Rehabilitation Program'';

and

(iii) by adding at the end the following new subsection:

''Nonpayment or Termination of Benefits Where Entitlement Involves Alcoholism or Drug Addiction

''(c)(1)(A) In the case of any individual entitled to benefits based on disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability, such individual shall comply with the provisions of this subsection. In any case in which an individual is required to comply with the provisions of this subsection, the Secretary shall include, in such individual's notification of entitlement, a notice informing such individual of such requirement.

''(B) Notwithstanding any other provision of this title, if an individual who is required under subparagraph (A) to comply with the provisions of this subsection is determined by the Secretary not to be in compliance with the provisions of this subsection, such individual's benefits based on disability shall be suspended for a period—

''(i) commencing with the first month following the month in which such individual is notified by the Secretary of the determination of noncompliance and that the individual's benefits will be suspended, and

''(ii) ending with the month preceding the first month, after the determination of noncompliance, in which such individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in paragraph (3).

''(2)(A) An individual described in paragraph (1) is in compliance with the requirements of this subsection for a month if in such month—

''(i) such individual undergoes substance abuse treatment which is appropriate for such individual's condition diagnosed as alcoholism or drug addiction and for the stage of such individual's rehabilitation and which is conducted at an institution or facility approved for purposes of this subsection by the Secretary, and

''(ii) such individual complies in such month with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under paragraph (5).

''(B) An individual described in paragraph (1) may be determined as failing to comply with the requirements of this subsection for a month only if treatment meeting the requirements of subparagraph (A)(i) is available for that month, as determined pursuant to regulations of the Secretary.

''(3) The applicable period specified in this paragraph is—

''(A) 2 consecutive months, in the case of a first determination that an individual is not in compliance with the requirements of this subsection,

''(B) 3 consecutive months, in the case of the second such determination with respect to the individual, or

''(C) 6 consecutive months, in the case of the third or subsequent such determination with respect to the individual.

''(4) In any case in which an individual's benefit is suspended for a period of 12 consecutive months for failure to comply with treatment described in paragraph (2) of this subsection, the month following such period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), the termination month with respect to such entitlement.

''(5)(A) The Secretary shall provide for the monitoring and testing of individuals who are receiving benefits under this title and who as a condition of payment of such benefits are required to be undergoing treatment under paragraph (1) and complying with the terms, conditions, and requirements thereof as described in paragraph (2)(A), in order to assure such compliance.

''(B) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

''(i) defining appropriate treatment for alcoholics and drug addicts who are subject to appropriate substance abuse treatment required under this subsection, and

''(ii) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress expected to be achieved by participants in such programs.

''(C)(i) For purposes of carrying out the requirements of subparagraphs (A) and (B), the Secretary shall provide for the establishment of one or more referral and monitoring agencies for each State.

''(ii) Each referral and monitoring agency for a State shall—

''(I) identify appropriate placements, for individuals residing in such State who are entitled to benefits based on disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are under a disability, where they may obtain treatment described in paragraph (2)(A),

''(II) refer such individuals to such placements for such treatment, and

''(III) monitor compliance with the requirements of paragraph (2)(A) by individuals who are referred by the agency to such placements and promptly report failures to comply to the Secretary.

''(D) There are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund such sums as are necessary to carry out the requirements of this paragraph for referral, monitoring, and testing.

''(6)(A) In the case of any individual who is entitled to a benefit based on disability for any month, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability, payment of any past-due monthly insurance benefits under this title to which such individual is entitled shall be made in any month only to the extent that the sum of—

''(i) the amount of such past-due benefit paid in such month, and

''(ii) the amount of any benefit for the preceding month under such current entitlement which is payable in such month,

does not exceed, subject to subparagraph (B), twice the amount of such individual's benefit for the preceding month (determined without applying any reductions or deductions under this title).

''(B)(i) In the case of an individual who is no longer currently entitled to monthly insurance benefits under this title but to whom any amount of past-due benefits has not been paid, for purposes of subparagraph (A), such individual's monthly insurance benefit for such individual's last month of entitlement shall be treated as such individual's benefit for the preceding month.

''(ii) For the first month in which an individual's past-due benefits referred to in subparagraph (A) are paid, the amount of the limitation provided in subparagraph (A) shall be increased by the amount of any debts of such individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for such individual.

''(C) Upon the death of an individual to whom payment of past-due benefits has been limited under subparagraph (A), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 204.

''(D) In the case of an individual who would be entitled to benefits based on disability but for termination of such benefits under paragraph (4) or (7), such individual shall be entitled to payment of past-due benefits under this paragraph as if such individual continued to be entitled to such terminated benefits.

''(7)(A) Subject to subparagraph (B), in the case of any individual entitled to benefits based on disability, if—

"(i) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability, and

"(ii) as of the end of the 36-month period beginning with such individual's first month of entitlement, such individual would not otherwise be disabled but for alcoholism or drug addiction,

the month following such 36-month period shall be deemed, for purposes of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202 (as applicable), the termination month with respect to such entitlement. Such individual whose entitlement is terminated under this paragraph may not be entitled to benefits based on disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary's determination that such individual is under a disability.

"(B) In determining whether the 36-month period referred to in subparagraph (A) has elapsed—

"(i) a month shall not be taken into account unless the Secretary determines, under regulations of the Secretary, that treatment required under this subsection is available to the individual for the month, and

"(ii) any month for which a suspension is in effect for the individual under paragraph (1)(B) shall not be taken into account.

"(8) Monthly insurance benefits under this title which would be payable to any individual (other than the disabled individual to whom benefits are not payable by reason of this subsection) on the basis of the wages and self-employment income of such disabled individual but for the provisions of paragraph (1), (4), or (7) shall be payable as though such paragraph did not apply.

"(9) For purposes of this subsection, the term 'benefit based on disability' of an individual means a disability insurance benefit of such individual under section 223 or a child's, widow's, or widower's insurance benefit of such individual under section 202 based on the disability of such individual.".

(B) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under paragraph (5) of section 225(c) of the Social Security Act (as amended by subparagraph (A)). Such report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of such paragraph.

(C) SUNSET OF 36-MONTH RULE.—Section 225(c)(7) of the Social Security Act (added by subparagraph (A)) shall cease to be effective with respect to benefits for months after September 2004.

(D) PRESERVATION OF MEDICARE BENEFITS.—

(i) Section 226 of such Act (42 U.S.C. 426) is amended by adding at the end the following:

"(i) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.".

(ii) Section 226A of such Act (42 U.S.C. 426A) is amended by adding at the end the following:

"(c) For purposes of this section, each person whose monthly insurance benefit for any month is terminated or is otherwise not payable solely by reason of paragraph (1) or (7) of section 225(c) shall be treated as entitled to such benefit for such month.".

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to benefits based on disability (as defined in section 225(c)(9) of the Social Security Act, added by this section) which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this paragraph not later than 180 days after the date of the enactment of this Act.

(ii) REFERRAL AND MONITORING AGENCIES.—Section 225(c)(5) of the Social Security Act (added by this subsection) shall take effect 180 days after the date of the enactment of this Act.

(iii) TERMINATION AFTER 36 MONTHS.—Section 225(c)(7) of the Social Security Act (added by this subsection) shall apply with respect to benefits based on disability (as so defined) for months beginning after 180 days after the date of the enactment of this Act.

(F) TRANSITION RULES FOR CURRENT BENEFICIARIES.—In any case in which an individual is entitled to benefits based on disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is under a disability—

(i) TREATMENT REQUIREMENT.—Paragraphs (1) through (4) of section 225(c) of the Social Security Act (added by this subsection) shall apply only with respect to benefits paid in months after the month in which such individual is notified by the Secretary in writing that alcoholism or drug addiction is a contributing factor material to the Secretary's determination and that such individual is therefore required to comply with the provisions of section 225(c) of such Act.

(ii) TERMINATION AFTER 36 MONTHS.—

(I) IN GENERAL.—For purposes of section 225(c)(7) of the Social Security Act (added by this subsection), the first month of entitlement beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of entitlement to such benefits.

(II) CONCURRENT BENEFICIARIES CURRENTLY UNDER TREATMENT.—In any case in which the individual is also entitled to benefits under title XVI and, as of 180 days after the date of the enactment of this Act, such individual is undergoing treatment required under section 1611(e)(3) of the Social Security Act (as in effect immediately before the date of the enactment of this Act), the Secretary of Health and Human Services shall notify such individual of the provisions of section 225(c)(7) of the Social Security Act (added by this subsection) not later than 180 days after the date of the enactment of this Act.

(III) CONCURRENT BENEFICIARIES NOT CURRENTLY UNDER TREATMENT.—In any case in which the individual is also entitled to benefits under title XVI but, as of 180 days after the date of the enactment of this Act, such individual is not undergoing treatment described in subclause (II), section 225(c)(7) (added by this subsection) shall apply only with respect to benefits for months after the month in which treatment required under section 1611(e)(3) of the Social Security Act (as amended by subsection (b)) is available, as determined under regulations of the Secretary of Health and Human Services, and the Secretary notifies such individual of the availability of such treatment and describes in such notification the provisions of section 225(c)(7) of the Social Security Act (added by this subsection).

(4) IRRELEVANCE OF LEGALITY OF SERVICES PERFORMED IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended—

(i) by inserting "(A)" after "(4)"; and

(ii) by adding at the end the following new subparagraph:

"(B) In determining under subparagraph (A) when services performed or earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, the Secretary shall apply the criteria described in subparagraph (A) with respect to services performed by any individual without regard to the legality of such services.".

(B) CONFORMING AMENDMENT RELATING TO TRIAL WORK.—Section 222(c)(2) of such Act (42 U.S.C. 422(c)(2)) is amended by inserting "(whether legal or illegal)" after "activity".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of the enactment of this Act.

(b) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME BENEFITS UNDER TITLE XVI OF THE SOCIAL SECURITY ACT.—

(1) REQUIRED PAYMENT OF BENEFITS TO REPRESENTATIVE PAYEES.—

(A) IN GENERAL.—Section 1631(a)(2)(A) of the Social Security Act (42 U.S.C. 1383(a)(2)(A)) is amended—

(i) in clause (ii)—

(I) by inserting "(I)" after "(ii)";

(II) by striking "or in the case of any individual or eligible spouse referred to in section 1611(e)(3)(A),"; and

(III) by adding after and below the end the following:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual under this title. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Secretary shall include, in the individual's notification of such eligibility, a notice that alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled and that the Secretary is therefore required to pay the individual's benefits to a representative payee."; and

(ii) in clause (iii), by striking "to the individual or eligible spouse or to an alternative representative payee of the individual or eligible spouse" and inserting "to an alternative representative payee of the individual or eligible spouse or, if the interest of the individual under this title would be served thereby, to the individual or eligible spouse".

(B) CONFORMING AMENDMENT.—Section 1631(a)(2)(B)(viii)(II) of such Act (42 U.S.C. 1383(a)(2)(B)(viii)(II)) is amended by striking "15 years" and all that follows and inserting "of 15 years, or (if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled) is eligible for benefits under this title by reason of disability.".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply with respect to months beginning after 180 days after the date of the enactment of this Act.

(2) INCREASED RELIANCE ON PROFESSIONAL REPRESENTATIVE PAYEES.—

(A) PREFERENCE REQUIRED FOR ORGANIZATIONAL REPRESENTATIVE PAYEES.—Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)), as amended by paragraph (1)(B) of this subsection, is amended—

(i) by redesignating clauses (vii) through (xii) as clauses (viii) through (xiii), respectively;

(ii) by inserting after clause (vi) the following:

"(vii) In the case of an individual eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing

factor material to the Secretary's determination that the individual is disabled, when selecting such individual's representative payee, preference shall be given to—

"(I) a community-based nonprofit social service agency licensed or bonded by the State;

"(II) a Federal, State, or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities;

"(III) a State or local government agency with fiduciary responsibilities; or

"(IV) a designee of an agency (other than of a Federal agency) referred to in the preceding subclauses of this clause, if the Secretary deems it appropriate,

unless the Secretary determines that selection of a family member would be appropriate.";

(iii) in clause (viii) (as so redesignated), by striking "clause (viii)" and inserting "clause (ix)";

(iv) in clause (ix) (as so redesignated), by striking "(vii)" and inserting "(viii)";

(v) in clause (xiii) (as so redesignated)—

(I) by striking "(xi)" and inserting "(xii)"; and

(II) by striking "(x)" and inserting "(xi)".

(B) AVAILABILITY OF PUBLIC AGENCIES AND OTHER QUALIFIED ORGANIZATIONS TO SERVE AS REPRESENTATIVE PAYEES.—

(i) ALLOWABLE FEES.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended—

(I) in clause (i)—

(aa) by striking subclause (II) and inserting the following:

"(II) $25.00 per month ($50.00 per month in any case in which an individual is eligible for benefits under this title by reason of disability and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled)."; and

(bb) by inserting after the 1st sentence the following:

"The Secretary shall adjust annually (after 1995) each dollar amount set forth in subclause (II) of this clause under procedures providing for adjustments in the same manner and to the same extent as adjustments are provided for under the procedures used to adjust benefit amounts under section 215(i)(2)(A), except that any amount so adjusted that is not a multiple of $1.00 shall be rounded to the nearest multiple of $1.00."; and

(II) by adding at the end the following:

"(v) In the case of an individual who is no longer eligible for benefits under this title but to whom any amount of past-due benefits under this title has not been paid, for purposes of clause (i), any amount of such past-due benefits payable in any month shall be treated as a monthly benefit referred to in clause (i)(I).".

(ii) INCLUSION OF STATE AND LOCAL AGENCIES AS QUALIFIED ORGANIZATIONS.—Section 1631(a)(2)(D)(ii) of such Act (42 U.S.C. 1383(a)(2)(D)(ii)) is amended—

(I) by inserting "State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any" after "means any";

(II) by inserting a comma after "service agency";

(III) by adding "and" at the end of subclause (I); and

(IV) in subclause (II)—

(aa) by adding "and" at the end of item (aa);

(bb) by striking "; and" at the end of item (bb) and inserting a period; and

(cc) by striking item (cc).

(iii) RETROACTIVE REPEAL OF SUNSET.—

(I) REPEAL.—Effective July 1, 1994, section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by striking clause (iv).

(II) CONFORMING AMENDMENT.—Section 1631(a)(2)(D) of such Act (42 U.S.C. 1383(a)(2)(D)) is amended by redesignating clause (v) (as added by clause (i)(II) of this subparagraph) as clause (iv).

(C) EFFECTIVE DATE.—Except as provided in subparagraph (B)(iii)(I), the amendments made by this paragraph shall apply with respect to months beginning after 90 days after the date of the enactment of this Act.

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) IN GENERAL.—Section 1611(e)(3)(A) of such Act (42 U.S.C. 1382(e)(3)(A)) is amended to read as follows:

"(A)(i)(I) In the case of any individual eligible for benefits under this title solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, the individual shall comply with the provisions of this subparagraph. In any case in which an individual is required to comply with the provisions of this subparagraph, the Secretary shall include in the individual's notification of such eligibility a notice informing the individual of such requirement.

"(II) Notwithstanding any other provision of this title, if an individual who is required under subclause (I) to comply with the requirements of this subparagraph is determined by the Secretary not to be in compliance with the provisions of this subparagraph, the individual's benefits under this title by reason of disability shall be suspended for a period—

"(aa) commencing with the first month following the month in which the individual is notified by the Secretary of the determination of noncompliance and that the individual's benefits will be suspended; and

"(bb) ending with the month preceding the first month, after the determination of noncompliance, in which the individual demonstrates that he or she has reestablished and maintained compliance with such provisions for the applicable period specified in clause (iii).

"(ii)(I) An individual described in clause (i) is in compliance with the requirements of this subparagraph for a month if in such month—

"(aa) the individual undergoes substance abuse treatment, which is appropriate for the individual's condition diagnosed as alcoholism or drug addiction and for the stage of the individual's rehabilitation and which is conducted at an institution or facility approved for purposes of this subparagraph by the Secretary; and

"(bb) the individual complies in such month with the terms, conditions, and requirements of the treatment and with requirements imposed by the Secretary under this paragraph.

"(II) An individual described in clause (i) may be determined as failing to comply with the requirements of this subparagraph for a month only if treatment meeting the requirements of subclause (I)(aa) is available for the month, as determined pursuant to regulations of the Secretary.

"(iii) The applicable period specified in this clause is—

"(I) 2 consecutive months, in the case of a 1st determination that an individual is not in compliance with the requirements of this subparagraph;

"(II) 3 consecutive months, in the case of the 2nd such determination with respect to the individual; or

"(III) 6 consecutive months, in the case of the 3rd or subsequent such determination with respect to the individual.

"(iv) An individual who is not in compliance with this paragraph for 12 consecutive months shall not be eligible for supplemental security income benefits under this title. The preceding sentence shall not be construed to prevent the individual from reapplying and becoming eligible for such benefits.

"(v)(I) In the case of any individual eligible for benefits under this title by reason of disability, if—

"(aa) alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled; and

"(bb) as of the end of the 36-month period beginning with the 1st month for which such benefits by reason of disability are payable to the individual, the individual would not otherwise be disabled but for alcoholism or drug addiction,

the individual shall not be eligible for such benefits by reason of disability for any month following such 36-month period if, in such following month, alcoholism or drug addiction would be a contributing factor material to the Secretary's determination that the individual is disabled, notwithstanding section 1619(a).

"(II) An individual whose entitlement to benefits under title II based on disability has been terminated by reason of section 225(c)(7) shall not be eligible for benefits under this title by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, for any month after the individual's termination month (within the meaning of section 223(a)(1) or subsection (d)(1)(G)(i), (e)(1), or (f)(1) of section 202, as applicable) with respect to such benefits.

"(III) Any month for which a suspension is in effect for the individual under clause (i)(II) shall not be taken into account in determining whether any 36-month period referred to in this clause has elapsed.

"(vi)(I) In the case of any individual who is eligible for benefits under this title for any month solely by reason of disability, if alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, payment of any benefits under this title the payment of which is past due shall be made in any month only to the extent that the sum of—

"(aa) the amount of the past-due benefit paid in the month; and

"(bb) the amount of any benefit under this title which is payable to the individual for the month,

does not exceed twice the maximum benefit payable under this title to an eligible individual for the preceding month.

"(II) For the first month in which an individual's past-due benefits referred to in subclause (I) are paid, the amount of the limitation provided in subclause (I) shall be increased by the amount of any debts of the individual related to housing which are outstanding as of the end of the preceding month and which are resulting in a high risk of homelessness for the individual.

"(III) Upon the death of an individual to whom payment of past-due benefits has been limited under subclause (I), any amount of such past-due benefits remaining unpaid shall be treated as an underpayment for purposes of section 1631(b)(1)(A).

"(IV) As used in this clause, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

"(V) In the case of an individual who would be eligible for benefits under this title by reason of disability but for termination of such benefits under clause (iv) or (v), the individual shall be eligible for payment of past-due benefits under this clause as if the individual continued to be eligible for such terminated benefits.

"(VI) Subclause (I) shall not apply to payments under section 1631(g).".

(B) REFERRAL, MONITORING, AND TREATMENT.—

(i) IN GENERAL.—Section 1611(e)(3)(B) of such Act (42 U.S.C. 1382(e)(3)(B)) is amended—

(I) by inserting "(i)" after "(B)";

(II) by striking the 2nd sentence; and

(III) by adding after and below the end following:

"(ii) The Secretary, in consultation with drug and alcohol treatment professionals, shall issue regulations—

"(I) defining appropriate treatment for alcoholics and drug addicts who are subject to required appropriate substance abuse treatment under this subparagraph; and

"(II) establishing guidelines to be used to review and evaluate their compliance, including measures of the progress expected to be achieved by participants in such programs.

"(iii)(I) For purposes of carrying out the requirements of clauses (i) and (ii), the Secretary shall provide for the establishment of 1 or more referral and monitoring agencies for each State.

"(II) Each referral and monitoring agency for a State shall—

"(aa) identify appropriate placements, for individuals residing in the State who are eligible for benefits under this title by reason of disability and with respect to whom alcoholism or drug addiction is a contributing factor material to the Secretary's determination that they are disabled, where they may obtain treatment described in subparagraph (A)(ii)(I);

"(bb) refer such individuals to such placements for such treatment; and

"(cc) monitor compliance with the requirements of subparagraph (A) by individuals who are referred by the agency to such placements, and promptly report to the Secretary any failure to comply with such requirements.".

(ii) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under section 1611(e)(3)(B) of the Social Security Act. The report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of the amendments made by clause (i) of this subparagraph.

(C) SUNSET OF 36-MONTH RULE.—Section 1611(e)(3)(A)(v) of the Social Security Act (added by subparagraph (A) of this paragraph) shall cease to be effective with respect to benefits for months after September 2004.

(D) PRESERVATION OF MEDICAID BENEFITS.—Section 1634 of such Act (42 U.S.C. 13283c) is amended by adding at the end the following:

"(e) Each person to whom benefits under this title by reason of disability are not payable for any month solely by reason of clause (i) or (v) of section 1611(e)(3)(A) shall be treated, for purposes of title XIX, as receiving benefits under this title for the month.".

(E) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this paragraph shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability which are otherwise payable in months beginning after 180 days after the date of the enactment of this Act. The Secretary of Health and Human Services shall issue regulations necessary to carry out the amendments made by this paragraph not later than 180 days after such date of enactment.

(ii) REFERRAL AND MONITORING AGENCIES.—The amendments made by subparagraph (B) shall take effect 180 days after the date of the enactment of this Act.

(iii) TERMINATION AFTER 36 MONTHS.—Clause (v) of section 1611(e)(3)(A) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph) shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act by reason of disability for months beginning after 180 days after the date of the enactment of this Act.

(F) TRANSITION RULES FOR CURRENT BENEFICIARIES.—In any case in which an individual is eligible for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, the determination of disability was made by the Secretary of Health and Human Services during or before the 180-day period following the date of the enactment of this Act, and alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled, for purposes of section 1611(e)(3)(A)(v) of the Social Security Act (added by the amendment made by subparagraph (A) of this paragraph)—

(i) the first month of such eligibility beginning after 180 days after the date of the enactment of this Act shall be treated as the individual's first month of such eligibility; and

(ii) the Secretary shall notify the individual of the requirements of the amendments made by this paragraph no later than 180 days after the date of the enactment of this Act.

(4) IRRELEVANCE OF LEGALITY OF SUBSTANTIAL GAINFUL ACTIVITY.—

(A) IN GENERAL.—Section 1614(a)(3)(D) of such Act (42 U.S.C. 1382c(a)(3)(D)) is amended by adding at the end the following: "The Secretary shall make determinations under this title with respect to substantial gainful activity, without regard to the legality of the activity.".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect on the date of the enactment of this Act.

(c) DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches with respect to—

(A) individuals who are entitled to disability insurance benefits or child's, widow's, or widower's insurance benefits based on disability under title II of the Social Security Act, and

(B) individuals who are eligible for supplemental security income benefits under title XVI of such Act based solely on disability,

in cases in which alcoholism or drug addiction is a contributing factor material to the Secretary's determination that individuals are under a disability. The Secretary may include in such demonstration projects individuals who are not described in either subparagraph (A) or subparagraph (B) if the inclusion of such individuals is necessary to determine the efficacy of various monitoring, referral, and treatment approaches for individuals described in subparagraph (A) or (B).

(2) SCOPE.—The demonstration projects developed under paragraph (1) shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative approaches under consideration while giving assurance that the results derived from the projects will obtain generally in the operation of the programs involved without committing such programs to the adoption of any particular system either locally or nationally.

(3) FINAL REPORT.—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than December 31, 1997, a final report on the demonstration projects carried out under this subsection, together with any related data and materials which the Secretary may consider appropriate. The authority under this section shall terminate upon the transmittal of such final report.

SEC. 202. COMMISSION ON CHILDHOOD DISABILITY.

(a) ESTABLISHMENT OF COMMISSION.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall appoint a Commission on the Evaluation of Disability in Children (in this section referred to as the "Commission").

(b) APPOINTMENT OF MEMBERS.—(1) The Secretary shall appoint not less than 9 but not more than 15 members to the Commission, including—

(A) recognized experts in the field of medicine, whose work involves—

(i) the evaluation and treatment of disability in children;

(ii) the study of congenital, genetic, or perinatal disorders in children; or

(iii) the measurement of developmental milestones and developmental deficits in children; and

(B) recognized experts in the fields of—

(i) psychology;

(ii) education and rehabilitation;

(iii) law;

(iv) the administration of disability programs; and

(v) social insurance (including health insurance); and

(C) other fields of expertise that the Secretary determines to be appropriate.

(2) Members shall be appointed by January 1, 1995, without regard to the provisions of title 5, United States Code, governing appointments to competitive service.

(3) Members appointed under this subsection shall serve for a term equivalent to the duration of the Commission.

(4) The Secretary shall designate a member of the Commission to serve as Chair of the Commission for a term equivalent to the duration of the Commission.

(c) ADMINISTRATIVE PROVISIONS.—(1) Service as a member of the Commission by an individual who is not otherwise a Federal employee shall not be considered service in an appointive or elective position in the Federal Government for the purposes of title 5, United States Code.

(2) Each member of the Commission who is not a full-time Federal employee shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for Level IV of the Executive Schedule for each day (including travel time) the member attends meetings or otherwise performs the duties of the Commission.

(3) While away from their homes or regular places of business on the business of the Commission, each member who is not a full-time Federal employee may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(d) ASSISTANCE TO COMMISSION.—The Commission may engage individuals skilled in medical and other aspects of childhood disability to provide such technical assistance as may be necessary to carry out the functions of the Commission. The Secretary shall make available to the Commission such secretarial, clerical, and other assistance as the Commission may require to carry out the functions of the Commission.

(e) STUDY BY THE COMMISSION.—(1) The Commission shall conduct a study, in consultation with the National Academy of Sciences, of the effects of the definition of "disability" under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.) in effect on the date of enactment of this Act, as such definition applies to determining whether a child under the age of 18 is eligible to receive benefits under such title, the appropriateness of such definition, and the advantages and disadvantages of using any alternative definition of disability in determining whether a child under age 18 is eligible to receive benefits under such title.

(2) The study described in paragraph (1) shall include issues of—

(A) whether the need by families for assistance in meeting high costs of medical care for children with serious physical or mental impairments, whether or not they are eligible for disability benefits under title XVI of the Social Security Act, might appropriately be met through expansion of Federal health assistance programs;

(B) the feasibility of providing benefits to children through noncash means, including but not limited to vouchers, debit cards, and electronic benefit transfer systems;

(C) the extent to which the Social Security Administration can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity;

(D) alternative ways and providing retroactive supplemental security income benefits to disabled children, including the desirability and feasibility of conserving some portion of such benefits to promote the long-term well-being of such children;

(E) the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity;

(F) the effects of the supplemental security income program on disabled children and their families; and

(G) such other issues that the Secretary determines to be appropriate.

(f) REPORT.—Not later than November 30, 1995, the Commission shall prepare a report and submit such report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate which shall summarize the results of the study described in subsection (e) and include any recommendations that the Commission determines to be appropriate.

SEC. 203. REGULATIONS REGARDING COMPLETION OF PLANS FOR ACHIEVING SELF-SUPPORT.

(a) IN GENERAL.—Section 1633 of the Social Security Act (42 U.S.C. 1383b) is amended by adding at the end the following:

"(d) The Secretary shall establish by regulation criteria for time limits and other criteria related to individuals' plans for achieving self-support, that take into account—

"(1) the length of time that the individual will need to achieve the individual's employment goal (within such reasonable period as the Secretary may establish); and

"(2) other factors determined by the Secretary to be appropriate.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 204. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD.

(a) IN GENERAL.—Section 1611(f) of the Social Security Act (42 U.S.C. 1382(f)) is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by adding after and below the end the following:

"(2) For a period of not more than 1 year, the first sentence of paragraph (1) shall not apply to any individual who—

"(A) was eligible to receive a benefit under this title for the month immediately preceding the first month during all of which the individual was outside the United States; and

"(B) demonstrates to the satisfaction of the Secretary that the absence of the individual from the United States will be—

"(i) for not more than 1 year; and

"(ii) for the purpose of conducting studies as part of an educational program that is—

"(I) designed to substantially enhance the ability of the individual to engage in gainful employment;

"(II) sponsored by a school, college, or university in the United States; and

"(III) not available to the individual in the United States.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1995.

SEC. 205. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES.

(a) IN GENERAL.—Section 1619(b)(1)(B) of the Social Security Act (42 U.S.C. 1382h(b)(1)(B)) is amended by inserting "and increases pursuant to section 215(i) in the level of monthly insurance benefits to which the individual is entitled under title II that occur while such individual is considered to be receiving supplemental security income benefits by reason of this subsection" after "earnings".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to eligibility determinations for months after December 1994.

SEC. 206. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS.

(a) PREVENTION OF FRAUD BY TRANSLATORS OF FOREIGN LANGUAGES.—

(1) OASDI PROGRAMS.—Section 205(c) of the Social Security Act (42 U.S.C. 405(c)) is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following:

"(8) A translation into English by a third party of a statement made in a foreign language by an applicant for or beneficiary of monthly insurance benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

"(A) certifies that the translation is accurate; and

"(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.".

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of benefits under this title shall not be regarded as reliable for any purpose under this title unless the third party, under penalty of perjury—

"(A) certifies that the translation is accurate; and

"(B) discloses the nature and scope of the relationship between the third party and the applicant or recipient, as the case may be.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to translations made on or after October 1, 1994.

(b) CIVIL MONETARY PENALTIES, ASSESSMENTS, AND EXCLUSIONS FOR TITLES II AND XVI.—

(1) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1128B the following:

"SEC. 1129. CIVIL MONETARY PENALTIES AND ASSESSMENTS FOR TITLES II AND XVI.

"(a)(1) Any person (including an organization, agency, or other entity) who makes, or causes to be made, a statement or representation of a material fact for use in determining any initial or continuing right to or the amount of—

"(A) monthly insurance benefits under title II, or

"(B) benefits or payments under title XVI,

that the person knows or should know is false or misleading or knows or should know omits a material fact or makes such a statement with knowing disregard for the truth shall be subject to, in addition to any other penalties that may be prescribed by law, a civil money penalty of not more than $5,000 for each such statement or representation. Such person also shall be subject to an assessment, in lieu of damages sustained by the United States because of such statement or representation, of not more than twice the amount of benefits or payments paid as a result of such a statement or representation. In addition, the Secretary may make a determination in the same proceeding to exclude, as provided in section 1128, such a person who is a medical provider or physician from participation in the programs under title XVIII and to direct the appropriate State agency to exclude the person from participation in any State health care program permanently or for such period as the Secretary determines.

"(2) For purposes of this section, a material fact is one which the Secretary may consider in evaluating whether an applicant is entitled to benefits under title II or eligible for benefits or payments under title XVI.

"(b)(1) The Secretary may initiate a proceeding to determine whether to impose a civil money penalty or assessment, or whether to recommend exclusion under subsection (a) only as authorized by the Attorney General pursuant to procedures agreed upon by the Secretary and the Attorney General. The Secretary may not initiate an action under this section with respect to any violation described in subsection (a) later than 6 years after the date the violation was committed. The Secretary may initiate an action under this section by serving notice of the action in any manner authorized by Rule 4 of the Federal Rules of Civil Procedure.

"(2) The Secretary shall not make a determination adverse to any person under this section until the person has been given written notice and an opportunity for the determination to be made on the record after a hearing at which the person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the person.

"(3) In a proceeding under this section which—

"(A) is against a person who has been convicted (whether upon a verdict after trial or upon a plea of guilty or nolo contendere) of a Federal or State crime charging fraud or false statements; and

"(B) involves the same transaction as in the criminal action;

the person is estopped from denying the essential elements of the criminal offense.

"(4) The official conducting a hearing under this section may sanction a person, including any party or attorney, for failing to comply with an order or procedure, for failing to defend an action, or for such other misconduct as would interfere with the speedy, orderly, or fair conduct of the hearing. Such sanction shall reasonably relate to the severity and nature of the failure or misconduct. Such sanction may include—

"(A) in the case of refusal to provide or permit discovery, drawing negative factual inference or treating such refusal as an admission by deeming the matter, or certain facts, to be established;

"(B) prohibiting a party from introducing certain evidence or otherwise supporting a particular claim or defense;

"(C) striking pleadings, in whole or in part;

"(D) staying the proceedings;

"(E) dismissal of the action;

"(F) entering a default judgment;

"(G) ordering the party or attorney to pay attorneys' fees and other costs caused by the failure or misconduct; and

"(H) refusing to consider any motion or other action which is not filed in a timely manner.

"(c) In determining pursuant to subsection (a) the amount or scope of any penalty or assessment, or whether to recommend an exclusion, the Secretary shall take into account—

"(1) the nature of the statements and representations referred to in subsection (a) and the circumstances under which they occurred;

"(2) the degree of culpability, history of prior offenses, and financial condition of the person committing the offense; and

"(3) such other matters as justice may require.

"(d)(1) Any person adversely affected by a determination of the Secretary under this section may obtain a review of such determination in the United States Court of Appeals for the circuit in which the person resides, or in which the statement or representation referred to in subsection (a) was made, by filing in such court (within 60 days following the date the person is notified of the Secretary's determination) a written petition requesting that the determination be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the determination of the Secretary and enforcing the same to the extent that such order is affirmed or modified. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(2) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive in the review described in paragraph (1). If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify such findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and the Secretary shall file with the court such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole shall be conclusive, and the Secretary's recommendations, if any, for the modification or setting aside of the Secretary's original order.

"(3) Upon the filing of the record and the Secretary's original or modified order with the court, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

"(e)(1) Civil money penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered—

"(A) in a civil action in the name of the United States brought in United States district court for the district where the statement or representation referred to in subsection (a) was made, or where the person resides, as determined by the Secretary;

"(B) by means of reduction in tax refunds to which the person is entitled, based on notice to the Secretary of the Treasury as permitted under section 3720A of title 31, United States Code;

"(C)(i) by decrease of any payment of monthly insurance benefits under title II, notwithstanding section 207, or

"(ii) by decrease of any payment under title XVI for which the person is eligible, notwithstanding section 207, as made applicable to title XVI by reason of section 1631(d)(1);

"(D) by authorities provided under the Debt Collection Act of 1982, as amended, to the extent applicable to debts arising under the Social Security Act;

"(E) by deduction of the amount of such penalty or assessment, when finally determined, or the amount agreed upon in compromise, from any sum then or later owing by the United States to the person against whom the penalty or assessment has been assessed; or

"(F) by any combination of the foregoing.

"(2) Amounts recovered under this section shall be recovered by the Secretary and shall be disposed of as follows:

"(A) In the case of amounts recovered arising out of a determination relating to title II, the amounts shall be transferred to the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Secretary, and such amounts shall be deposited by the Managing Trustee into such Trust Fund.

"(B) In the case of amounts recovered arising out of a determination relating to title XVI, the amounts shall be be deposited by the Secretary into the general fund of the Treasury as miscellaneous receipts.

"(f) A determination pursuant to subsection (a) by the Secretary to impose a penalty or assessment, or to recommend an exclusion shall be final upon the expiration of the 60-day period referred to in subsection (d). Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (d) may not be raised as a defense to a civil action by the United States to collect a penalty or assessment imposed under this section.

"(g) Whenever the Secretary's determination to impose a penalty or assessment under this section with respect to a medical provider or physician becomes final, the provisions of section 1128A(h) shall apply.

"(h) Whenever the Secretary has reason to believe that any person has engaged, is engaging, or is about to engage in any activity which makes the person subject to a civil monetary penalty under this section, the Secretary may bring an action in an appropriate district court of the United States (or, if applicable, a United States court of any territory) to enjoin such activity, or to enjoin the person from concealing, removing, encumbering, or disposing of assets which may be required in order to pay a civil monetary penalty and assessment if any such penalty were to be imposed or to seek other appropriate relief.

"(i)(1) The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Secretary may delegate the authority granted by section 205(d) (as made applicable to this section) to the Inspector General for purposes of any investigation under this section.

"(2) The Secretary may delegate authority granted under this section to the Inspector General.

"(j) For purposes of this section, the term 'State agency' shall have the same meaning as in section 1128A(i)(1).

"(k) A principal is liable for penalties and assessments under subsection (a), and for an exclusion under section 1128, for the actions of the principal's agent acting within the scope of the agency.".

(2) CONFORMING AMENDMENTS.—Section 1128 of such Act (42 U.S.C. 1320a-7) is amended—

(A) in subsection (b)(7), by striking "or section 1128B" and inserting ", 1128B, or 1129";

(B) in subsection (b)(8)(B)(ii), by inserting "or 1129" after "section 1128A"; and

(C) in subsection (f)(3), by inserting ", 1129," after "sections 1128A".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(c) SSI FRAUD CONSIDERED A FELONY.—

(1) IN GENERAL.—Section 1632(a) of the Social Security Act (42 U.S.C. 1383a(a)) is amended by striking "shall" the 1st place such term appears and all that follows and inserting "shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.".

(2) CONFORMING AMENDMENT.—Section 1632(b) of such Act (42 U.S.C. 1383a(b)) is amended to read as follows:

"(b)(1) If a person or entity violates subsection (a) in the person's or entity's role as, or in applying to become, a representative payee under section 1631(a)(2) on behalf of another individual (other than the person's eligible spouse), and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to such other individual.

"(2) Any person or entity convicted of a violation of subsection (a) of this section or of section 208 may not be certified as a representative payee under section 1631(a)(2).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to conduct occurring on or after October 1, 1994.

(d) AUTHORITY TO REDETERMINE ELIGIBILITY IF FRAUD IS INVOLVED, AND TO TERMINATE BENEFITS IF THERE IS INSUFFICIENT RELIABLE EVIDENCE.—

(1) OASDI PROGRAMS.—Section 205 of the Social Security Act (42 U.S.C. 405) is amended by adding at the end the following:

"(u)(1)(A) The Secretary shall immediately redetermine the entitlement of individuals to monthly insurance benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to beneficiaries in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

"(B) When redetermining the entitlement, or making an initial determination of entitlement, of an individual under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

"(2) For purposes of paragraph (1), similar fault is involved with respect to a determination if—

"(A) an incorrect or incomplete statement that is material to the determination is knowingly made; or

"(B) information that is material to the determination is knowingly concealed.

"(3) If, after redetermining pursuant to this subsection the entitlement of an individual to monthly insurance benefits, the Secretary determines that there is insufficient evidence to support such entitlement, the Secretary may terminate such entitlement and may treat benefits paid on the basis of such insufficient evidence as overpayments.".

(2) SSI PROGRAM.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by adding at the end the following:

"(6)(A)(i) The Secretary shall immediately redetermine the eligibility of an individual for benefits under this title if there is reason to believe that fraud or similar fault was involved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to recipients in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

"(ii) When redetermining the eligibility, or making an initial determination of eligibility, of an individual for benefits under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

"(B) For purposes of subparagraph (A), similar fault is involved with respect to a determination if—

"(i) an incorrect or incomplete statement that is material to the determination is knowingly made; or

"(ii) information that is material to the determination is knowingly concealed.

"(C) If, after redetermining the eligibility of an individual for benefits under this title, the Secretary determines that there is insufficient evidence to support such eligibility, the Secretary may terminate such eligibility and may treat benefits paid on the basis of such insufficient evidence as overpayments.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1994, and shall apply to determinations made before, on, or after such date.

(e) AVAILABILITY OF RECIPIENT IDENTIFYING INFORMATION FROM THE INSPECTOR GENERAL.—

(1) IN GENERAL.—Section 1129 of the Social Security Act (added by subsection (b) of this section) is amended by adding at the end the following:

"(l) As soon as the Inspector General, Department of Health and Human Services, has reason to believe that fraud was involved in the application of an individual for monthly insurance benefits under title II or for benefits under title XVI, the Inspector General shall make available to the Secretary information identifying the individual, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that making the information so available in a particular investigation or redetermining the eligibility of the individual for such benefits would jeopardize the criminal prosecution of any person who is a subject of the investigation from which the information is derived.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(f) AUTHORITY TO USE AVAILABLE PREADMISSION IMMIGRANT AND REFUGEE MEDICAL INFORMATION.—

(1) IN GENERAL.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) as amended by subsection (d)(2) of this section, is amended by adding at the end the following:

"(7)(A) The Secretary shall request the Immigration and Naturalization Service or the Centers for Disease Control to provide the Secretary with whatever medical information, identification information, and employment history either such entity has with respect to any alien who has applied for benefits under title XVI to the extent that the information is relevant to any determination relating to eligibility for such benefits under title XVI.

"(B) Subparagraph (A) shall not be construed to prevent the Secretary from adjudicating the case before receiving such information.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1994.

(g) ANNUAL REPORTS ON REVIEWS OF OASDI AND SSI CASES.—The Secretary of Health and Human Services shall annually submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the extent to which the Secretary has exercised his authority to review cases of entitlement to monthly insurance benefits under title II of the Social Security Act and supplemental security income cases under title XVI of such Act, and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

SEC. 207. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.

(a) DISABILITY REVIEW REQUIREMENT.—

(1) IN GENERAL.—The applicable State agency or the Secretary of Health and Human Services (as may be appropriate) shall redetermine the eligibility of a qualified individual for supplemental security income benefits under title XVI of the Social Security Act by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

(2) WHEN CONDUCTED.—The redetermination required by paragraph (1) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

(3) MINIMUM NUMBER OF REVIEWS.—The Secretary shall conduct redeterminations under paragraph (1) with respect to not less than ⅓ of qualified individuals in each of fiscal years 1996, 1997, and 1998.

(4) QUALIFIED INDIVIDUAL DEFINED.—As used in this paragraph, the term "qualified individual" means a recipient of supplemental security income benefits under title XVI of the Social Security Act by reason of disability who attains 18 years of age in or after the 9th month after the month in which this Act is enacted.

(5) SUBSTITUTE FOR A CONTINUING DISABILITY REVIEW.—A redetermination under paragraph (1) of this subsection shall be considered a substitute for a review required under section 1614(a)(3)(G) of the Social Security Act.

(6) SUNSET.—Paragraph (1) shall have no force or effect after October 1, 1998.

(b) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under subsection (a).

SEC. 208. CONTINUING DISABILITY REVIEWS.

(a) TEMPORARY ANNUAL MINIMUM NUMBER OF REVIEWS.—During each year of the 3-year period that begins on October 1, 1995, the Secretary of Health and Human Services shall apply section 221(i) of the Social Security Act in making disability determinations under title XVI of such Act with respect to at least 100,000 recipients of supplemental security income benefits under such title.

(b) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under subsection (a).

SEC. 209. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS.

(a) IN GENERAL.—Section 1618(b) of the Social Security Act (42 U.S.C. 1382g(b)) is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2) For purposes of determining under paragraph (1) whether a State's expenditures for supplementary payments in the 12-month period beginning on the effective date of any increase in the level of supplemental security income benefits are not less than the State's expenditures for such payments in the preceding 12-month period, the Secretary, in computing the State's expenditures, shall disregard, pursuant to a 1-time election of the State, all expenditures by the State for retroactive supplementary payments that are required to be made in connection with the retroactive supplemental security income benefits referred to in section 5041 of the Omnibus Budget Reconciliation Act of 1990.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to increases in the level of supplemental security income benefits under title XVI of the Social Security Act whether occurring before, on, or after the date of the enactment of this Act.

TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS

SEC. 301. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS.

(a) REQUIREMENT THAT OBLIGATIONS ISSUED TO THE OASDI TRUST FUNDS BE EVIDENCED BY PAPER INSTRUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES OF INDEBTEDNESS SETTING FORTH THEIR TERMS.—Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended by inserting after the fifth sentence the following new sentence: "Each obligation issued for purchase by the Trust Funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury setting forth the principal amount, date of maturity, and interest rate of the obligation, and stating on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.".

(b) PAYMENT TO THE OASDI TRUST FUNDS FROM THE GENERAL FUND OF THE TREASURY OF INTEREST ON OBLIGATIONS, AND OF PROCEEDS FROM THE SALE OR REDEMPTION OF OBLIGATIONS, REQUIRED TO BE IN THE FORM OF CHECKS.—Section 201(f) of such Act (42 U.S.C. 401(f)) is amended by adding at the end the following new sentence: "Payment from the general fund of the the Treasury to either of the Trust Funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such Trust Fund.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to obligations issued, and payments made, after 60 days after the date of the enactment of this Act.

(2) TREATMENT OF OUTSTANDING OBLIGATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as applicable, a paper instrument, in the form of a bond, note, or certificate of indebtedness, for each obligation which has been issued to the Trust Fund under section 201(d) of the Social Security Act and which is outstanding as of such date. Each such document shall set forth the principal amount, date of maturity, and interest rate of the obligation, and shall state on its face that the obligation shall be incontestable in the hands of the Trust Fund to which it was issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.

SEC. 302. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of telephone access to local offices of the Social Security Administration.

(b) MATTERS TO BE STUDIED.—In conducting the study under this section, the Comptroller General shall make an independent assessment of the Social Security Administration's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local offices of the Administration. Such study shall include—

(1) an assessment of the aggregate impact of such technology on public access to the local offices, and

(2) a separate assessment of the impact of such technology on public access to those local offices to which access was restricted on October 1, 1989.

(c) REPORT.—Not later than January 31, 1996, the Comptroller General shall submit a report on the results of the study conducted pursuant to this section to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 303. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(2) AMENDMENT TO FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during any calendar year commencing on or after January 1, 1995, ending on or before December 31, 1999, and the adjusted amount determined under subparagraph (B) for any calendar year commencing on or after January 1, 2000, with respect to service performed during such calendar year"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT AMOUNT.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting "(A)" after "(8)"; and

(2) by adding at the end the following new subparagraph:

"(B) For each year after 1999, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

"(i) for purposes of this subparagraph, 1997 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

"(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1995.

SEC. 304. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

"(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

"(ii) The additional purposes described in this clause are the following:

"(I) Identifying duplicate names of individuals on master lists used for jury selection purposes.

"(II) Identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

(b) CONFORMING AMENDMENT.—Section 1140(a)(2) of such Act (42 U.S.C. 1320b–10(a)(2)) is amended by striking "205(c)(2)(E)" and inserting "205(c)(2)(F)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 305. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "prior to the date of enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with the States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 306. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada,

then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section

from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services (prior to March 31, 1995) or the Commissioner of Social Security (after March 30, 1995) shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 307. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after December 1994.

SEC. 308. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 307(a) of this Act) and section 215(d)(3) of such Act (as amended by section 307(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after December 1994.

SEC. 309. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1995.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1995, in taxable years ending after such date.

SEC. 310. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) IN GENERAL.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) CONFORMING AMENDMENT.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after December 1995.

SEC. 311. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) IN GENERAL.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) Availability of Information Returns Regarding Wages Paid Employees.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) Effective Date.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 312. MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION OR DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) Prohibition of Unauthorized Reproduction, Reprinting, or Distribution for Fee of Certain Official Publications.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration or of the Department of Health and Human Services unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) Addition to Prohibited Words, Letters, Symbols, and Emblems.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',"; and

(2) in subparagraph (B) (as amended by section 304 and as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", by striking "or of the Health Care Financing Administration", and by inserting "or the Medicare card," after "205(c)(2)(F)".

(c) Exemption for Use of Words, Letters, Symbols, and Emblems of State and Local Government Agencies by Such Agencies.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: "The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.".

(d) Inclusion of Reasonableness Standard.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(e) Ineffectiveness of Disclaimers.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(f) Violations With Respect to Individual Items.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b–10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(g) Elimination of Cap on Aggregate Liability Amount.—

(1) Repeal.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.

(2) Conforming amendments.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)".

(h) Removal of Formal Declination Requirement.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(i) Penalties Relating to Social Security Administration Deposited in OASI Trust Fund, and Penalties Related to Health Care Financing Administration Deposited in the HI and SMI Trust Funds.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is amended in the second sentence by striking "United States." and inserting "United States, except that (A) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivors Insurance Trust Fund, and (B) to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Department of Health and Human Services, such amounts shall be deposited into the Federal Hospital Insurance Trust Fund or the Federal Supplementary Medical Insurance Trust Fund, as appropriate.".

(j) Enforcement.—Section 1140 of such Act (42 U.S.C. 1320b–10) is amended by adding at the end the following new subsection:

"(d) The preceding provisions of this section may be enforced through the Office of the Inspector General of the Department of Health and Human Services.".

(k) Reports.—

(1) In general.—The Secretary of Health and Human Services and the Commissioner of Social Security shall each submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate 3 reports on the operation of section 1140 of the Social Security Act with respect to the Social Security Administration or the Department of Health and Human Services during the period covered by the report, which shall specify—

(A) the number of complaints of violations of such section received by the Social Security Administration or the Department of Health and Human Services during the period,

(B) the number of cases in which the Social Security Administration or the Department, during the period, sent a notice of violation of such section requesting that an individual cease activities in violation of such section,

(C) the number of cases in which the Social Security Administration or the Department formally proposed a civil money penalty in a demand letter during the period,

(D) the total amount of civil money penalties assessed by the Social Security Administration or the Department under this section during the period,

(E) the number of requests for hearings filed during the period by the Social Security Administration or the Department pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act,

(F) the disposition during the period of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2) of the Social Security Act, and

(G) the total amount of civil money penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance Trust Fund or the Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period.

(2) When due.—The reports required by paragraph (1) shall be submitted not later than December 1, 1995, not later than December 1, 1997, and not later than December 1, 1999, respectively.

(l) Prohibition of Misuse of Department of the Treasury Names, Symbols, Etc.—

(1) General rule.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

"(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) CIVIL PENALTY.—

"(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) TIME LIMITATIONS.—

"(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

"(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

"(d) CRIMINAL PENALTY.—

"(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

"(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

"(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation."

(2) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of the Treasury names, symbols, etc.".

(3) REPORT.—Not later than May 1, 1996, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to violations occurring after March 31, 1995.

(2) PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.—Subsection (l)(3) shall take effect on the date of the enactment of this Act, and the amendments made by paragraphs (1) and (2) of subsection (l) shall apply with respect to violations occurring after such date.

SEC. 313. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) UNAUTHORIZED DISCLOSURE.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking "misdemeanor" and inserting "felony";

(2) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(3) by striking "one year" and inserting "5 years".

(b) UNAUTHORIZED DISCLOSURE BY FRAUD.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting "social security account number," after "information as to the";

(2) by striking "misdemeanor" and inserting "felony";

(3) by striking "$1,000" and inserting "$10,000 for each occurrence of a violation"; and

(4) by striking "one year" and inserting "5 years".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 314. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking "three months" and inserting "four months".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1994.

SEC. 315. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96–265), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and section 5120 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), is further amended—

(1) in paragraph (3) of subsection (a), by striking "June 10, 1993" and inserting "June 10, 1996";

(2) in paragraph (4) of subsection (a), by striking "1992" and inserting "1995"; and

(3) in subsection (c), by striking "October 1, 1993" and inserting "October 1, 1996".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 316. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3791)) is amended—

(1) by inserting "(I)" after "(iii)"; and

(2) by striking "The Secretary of Agriculture shall restrict" and all that follows and inserting the following:

"(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

"(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) SHARING OF INFORMATION AND SAFEGUARDS.—

"(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable

Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

"(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.";

(2) in paragraph (3), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)", and by striking "social security account numbers" and inserting "employer identification numbers"; and

(3) in paragraph (4), by striking "by the Secretary of Agriculture pursuant to this subsection" and inserting "pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)".

SEC. 317. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 318. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS.

Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended by adding at the end the following new clause:

"(ix) In the administration of the provisions of chapter 81 of title 5, United States Code, and the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.), the Secretary of Labor may require by regulation that any person filing a notice of injury or a claim for benefits under such provisions provide as part of such notice or claim such person's social security account number, subject to the requirements of this clause. No officer or employee of the Department of Labor shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such provisions. The Secretary of Labor shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of such provisions. The Secretary of Labor shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

SEC. 319. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS.

(a) TREATMENT OF SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Section 3121 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following new subsection:

"(y) SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—

"(1) IN GENERAL.—For purposes of this chapter, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' under subsection (b) for purposes of the taxes imposed by sections 3101(a) and 3111(a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) FEDERAL AGENCY.—The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) INTERNATIONAL ORGANIZATION.—The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) CONTRIBUTIONS BY FEDERAL AGENCY.—Section 3122 of such Code (relating to Federal service) is amended by inserting after the first sentence the following new sentence: "In the case of the taxes imposed by this chapter with respect to service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable, the determination of the amount of remuneration for such service, and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency from which the transfer was made."

(3) COLLECTION OF EMPLOYEE CONTRIBUTIONS.—Section 3102 of such Code (relating to deduction of tax from wages) is amended by adding at the end the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN TRANSFERRED FEDERAL EMPLOYEES.—In the case of any payments of wages for service performed in the employ of an international organization pursuant to a transfer to which the provisions of section 3121(y) are applicable—

"(1) subsection (a) shall not apply,

"(2) the head of the Federal agency from which the transfer was made shall separately include on the statement required under section 6051—

"(A) the amount determined to be the amount of the wages for such service, and

"(B) the amount of the tax imposed by section 3101 on such payments, and

"(3) the tax imposed by section 3101 on such payments shall be paid by the employee."

(4) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Paragraph (2)(C) of section 1402(c) of such Code (defining trade or business) is amended by adding at the end the following: "except service which constitutes 'employment' under section 3121(y),".

(5) CONFORMING AMENDMENT.—Paragraph (15) of section 3121(b) of such Code is amended by inserting ", except service which constitutes 'employment' under subsection (y)" after "organization".

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Section 210 of the Social Security Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

"SERVICE IN THE EMPLOY OF INTERNATIONAL ORGANIZATIONS BY CERTAIN TRANSFERRED FEDERAL EMPLOYEES

"(r)(1) For purposes of this title, service performed in the employ of an international organization by an individual pursuant to a transfer of such individual to such international organization pursuant to section 3582 of title 5, United States Code, shall constitute 'employment' if—

"(A) immediately before such transfer, such individual performed service with a Federal agency which constituted 'employment' as defined in subsection (a), and

"(B) such individual would be entitled, upon separation from such international organization and proper application, to reemployment with such Federal agency under such section 3582.

"(2) For purposes of this subsection:

"(A) The term 'Federal agency' means an agency, as defined in section 3581(1) of title 5, United States Code.

"(B) The term 'international organization' has the meaning provided such term by section 3581(3) of title 5, United States Code."

(2) EXCLUSION FROM TREATMENT AS TRADE OR BUSINESS.—Section 211(c)(2)(C) of such Act (42 U.S.C. 411(c)(2)(C)) is amended by inserting before the semicolon the following ", except service which constitutes 'employment' under section 210(r)".

(3) CONFORMING AMENDMENT.—Section 210(a)(15) of such Act (42 U.S.C. 410(a)(15)) is amended by inserting ", except service which constitutes 'employment' under subsection (r)" before the semicolon.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to service performed after the calendar quarter following the calendar quarter in which the date of the enactment of this Act occurs.

SEC. 320. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) The following provisions of the Internal Revenue Code of 1986 are each amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)":

(A) Section 871(c).

(B) Section 1441(b).

(C) Section 3121(b)(19).

(D) Section 3231(e)(1).

(E) Section 3306(c)(19).

(2) Paragraph (3) of section 872(b) of such Code is amended by striking "(F) or (J)" and inserting "(F), (J), or (Q)".

(3) Paragraph (5) of section 7701(b) of such Code is amended by striking "subparagraph (J)" in subparagraphs (C)(i) and (D)(i)(II) and inserting "subparagraph (J) or (Q)".

(b) AMENDMENT TO SOCIAL SECURITY ACT.—Paragraph (19) of section 210(a) of the Social Security Act is amended by striking "(J), or (M)" each place it appears and inserting "(J), (M), or (Q)".

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect with the calendar quarter following the date of the enactment of this Act.

SEC. 321. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking "and and" and inserting "and".

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end, and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking "parargaph" and inserting "paragraph".

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting "if the" before "Secretary" the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking "non-public" and inserting "nonpublic".

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101–624;

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101–624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101–624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking "subclause (I) of", and by striking "subclause (II) of clause (i)" and inserting "clause (ii)"; and

(D) in clause (viii)(IV) (as redesignated), by inserting "a social security account number or" before "a request for".

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

"Representative Payees".

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

"Notice Requirements".

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking "subsection (g)" and inserting "subsection (a)(7)".

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking "section 105(e)(2)" and inserting "section 104(e)(2)".

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking "and" at the end; and

(B) in paragraph (14), by striking the period and inserting "; and".

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking "section" the first place it appears and inserting "sections".

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking "subsection" the second place it appears and inserting "subsections".

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after "1990".

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

"Limitation on Payments to Prisoners".

(b) RELATED AMENDMENTS.—

(1) Section 603(b)(5)(A) of Public Law 101–649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting "under" before "paragraph (1)," and by striking "(17), or (18)" and inserting "(17), (18), or (19)", effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101–239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking "230(b)(2)(A)" and "430(b)(2)(A)" and inserting "230(b)(2)" and "430(b)(2)", respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) CONFORMING, CLERICAL AMENDMENTS UPDATING, WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVENUE CODE.—

(1)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking "and subchapter E" and all that follows through "1954" and inserting "and chapters 2 and 21 of the Internal Revenue Code of 1986";

(II) in subparagraph (A)(ii), by striking "1954" and inserting "1986";

(III) in the matter in subparagraph (A) following clause (ii), by striking "subchapter E" and all that follows through "1954." and inserting "chapters 2 and 21 of the Internal Revenue Code of 1986.", and by striking "1954 other" and inserting "1986 other"; and

(IV) in subparagraph (B), by striking "1954" each place it appears and inserting "1986".

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking "section 3101(a)" and all that follows through "1950." and inserting "section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).", and by striking "wages reported" and all that follows through "1954," and inserting "wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,".

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1995.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking "The Board of Trustees shall prescribe before January 1, 1981, the method" and inserting "If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards";

(ii) by striking "1954" and inserting "1986"; and

(iii) by striking the last sentence.

(2) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking "1954" and inserting "1986"; and

(B) in paragraph (3)(A), by inserting "of the Internal Revenue Code of 1986" after "3127".

(3) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting "or the Internal Revenue Code of 1986" after "1954".

(4)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting "or the Internal Revenue Code of 1986" after "Internal Revenue Code of 1954".

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking "1954" each place it appears and inserting "1986".

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking "1954" each place it appears and inserting "1986".

(5) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting "of the Internal Revenue Code of 1986" after "section 162(m)".

(6) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking "1954" each place it appears and inserting "1986".

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking ."paragraph (1)" and inserting "this subsection"; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

"(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

"(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

"(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

"(B) by disregarding the limitation on wages specified in subsection (a)(1),

"(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

"(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.".

(2) CONFORMING AMENDMENTS.—

(A) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking "deemed average total wages" and inserting "national average wage index", and by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1976,".

(B) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking "deemed average total wages" and inserting "national average wage index"; and

(ii) in subclause (II), by striking "the average of the total wages" and all that follows and inserting "the national average wage index (as so defined) for 1977.".

(C) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking "deemed average total wages" and inserting "national average wage index".

(D) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking "after 1978";

(ii) by striking "and the average of the total wages (as described in subparagraph (B)(ii)(I))" and inserting "and the national average wage index (as defined in section 209(k)(1))"; and

(iii) by striking the last sentence.

(E) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking "deemed average total wages" each place it appears and inserting "national average wage index".

(F) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking "SSA average wage index" and inserting "national average wage index (as defined in section 209(k)(1))"; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(G) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

"(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).".

(H) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding "and" at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

"(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).".

(f) TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—

(1) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(A) in subparagraph (A), by striking "(in a case to which clause (ii)(II) does not apply)"; and

(B) by striking subparagraph (B)(ii) and inserting the following:

"(ii) the individual is now able to engage in substantial gainful activity; or".

(2) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—

(A) TITLE II AMENDMENTS.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) is amended—

(i) by striking "Section 205(j)(5)" and inserting "Section 205(j)(6)"; and

(ii) by redesignating the paragraph (5) as amended thereby as paragraph (6).

(B) TITLE XVI AMENDMENTS.—Section 1631(a)(2) of the Social Security Act (42 U.S.C. 1383(a)(2)) is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(ii) by inserting after subparagraph (D) the following:

"(E) RESTITUTION.—In cases where the negligent failure of the Secretary to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Secretary shall make payment to the beneficiary or the beneficiary's representative payee of an amount equal to such misused benefits. The Secretary shall make a good faith effort to obtain restitution from the terminated representative payee.".

(3) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(A) CALCULATION OF FEE OF CLAIMANT'S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

"(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase '(as determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a))' for the parenthetical phrase contained therein; and".

(B) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(i) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

(I) by inserting "(A)" after "(b)(1)"; and

(II) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'past-due benefits' excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

"(ii) amounts of past-due benefits shall be determined before any applicable reduction under section 1127(a).".

(ii) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a–6(a)) is amended by striking "section 206(a)(4)" and inserting "subsection (a)(4) or (b) of section 206".

(4) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In any case involving—

"(i) an agreement described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

"(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement only if the total fee or fees specified in such agreement does not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).".

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(5) EFFECTIVE DATE.—Each amendment made by this subsection shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates, except that the amendments made by paragraph (3)(B) shall apply with respect to favorable judgments made after 180 days after the date of the enactment of this Act.

(g) ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.—

(1) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(A) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) $60,600, and

"(2) the ratio of (A) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the national average wage index (as so defined) for 1992,".

(B) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(C) ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.—Section 215(a)(1)(C)(ii) of such Act is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b) of such section 230 as so in effect, the reference to the contribution and benefit base in paragraph (1) of such subsection (b) shall be deemed a reference to an amount equal to $45,000, each reference in paragraph (2) of such subsection (b) to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the national average wage index (as defined in section 209(k)(1)), the reference to a preceding calendar year in paragraph (2)(A) of such subsection (b) shall be deemed a reference to the calendar year before the calendar year in which the determination under subsection (a) of such section 230 is made, and the reference to a calendar year in paragraph (2)(B) of such subsection (b) shall be deemed a reference to 1992).".

(2) ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

"(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995, and the ratio of—

"(I) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

"(II) the national average wage index (as so defined) for 1992,

with such product, if not a multiple of $10, being rounded to the next higher multiple of $10 where such product is a multiple of $5 but not of $10 and to the nearest multiple of $10 in any other case.".

(3) EFFECTIVE DATES.—

(A) The amendments made by paragraph (1) shall be effective with respect to the determination of the contribution and benefit base for years after 1994.

(B) The amendment made by paragraph (2) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1994.

(h) TECHNICAL AMENDMENTS TO TITLE XVI.—(1) Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended—

(A) in the 1st subsection (n), by striking "subsection" and inserting "title"; and

(B) by redesignating the 2nd subsection (n) as subsection (o).

(2) Section 1613(a) of such Act (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (9);

(B) by striking the period at the end of the 1st paragraph (10) and inserting "; and"; and

(C) by redesignating the 2nd paragraph (10) as paragraph (11).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

SAM GIBBONS,
DAN ROSTENKOWSKI,
J.J. PICKLE,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BILL ARCHER,
JIM BUNNING,
RICK SANTORUM,
Managers on the Part of the House.

DANIEL P. MOYNIHAN,
MAX BAUCUS,
JOHN BREAUX,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277) to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

1. ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

(Sec. 101–110 of the House bill, secs. 101–204 of the Senate amendment, and secs. 101–110 of the conference agreement)

a. Status of Agency

Present law

The Social Security Administration (SSA) is a component of the Department of Health and Human Services (HHS).

House bill

SSA would be made an independent agency in the executive branch of the Federal government, with responsibility for administration of the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with amendments providing that SSA would continue to perform its current functions in administering the Coal Industry Retirees Health Benefits Act and Part B of the Black Lung Benefits Act.

b. Agency Leadership and Management

Present law

The Secretary of HHS has responsibility for administration of the OASDI and SSI programs. Administration of these programs has been delegated to the Commissioner of Social Security. The Commissioner is appointed by the President with the advice and consent of the Senate, but reports to the Secretary.

House bill

SSA would be governed by a three-member, full-time Board, appointed by the President with the advice and consent of the Senate. The Board members would serve 6-year terms, with no more than 2 members being from the same political party. Board members would be chosen on the basis of their integrity, impartiality, and good judgment, and would be individuals who, by reason of education, experience, and attainments, are exceptionally qualified to perform the duties of the Board. Board members could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office. The terms of the first members would expire after two, four and six years.

Recommendations for persons to serve on the Board would be made by the Chairman of the House Committee on Ways and Means and the Senate Committee on Finance. A member could, at the request of the President, serve for up to a year after the member's term expires until a successor has taken office. A member could be appointed for additional terms.

The President would appoint one of the members to be a chairperson of the Board for a 4-year term. The chairperson or two members could call a meeting of the Board with any two members constituting a quorum. Any member alone would be permitted to hold a hearing.

Each member of the Board would be compensated at the rate provided in level II of the Executive Schedule. No member would be permitted to engage in any other business, vocation, profession, or employment.

The Board would:

Govern OASDI and SSI by regulation;

Establish the agency and oversee its efficient and effective operation;

Establish policy and devise long-range plans for the agency;

Appoint an Executive Director to act as the agency's chief operating officer;

Constitute three members of a new seven-member Board of Trustees of the Social Security Trust Funds, with the chairperson of the agency's Board serving as chairperson of the Board of Trustees (the Secretary of Labor would be dropped as a member of the Board of Trustees);

Prepare an annual budget, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency;

Study and make recommendations to the Congress and President on the most effective methods of providing economic security through social insurance, SSI, and related programs, as well as on matters related to OASDI and SSI administration;

Provide the Congress and President with ongoing actuarial and other analyses; and

Conduct policy analysis and research.

The Board would be authorized to prescribe rules and regulations. It would also be authorized to establish, alter, consolidate, or discontinue organizational units and components of the agency (other than those provided by statute). Further, it would be permitted to assign duties and delegate (or authorize successive redelegations of) authority to act and to render decisions to such officers and employees as it deems necessary.

Senate amendment

SSA would be governed by a Commissioner appointed by the President, with the advice and consent of the Senate, for a 4-year term coinciding with the term of the President (or until the appointment of a successor). The Commissioner would be compensated at the rate for level I of the Executive Schedule (equivalent to Cabinet officer pay). The Commissioner would be responsible for the exercise of all powers and the discharge of all duties of SSA, have authority and control over all personnel and activities of the agency, and serve as a member of the 5-member Board of Trustees.

The President would be required to appoint a Commissioner within 60 days of the enactment. Upon such appointment and confirmation by the Senate, the Commissioner appointed under this title would assume the duties of the HHS Commissioner of Social Security until SSA is established as an independent agency.

The Commissioner would be authorized to prescribe rules and regulations; establish, alter, consolidate, or discontinue organizational units and components of the agency (except for those prescribed by law); and assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees as the Commissioner may find necessary.

The Commissioner and the Secretary of Health and Human Services would be directed to consult with one another on an ongoing basis to assure: (1) the coordination of the Social Security, SSI, and Medicare and Medicaid programs and (2) that adequate information concerning Medicare and Medicaid benefits would be available to the public.

Conference agreement

The conference agreement follows the Senate amendment, modified to provide that the Commissioner would serve a fixed six-year term, except that the initial term of office would terminate January 19, 2001. As in the case of the Board members in the House bill, the Commissioner could be removed from office by the President only pursuant to a finding of neglect of duty or malfeasance in office.

In providing that a single administrator, rather than a bipartisan board, will head the independent agency, the conferees place high priority on management efficiency, which they see as essential in enabling the independent SSA to address the problems that confront it. At the same time, the conferees are concerned by the high rate of turnover, and resulting instability, that has characterized SSA's top management in recent years. A number of problems in service delivery associated with this instability has been documented in studies by the General Accounting Office and in hearings by the House Committee on Ways and Means and the Senate Committee on Finance. A description of these studies and hearings is contained in both Committees' reports on this legislation.

The conferees expect that the key features of SSA's leadership structure as established in the conference agreement—i.e., independent status, a six-year term and the limitation on removal by the President, and a bipartisan advisory board—will be effective in assuring that policy errors resulting from inappropriate influence from outside the agency such as those occurring in the early 1980s do not recur in the future.

(1) Board of Trustees

Present law

The Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds consists of the Secretary of the Treasury, the Secretary of Labor, the Secretary of Health and Human Services, and two public trustees. The Commissioner of Social Security serves as the Secretary of the Board.

House bill

The provision would expand the Board of Trustees and alter its membership. As restructured, the Board would consist of the 3 members of the independent agency's board of directors, the Secretary of the Treasury, the Secretary of Health and Human Services, and the two public trustees. the Secretary of Labor would be dropped from the Board. Also, the chairperson of SSA's board of directors would serve as the chairperson of the Board of Trustees. The Executive Director would serve as the Secretary of the Board.

Senate amendment

The Commissioner of the independent agency would serve as a member of the Board of Trustees, and the Secretary of Labor would be dropped from the Board. The Deputy Commissioner would serve as the Secretary of the Board.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Secretary of Labor would continue to serve as a member of the Board.

(2) SSA Budget

Present law

SSA's annual budget request is submitted to Congress by the President, as part of his proposal for the overall budget for the executive branch.

House bill

SSA's board of directors would be required to prepare an annual budget for the agency, which would be presented by the President to Congress without revision, together with the President's annual budget for the agency.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the budget would be prepared and forwarded to the President by the Commissioner, rather than the Board.

(3) Advisory Board

Present law

No provision.

House bill

No provision.

Senate amendment

A 7-member part-time Advisory Board would be appointed for 6-year terms, made up as follows: 3 appointed by the President (no more than 1 from the same political party); 2 each (no more than 1 from the same political party) by the Speaker of the House (in consultation with the Chairman and Ranking Minority Member of the Committee on Ways and Means) and the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority member of the Committee on Finance). Presidential appointees would be subject to Senate confirmation. Board members would serve staggered terms. The chairman of the Board would be appointed by the President for a 4-year term, coincident with the term of the President, or until the designation of a successor. The Board would meet at least 6 times each year and generally would be responsible for giving advice on policies related to the OASDI and SSI programs.

Compensation of members would be set at a rate equal to 25 percent of the rate for level III of the Executive Schedule (in addition, on meeting days compensation would be equivalent to that of the daily rate of level III of the Executive Schedule). Other benefits (except for health benefits) would not accrue. The Board would be required to appoint a staff director (paid at a rate equivalent to a rate for the Senior Executive Service) and would be authorized to hire necessary staff. The Board would be exempt from the provisions of the Federal Advisory Committee Act.

Specific functions of the Board would include:

Analyzing the nation's retirement and disability system and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and long-term;

Making recommendations to the President of candidates to consider in selecting nominees for the position of Commissioner and Deputy Commissioner;

Reviewing and assessing the quality of service that the Administration provides to the public;

Reviewing and making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the Social Security system;

In consultation with the Commissioner, reviewing the development and implementation of a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of Social Security that may come to the attention of the Board; and

Conducting such other reviews and assessments as the Board determines to be appropriate.

Conference agreement

The conference agreement generally follows the Senate amendment, except that Advisory Board members would serve fixed terms, meet at least four times a year (four members, not more than three from the same political party, would constitute a quorum), and serve without compensation, except that, while serving on business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

Specific functions of the Board include:

Analyzing the nation's retirement and disability systems and making recommendations with respect to how the OASDI program and SSI program, supported by other public and private systems, can most effectively assure economic security;

Studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs and with other public and private systems;

Making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI program, both in the short-term and the long term;

Making recommendations with respect to the quality of service that the Administration provides to the public;

Making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;

Increasing public understanding of the social security system;

Making recommendations with respect to a long-range research and program evaluation plan for the Administration;

Reviewing and assessing any major studies of social security that may come to the attention of the Board; and

Making recommendations with respect to such other matters as the Board determines to be appropriate.

In general, it is expected that the scope of the Advisory Board would be broadly focused, as indicated by its statutory mandate. This would be in contrast to the focus of recent Advisory Councils, which have tended to focus on specific aspects of the program. While the Advisory Board is required to review and assess the quality of service to the public provided by the Administration, the conferees expect that the performance of this or any other duty shall not serve as a basis for the Advisory Board to become involved in the day-to-day operation or management of the agency. Moreover, the conferees do not see the Board's role in evaluating SSA's policies and regulations as extending to the Board any special status with respect to the requirements and procedures related to the Administrative Procedures Act.

While the Board will appoint a staff director and hire required clerical support personnel, any additional staff required by the Board will be provided by the Commissioner of Social Security, who will detail employees to the Board, as agreed by the Commissioner and the Board. It is the intention of the conferees that the Board's staff director and clerical support staff not fall under the cap imposed by the conference agreement on positions that may be exempted from the competitive service at SSA.

To carry out its duties, the Advisory Board must have access to the records of the Social Security Administration. Therefore, it is expected that SSA will furnish information requested by the Advisory Board that, in the Board's judgment, is required for the performance of its duties.

The conferees believe that it is important to emphasize that the Board is advisory in nature, and that its members will meet on a part-time basis rather than serve as a standing body. It is expected that the Commissioner will consider the advice of the Board when formulating agency policy. The conferees anticipate that the Board will be effective in enhancing public confidence in the Social Security system. They believe that the Board's independent status and bipartisan membership make it especially well-suited for this important task.

(4) Executive Director

Present law

No provision.

House bill

An Executive Director would be appointed by the Board to serve as the agency's chief operating officer for a 4-year term. The individual would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board). The Board would be permitted to appoint the Executive Director for additional terms. An Executive Director could be removed from office before completion of his or her term only for cause found by the Board. Compensation would be set at the rate provided in level II of the Executive Schedule.

The Executive Director would:

Be the chief operating officer responsible for administration;

Maintain an efficient and effective administrative structure;

Implement the long-term plans of the Board;

Report annually to the Board on the program costs of OASDI and SSI; make annual budgetary recommendations for the administrative costs of the agency and defend such recommendations before the board;

Advise the Board and Congress of effects on administration of proposed legislative changes;

Serve as Secretary of the Board of Trustees (for OASDI);

Report to the Board in December of each year, for transmittal to Congress; on administrative endeavors and accomplishments; and

Carry out any additional duties assigned by the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

c. Deputy Commissioner of Social Security

Present law

Under current SSA practice, there are six deputy commissioners (for operations; programs; finance, assessment and management; policy and external affairs; systems; and human resources). None of these is a statutory position. In addition, a non-statutory Principal Deputy Commissioner is designated to serve as Acting Commissioner in the absence of the Commissioner.

House bill

A Deputy Director of Social Security would be appointed by, and serve at the pleasure of, the Executive Director.

The Deputy Director would perform such duties and exercise such powers as are assigned by the Executive Director, and serve as Acting Executive Director during the absence or disability of the Executive Director. The Deputy Director would also serve as Acting Executive Director in the event of a vacancy in the office of Executive Director unless the Board designates another official to fill the post. He or she would be compensated at the rate provided in level III of the Executive Schedule.

Senate amendment

A Deputy Commissioner would be appointed by the President, with the advice and consent of the Senate, for a 4-year term coincident with the term of the Commissioner or until appointment of a qualified successor.

The Deputy Commissioner would perform such duties and exercise such powers as are assigned by the Commissioner, and serve as Acting Commissioner during the absence or disability of the Commissioner (or vacancy of the office) unless the President designates someone else. He or she would be compensated at the rate provided for level II of the Executive Schedule. In addition, the Deputy Commissioner would serve as the Secretary of the Board of Trustees of the OASDI Trust Funds.

Conference agreement

The conference agreement follows the Senate amendment, except that the Deputy Commissioner would serve a six-year, rather than a four-year, term. The Deputy Commissioner's term would coincide with that of the Commissioner.

d. General Counsel

Present law

SSA receives legal services from the Office of General Counsel of HHS through a component headed by a Chief Counsel for Social Security.

House bill

A General Counsel would be appointed by and serve at the pleasure of the Board as SSA's principal legal officer. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision). The conferees anticipate that the agency officers will include a General Counsel.

e. Inspector General

Present law

The Inspector General of HHS is responsible for oversight of SSA

House bill

An Office of Inspector General would be created within SSA, to be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978. He or she would be compensated at the rate provided in level IV of the Executive Schedule.

Senate amendment

The Inspector General Act of 1978 would be amended to authorize establishment, under that act, of an Inspector General of SSA.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment providing that the Inspector General would be compensated at the rate provided in level IV of the Executive Schedule.

In addition, the conference agreement provides the Commissioner of the independent agency with authority to appoint an interim Inspector General to serve for up to 60 days. If the Commissioner does not make this appointment, the Inspector General of HHS may, if requested by the Commissioner, serve as SSA's Inspector General (while continuing to serve as the Inspector General of HHS) until an Inspector General is appointed for the independent agency.

The bill does not establish in the Administration any positions other than the Commissioner, Deputy Commissioner, Inspector General and Chief Financial Officer. The conferees believe that it is preferable to give the Commissioner the authority to determine the most efficient administrative organization for an independent SSA. However, the conferees believe that an essential element in any administrative organization for SSA is the position of Chief Actuary. While such a position is not mandated legislatively, it is expected that SSA will continue to have a Chief Actuary, and that the Chief Actuary will remain available to consult with the Chairman of the Senate Committee on Finance and the Chairman of the House Ways and Means Committee.

The conferees wish to emphasize the very important role of the Office of the Actuary in assessing the financial condition of the Social Security trust funds and in developing estimates of the financial effects of potential legislative and administrative changes in the Social Security program. The Office of the Actuary has a unique role within the agency in that it serves both the Administration and the Congress. While the conferees expect that the Chief Actuary will report to the Commissioner, this office often must work with the committees of jurisdiction in the development of legislation.

Beginning with the appointment of the first Chief Actuary in 1936, the tradition was for a close and confidential working relationship between the individual who held that office and the committees of jurisdiction in the Congress, a relationship which the Committees value highly. It is important to emphasize that both the Senate Committee on Finance and the House Committee on Ways and Means rely on their ability to seek estimates on a confidential basis from the Chief Actuary, especially when developing new legislation. Thus, the independence of the Office of the Chief Actuary with respect to providing assistance to the Congress is vital in maintaining a trusting and useful relationship.

The conferees believe that it is important for the Office of the Chief Actuary to receive adequate staffing and support from the agency. In this regard, the conferees are concerned that fewer actuarial studies and notes have been published in recent years and that various informal reports and actuarial memoranda that were available in the past are no longer circulated. The conferees consider independent analyses by the Office of the Chief Actuary to be consistent with the general role and responsibilities of the actuarial profession, and in the past have found these analyses to be very helpful in understanding the factors underlying estimates and trends in the Social Security program.

With respect to adequate staffing, the conferees wish to note that it is essential that the strength of the Office of the Actuary be maintained. The conferees strongly urge that the actuarial staff at SSA be enhanced on an ongoing basis. Toward that end, the conferees believe that, in formulating a comprehensive workforce plan, the Commissioner of Social Security should carefully evaluate the needs of the Office of the Actuary and consider the need for additional Senior Executive Service positions in this office.

Although the conferees have not legislatively established a position of Chief Actuary in the independent agency, the conferees recognize the important role of the Office of the Chief Actuary and expect that in the independent SSA the office will be permitted to function with a high degree of independence and professionalism.

f. Chief Financial Officer

Present law

No provision.

House bill

No provision.

Senate amendment

A Chief Financial Officer would be appointed by the Commissioner in accordance with amendments to Title 31 of the U.S. Code made by the Chief Financial Officers Act of 1990.

Conference agreement

The conference agreement follows the Senate Amendment.

g. Beneficiary Ombudsman

Present law

No formal position of this nature exists within SSA.

House bill

An Office of Beneficiary Ombudsman, headed by a beneficiary ombudsman appointed by the Board, would be created within SSA. The term of office would be 5 years, except for the first ombudsman whose term would end September 30, 2000. The ombudsman would be permitted to serve up to one additional year until a successor had taken office (at the request of the chairperson of the Board), and could be appointed for additional terms. The ombudsman could be removed from office before completion of his or her term only for cause found by the Board. Compensation would be set at the rate provided in level V of the Executive Schedule.

The beneficiary ombudsman would:

Represent the interests and concerns of program beneficiaries within SSA's decision-making process;

Review SSA's policies and procedures for possible adverse effects on beneficiaries;

Recommend within SSA's decision-making process changes in policies which have caused problems for beneficiaries;

Help resolve problems for individual beneficiaries in unusual or difficult circumstances, as determined by the Administration; and

Represent the views of beneficiaries within SSA's decision-making process in the design of forms and issuance of instructions.

The Board would assure that the Office of Beneficiary Ombudsman is sufficiently staffed in regional offices, program centers, and the central office.

The annual report of the Board would include a description of the activities of the beneficiary ombudsman.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

h. Office of Chief Administrative Law Judge

Present law

The Social Security Act requires SSA to conduct hearings to consider appeals of SSA decisions by beneficiaries and applicants for benefits. These hearings are conducted by administrative law judges (ALJs). Although not required by law, the agency follows the procedures of the Administrative Procedures Act (APA) with respect to the appointment of ALJs and the conduct of hearings. The ALJs are located organizationally within the Office of Hearings and Appeals, headed by an associate commissioner who reports to the deputy commissioner for programs.

House bill

An Office of Chief Administrative Law Judge, headed by a chief ALJ appointed by the Board, would be created within SSA to administer the affairs of SSA's ALJs in a manner so as to ensure that hearings and other business are conducted by the ALJs in accordance with applicable law and regulations. The chief ALJ would report directly to the Board.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

i. Interim Authority of the Commissioner

Present law

No provision.

House bill

The President would be required to nominate appointments to the Board not later than April 1, 1995. If all members of the Board are not in office by October 1, 1995, the person then serving as Commissioner of Social Security would continue to serve as head of SSA within HHS, and serve as the head of the newly-established SSA, assuming the powers and duties of the Board and Executive Director.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill by providing that the existing Commissioner of Social Security in the Department of HHS would continue to serve in that post until a Commissioner is nominated by the President pursuant to this statute and is confirmed by the Senate. Nomination by the President must occur within 60 days of enactment. Upon confirmation by the Senate (whether before or after the general effective date of this statute), the President's nominee would assume the position of Commissioner of Social Security.

In the event that, as of March 31, 1995, the President has not nominated an individual for appointment to the Office of Commissioner of Social Security, the individual serving as Commissioner of Social Security in the Department of Health and Human Services shall become the Acting Commissioner of Social Security in the independent SSA.

j. Personnel; Budgetary Matters; Facilities and Procurement; Seal of Office

(1) Appointment of Employees by the Commissioner

Present law

No provision.

House bill

The Board would appoint additional officers and employees as it deems necessary (with compensation fixed in accordance with title 5 of the U.S. Code, except as otherwise provided by law), and could procure services of experts and consultants.

Senate amendment

Identical provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

(2) Allotment of Senior Executive Service (SES) Employees

Present law

No provision.

House bill

The Director of the Office of Personnel Management (OPM) would be required to give SSA an allotment of Senior Executive Service (SES) positions that exceeds the number authorized for SSA immediately before enactment of this Act to the extent a larger number is specified in a comprehensive work plan developed by the Board. The total number of such positions could not be reduced at any time below the number SSA held immediately before enactment of this Act.

Senate amendment

The Senate amendment includes the same provision, except that the number of SES positions allotted to SSA must be "substantially" greater than the number allotted to SSA before enactment of this Act.

Conference agreement

The conference agreement follows the Senate amendment, with an amendment requiring the Director of OPM to inform the Committee on Ways and Means and the Committee on Finance of the number of SES positions allotted to SSA within 60 days of the transmittal of the comprehensive work plan to the Director of OPM.

In agreeing to this provision, the conferees wish to note that, at present, the number of SES positions in SSA is low in proportion to the agency's responsibilities and the size of the agency's staff. The conferees expect that SSA's allotment will increase as an independent agency, commensurate with the agency's increased stature and responsibilities.

(3) Executive Level Positions

Present law

No provision.

House bill

In addition to the 8 Executive Schedule positions established by this Act, SSA also would be authorized 6 positions at level IV and 6 positions at level V of the Executive Schedule.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

(4) Positions Exempted From the Competitive Service

Present law

No provision.

House bill

No provision.

Senate amendment

The number of positions which may be excepted from the competitive service because of their confidential or policy-determining character could not exceed the equivalent of 10 full-time positions.

Conference agreement

The conference agreement generally follows the Senate amendment, except that the limit would be set at 20 and would apply only to non-career Senior Executive Service (SES) and schedule C positions. The four SSA positions authorized by this statute—Commissioner, Deputy Commissioner, Inspector General, and Chief Financial Officer—would not be counted toward the limit, nor would the staff hired by the Social Security Advisory Board.

(5) Workforce Plan; Biennial Appropriation

Present law

No provision.

House bill

Appropriation requests for SSA staffing and personnel would be based upon a comprehensive workforce plan, established and revised from time to time by the Board.

Senate amendment

The Senate amendment includes a similar provision, except that the plan would be established by the Commissioner and appropriations would be authorized to be made on a biennial basis.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Contingency Funds

Present law

No provision.

House bill

No provision.

Senate amendment

Appropriated contingency funds would be apportioned upon the occurrence of the stipulated contingency, as determined by the Commissioner and reported to the Congress.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(7) Seal of Office

Present law

No provision.

House bill

The Board would create a Seal of Office for SSA, and judicial notice would be taken of it.

Senate amendment

The Commissioner would create a Seal of Office for SSA, and judicial notice would be taken of it.

Conference agreement

The conference agreement follows the Senate amendment.

k. Transfers and Transitional Rules

(1) Transfers of Functions and Staff

Present law

No provision.

House bill

In consultation with the Secretary of HHS, the Board would determine appropriate allocations of personnel and assets be transferred from HHS to SSA. In addition, there would be transferred such number of ALJs as are necessary to carry out the functions transferred by this Act (as determined by the Board in consultation with the Secretary).

Senate amendment

All functions, assets and personnel related to the administration of Social Security programs would be transferred from HHS to SSA. Transfers include all personnel employed in connection with the functions transferred to SSA and the assets, liabilities, contracts, property, records and unexpended balance of appropriations, authorizations, allocations, or other funds employed, held, or used in connection with these functions.

Conference agreement

Under the conference agreement generally follows the Senate amendment, with an amendment providing that the Commissioner and the Secretary will enter into a written interagency transfer arrangement identifying the personnel and resources to be transferred to SSA pursuant to this provision. The Commissioner and the Secretary will also identify support functions which are to be transferred—i.e., payroll, legal, and audit functions.

Under the conference agreement, SSA will continue to perform its current functions in administering the Medicare and Medicaid programs, including the adjudication of Medicare appeals, until such time as the Secretary and the Commissioner agree to a different arrangement. While the Secretary will maintain the ultimate authority for appeal decisions, SSA's ALJ corps will conduct appeal hearings until such time as the Secretary and the Commissioner agree to separate the functions.

The conferees urge the Secretary and the Commissioner to make a joint examination of the most appropriate methodology which could be used to determine the costs to be borne by the Medicare trust funds for Medicare-related functions performed by SSA. The conferees request that the Secretary and the Commissioner report their joint findings to the Committee on Ways and Means and Committee on Finance within 36 months.

(2) Terminate 6 Executive Level IV and V Positions

Present law

No provision.

House bill

The Secretary of HHS shall terminate 6 positions in the Department of HHS placed in level IV and 6 positions placed in level V of the Executive Schedule other than positions required by law.

Senate amendment

No provision.

Conference agreement

The conference agreement follows Senate amendment (i.e., no provision).

(3) Employees Performing SSA Work on Date of Transfer

Present law

No provision.

House bill

No provision.

Senate amendment

HHS employees who are employed on the date of enactment of this Act, solely in connection with functions transferred by this title to SSA, and who are so employed on the day before the date SSA is established as an independent agency, shall be transferred from HHS to SSA.

HHS employees who are not employed on the date of the enactment of this Act in connection with functions transferred to SSA, but who are so employed on the day before SSA is established as an independent agency, may be transferred from HHS to SSA by the Commissioner, after consulting with the Secretary of HHS, if the Commissioner determines such transfer to be appropriate.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

(4) Funds Transferred

Present law

No provision.

House bill

Funds available to any official or component of HHS whose functions are transferred to the Commissioner of Social Security or the independent SSA may, with the approval of the Director of the Office of Management and Budget, be used to pay compensation of any officers appointed during the transition until funds for that purpose are otherwise available.

Senate amendment

Same as House provision.

Conference agreement

The conference agreement follows the House bill and Senate amendment.

(5) Transfer of Existing Orders, Determinations, Contracts, etc.

Present law

No provision.

House bill

All orders, determinations, rules, regulations, collective bargaining agreements, recognitions of labor organizations, certificates, licenses, and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the independent agency until their expiration or modification by the Board in accordance with law. Further, the change would not alter any pending proceeding before the Secretary, nor any suit nor penalty, except that such proceedings would continue before the Board.

Senate amendment

All orders, rules, regulations, determinations, contracts, collective bargaining agreements (including ongoing negotiations), recognitions of labor organizations, certificates, licenses and privileges in effect under the authority of the Secretary of HHS at the time of the transition would continue under the authority of the independent SSA until modified or terminated by the Commissioner. Suits and penalties commenced prior to enactment would also continue. Collective bargaining agreements would remain in effect until the date of termination specified in such agreement.

Conference agreement

The conference agreement follows the Senate amendment.

(6) Employee Protections; Transfer of Employees

Present law

No provision.

House bill

Transfer to the independent agency would not cause any full-time personnel (except special government employees) or part-time personnel holding permanent positions to be separated or reduced in grade or compensation for one year after such transfer.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical modifications. In addition, the provision stipulates that transferred personnel who were not SSA employees immediately prior to March 31, 1995, would not be subject to directed reassignment to a duty station outside their commuting area for one year after such date, except that such personnel residing in the Baltimore, Maryland, or Washington, D.C., commuting area would not be subject to directed reassignment to duty stations in the Washington, D.C. or Baltimore, Maryland, commuting areas, respectively, for six months after such date. The conferees expect that in implementing this provision, SSA will develop a definition of "commuting area" no later than March 31, 1995.

In establishing these protections, the conferees are seeking to insure that SSA's transition to independent status does not adversely affect any worker's employment, pay, or grade. The conferees also want to protect employees who are transferred as a result of this Act from HHS to SSA, and their families, from having to relocate immediately. The conferees intend these protections to extend only to personnel actions and transfers stemming from the transition of SSA to its new status as an independent agency. They should not be interpreted as preventing SSA from taking personnel actions unrelated to this transition that affect employees' jobs, pay, or grade.

l. TRANSITION DIRECTOR

Present law

No provision.

House bill

No provision.

Senate amendment

SSA's transition to independent status would be led by a Transition Director, who would be selected on the basis of experience and knowledge of the operation of the Federal Government. Within 30 days after enactment, the President would be required to appoint the Transition Director, who would be compensated at the rate provided for level IV of the Executive Schedule.

Before the Commissioner of the independent SSA has been appointed, the Transition Director would be required to consult regularly with the Director of the Office of Management and Budget. Upon such appointment, the Transition Director would work under the direction of the Commissioner of SSA.

Within 120 days of the enactment, the Transition Director and the Commissioner of Social Security would be required to report to the Congress on the status of the transition and on any significant internal restructuring or management improvements that are proposed to be undertaken.

Conference agreement

The conference agreement follows the House bill (i.e., no provision).

m. Advisory Council

Present law

An advisory council is appointed by the Secretary of HHS every four years for the purpose of reviewing the status of the Social Security and Medicare programs.

House bill

No provision.

Senate amendment

There would be no quadrennial advisory councils for Social Security, although quadrennial councils would continue to be convened for Medicare.

Conference agreement

The conference agreement follows the Senate amendment, except that the provision does not authorize quadrennial advisory councils for Medicare. Also, the Advisory Council appointed in 1994 would be authorized to complete its work. The conferees expect that the Congress will consider authorizing quadrennial advisory councils for Medicare in future legislation.

n. Annual Report

Present law

The Secretary of HHS is required to make an annual report to Congress on the administration of the functions with which the Secretary is charged under the Social Security Act (including OASDI and SSI).

House bill

No provision.

Senate amendment

The requirement for an annual report with respect to OASDI and SSI would be eliminated.

Conference agreement

The conference agreement follows the Senate amendment, with a technical amendment modifying provisions of existing law which require the inclusion of information in SSA's annual report so that this information will be provided to Congress separately.

The conferees do not intend this provision to override any statutory requirements that SSA provide information to Congress. Rather, reports that are mandated by law will continue to be provided. Furthermore, in the absence of the annual report, the conferees expect that SSA will include in its annual statistical supplement basic information similar to that currently included in the annual report on: (1) the OASI, DI, and SSI programs, (2) the structure of SSA, including numbers of local offices, regional offices, and teleservice centers; (3) the size and distribution of SSA staff; (4) pending workloads at each level of the disability application and appeals process; and (5) representative payees for Social Security and SSI beneficiaries.

o. Data Exchange

Present law

Within the current Department of Health and Human Services, programs administered by the Social Security Administration, the Health Care Financing Administration for Children and Families, and other programs may disclose information from their respective systems of records to assist the administration of various HHS programs.

House bill

No provision.

Senate amendment

No provision.

Conference agreement

The provision would continue existing data exchanges between HHS and SSA, by requiring the Secretary to disclose to the Commissioner, and the Commissioner to the Secretary, any record or information requested in writing by the other for the purpose of administering any program, if the same type of information was disclosed to SSA or HHS, respectively, before the date of enactment.

Until March 31, 1995, such exchanges may continue to be carried out without need to publish new routine uses under the Privacy Act, and without need for computer matching agreements. Beginning March 31, 1996, additional data exchanges and computer matching agreements shall be made in compliance with the routine uses provision under the Privacy Act.

p. Effective Date

Present law

No provision.

House bill

In general, the provision would take effect October 1, 1995.

Senate amendment

In general, the provision would take effect 180 days after enactment.

Conference agreement

In general, the provision would take effect March 31, 1995. The Secretary and the Commissioner would be required to develop an arrangement for the transfer on March 31, 1995, of SSA personnel, and resources to the independent agency. They would be required to submit this plan to the Committee on Ways and Means and the Committee on Finance no later than January 1, 1995. No later than February 15, 1995, the General Accounting Office would be required to issue a report to the Committees evaluating this plan.

The conferees expect this plan to be sufficiently detailed that Congress and the GAO can evaluate whether the decisions made by the Secretary and the Commissioner reflect a division of staff and resources that is equitable from the perspective of both agencies. The plan should include the number or portion of staff from each division within the Office of the Secretary that will be transferred to SSA and the method by which those staff will be designated.

In addition, to ensure that the Congress is fully informed of the progress of the transition, the conferees expect GAO to monitor the transition closely and to report frequently to the Committee on Ways and Means and the Committee on Finance on an informal basis. To facilitate GAO's role in the transition, the conferees expect that all participants will furnish the Comptroller General with such information as he determines is necessary to apprise the Committees of the progress of the transition.

Further, the conferees require that, no later than November 1, 1994, the Secretary and the Commissioner report directly to the Committee on Ways and Means and the Committee on Finance on their progress in developing the required joint plan.

2. RESTRICT DISABILITY INSURANCE AND SUPPLEMENTAL SECURITY INCOME DISABILITY PAYMENTS TO SUBSTANCE ABUSERS

(Sec. 201 of the House bill, secs. 301–305 of the Senate amendment, and sec. 201 of the conference agreement)

a. Require that all DI Beneficiaries receive payment through a representative payee

Present law

Supplemental Security Income (SSI) recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to receive payments through a representative payee, who has responsibility for managing their finances. There is no parallel requirement for the Disability Insurance (DI) program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material to their disability would be required to receive payment through a representative payee. Thus, for both DI and SSI, it would be deemed in the best interest of the individual to be paid through a representative payee if alcoholism or drug addiction is a contributing factor material to the determination of disability. Further, the requirement that payment be certified to an alternative representative payee is modified by specifying that this occur, "if the interest of the disabled individual would be served thereby."

The provision would become effective 180 days after enactment for both current and prospective DI beneficiaries.

Senate amendment

DI beneficiaries whose disabilities are based in whole or in part on a medical determination that the individual is a drug addict or alcoholic would be required to receive payments through a representative payee.

Conference agreement

The conference agreement follows the House bill with an amendment providing that, for individuals determined eligible for DI benefits beginning 180 days after enactment, the requirement for a representative payee would become effective with respect to their first benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, this requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, the individual is required to receive payment through a representative payee.

An exception to these rules would apply in cases where SSA has difficulty locating a suitable representative payee for a DI beneficiary who is on the rolls prior to the effective date of the amendment. In such situations, direct payment to the individual could be made for up to 90 days.

The conferees recognize that requiring SSA to identify those DI beneficiaries on the rolls whose alcoholism or drug addiction is material to their disability is a costly and labor-intensive task. Finding appropriate representative payees for these individuals will also present an enormous challenge to the agency. The conferees are establishing these requirements in spite of their difficulty because of the high priority they place on halting the use of DI and SSI funds to support disabling addictions. They expect that SSA will implement this requirement in stages, giving first priority to newly-adjudicated cases and individuals with primary diagnoses of alcoholism or drug addiction. The conferees place a high priority on accomplishing this task and expect that SSA will make every effort to identify during the 180 days following enactment DI beneficiaries on the rolls who are required to have representative payees and to find suitable representative payees for these beneficiaries as soon as possible.

b. Studies

Present law

No provision.

House bill

The Secretary of Health and Human Services would be required to conduct a study of (a) the cost, feasibility, and equity of requiring all DI and SSI beneficiaries who suffer from alcoholism or drug addiction (including those whose addiction did not contribute materially to the determination of disability) to have a representative payee, (b) the feasibility of, and appropriate timetable for, providing benefits through non-cash means (e.g., vouchers, debit cards, electronic benefit transfer systems), (c) the extent to which child recipients are afflicted by drug addiction or alcoholism and ways of addressing such affliction, including the feasibility of requiring treatment, and (d) the extent to which children's representative payees are afflicted by drug addiction or alcoholism, and methods to identify these afflicted individuals and to ensure that benefits continue to be provided to beneficiaries appropriately.

Not later than April 1, 1995, the Secretary shall transmit to the Committee on Ways and Means and the Committee on Finance a report on the findings and recommendations of the study.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, except that the study of providing non-cash benefits to alcoholics and drug addicts would focus on issues of cost and equity as well as feasibility and would not include a timetable for implementation. Also, the due date for the study would be December 31, 1995.

c. Preference for Organizations as Representative Payees and Expansion of Qualified Organizations

Present law

The law is silent with regard to assigning an order of preference for the appointment of representative payees. SSA regulations give preference to family members and friends over organizations in both the DI and SSI programs. If the representative payee is determined to have misused any benefits, the Secretary must certify payment to an alternative payee or to the individual.

Community-based nonprofit social service agencies in existence on October 1, 1988, and serving as representative payees for five or more recipients are allowed to collect a monthly fee for their services the fee is collected from the DI or SSI payment, and cannot exceed the lesser of ten percent of the benefit or $25 per month. The authority for qualified organizations to charge a fee for representative payee services expired July 1, 1994.

House bill

In selecting a representative payee for an individual whose alcoholism or drug addiction is a contributing factor material to his or her disability, preference would be given to qualified organizations, unless the Secretary determines that selection of such an agency would not be appropriate.

Further, the requirement that qualified organizations have been in existence on October 1, 1988, to receive a fee for representative payee services would be repealed, and the list of qualified organizations would be expanded to include:

(1) Community-based, nonprofit social services agencies;

(2) State or local agencies whose mission is to carry out income maintenance, social service, or health care-related services; and

(3) State or local government agencies with fiduciary responsibilities (or a designee of such an agency if the Secretary deems it appropriate).

The authority for qualified organizations to charge a fee for representative payee services (which expired July 1, 1994) would be reestablished and made permanent, and the monthly fee for services that qualified representative payees of drug addicts and alcoholics receive would be set at ten percent of the monthly benefit.

Senate amendment

Any benefits payable to DI and SSI beneficiaries (including retroactive benefits) based in whole or in part on alcoholism or drug addiction would be payable only pursuant to a certification of such payment to a qualified organization acting as representative payee for the individual. A qualified organization would be further defined to include an agency or instrumentality of a State or a political subdivision of a State.

Conference agreement

The conference agreement follows the House bill, with an amendment that provides an exception to the preference for organizations to serve as representative payees for drug addicts and alcoholics to allow SSA to appoint a family member as representative payee if appointing a family member would be appropriate. However, the conferees intend that in cases where the alcoholic or drug addict is abusive to family members or in cases where family members turn over benefits to the alcoholic or drug addict, a family member would not be found to be an appropriate representative payee. In addition, the conferees believe that there are no circumstances under which bartenders should be permitted to serve as representative payees for the customers they serve.

The fee that organizational representative payees would be permitted to charge drug addicts and alcoholics would be the lesser of 10 percent of the monthly benefit or $50, indexed to the Consumer Price Index. In addition, the authority for qualified organizations to charge a fee for representative payee services would be made retroactive to July 1, 1994; and the ceiling on fees for organizational representative payees of OASDI and SSI beneficiaries who are not alcoholics or drug addicts—currently $25—would be indexed to the CPI.

d. Treatment Requirement

Present law

SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability are required to undergo treatment, when available, at approved facilities. They must also comply with the terms of their treatment program and comply with monitoring and testing provided by the Secretary. There are no parallel requirements for the DI program.

House bill

DI beneficiaries whose drug addiction or alcoholism is a contributing factor material to their disability and who are determined eligible for benefits at least 180 days after enactment would be required to undergo treatment, when available, at approved facilities; to comply with the terms of such treatment programs; and to comply with monitoring and testing provided by the Secretary.

In addition, DI beneficiaries on the rolls with a primary diagnosis of alcoholism or drug addiction would be subject to these requirements.

Senate amendment

DI and SSI beneficiaries whose disability is based in whole or in part on drug addiction or alcoholism would be required to undergo treatment, when available, at approved facilities; to allow their treatment to be monitored; and to comply with monitoring and testing provided by the Secretary.

Conference agreement

The conference agreement generally follows the House bill with respect to new DI beneficiaries. With respect to DI beneficiaries on the rolls as of the effective date of this provision, treatment would be required, if available, for all individuals whose alcoholism or drug addiction is a contributing factor material to their disability.

For individuals determined eligible for DI benefits following the effective date of this provision, the requirement to undergo treatment, if available, would apply beginning with the first month that they receive a benefit check. Notification that the individual is subject to this requirement because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of entitlement to benefits.

For DI beneficiaries on the rolls, the treatment requirement would become effective the month following the month in which SSA provides notification that alcoholism or drug addiction is a contributing factor material to the individual's disability and that, as a consequence, he or she is required to undergo treatment, if available, as a condition of eligibility.

e. Appropriate Treatment and Standards for Compliance

Present law

Under the SSI program, alcoholics and drug addicts must undergo "any treatment which may be appropriate for their condition at an institution or facility approved by the Secretary (so long as such treatment is available)." There is no parallel requirement in the DI program.

House bill

DI and SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability would be required to undergo any medical or psychological treatment that is appropriate for the individual's addition and for the stage of the individual's rehabilitation, at an approved facility.

The Secretary, in consultation with drug and alcohol treatment professionals, would be required to issue regulations further defining appropriate treatment and compliance, and to establish guidelines for evaluating compliance, including measures of the progress expected of participants.

Senate amendment

Similar provision, but excludes the requirement that the Secretary issue regulations defining compliance with treatment.

Conference agreement

The conference agreement follows the House bill, except that the requirement to undergo "any medical or psychological treatment" would be replaced with a requirement to undergo "appropriate substance abuse treatment." This change is intended to assure that SSA continues to treat organizations such as Alcoholics Anonymous as qualified treatment providers.

The conferees anticipate that, in addition to issuing regulations, SSA will develop specific guidelines for assessing compliance. These guidelines should be consistent with the thrust of the regulations. However, the conferees expect that the guidelines will be altered from time to time, based on improved medical understanding of addiction.

f. Benefit Suspension for Noncompliance With Treatment

Present law

SSI law requires disabled alcoholics and drug addicts to participate in treatment, if available, as a condition of eligibility. It does not, however, specify the timing and duration of benefit suspensions for failure to comply with this requirement. There is no parallel requirement for the DI program.

House bill

Benefits would be suspended for DI and SSI disability beneficiaries who fail to undergo or comply with required treatment for drug addiction or alcoholism. (Medicare benefits would continue during the period of DI suspension, as would Medicaid benefits for suspended SSI recipients). To qualify for benefit reinstatement, DI and SSI recipients would have to demonstrate compliance with treatment for progressively longer periods—two months, three months, and six months for the first, second, third (and subsequent) instances of noncompliance, respectively. An individual's DI or SSI benefits would be terminated after he or she was suspended for 12 consecutive months. As under current law, terminated individuals could reapply for benefits.

Senate amendment

The individual must demonstrate in such manner as the Secretary requires, including at a continuing disability review not later than 1 year after the determination of disability, that the individual is complying with the terms and conditions of treatment. If the Secretary finds that an individual is not complying, the Secretary, in lieu of termination, may suspend benefits until compliance is reestablished, including compliance with any additional requirements the Secretary determines necessary.

Conference agreement

The conference agreement follows the House bill, except that suspensions would become effective the month following notification by SSA of the noncompliance and resulting suspension, rather than the month of noncompliance. (An individual may be determined as failing to comply for a month only if treatment is available for the month.)

g. Referral and Monitoring Activities and Report on Testing

Present law

The Secretary of HHS must provide for the monitoring and testing of all SSI recipients whose alcoholism or drug addiction is a contributing factor material to their disability. There is no parallel requirement for the DI program.

House bill

The Secretary would be required to establish a referral and monitoring agency for each State. These agencies would identify appropriate placements for DI and SSI recipients who are drug addicts and alcoholics, refer them to such treatment, monitor compliance, and report failures to comply to the Secretary. The Secretary would also be required to provide for the testing of DI beneficiaries, as is currently required under the SSI program.

The Secretary would be required to submit annual reports to Congress on required testing and referral and monitoring activities for DI beneficiaries, as is currently required in the SSI program. These reports would indicate the number and percentage of DI and SSI substance abusers who did not receive regular testing during the year.

Senate amendment

Within 1 year of enactment, the Secretary of HHS would be required to provide for the establishment of referral and monitoring agencies for each State, as well as for the testing of DI beneficiaries, as is currently required under the SSI program.

Conference agreement

The conference agreement follows the House bill with minor drafting modifications and with an amendment replacing the requirement for annual reports with a one-time report, due December 31, 1996. Thereafter, annual reports on testing and referral and monitoring activities would no longer be required under the SSI program.

In requiring SSA to provide drug testing, the conferees intend that this authority be used as a tool for assessing compliance with treatment in those instances where a test is likely to yield important information. This provision should not be interpreted as requiring random drug or alcohol testing of all DI and SSI beneficiaries who are disabled by alcoholism or drug addiction.

h. 36-Month Limit

Present law

No provision.

House bill

DI and SSI benefits (including retroactive benefits) for individuals whose drug addiction or alcoholism is a contributing factor material to their disability would be terminated after 36 months of entitlement. Once terminated, the individual would not be entitled to any future benefits if alcoholism or drug addiction were a contributing factor material to the disability termination. For those beneficiaries on the rolls 180 days after enactment of this provision, the first month ending after 180 days after enactment would be treated as the first month of entitlement for the purpose of determining their 36-month period of entitlement.

Senate amendment

In no event would an individual be entitled to benefits for more than a total of 36 months (excluding periods of suspension) unless upon the termination of the 36th month the individual furnishes evidence that the individual is under a disability which is not related in part to a medical determination that the individual is a drug addict or alcoholic.

Conference agreement

SSI recipients whose alcoholism or drug addiction is a contributing factor material to SSA's determination that they are disabled would be terminated from the rolls after receiving 36 months of benefits unless they are disabled for some reason other than alcoholism or drug addiction. The 36-month limit would be applied to DI substance abusers beginning when treatment becomes available. DI substance abusers would be terminated after receiving benefits in treatment for 36 months, unless they are disabled for some reason other than substance abuse. The conferees expect that SSA will notify DI and SSI beneficiaries well in advance of the 36-month termination that benefits will be ceased, unless the individual provides evidence that he or she is disabled independent of alcoholism or drug addiction.

For SSI recipients determined eligible for benefits after 180 days after enactment, the 36-month limit would begin to toll with the first month for which the individual receives a benefit check. Notification that the individual is subject to the 36-month limit because alcoholism or drug addiction is a contributing factor material to his or her disability would be included in SSA's award notice informing the individual of eligibility for benefits. For SSI recipients on the rolls, the limit would also begin to toll 180 days after enactment; and SSA would be required to notify all affected individuals prior to this date that they are subject to this limit because alcoholism or drug addiction is a contributing factor material to their disability.

For DI beneficiaries (both current and newly-entitled individuals), the limit would begin when treatment becomes available, at which time SSA would be required to notify the individual that he or she is subject to the limit.

For both groups, only those months for which an individual receives a benefit would be counted toward the 36-month period. (Periods of benefit suspension would be excluded.) An individual whose benefits are terminated as a result of the 36-month limit may not receive benefits for any following month if, in such following month, alcoholism or drug addiction is a contributing factor material to the Secretary's determination that the individual is disabled.

Medicare and Medicaid would be continued beyond the 36-month period so long as the terminated individual continues to be disabled, as would benefits for dependents of terminated DI beneficiaries (see "i").

The provision would sunset the 36-month limit, effective October 1, 2004.

i. Dependents Benefits After 12-Month and 36-Month Termination

Present law

Dependents are entitled to DI benefits only so long as the worker on whose wage record benefits are paid is so entitled.

House bill

Dependents' benefits would be continued for two years after the worker on whose record benefits are paid is terminated from the DI rolls.

Senate amendment

No provision.

Conference agreement

Dependents' benefits would be continued so long as the worker on whose record benefits are paid continues to be disabled.

j. Proration of Retroactive Lump-Sum Benefits

Present law

No provision.

House bill

Retroactive lump-sum DI and SSI disability benefits for individuals whose alcoholism or drug abuse is a contributing factor material to their disability would be prorated and paid gradually. Each monthly payment would be limited to 200 percent of the normal benefit amount.

Senate amendment

Retroactive lump-sum benefits for individuals whose disabilities are related in whole or in part to alcoholism or drug addiction would be paid to a representative payee, who would be charged with managing the individual's finances.

Conference agreement

The conference agreement follows the House bill, with amendments that:

(1) Create an exception for individuals who are at high risk of homelessness because they incurred debts related to housing while awaiting their eligibility decision. The exception would be limited to the amount of the debt;

(2) Provide that, when a beneficiary dies without having received the full amount of his or her retroactive benefits in prorated payments, the unpaid amount would be treated as an underpayment; and

(3) Provide that, when retroactive benefits are owed to an individual whose entitlement ceases due to 12 months of suspension or the 36-month limit, prorated payments would continue through a representative payee until all retroactive benefits are paid.

The conferees are establishing the first exception to help insure that the restrictions being imposed on lump-sum payments will not result in an increased level of homelessness. They expect representative payees to use any amounts so excepted for the sole purpose of repaying housing-related debts.

The second and third exceptions recognize that, once an individual has been determined eligible for DI and SSI benefits, subsequent events—such as failure to comply with required treatment, the imposition of the 36-month limit, or the individual's death—do not negate his or her previous eligibility and resulting right to past-due benefits.

k. Illegal Activity and SGA

Present law

No provision.

House bill

In determining whether an individual is engaging in substantial gainful activity, the Secretary must consider services performed or earnings derived from such services without regard to the legality of such services.

Senate amendment

Any proceeds derived from criminal activity undertaken to support substance abuse would be treated as evidence of the individual's ability to engage in substantial gainful activity.

Conference agreement

The conference agreement follows the House bill.

l. Demonstration Projects

Present Law

No provision.

House bill

The Secretary of HHS would be required to develop and carry out demonstration projects designed to explore innovative referral, monitoring, and treatment approaches for drug addicts and alcoholics who are subject to a treatment requirement. A report to the Committee on Ways and Means and Committee on Finance would be due not later than December 31, 1997.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with an amendment authorizing the Secretary to include individuals who are not DI or SSI beneficiaries in the projects, to the extent that this is necessary to determine the most effective referral, monitoring, and treatment approaches for DI and SSI beneficiaries. The conferees expect that the Department of Health and Human Service (Substance Abuse and Mental Health Services Administration) and the Social Security Commissioner will coordinate their efforts with respect to such projects.

m. Effective Date

In general, the provision would take effect 180 days after enactment.

3. ISSUANCE OF PHYSICAL DOCUMENTS IN THE FORM OF BONDS, NOTES, OR CERTIFICATES TO THE SOCIAL SECURITY TRUST FUNDS

(Sec. 202 of the House bill and sec. 301 of the conference agreement)

Present law

In general, section 201(d) of the Social Security Act requires the Secretary of the Treasury to invest annual surpluses of the Social Security Trust Funds in interest-bearing obligations of the U.S. government. Under current Treasury practice, these holdings are recorded as entries on a ledger. No physical documents are required to be issued to the Trust Funds evidencing these obligations.

House bill

The provision would require that each obligation issued for purchase by the Social Security Trust Funds be evidenced by a physical document in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury. The physical document would state the principal amount, date of maturity, and interest rate of the obligation. It would also state on its face that: ". . . the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest."

In addition, interest on such obligations would be paid to the Trust Funds with paper checks drawn on the general fund.

Effective date.—The provision would apply with respect to obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date—The provision would apply with respect to the obligations issued, and payments made, after 60 days after the date of enactment. No later than 60 days after enactment, the Secretary of the Treasury would be required to issue to the Social Security Trust Funds physical documents in the form of bonds, notes, or certificates of indebtedness for all outstanding Social Security Trust Fund obligations.

4. GAO STUDY REGARDING TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION

(Sec. 203 of the House bill and sec. 302 of the conference agreement)

Present law

The Omnibus Budget Reconciliation Act of 1990 (P.L. 101–508), requires SSA to: (a) maintain telephone access to local offices at the level generally available as of September 30, 1989, and (b) relist the numbers of affected offices in local telephone directories. P.L. 101–508 also required the General Accounting Office to report to Congress on the level of public telephone access to local offices following enactment of these requirements.

In September 1991, the GAO reported that SSA had generally complied with the requirement that it relist local office telephone numbers. It also reported that general inquiry lines to the offices to which the provisions of P.L. 101–508 apply had decreased by 30 percent, or 766 lines, below the level that existed on September 30, 1989.

House bill

The provision would add the following sentence to the current statutory requirement that SSA maintain public access to its local offices at the level generally available on September 30, 1989: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines."

In addition, the General Accounting Office would be required to make an independent determination of the number of telephone lines to each SSA local office which are in place as of 90 days after enactment and to report its findings to the House Committee on Ways and Means and the Senate Committee on Finance no later than 150 days after enactment.

SSA would be required to maintain its toll-free service at a level at least equal to that in effect on the date of enactment.

Senate amendment

No provision.

Conference agreement

The provision would require the General Accounting Office to assess SSA's use of innovative technology (including attendant call and voice mail) to increase public telephone access to local Social Security offices (including a separate assessment of the impact of such technology on offices to which public access was curtailed on October 1, 1989.) The conferees expect that, as part of this assessment, GAO will evaluate the telephone access demonstration projects using attendant call and voice mail that SSA has indicated that it is about to begin. A report to the House Committee on Ways and Means and the Senate Committee on Finance would be due no later than January 31, 1996.

Effective date.—Upon enactment.

5. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE

(Sec. 204 of the House bill and sec. 303 of the conference agreement)

Present law

Election workers who earn less than $100 per year are subject to three Social Security exclusions: (a) at the option of a State, they may be excluded from the State's voluntary coverage agreement with the Secretary of Health and Human Services (HHS); (b) they are excluded from the requirement that State and local workers hired after March 31, 1986, pay the hospital insurance portion of the Social Security tax (1.45 percent); and (c) they are excluded from the requirement in the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) that State and local workers who are neither covered by a State or local retirement system nor by a voluntary agreement pay the full Social Security tax (7.65 percent).

House bill

These three exclusions would be modified to apply to election workers with annual earnings of up to $1,000, rather than the current $100; and the new exempt amount would be indexed for increases in wages in the economy.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

Senate amendment

No provision

Conference agreement

The conference agreement follows the House bill except that there would be no adjustments in the threshold for wage increases before January 1, 2000.

Effective date.—The provision would apply to services performed on or after January 1, 1995. Modifications of State voluntary agreements to reflect the higher exclusion for election workers would be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.

6. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES

(Sec. 205 of House bill and sec. 304 of the conference agreement)

Present law

The Privacy Act of 1974 prohibits States from requiring individuals to provide Social Security numbers for identification purposes unless the State was doing so prior to January 1, 1975, or the State is specifically permitted to do so under Federal law. The Social Security Act currently authorizes States to use the Social Security number in administration of any tax, general public assistance and driver's license or motor vehicle registration law within its jurisdiction. Other Federal statutes authorize the State use of the Social Security number for other purposes.

Currently, courts utilize jury source lists within their jurisdiction to select jurors. Source lists (most commonly) made up of lists of licensed drivers and registered voters) are usually computer tapes merged by the courts to form one pool—or master list—from which jurors are selected.

States which are permitted under current law to collect Social Security numbers for purposes such as driver's licenses and voter registration are not allowed to use those Social Security numbers for other purposes such as refining jury selection master lists to identify and eliminate duplicate names, unless the court was using the Social Security number for that purpose before the Privacy Act took effect.

Current law likewise prevents State and Federal Courts from using the Social Security number to run the merged list against computerized lists of convicted felons in order to eliminate these individuals from jury pools.

House bill

States and Federal District Courts would be permitted to use Social Security numbers which have already been collected for purposes permitted under current law to eliminate duplicate names and names of convicted felons from jury source lists. Any Federal law enacted prior to enactment of this provision which is inconsistent with the above policy would be null, void and of no effect.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

7. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICE OFFICERS AND FIREFIGHTERS UNDER EXISTING COVERAGE AGREEMENTS

(Sec. 206 of the House bill and sec. 305 of the conference agreement)

Present law

In general, employees of State and local governments who participate in a public retirement system can be brought under Social Security by means of voluntary agreements entered into by the States with the Secretary of Health and Human Services.

However, the State option to obtain Social Security coverage for police officers and firefighters who are under a public retirement system applies only in 24 States that are named in the Social Security Act. (An additional option applies with respect to firefighters only: any State may obtain coverage for them if the governor certifies that it would improve the overall benefit protection of firefighters in the coverage group and a referendum is held among the group under authorization of the State.) The Act also provides that, in the 24 named States, Social Security coverage can be obtained only after a State-sponsored referendum.

House bill

The provision would extend to all States the option to provide police officers and firefighters who participate in a public retirement system with Social Security coverage under their voluntary agreements with the Secretary of HHS. The existing requirement for a referendum held under the authority of the State would continue to apply.

Effectively date.—The provision would apply with respect to modifications filed by States after enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to modifications filed by States after enactment.

8. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY

(Sec. 207 of the House bill and sec. 306 of the conference agreement)

Present law

Section 233 (c)(1) of the Social Security Act authorizes the President to enter into "totalization agreements" with foreign countries to coordinate entitlement to Social Security benefits in the U.S. with pension benefits in those foreign countries. The law requires that international agreements concluded pursuant to that section provide for the elimination of dual coverage of work under the Social Security systems of the United States and another country.

Article V(7) of the totalization agreement between the United States and Canada provides that individuals considered self-employed by the United States who are American citizens but are residents of Canada are covered only under the Canadian Pension Plan.

Under the Social Security Act, an individual who is duly ordained, commissioned, or licensed minister of a church or a member of a religious order is generally considered self-employed for Social Security payroll tax purposes and subject to SECA taxes.

The Canadian social insurance program treats ministers as employees of the church rather than self-employed.

Prior to the 1984 totalization agreement with Canada, duly ordained and licensed ministers who were American citizens, but residents of Canada, were required to pay SECA taxes to the United States and Social taxes to Canada.

In some cases, ministers who were American citizens, ut residents of Canada, failed to file tax returns or pay SECA tax believing that they were not required to do so because they were paying into the Canadian Pension Plan as residents of Canada. The Internal Revenue Service has assessed taxes and penalties against those ministers who failed to file a return and pay the required taxes prior to the 1984 agreement.

House bill

The provision would exempt ministers who failed to pay SECA taxes in the United States on earnings from services performed in Canada for a period before the 1984 totalization agreement between the United States and Canada went into effect, and who were required to pay social insurance taxes in Canada on such earnings, from the payment of such taxes or related penalties, owed to the United States.

The ministers' Social Security earnings records would not be credited for years in which the SECA tax was not paid.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision, would be recomputed for months following approval of the certificate of exemption.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for individuals who meet the requirements of the statute and who file a certificate with the Internal Revenue Service within 180 days after the IRS issues regulations implementing this provision. The certificate shall be effective for taxable years 1979 through 1984.

The Social Security benefit for current Social Security beneficiaries who file certificates under this provision would be recomputed for months following approval of the certificate of exemption.

9. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION

(Sec. 208 of the House bill and sec. 307 of the conference agreement)

Present law

The President is authorized to enter into "totalization agreements" with foreign countries. If an individual has worked under Social Security systems in both the U.S. and a foreign country with which the U.S. has such an agreement, but has not worked long enough to qualify for a benefit, a totalization agreement allows the individual's coverage under both systems to be combined, or "totalized," in order for one country (or both) to pay a benefit. Benefits paid under a totalization agreement are generally prorated to take account of the fact that the person did not work for an entire career under the system that is paying benefits.

The windfall elimination provision (WEP) is applied to the computation of Social Security benefits for workers who are eligible for both Social Security and a pension from work not covered by Social Security. Under the WEP, a different benefit formula yielding a lower amount is used to calculate the worker's Social Security benefit.

With respect to individuals who have worked under Social Security systems in both the United States and a foreign country with which the United States has a totalization agreement, the WEP applies: 1) in the computation of some U.S. totalization benefits, and 2) in the computation of regular U.S. Social Security benefits if the individual receives a foreign totalization benefit.

House bill

The provision would disregard the windfall elimination provision in computing any U.S. totalization benefit, and in computing the amount of a regular U.S. benefit of an individual who (1) receives a foreign totalization benefit based in part on U.S. employment and (2) does not receive any other pension which is based on non-covered employment

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

10. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND THE WINDFALL ELIMINATION PROVISIONS

(Sec. 209 of the House bill and sec. 308 of the conference agreement)

Present law

The Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) are intended to reduce Social Security benefits payable to an individual who qualifies for both a Social Security benefit and a pension based on employment not covered by Social Security.

The WEP reduces a worker's Social Security retirement or disability benefit in cases where the worker is receiving both a Social Security benefit and a pension based on employment not covered by Social Security. The WEP is designed to eliminate the windfall resulting from the weighted Social Security benefit formula which is intended to replace a higher proportion of wages for low-earning workers than for high-earning workers.

Active military service became covered under Social Security in 1957. Inactive duty by reservists (such as weekend drills) became covered under Social Security in 1988. A pension based on either type of service (active or inactive), if performed before 1957, does not trigger the WEP. The only military pension which triggers the WEP is a pension based on inactive duty after 1956 and before 1988.

Under the GPO, spouse's and widow(er)'s benefits received by an individual based on his or her spouse's Social Security-covered work are reduced by two-thirds of the amount of any government pension to which the individual is entitled based on his or her own work in a government job not covered under Social Security.

House bill

An individual's receipt of a pension based wholly on service performed as a member of a uniformed service, whether on active or inactive duty and whether performed prior to 1988 or not, would not trigger application of the GPO and WEP to the individual's Social Security benefits.

Effective date.—The provision would be effective with respect to benefits payable for months after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to benefits payable for months after December, 1994.

11. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION

(Sec. 210 of the House bill and sec. 309 of the conference agreement)

Present law

As a general rule, when an individual receiving benefits as the dependent of a worker has a deduction in his or her benefits—for example, due to his or her own earnings exceeding the earnings test exempt amount—and the Maximum Family Benefit rule applies, the withheld benefits are redistributed and paid to other dependents. (The Maximum Family Benefit, or MFB, is a limit on the total amount of benefits which can be paid on a worker's record to the worker and his or her dependents.)

However, if all of the dependents are living in the same household, the affected individual's benefit check is not actually withheld; instead, the individual receives a notice from the Social Security Administration accompanying the benefit check. This notice explains that the beneficiary is subject to a benefit deduction and should not actually receive the benefit check. However, the benefit is being paid with the understanding that it is for the use and benefit of the other dependent beneficiaries. This procedure is known as the facility-of-payment provision.

In cases where all the dependent beneficiaries are not residing in the same household, the facility-of-payment provision does not apply and the withheld benefits are redistributed and paid directly to the remaining dependents.

House bill

The facility-of-payment provision would be repealed. As a result, a beneficiary who is subject to a deduction would have his or her benefits withheld, and the withheld amount would be redistributed and paid directly to the other dependents.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for benefits payable for months after December, 1995.

12. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES

(Sec. 211 of the House bill and sec. 310 of the conference agreement)

Present law

A guarantee is provided for workers who receive disability benefits, then stop receiving disability benefits, and subsequently become reentitled to benefits due to death, retirement or disability. This "subsequent entitlement guarantee" provides that the basic benefit amount (the Primary Insurance Amount, or PIA) of a worker who becomes reentitled to benefits or dies (thereby entitling his or her survivors) cannot be less than the PIA in effect in the last month of the worker's prior entitlement to disability benefits.

Due to a drafting error in the 1977 Social Security Amendments, the guarantee does not extend to the Maximum Family Benefit (MFB) payable on the worker's record, which is determined based upon the PIA. (The MFB is a limit on the total amount of benefits which may be paid on a worker's record to the worker and his or her dependents.) As a result, the MFB which is payable when the worker becomes reentitled to benefits or dies may be less than the MFB payable in the last month of the worker's prior entitlement to disability benefits.

House bill

The provision would make a conforming change in the Maximum Family Benefit, so that the guaranteed PIA would be the basis for calculating the guaranteed Maximum Family Benefit.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after January, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for the MFB of workers who become reentitled to benefits or die (after previously having been entitled) after December, 1995.

13. AUTHORIZATION FOR DISCLOSURE OF SOCIAL SECURITY ADMINISTRATION INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH

(Sec. 212 of the House bill and sec. 311 of the conference agreement)

Present law

Current law prohibits Federal agencies from releasing personal information contained in an individual file without the written consent of the individual.

Prior to the 1989 Supreme Court decision United States Department of Justice v. Reporters Committee for Freedom of the Press (Reporters Committee), the Social Security Administration (SSA) would permit disclosure of personally identifiable information to epidemiological researchers believing that it was permitted to do so under the Freedom of Information Act (FOIA). Disclosure of personal information is permitted under FOIA when the public interest served by the disclosure outweighs the privacy interest served by withholding and information.

In the Reporters Committee decision, the Supreme Court restricted disclosures of personally identifiable information under FOIA, ruling that disclosure of personal information serves the public interest only when the requested information gives the public insight into the Federal government's performance of its statutory duties.

As a result of the Reporters Committee decision, SSA has discontinued the practice of disclosing information from its files to epidemiological researchers.

Epidemiological research examines specific risk factors (such as exposure to chemical agents or specific medical treatments) that may cause disease by measuring the effect of these factors on a known population.

House bill

The provision would require SSA, under certain circumstances, to disclose limited personally identifiable information for epidemiological research purposes only, and it would permit the Secretary of the Treasury to provide such information to SSA for purposes of complying with such requirement.

Under the provision, SSA would be required to comply with requests for information showing whether an individual is alive or deceased. The requester would be required to meet two conditions:

(1) the information would be used for epidemiological or similar research which the Secretary determined showed a reasonable promise of contributing to a national health interest; and

(2) the requester agrees to reimburse the Secretary for providing such information and agree to comply with limitations on safeguarding and rerelease or redisclosure of such information, as specified by the Secretary. The Secretary would not be required to comply with a request for information if doing so would constitute a violation of a contract entered into with a State for the provision by the State of death information.

The Secretary of the Treasury would be permitted to provide such information to SSA for purposes of complying with such a requirement.

Effective date.—The provision would apply to requests for information made after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to requests for information made after the date of enactment.

14. MISUSE OF SYMBOLS, EMBLEMS OR NAMES IN REFERENCE TO SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES, OR DEPARTMENT OF THE TREASURY

(Sec. 213 of the House bill and sec. 312 of the conference agreement)

Present law

In 1988, Congress enacted a provision prohibiting the use of words, letters, symbols and emblems of the Social Security Administration (SSA) and the Health Care Financing Administration (HCFA) in a manner that the user knows or should know would convey the false impression that such an item was approved, endorsed, or authorized by the Social Security Administration, the Health Care Financing Administration or the Department of Health and Human Services, or that the user has some connection with, or authorization from, these agencies.

The law permits the Secretary of Health and Human Services (HHS) to impose civil monetary penalties not to exceed $5,000 per violation or, in the case of a broadcast or telecast, $25,000 per violation. The total amount of penalties which may be imposed is limited to $100,000 per year.

Amounts collected by the Secretary are deposited as miscellaneous receipts of the Treasury of the United States.

There is no provision in present law prohibiting the use of titles, symbols, emblems, and names of the Department of the Treasury (and its subsidiary agencies) in connection with advertisements, mailings, solicitations, or other business activities.

House bill

The provision would amend current law to:

(a) eliminate the annual cap on penalties;

(b) also prohibit the use of words and letters of the Department of Health and Human Services, Supplemental Security Income Program, or Medicaid, and the symbols or emblems of the Department of Health and Human Services;

(c) define a "violation," with regard to mailings, as each individual piece of mail in a mass mailing;

(d) Further prohibit the use of names, letters or emblems of SSA, HCFA, or HHS in a manner that reasonably could be interpreted to convey a relationship with these agencies;

(e) exempt from the prohibition the use by any State agency or instrumentality of a State, or political subdivision of any words, letters, symbols, or emblems which identify an agency or instrumentality of the State or political subdivision;

(f) repeal the present law requirement that the Department of Health and Human Services obtain a formal declination from the Department of Justice (DOJ) before pursuing a civil monetary penalty case under this provision;

(g) provide that penalties collected by the Secretary for violations of this provision would be deposited in the Old-Age and Survivors Insurance, Health Insurance or Supplementary Medical Insurance Trust Funds as applicable;

(h) stipulate that no person may reproduce, reprint, or distribute for a fee any form, application, or other publication of the Social Security Administration unless such person has obtained specific written authorization for such activity in accordance with regulations prescribed by the Secretary;

(i) provide that any determination of whether there is a violation of this provision shall be made without regard to a disclaimer;

(j) require the Commissioner of Social Security and the HHS Secretary to issue three reports to the Committee on Ways and Means and the Committee on Finance on the operation of section 1140 as applicable. The report would specify: (1) the number of complaints of violations of section 1140 received by the Social Security Administration or the Department of Health and Human Services during the period covering the report; (2) the number of cases in which a notice of violation of section 1140 was sent by the Social Security Administration or the Department of Health and Human Services during the period covering the report requesting that an individual cease activities in violation of this section; (3) the number of cases in which a civil monetary penalty was formally proposed in a demand letter during the period covering the report by the Social Security Administration or the Department of Health and Human Services; (4) the total number of civil monetary penalties assessed under this section during the period covered by the report by the Social Security Administration or the Department of Health and Human Services; (5) the number of requests for hearings filed during the period covering the report pursuant to subsection (c)(1) of this section and section 1128A(c)(2) by the Social Security Administration or the Department of Health and Human Services; (6) the disposition during the period covering the report of hearings filed pursuant to sections 1140(c)(1) and 1128A(c) (2), and (7) the total amount of civil monetary penalties collected under this section and deposited into the Federal Old-Age and Survivors Insurance, Health Insurance and Supplementary Medical Insurance Trust Funds, as applicable, during the period covering the report. The reports would be due December 1, 1995, December 1, 1997, and December 1, 1999;

(k) specify that the provisions in section 1140 may be enforced by the Office of Inspector General of the Social Security Administration or the Office of Inspector General of the Department of Health and Human Services. The provisions for Social Security and the Department of Health and Human Services would be effective for violations occurring after March 31, 1995.

The provision would prohibit the use in advertisements, solicitations, and other business activities of words, abbreviations, titles, letters, symbols, or emblems associated with the Department of the Treasury (and services, bureaus, offices or subdivisions of the Department, including the Internal Revenue Service) in a manner which could reasonably be interpreted as conveying a connection with or approval by the Department of the Treasury.

The bill would establish civil penalty of not more than $5,000 per violation (or not more than $25,000 in the case of a broadcast or telecast). In addition, the bill would establish a criminal penalty of not more than $10,000 (or not more than $50,000 in the case of a broadcast or telecast) or imprisonment of not more than one year, or both, in any case in which the prohibition is knowingly violated. Any determination of whether there is a violation would be made without regard to the use of a disclaimer of affiliation with the Federal Government. The Secretary of the Treasury would be required to provide to the Committee on Ways and Means and the Committee on Finance, no later than May 1, 1996, a report on enforcement activities relating to the implementation of the provision.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would apply with respect to violations occurring after the date of enactment.

15. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION

(Sec. 214 of the House bill and sec. 313 of the conference agreement)

Present law

Each year, the Social Security Administration (SSA) receives and maintains earnings information, including the names and addresses of employers, on over 130 million working Americans in its computer system. Employers are required to file annually with the Social Security Administration copies of their workers' W-2 statements. The statements contain the worker's Social Security numbers and the amount of wages the workers received during the year. In addition, each SSA file contains an individual's birth certificate information, such as date of birth, father's name and mother's maiden name. For those receiving Social Security benefits, the file contains a current address and monthly benefit amounts.

The Social Security Act includes provisions which prohibit the unauthorized disclosure of information contained in Social Security Administration files. The Act provides that any person who violates these provisions and makes an unauthorized disclosure can be found guilty of a misdemeanor and, upon conviction, punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

House bill

The provision stipulates that unauthorized disclosure of information and fraudulent attempts to obtain personal information under the Social Security Act would be a felony. Each occurrence of a violation would be punishable by a fine not exceeding $10,000 or by imprisonment not exceeding five years, or both.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply to violations occurring on or after the date of enactment.

16. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT

(Sec. 215 of the House bill and sec. 314 of the conference agreement)

Present law

In general, individuals under age 70 who receive Social Security retirement or survivors benefits must file an annual report of their earnings with the Social Security Administration for any taxable year in which their earnings or wages exceed the annual exempt amount of earnings under the Social Security earnings test. These reports are due to be filed by the same date as Federal income tax returns, the fifteenth day of the fourth month after the close of the taxable year (normally April 15). Individuals may be granted a reasonable extension of time for filing an earnings report if there is a valid reason for delay, but not more than 3 months. An extension of time for filing an income tax return may be granted for up to 4 months.

House bill

The time for which an extension could be granted for filing an earnings report would be increased to 4 months.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective with respect to reports of earnings for taxable years ending on or after December 31, 1994.

17. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY

(Sec. 216 of the House bill and sec. 315 of the conference agreement)

Present law

Section 505(a) of the Social Security Disability Insurance Amendments of 1980 (P.L. 96-265), as extended by the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-508), authorizes the Secretary of Health and Human Services to waive compliance with the benefit requirements of titles II and XVIII for purposes of conducting work incentive demonstration projects to encourage disabled beneficiaries to return to work. The authority to waive compliance applies to projects initiated prior to June 10, 1993. A final report is due no later than October 1, 1993.

House bill

The Secretary's authority to initiate disability work incentive demonstration projects that waive compliance with benefit provision (as provided in P.L. 96-265) would be extended through June 9, 1996. A final report would be due no later than October 1, 1996.

Effective Date.—The provisions would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provisions would be effective upon enactment.

18. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER MAINTAINED BY THE DEPARTMENT OF AGRICULTURE

(Sec. 217 of the House bill and sec. 316 of the conference agreement)

Present law

The Department of Agriculture is allowed to collect and maintain a list of names, Social Security numbers and employer identifications numbers of the owners and officers of retail grocery stores which redeem food stamps. The list is used to keep track of grocery store operators who have been sanctioned for violations under the Food Stamp Act.

House bill

The provision would permit the Secretary of Agriculture to share the list of names and identifying numbers with other Federal agencies which otherwise have access to Social Security account numbers for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for investigating violations of other Federal laws, or enforcement of such laws. The Secretary of Agriculture must restrict access to Social Security account numbers obtained pursuant to this provision to officers and employees of the United States whose duties or responsibilities require access for such purposes.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

19. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT

(Sec. 218 of the House bill and sec. 317 of the conference agreement)

Present law

A portion of the railroad retirement tier 2 benefits are included in gross income of recipients (similar to the treatment accorded recipients of private pensions) for Federal income tax purposes. The proceeds from the income taxation of railroad tier 2 benefits received prior to October 1, 1992, have been transferred from the General Fund of the Treasury to the railroad retirement account. Proceeds from the income taxation of benefits received after September 30, 1992, remain in the General Fund.

House bill

The transfer of proceeds from the income taxation of railroad retirement tier 2 benefits from the General Fund of the Treasury to the railroad retirement account would be made permanent.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for income taxes on benefits received after September 30, 1992.

20. AUTHORIZATION FOR USE OF SOCIAL SECURITY ACCOUNT NUMBERS BY DEPARTMENT OF LABOR IN ADMINISTRATION OF FEDERAL WORKERS' COMPENSATION LAWS

(Sec. 219 of the House bill and sec. 318 of the conference agreement)

Present law

The Privacy Act of 1974 prohibits a Federal agency from using the Social Security number as an identification number unless it is specifically permitted by statute. There is no specific statutory authorization to permit the Department of Labor to use the Social Security number as an identification number.

House bill

The provision would amend section 205 of the Social Security Act to permit the Department of Labor to use the Social Security number as the claim identification number for workers' compensation claims.

Effective date.—The provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective upon enactment.

21. COVERAGE UNDER FICA OF FEDERAL EMPLOYEES TRANSFERRED TEMPORARILY TO INTERNATIONAL ORGANIZATIONS

(Sec. 220 of the House bill and sec. 319 of the conference agreement)

Present law

Federal employees participating in the Civil Service Retirement System are entitled to retain retirement coverage rights and benefits when they are temporarily loaned by a Federal agency to an international organization.

The definition of employment in the Social Security Act prohibits Federal employees participating in the Federal Employees Retirement System (FERS) or the Foreign Service Pension System (FSPS) (which in general provide Federal employees hired on or after January 1, 1984, with both Social Security coverage and a supplemental government pension) from continuing to contribute to Social Security if they transfer to international organizations.

House bill

The provision would amend section 210 of the Social Security Act and section 3121 of the Internal Revenue Code of 1986 to cover, in certain cases, service performed in the employ of an international organization pursuant to a transfer from a Federal agency under the definition of employment. Under this provision, the employing agency would be responsible for reporting the employee's wages and for paying the employer's share of FICA. The employee would be responsible for paying the employee's share.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would apply with respect to service performed after the calendar quarter following the calendar quarter of enactment.

22. EXTENSION OF THE FICA TAX EXEMPTION AND CERTAIN TAX RULES TO INDIVIDUALS WHO ENTER THE UNITED STATES UNDER A VISA ISSUED UNDER SECTION 101 OF THE IMMIGRATION AND NATIONALITY ACT

(Sec. 221 of the House bill and sec. 320 of the conference agreement)

Present law

The Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256) established section 101(a)(15)(J) of the Immigration and Nationality Act under which so-called J visas are authorized to be issued for a limited period of time to aliens who are bona fide students, scholars, trainees, teachers, professors, research assistants, specialists, or leaders in a field of specialized knowledge or skill.

The 1961 Act also provided that wages paid to individuals who enter the country on a J visa would be exempt from FICA, FUTA, and Railroad Retirement Act taxes. In addition, employers who hire J visa holders are not required to receive certification from the Department of Labor that an insufficient number of U.S. workers are available to meet their needs.

The Immigration Act of 1990 added section 101(a)(15)(Q), which provides for the issuance of a visa to "an alien having a residence in a foreign country which he has no intention of abandoning who is coming temporarily (for a period not to exceed 15 months) to the United States as a participant in an international cultural exchange program approved by the Attorney General for the purpose of providing practical training, employment, and the sharing of the history, culture, and traditions of the country of the alien's nationality and who will be employed under the same wages and working conditions as domestic workers."

The Internal Revenue Code presently does not exempt wages paid to individuals who enter the U.S. under Q visas from FICA, FUTA, or Railroad Act taxes.

House bill

The provision amends the Internal Revenue Code to exclude wages paid to aliens holding Q visas from FICA, FUTA, and Railroad Retirement Act taxes, and, for income tax purposes, treats their income in the same manner as income received by aliens holding visas issued pursuant to section 101(a)(15)(J).

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—The provision would take effect with the calendar quarter following the calendar quarter of enactment.

23. STUDY RISING COST OF DISABILITY INSURANCE BENEFITS

(Sec. 222 of the House bill)

Present law

In their 1993 and 1994 annual report to Congress, the Social Security Board of Trustees reported that, under intermediate economic assumptions, the Disability Insurance Trust Fund would become insolvent during 1995. To address this problem, the Trustees recommended a reallocation of the Social Security payroll tax rate from the OASI Trust Fund to the DI Trust Fund.

In addition, to the reallocation, the Board recommended that a significant research effort be undertaken to establish whether higher-than-expected DI program costs are a temporary trend or longer-term phenomenon.

House bill

The Secretary of Health and Human Services would be required to conduct a comprehensive study of the reasons for rising costs in the Disability Insurance program. The study would determine the relative importance of: (a) increased numbers of applications for benefits, (b) higher rates of benefit allowances, and (c) decreased rates of benefit terminations in increasing DI program costs. It would also identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in DI applications, allowances, and terminations. No later than December 31, 1994, the Secretary would be required to issue a report to the House Committee on Ways and Means and the Senate Committee on Finance summarizing the results of the study and making any recommendations for legislative changes which the Secretary determines appropriate. The study would be due no later than December 31, 1994.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision)

24. COMMISSION ON CHILDHOOD DISABILITY

(Sec. 223 of House bill and sec. 202 of the conference agreement)

Present law

No provision.

House bill

The Secretary would be directed to appoint a Commission on the Evaluation of Disability in Children, consisting of not less than 9 but not more than 15 members including recognized experts in relevant fields of medicine; recognized experts in psychology, education and rehabilitation, law, administration of disability programs; social insurance; and other experts determined appropriate by the Secretary.

The Commission would conduct a study, in consultation with the National Academy of Sciences, on the effect of the current Supplemental Security Income definition of disability, as it applies to children under the age of 18 and their receipt of services, including the effect of using an alternative definition.

The study shall include issues of (1) whether the need by families for assistance in meeting the high costs of medical care for children with serious physical or mental impairments might appropriately be met through expansion of Federal health assistance programs; (2) the feasibility of providing benefits to children through non-cash means, including vouchers, debit cards, and electronic benefits transfer systems; (3) the extent to which SSA can involve private organizations in an effort to increase the provision of social services, education, and vocational instruction with the aim of promoting independence and the ability to engage in substantial gainful activity; (4) the feasibility of providing retroactive SSI benefits pursuant to the Zebley decision on a prorated basis or by means of a packaged trust; (5) methods to increase the extent to which benefits are used in the effort to assist the child achieve independence and engage in substantial gainful activity; and (6) such other issues as the Secretary determines appropriate.

The Commission would submit a report on the results of this study, together with any recommendations, to the Committees on Finance and Ways and Means, no later than November 30, 1995.

Effective date.—Upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement generally follows the House bill, but broadens the study to include: (1) the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity, and (2) the effects of the current program on disabled children and their families.

The conferees expect that the Commission, in conducting its study, will hold public hearings to hear the views and perspectives of all parties who are interested in or concerned about the SSI childhood disability program, including parents of children who receive benefits, educators, and representatives of non-profit organizations serving children with physical and mental disabilities.

Effective date.—Upon enactment.

25. DISREGARD OF DEEMED INCOME AND RESOURCES OF INELIGIBLE SPOUSE IN DETERMINING CONTINUED ELIGIBILITY UNDER SECTION 1619

(Sec. 224 of House bill)

Present law

Under section 1619(a) of the Social Security Act, SSI benefits continue for those working and earning above the substantial gainful activity level, which is currently $500 per month, as long as there is no medical improvement in the disabling condition. Benefits decline at a rate of $1 for each additional $2 earned after disregarding the first $65 of earned income and the first $20 of unearned income. In general, the point at which a recipient, who has at least $20 in monthly unearned income, would be ineligible for cash SSI benefits in a month would be the sum of $85 plus twice the sum of the Federal benefit and State supplement, if any. For 1994, the "breakeven point" for an individual is $977 per month without a State supplement. For States with a supplement, the breakeven point increases by $2 for every $1 in State supplement.

Under section 1619(b), SSI recipients can continue on Medicaid even if their earnings cause their income to exceed the breakeven point and they no longer receive cash SSI benefits. In 209(b) States, this does not apply. However, in most States, Medicaid continues as long as the SSI recipient: (1) continues to be blind or disabled; (2) except for earnings, continues to meet all of the eligibility requirements; (3) is seriously inhibited from continuing work by termination of eligibility of Medicaid; and (4) has earnings insufficient to provide a reasonable equivalent to cash SSI benefits, Medicaid, and publicly funded attendant care that would have been available if he or she did not have earnings.

In making determinations on the fourth criterion above, SSA compares the individual's gross earnings to a "threshold" amount. The threshold amount is the sum of the break even level for gross earnings of cash benefits for an individual with no other income living in his or her own household plus the average Medicaid expenditures for disabled SSI cash recipients for the State of residence. If the recipient's gross earnings exceeds the threshold, an individualized threshold is calculated which considers the person's actual Medicaid use, State supplement rate, and publicly-funded attendant care. In other words, under the fourth criterion, Medicaid eligibility continues until the individual's earnings reach a higher plateau which takes into account the person's ability to afford medical care, as well as his or her normal living expenses.

An eligible spouse's income and resources are deemed to include the income and resources of his or her ineligible spouse with whom he or she lives. In some cases, SSI recipients who are working and are eligible for Medicaid under section 1619(b) may become ineligible for Medicaid because they marry a person who has sufficient income to render the SSI recipient ineligible for Medicaid. In other cases, the SSI recipient's ineligible spouse might receive additional income which makes the SSI recipient ineligible for Medicaid under the deeming rules.

House bill

In determining an individual's eligibility for Medicaid pursuant to section 1619(b) there would be disregarded (in addition to amounts disregarded under current law): (1) the net income of the individual's ineligible spouse to the extent the spouse's net income does not exceed twice the threshold amount determined for the individual, and (2) the ineligible spouse's resources up to the State's spousal impoverishment resource amount (as defined in section 1924(f)(2) of the Social Security Act).

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

26. PLANS FOR ACHIEVING SELF-SUPPORT NOT DISAPPROVED WITHIN 60 DAYS TO BE DEEMED APPROVED

(Sec. 225 of House bill)

Present law

Under a plan for achieving self-support (PASS) certain income and resources are not taken into account in determining eligibility for or the amount of SSI benefits. An approved PASS allows a person who is blind or disabled to set aside the income and resources needed to achieve a work goal. The funds set aside can be used to pay for education, vocational training, or starting a business. The recipient must have a feasible work goal, a specific savings and spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The individual must then follow the plan and negotiate revisions as needed.

SSA regulations provide the basic rules for a PASS. Under these rules, the individually designed plan can be for an initial period of at most 18 months but an 18-month extension can be obtained. For participants engaged in lengthy education or training programs, an additional 12-month extension can be obtained. All plans must be approved by SSA before the income and resource exclusions can be excluded. If the recipient attains his or her goal, fails to follow the plan, or time expires, the income and resource exclusions are again countable.

House bill

A plan for achieving self-support (PASS) would be deemed to be approved if SSA has not acted upon a recipient's application within 60 days and shall be deemed to be approved until 6 months after subsequent disapproval.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision), but the conferees request that the General Accounting Office conduct a study of the PASS program and procedures since little information is available at this time. The study should include, to the extent available, data for the last five years that show the number and characteristics of individuals who have applied for a plan, the number and characteristics of those who plans have been approved, the kinds of plans that have been approved and their duration, the success of individuals in fulfilling their plans, and the extent to which individuals who have completed a PASS have become economically self-sufficient. The GAO should also study whether improvements can or should be made in the PASS program or in the process used to approved proposed plans. Findings and recommendations should be reported to the Committee on Finance and Ways and Means.

27. TEMPORARY AUTHORITY TO APPROVE A LIMITED NUMBER OF PLANS FOR ACHIEVING SELF-SUPPORT THAT INCLUDE HOUSING GOALS

(Sec. 226 of the House bill)

Present law

A PASS allows an SSI recipient to shelter income and resources from limits if the funds are set aside to help him or her achieve a work goal. Funds may be set aside for education, vocational training, or starting a business.

House bill

Plans for achieving self-support would be expanded to include housing goals in addition to the current work goals under a 42-month demonstration.

A report on activities under this authority would be due within 12 months after the end of the 5-year period that begins on January 1, 1995.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

28. REGULATIONS REGARDING COMPLETION OF PASS

(Sec. 227 of the House bill and sec. 203 of the conference agreement)

Present law

Under current plan for achieving self-support (PASS) regulations, an SSI recipient with a PASS may be eligible for its income and resource exclusions for 18 months, followed by two possible extensions of 18 and 12 months, respectively. An individual involved in a lengthy education program, could receive a PASS for up to 4 years.

House bill

SSA would be required to take into account the difficulty of achieving self-support based on individual needs in determining the time limit on a PASS.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill, with a clarification instructing SSA to take into account the length of time the individual will need to reach the individual's employment goal within such reasonable period as the Secretary establishes, and other factors as are determined by the Secretary to be appropriate.

Effective date.—January 1, 1995.

29. TREATMENT OF CERTAIN GRANT, SCHOLARSHIP, OR FELLOWSHIP INCOME

(Sec. 228 of the House bill)

Present law

Grant, scholarship, and fellowship income are treated as unearned income. The portion of this kind of income that is received for use in paying the cost of tuition and fees at any educational institution is excluded from income.

House bill

Grant, scholarship, and fellowship income would be treated as earned income without regard to the purpose of its use.

Effective date.—Applies to eligibility determinations for any month beginning after the second month following the month of enactment.

Senate Amendment

No provision.

Conference agreement

The conference agreement follows the Senate amendment (i.e., no provision).

30. SSI ELIGIBILITY FOR STUDENTS TEMPORARILY ABROAD

(Sec. 229 of the House bill and sec. 204 of the conference agreement)

Present law

A recipient who is outside the United States for a full calendar month or more and who is not a child living outside the United States with a parent in the military service, is not eligible for SSI benefits for such month or months. A person who has been outside the United States for 30 consecutive days or more is not considered to be back until he or she has spent 30 consecutive days, in the United States. After an absence of 30 consecutive days, SSI eligibility may resume effective with the day following the 30th day of continuous presence in the United States, if the individual continues to meet all other eligibility criteria.

House bill

SSI recipients who travel outside the United States would be exempt from the calendar month and 30-day time limit if the absence is (1) temporary, and (2) for the purpose of conducting studies as part of an educational program that is designed to prepare the individual for gainful employment, and is sponsored by a school, college, or university in the United States.

Effective date.—January 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment limiting eligibility to a period not to exceed one year and only if the program is not available to the individual in the United States. Because of the difficulty faced by the Social Security Administration in administering the SSI program while recipients are outside the United States, the conferees intend that this provision will be used sparingly. An example of a qualifying educational program under this provision would be intensive study programs that lead to fluency in a foreign language through immersion in the cultural and social milieu of a country where the language is spoken. Less intensive programs, which are generally available in the United States, would not qualify.

Effective date.—January 1, 1995.

31. DISREGARD OF COST-OF-LIVING INCREASES FOR CONTINUED ELIGIBILITY FOR WORK INCENTIVES

(Sec. 230 of the House bill and sec. 205 of the conference agreement)

Present law

Under section 504 of the Unemployment Compensation Amendments of 1976 (P.L. 94-566), State Medicaid plans are required to provide medical assistance to an individual if he or she: (1) simultaneously received both Social Security and SSI in some month after April 1977; (2) is currently eligible for and receiving OASDI benefits; (3) is currently ineligible for SSI; and (4) receives income that would qualify him or her for SSI after deducting all OASDI cost-of-living adjustment increases received since the last month in which he or she was eligible for both OASDI and SSI. The provision is intended to protect the individual against the loss of Medicaid coverage in many States because of a cost-of-living increase in Social Security benefits. The provision does not explicitly apply to beneficiaries who have Medicaid eligibility under section 1619(b) of the Social Security Act.

House bill

This provision amends section 1619(b) of the Social Security Act to explicitly extend to SSI beneficiaries receiving Medicaid under section 1619(b) protection against the loss of Medicaid coverage because of a cost-of-living increase in their Social Security benefits.

Effective date.—Applies to eligibility determinations for months after December, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill.

Effective date.—Applies to eligibility determinations for months after December, 1994.

32. EXPANSION OF THE AUTHORITY OF THE SOCIAL SECURITY ADMINISTRATION TO PREVENT, DETECT, AND TERMINATE FRAUDULENT CLAIMS FOR OASDI AND SSI BENEFITS

(Sec. 231 of the House bill, sec. 306 of the Senate amendment, and sec. 206 of the conference agreement)

a. Prevention of fraud in the SSI program by translators of foreign languages

Present law

No provision.

House bill

A translation into English by a third party of a statement made in a foreign language by an applicant for or recipient of SSI benefits shall not be regarded as reliable unless the third party, under penalty of perjury, (1) certifies that the translation is accurate, and (2) discloses the nature and scope of the relationship between the third part and the applicant or recipient.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

b. Civil monetary penalties in SSI and OASDI cases involving fraud

Present law

Federal law provides broad authority for imposing civil penalties against persons who submit fraudulent claims to the Government. There are two applicable Federal statutes. The Civil False Claims Act (CFCA) requires the Government to use the normal judicial process, whereby the Department of Justice initiates a civil action in Federal Court to impose a penalty. The Program Fraud Civil Remedies Act (PFCRA) authorizes an administrative process under which Federal agencies may impose penalties. These statutes are intended to address fraud from a Government-wide perspective, and the process of imposing penalties can be complex and time-consuming. Further, the PFCRA is restricted to initial applications for benefits, in some circumstances, which limits its usefulness for SSI and OASDI purposes.

House bill

The same authority to impose civil penalties as the Secretary of HHS now has under sections 1128A of the Social Security Act involving false claims in the Medicare and Medicaid programs would be provided for the SSI program. SSA would have direct authority, after approval by the Department of Justice, to impose civil penalties when an individual or entity has been involved in submitting or causing to be submitted any statement that the individual knows or should know is false or misleading, or knows or should know omits a material fact. Each offense involving the SSI program would be subject to a penalty of not more than $5,000 and an assessment, in lieu of damages, of not more than twice the amount of benefits paid as a result of such statement or representation. In addition, medical providers or physicians who commit such offenses with respect to the SSI program could be subject to exclusion from participation in the Medicare and Medicaid programs. The process would be similar to that used under section 1128A with respect to false claims in the Medicare and Medicaid programs. SSA would initiate and investigate cases, refer proposed actions to the Department of Justice for review before proceeding, and adjudicate and impose penalties, assessments, or exclusions. As with section 1128A, any person adversely affect by a determination could obtain a review of such determination in the United States Court of Appeals.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical changes, and is expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

c. SSI Fraud Considered a Felony

Present law

SSI fraud is punishable by a fine of no more than $1,000 or a prison term of no more than one year, a misdemeanor.

House bill

SSI fraud would be punishable by a fine as determined under the general criminal fine statutes, by a prison term of not more than five years, or both. This provision conforms the specific crime of SSI fraud to the criminal sanctions currently available for Social Security Disability Insurance fraud.

Effective date.—October 1, 1994.

Senate amendment

Same as House bill.

In addition, title II is amended to provide that any person or other entity who is convicted of a violation involving the provision of false statements or representations, if the violation is committed in the role as, or application to become, a representative payee on behalf of another individual, shall be guilty of a felony and be subject to the same penalties as apply to SSI. In any case in which a court determines that a violation includes a willful misuse of funds by such person or entity, the court may also require that full or partial restitution of funds be made to the individual for whom such person or entity was the representative payee.

An individual or entity convicted of a felony under the representative payee requirements of title XVI may not be certified as a payee under title II.

In the case of the second or subsequent imposition of an administrative or criminal penalty on any person or other entity under section 208 or section 1632 of the Social Security Act (relating to fraud), the Secretary may exclude such person or entity from participation in any program under title II, V, XVI, XVIII, XIX, and XX of the Social Security Act, and any other Federal program as provided by law.

Conference agreement

The conference agreement follows the House bill with an amendment prohibiting persons convicted of SSI fraud from serving as representative payees under title XVI.

Effective date.—The amendments apply to conduct occurring on or after October 1, 1994.

d. Authority to Redetermine Eligibility in Disability Cases if Fraud is Involved And to Terminate Benefits If There is Insufficient Reliable Evidence of Disability

Present law

SSA is only permitted to terminate SSI benefits under well-defined conditions, unless the benefits were obtained fraudulently. The statute provides no guidance on the use of this authority.

House bill

An individual's eligibility for SSI disability benefits shall be immediately redetermined, disregarding any unreliable evidence of disability, if there is reason to believe that fraud was involved in the application for benefits, unless a U.S. Attorney or equivalent State prosecutor certifies, in writing, that to do so would create a substantial risk of jeopardizing any current or anticipated criminal proceeding.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud in the OASDI programs.

Effective date.—October 1, 1994.

e. Availability of Recipient Identifying Information From the Inspector General, Social Security Administration

Present law

There is no current statutory requirement for the OIG to provide SSI recipient identifying information obtained during a criminal investigation to SSA for administrative action. Such identifying information is transmitted to SSA at such time as the OIG believes it appropriate and often not until the conclusion of a criminal investigation or a Federal or State criminal prosecutorial process. Consequently, SSI benefits continue to be paid during an active investigation or prosecution based on those benefits having been obtained through fraud.

House bill

The SSA Inspector General would be required to disclose to SSA recipient identifying information as soon as he has reason to believe that any individual, or group of individuals, have secured SSI benefits in a fraudulent manner. This requirement would not apply if a U.S. Attorney or State prosecutor who has jurisdiction to file a criminal action against any of the parties involved certifies that disclosure of SSI recipient information by the IG would jeopardize the criminal prosecution of the individual who is the subject of the investigation.

Effective date.—October 1, 1994

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments and is also expanded to apply to fraud under the OASDI programs.

Effective date.—October 1, 1994.

f. Authority To Use Available Pre-admission Immigrant and Refugee Medical Information

Present law

No provision.

House bill

SSA would be required to request medical information from the Immigration and Naturalization Service or the Centers for Disease Control which they may have with respect to any alien who has applied for SSI benefits to the extent the information is relevant to determining eligibility.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with technical amendments.

Effective date.—October 1, 1994.

g. Annual Reports on Reviews of SSI Cases

Present law

No provision.

House bill

SSA would be required to annually report to the Committee on Ways and Means and the Committee on Finance on the extent to which it has exercised its authority to review SSI cases and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

Effective date.—October 1, 1994.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill and is also expanded to apply to fraud under the OASDI programs.

Effective date.—Upon enactment.

h. Effective Date

Present law

No provision.

House bill

In general these provisions would take effect on October 1, 1994. The provisions dealing with civil monetary penalties is SSI cases involving fraud, with the treatment of SSI fraud as a felony, and with annual reports of reviews of SSI cases would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

In general, these provisions would take effect on October 1, 1994. The provision dealing with the annual reports of reviews of SSI and OASDI cases would be effective upon enactment.

33. DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE

(Sec. 232 of the House bill and sec. 207 of the conference agreement)

Present law

Under current law, all disabled Social Security beneficiaries are required to undergo periodic reviews to determine whether they continue to be disabled. There is no comparable provision in the SSI program.

A needy child under the age of 18 years old who has an impairment of comparable severity with that of an adult may be considered, disabled and eligible for SSI benefits. To be found disabled, a child must have a medically determinable impairment that substantially reduces his or her ability to independently, appropriately, and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of at least 12 months.

Under the adult disability determination process, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an assessment of residual functional capacity. SSA determines whether adults are able to do their past work or whether they are able to do any substantial gainful work. If they cannot do either one, they are disabled.

Under the disability determination process for children, individuals whose impairments do not "meet or equal" the listings of impairments in regulations are subjected to an individualized functional assessment. This assessment examines whether the children can engage in age-appropriate activities effectively. If it is found that the children's impairments are on comparable severity to an adult's without assessing past work or ability to do substantial gainful work, the children are disabled.

House bill

SSA would be required to re-evaluate under adult disability criteria the eligibility of children receiving SSI after they reach 18 years old and before they are 19 years old.

Effective date.—Applies to recipients attaining the age of 18 years old in or after the ninth month following the month of enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of one-third of the children reaching age 18 in each of fiscal years 1996, 1997, and 1998. SSA will be required to report to Congress no later than October 1, 1998 on the activities conducted under this requirement.

Effective date.—October 1, 1995.

34. CONTINUING DISABILITY REVIEWS

(Sec. 233 of the House bill and sec. 208 of the conference agreement)

Present law

Title II of the Social Security Act requires the Secretary of Health and Human Services to conduct periodic continuing disability reviews (CDRs) of disabled beneficiaries. For those beneficiaries whose impairments are not permanent, CDRs must generally be performed every three years. Beneficiaries with permanent disabilities receive CDRs at such times as the Secretary determines appropriate.

CDRs are funded as part of the Social Security Administration's administrative budget, which is subject to annual appropriations.

House bill

The provision would require the Secretary to conduct periodic continuing disability reviews on SSI recipients in the same manner as such reviews are currently required for DI beneficiaries.

Effective date.—October 1, 1995.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment requiring SSA to conduct CDRs for a minimum of 100,000 SSI recipients per year for 3 years. SSA will be required to report to Congress no later than October 1, 1998.

Effective date.—October 1, 1995.

35. TECHNICAL AND CLERICAL AMENDMENTS

(Sec. 234 of the House bill and sec. 321 of the conference agreement)

Present law

Title II of the Social Security contains a number of typographical errors, erroneous references, circular cross references, inconsistent margination, incorrect punctuation, and references to outdated versions of the Internal Revenue Code. In addition, present law includes certain inconsistent statutory provisions.

House bill

Technical changes would be made to correct inconsistencies in provisions relating to fees for claimant representatives, rounding procedures for indexing certain program amounts, and deemed average total wages, among others. These corrections would not change the meaning of any section of the Social Security Act.

Effective date.—In general, the provision would be effective upon enactment.

Senate amendment

No provision.

Conference agreement

The conference agreement follows the House bill with an amendment to the attorney fee provision.

Effective date.—In general, the provision would be effective upon enactment.

36. EXEMPTION FROM ADJUSTMENT IN PASS-ALONG REQUIREMENTS

(Sec. 209 of the conference agreement)

Present law

Section 1618 of the Social Security Act requires that States making supplementary payments to Supplemental Security Income recipients "pass along" cost-of-living increases in the Federal benefit. There are two options for the States in meeting the "pass along" requirement: (1) the aggregate spending level option, under which States may make supplementary payments in the current 12-month period that are no less, in the aggregate, than were made in the previous 12-month period; or (2) the individual payment level option, under which a State may maintain the supplementary payment levels that were in effect for categories of individual recipients in March 1983.

House bill

No provision.

Senate amendment.

No provision.

Conference agreement

For the purpose of determining under the "aggregate spending level option," whether a State's expenditures for supplementary payments during a 12-month period are not less than its expenditures for such payments in the preceding 12-month period, retroactive SSI payments made to children qualifying under the *Zebley* court decision may, pursuant to a State's one-time option, be excluded from the computation of the State's expenditures.

Effective date.—The provision would be effective with respect to increases in the level of SSI benefits whether occurring upon, before, and after the date of enactment.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 4, 1994.

Hon. SAM GIBBONS,
Acting Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has prepared the enclosed cost estimate for the conference agreement on H.R. 4277, the Social Security Administrative Reform Act of 1994. The act would establish the Social Security Administration as an independent agency and make reforms to the payment of Social Security Disability Insurance and Supplemental Security Income to persons disabled as a result of drug addiction or alcoholism.

Enactment of H.R. 4277 would affect direct spending and receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

This estimate was prepared based on draft legislative language and is subject to change pending receipt of final legislation. If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Paul Cullinan and Patrick Purcell, who can be reached at 226-2820.

Sincerely,

JAMES L. BLUM
(For Robert D. Reischauer).

Enclosure.

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	Total
TITLE I—ESTABLISH SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY						
Subject to Appropriation [1]	(2)	1	1	1	1	3
TITLE II—PROGRAM IMPROVEMENTS RELATING TO OASDI AND SSI						
201. Restrictions on Benefits Based on Disability of Substance Abusers:						
Direct Spending.						
OASDI	−73	−35	−16	−33	−85	−242
SSI	−13	−9	−11	−266	−299	−598
Medicare	0	−1	−2	−3	−4	−10
Medicaid	0	−2	−3	−4	−4	−13
Offsets	1	1	1	26	30	60
Subtotal	−85	−46	−31	−280	−362	−803
Administrative Costs Subject to Appropriation [1]						
OASDI	35	51	71	39	37	233
SSI	(2)	(2)	(2)	20	20	40
Administrative Costs Subject to Appropriation [3]						
OASDI	11	45	91	115	129	391
202. Commission on Childhood Disability Subject to Appropriation	1	1	(2)	0	0	2
203. Regulations Regarding Completion of PASS Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
204. SSI Eligibility for Students Temporarily Abroad Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
205. Disregard of Cost-of-living Increases for Continued Eligibility for Work Incentives Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
206. Detection and Prevention of Fraud Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
207. Disability Review for Children Reaching 18 Years Old:						
SSI	0	−3	−7	−15	−15	−40
Medicaid	0	−1	−5	−10	−10	−26
Offsets	0	0	1	1	2	4
Subtotal	0	−4	−11	−24	−23	−62
Administrative Costs Subject to Appropriation	0	8	10	10	3	31
208. Continuing Disability Reviews for SSI Recipients Direct Spending:						
SSI	0	−7	−20	−35	−45	−107
Medicaid	0	−5	−15	−30	−40	−90
Offsets	0	1	3	3	5	12
Subtotal	0	−11	−32	−62	−80	−185
Subject to Appropriation	0	35	40	40	30	145
209. Exemption from Pass-along Requirements Direct Spending	0	0	0	0	0	0
TITLE III—MISCELLANEOUS PROGRAM IMPROVEMENTS						
301. Issuance of Physical Documents in the Form of Bonds, Notes, or Certificates to Social Security Trust Funds:						
Subject to Appropriation [1]	0	0	0	0	0	0
302. GAO Study Regarding Telephone Access:						
Subject to Appropriation [1]	0	0	0	0	0	0
303. Expand FICA Exemption for Election Workers:						
OASDI Revenue	−7	−15	−15	−15	−15	−66
HI Revenue [4]	−2	−3	−3	−3	−3	−15
Subtotal	−9	−18	−18	−18	−18	−81

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF CONFERENCE AGREEMENT ON H.R. 4277—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	Total
Income Tax Offset	1	2	2	2	2	8
Total Net Revenue	−8	−16	−16	−16	−16	−73
304. Use of Social Security Numbers for Juries:						
Subject to Appropriation [1]	0	0	0	0	0	0
305. Coverage for Police and Firefighters:						
OASDI Revenue	0	0	(2)	(2)	(2)	(2)
HI Revenue [4]	0	0	(2)	(2)	(2)	(2)
Total Net Revenue	0	0	(2)	(2)	(2)	(2)
306. Exemption for Certain Ministers:						
OASDI Revenue	(2)	(2)	(2)	(2)	(2)	(2)
HI Revenue [4]	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	(2)
307. Totalization Benefits and the Windfall Elim. Provision Direct Spending	(2)	1	1	1	1	4
308. Exclusion of Military Reservists from Application of the Government Pension Offset and Windfall Provisions:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
309. Repeal Facility-of-Payment Provision:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	−3	−3	−3	−3	−12
310. Simplify Computation of Maximum Family Benefits When Subsequent Entitlement Guarantee Applies to PIA:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
311. Use of SSA Information for Epidemiological Research:						
Subject to Appropriation [1]	0	0	0	0	0	0
312. Prohibition on Misuse of Social Security Names, Symbols, etc.:						
Subject to Appropriation [1]	0	0	0	0	0	0
313. Unauthorized Disclosure of Social Security Information:						
Direct Spending	(2)	(2)	(2)	(2)	(2)	(2)
Subject to Appropriation [1]	(2)	(2)	(2)	(2)	(2)	(2)
314. Time Extension for Annual Earnings Report:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	0	0	0	0	0
314. Extend DI Demonstration Authority Direct Spending	0	0	0	0	0	0
316. Cross-Matching Social Security Account Number Information With Dept. of Agriculture Subject to Appropriation [1]	0	0	0	0	0	0
317. Certain Transfers to the Railroad Retirement Account Made Permanent:						
Direct Spending	0	0	0	0	0	0
318. Authorization for use of Social Security Numbers by the Dept. of Labor for Administration of Federal Workers' Compensation:						
Direct Spending	0	0	0	0	0	0
Subject to Appropriation [1]	0	0	0	0	0	0
319. Retirement Eligibility for Federal Employees Transferred to International Organizations:						
Off-Budget Revenue	(2)	(2)	(2)	(2)	(2)	1
On-Budget Revenue	(2)	(2)	(2)	(2)	(2)	(2)
Total Net Revenue	(2)	(2)	(2)	(2)	(2)	1
Subject to Appropriation [1]	1	1	1	1	1	5
320. Extend FICA exemption to individuals who enter U.S. Under a Visa Issued under Section 101 of the Immigration and Naturalization Act [5]:						
Off-Budget Revenue	−4	−5	−6	−6	−6	−27
On-Budget Revenue [4]	−1	−1	−1	−1	−1	−5
Total Net Revenue	−5	−6	−7	−7	−7	−32
321. Technical and Clerical Amendments Subject to Appropriation [1]	0	0	0	0	0	0
TOTALS						
Revenues:						
On-Budget [4]	−2	−2	−2	−2	−2	−12
Off-Budget	−11	−20	−21	−21	−21	−92
Total Net	−13	−22	−23	−23	−23	−104
Direct Spending Totals:						
On-Budget	−12	−25	−58	−332	−381	−796
Off-Budget	−62	11	76	83	45	153
Total	−74	−14	18	−249	−336	−645
Direct Spending Excluding Administrative Costs not subj. to Appropriations:						
On-Budget	−12	−25	−58	−332	−381	−796
Off-Budget	−73	−34	−15	−32	−84	−238
Total	−85	−59	−73	−364	−465	−1036
Deficit Effects—Direct Spending Minus Revenues:						
On-Budget	−10	−23	−56	−330	−379	−786
Off-Budget	−51	31	97	104	66	245
Total	−61	8	41	−226	−313	−541
Deficit Effects—Direct Spending Exc. Administrative Costs Not Subj. to Appropriations Minus Revenues:						
On-Budget [4]	−10	−23	−56	−330	−379	−786
Off-Budget	−62	−14	6	−11	−63	−146
Total	−72	−37	−50	−341	−442	−932
Outlays Subject to Appropriation:						
On-Budget [1]	37	94	120	106	89	447
Off-Budget	0	0	0	0	0	0
Total Net	37	94	120	106	89	447

[1] Under the FY 1995 Budget Resolution, administrative expenses of the OASDI program are considered on-budget because they fall under the discretionary spending limits.

[2] Indicates less than $500,000.

[3] Administrative costs would not have effects that must be considered for the purposes of the Budget Enforcement Act.

[4] Effects on Hospital Insurance revenues are included as on-budget to be consistent with the Budget Resolution for FY 1995.

[5] Preliminary estimate provided by the Joint Committee on Taxation.

Source: Congressional Budget Office, based on draft legislative language.
Note. Details may not add to totals due to rounding.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Receipts	−2	−2	−2	−2

PAY-AS-YOU-GO CONSIDERATIONS—Continued

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Outlays	−12	−25	−58	−332

The on-budget outlay changes in SSI, Medicare, Medicaid, Food Stamps, and AFDC would be included on the pay-as-you-go scoreboard. Social Security spending is exempt from the pay-as-you-go rules.

SAM GIBBONS,

DAN ROSTENKOWSKI,
J.J. PICKLE,
ANDREW JACOBS, Jr.,
HAROLD FORD,
BILL ARCHER,
JIM BUNNING,
RICK SANTORUM,
Managers on the Part of the House.
DANIEL P. MOYNIHAN,
MAX BAUCUS,
JOHN BREAUX,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 4649

Mr. DIXON submitted the following conference report and statement on the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-671)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4649) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 5, 8, 9, 17, 19, and 22.

That the House recede from its disagreement to the amendments of the Senate numbered 10, 13, 14, 24, 25, and 26; and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$660,000,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$13,632,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$140,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 6, 11, 12, 15, 18, 20, 21, and 23.

JULIAN C. DIXON,
LOUIS STOKES,
RICHARD J. DURBIN,
MARCY KAPTUR,
DAVID E. SKAGGS,
NANCY PELOSI,
DAVID R. OBEY,
JAMES T. WALSH,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOSEPH M. MCDADE,
Managers on the Part of the House.
HERB KOHL,
PATTY MURRAY,
DIANNE FEINSTEIN,
ROBERT C. BYRD,
CONRAD BURNS,
CONNIE MACK,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes, submit the following joint statement of the House and the Senate in explanation of the effect of the actions agreed upon by the managers and recommended in the accompanying conference report.

COOPERATION OF MAYOR AND COUNCIL

The District government faces many tough choices ahead and it is imperative that the task be taken up immediately. The Mayor has promptly submitted a plan that estimates savings that meet part of the mandated reductions. The City Council has now received the necessary legislation and it too has immediately scheduled hearings. We urge the Mayor and the City Council to continue to work cooperatively together. Delays will serve only to make savings more difficult to realize.

All available avenues for savings need to be objectively explored, including buyouts, reorganizations and consolidations, using realistic and practical criteria, elimination of entire programs, early settlement of lawsuits, elimination of most sole-source contracting, and similar cost saving measures. Both the Mayor and members of the City Council also may find the National Performance Review now being used by the Federal Government to be useful in devising ways to make necessary savings.

TITLE I

FISCAL YEAR 1995 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

Amendment No. 1: Appropriates $660,000,000 instead of $667,930,000 as proposed by the House and $647,930,000 as proposed by the Senate.

PUBLIC EDUCATION SYSTEM

Amendment No. 2: Appropriates $720,258,000 as proposed by the House instead of $715,330,000 as proposed by the Senate. The conference action reflects a net increase of $4,928,000 above the Senate recommendation to restore funds for the operation of the D.C. School of Law.

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed in said amendment, insert: *, of which $1,500,000 shall be used to provide additional support to title I (chapter I) of the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.) and $910,000 shall be available for the National Learning Center, Options School ($750,000) and Model Early Learning Center ($160,000),*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action allocates $1,500,000 of the public schools appropriation as proposed by the Senate for additional support to title I (chapter I) of the Elementary and Secondary Education Act.

National Learning Center.—The conferees have also included language in the bill which delineates the amounts contained in the Board of Education's budget for the Options School ($750,000) for junior high students likely to drop out of school, and the Model Early Learning Center ($160,000), which was named one of the ten best preschools in the United States.

These programs are both located at the National Learning Center and are the types of innovative and effective programs that educators and lay persons alike seek to create in abundance. The president of the Center has told the conferees that the "Staff of both schools are extraordinary. Enabling students to overcome trauma and to take charge of their lives is truly work for saints, which our teachers are."

The District's Superintendent of Schools has written that "We have come to rely on Options School to turn around some of our most challenging students. Eighty-five percent of Options School graduates attend school regularly after a single year in the Options Program. These results are phenomenal for a one-year program." In addition the Model Early Learning Center and its teachers are used by the District's public school system to train teachers from pre-K through third grade.

The conferees note that the Options School has not had an increase in program costs since the 1992/1993 school year, and then only to allow for summer operations. The amount allocated by the Board and Superintendent for the Model Early Learning Center for school year 1994/1995 represents a reduction of $20,000 below the previous school year.

The conferees ask the District's Board of Education as well as the Superintendent to give great weight to the accomplishments of the two schools in considering an increase of $70,000 above the amount allocated for the 1993/1994 school year for the combined programs at the National Learning Center. The cost pressure of providing quality programs at these two schools has been no less than those in the District's public school system and the Center's schools are no less deserving of an increase for operating and salary expenses than other public school operations.

Amendment No. 4: Restores allocation of $5,567,000 for the District of Columbia School of Law proposed by the House and stricken by the Senate and deletes allocation of $639,000 for the D.C. Law Student Clinical Program/Tuition Assistance Program.

The conferees have restored funds for the D.C. School of Law. However, the conferees note that the Mayor has proposed that the law school be closed and believe that this decision should be debated and finally resolved at the local level. Closing of the law school has been proposed by mayors in the past, but the conferees do not believe that it has been seriously and objectively considered by the Council.

The conferees recognize the accomplishments and reasons cited for the city government to sponsor a public school of law. It is argued that the law school is unique in that it trains lawyers in the practice of public interest law. Students at the D.C. School of Law are required to take clinical courses which provide legal assistance to the poor. The conferees note that while the law school may be one of only a few schools that offer this type of education exclusively, most other law schools offer clinical courses. In fact the March 21, 1994 issue of U.S. News and World Report on the "Best Graduate Schools" reporting on the best law schools asked faculty experts which law schools were tops in various legal specialities, including clinical training. These experts listed five schools as providing the best in clinical training. Two of the schools are in the District of Columbia (Georgetown University and American University), one is in Maryland (University of Maryland at Baltimore), and two are in New York (New York University and CUNY Queens College). In short, all of these schools are on the East Coast and, but for tuition costs, within physical reach of D.C. students. The argument that the City of Washington must support a public law school because another school in D.C. for this type of education does not exist is spurious.

Perhaps the most important reason, in addition to the level of the annual subsidy for operations, is the further investment that will be required to achieve full accreditation from the American Bar Association (ABA). The city government is at the precipice of this decision. Delay in fully considering the short- and long-term issues presented will make it even more difficult to close the school in the future, if necessary. Perhaps the case is made best by the law school's own representation as presented in the D.C. Council's Committee on Education and Libraries report dated March 11, 1994 to members of the Council:

"The Law School stated in written response to Committee questions that: 'In order for the Law School to acquire full accreditation, it must; (1) add basic materials to the law library collection which will cost $750,000; (2) maintain the then-updated collection by purchasing updates and new materials on an annual basis; (3) increase faculty salaries by at least 25 percent; (4) increase the number of staff supporting administrative, student services, and library functions; and (5) acquire and operate out of a permanent facility of at least 125,000 square feet'."

The Council Committee's report later states: "According to the Law school, a lease-purchase approach to acquiring a permanent facility would 'add approximately $1.25 million annually to the Law School's current operating budget for (the next thirty years.' A 'modest balloon payment at the end of the thirty year period' would also have to be made." That means a commitment of approximately $40 million over the next 30 years in operating costs in addition to the subsidy.

The Council Committee's report also states that "ABA standards require a minimal expenditure of $1.0 million for the law library." Given just these two items—annual law library expenditures of $1 million and annual lease-purchase costs of $1.25 million—the D.C. government could provide full tuition at an average school of law in the District for 155 D.C.-resident students, slightly more than the estimated number of District residents enrolled at the D.C. School of Law as reflected in the fiscal year 1995 budget.

In addition, the conferees are aware of current D.C. law that authorizes grants to clinical law school programs at law schools in the District of Columbia (D.C. Code, Title 31, Chapter 19, Section 1901 et. seq.) and are informed that the city has awarded a total of $60,000 to the program in fiscal year 1994 for the various law schools located in the District.

The Dean of the D.C. School of Law has stated that the law school is not a very good symbol of what is wrong with the city. He is correct, of course, but his statement does not go far enough. As described above, it is not the most efficient or effective way of providing a legal education to those in the city who want a legal education. It is also said that the D.C. School of Law accepts students who could not qualify for one of the other law schools in the city. The conferees believe that the best way to ensure that a legal education is available to all D.C. citizens who are so inclined is not to sponsor a public school of law but to ensure that every youngster attends elementary and secondary schools and receives an education that qualifies them academically for any undergraduate or graduate school in the Nation. It is to that principle that the conferees, and indeed probably every U.S. citizen, is committed. The argument that the City of Washington, D.C. must train public service lawyers or there will be a serious void in the legal profession is demonstrably wrong.

HUMAN SUPPORT SERVICES

Amendment No. 5: Deletes proviso proposed by the Senate that would have required the District government to turn on lights at parks and playgrounds from one hour before sunset to one hour after sunrise to deter crime. The conferees are concerned about the level of lighting in many of the District-operated parks and playgrounds. The conferees encourage the city to work with neighborhood groups to ensure adequate lighting in the city's parks and playgrounds to deter crime.

RAINY DAY FUND

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and the Senate quarterly reports by the 15th day of the month following the end of the quarter showing how monies provided under this fund are expended with a final report providing a full accounting of the fund due October 15, 1995 or not later than 15 days after the last amount remaining in the fund is disbursed.*

, and

on page 13 line 9 of the House engrossed bill, H.R. 4649, strike the period at the end of the line.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action requires the District government to submit quarterly reports by the 15th day of the month following the end of the quarter to the House and Senate Committees on Appropriations showing how the appropriation of $22,508,000 in the "Rainy Day Fund" is expended. The conferees request a full accounting of the funds by October 15, 1995 or 15 days after the last amount remaining in the fund is disbursed.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

Amendment No. 7: Requires reductions in appropriations and expenditures of $13,632,000 instead of $5,702,000 as proposed by the House and $20,774,000 as proposed by the Senate. The increase of $7,930,000 above the House amount reflects the adjustment required by the reduction in the Federal payment of $7,930,000 below the House amount in amendment number 1.

Amendment No. 8: Deletes proviso proposed by the Senate which would have exempted 16 agencies under public safety, health, and education as well as items under "Financing and other uses", "pay adjustments" and "enterprise funds" from the reductions required under this paragraph.

WATER AND SEWER ENTERPRISE FUND

Amendment No. 9: Deletes language proposed by the Senate that would have provided loans from the Federal Treasury, to the extent subsequently authorized, to jurisdictions served by the Washington Aqueduct to modernize the Aqueduct. The language also would have provided for the repayment of the modernization loans over a 10-year period by the jurisdictions served by the Aqueduct. The proposed language was not acceptable to all of the jurisdictions.

The conferees have agreed to language supported by the Office of Management and Budget in a new section 142 which requires the Secretary of the Army to conduct a study of the Washington Aqueduct.

GENERAL PROVISIONS

INDEPENDENT AUDIT OF RETIREMENT BOARD

Amendment No. 10: Delete phrase "particularly with respect to" proposed by the House and stricken by the Senate and inserts phrase "including but not limited to" proposed by the Senate concerning the criteria that firms must meet to qualify for consideration to perform an audit of the District of Columbia Retirement Board.

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes the phrase "less than" proposed by the House and stricken by the Senate and inserts the phrase "to exceed" proposed by the Senate concerning the amount to be spent for an independent audit of the District of Columbia Retirement Board.

FINANCIAL REPORTING

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *forecast which shall be supported and accompanied by cash forecasts for the general fund and each of the District government's other funds other than the capital projects fund and trust and agency funds;*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action clarifies the consolidated cash forecast reporting requirements by requiring the submission of cash forecasts for the general fund and each of the District government's other funds other than the capital projects fund and trust and agency funds.

Amendment Nos. 13 and 14: Technical amendments to replace a period with a semicolon.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

; (5) Explanations of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, or how other policy decisions may be necessary which may require the agencies to reduce expenditures in other areas; and

(6) An aging of the outstanding receivables and payables, with an explanation of how they

are reflected in the forecast of cash receipts and disbursements.

(c) REPORTING ON NONAPPROPRIATED FUNDS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1994, the Mayor shall submit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate a report on all revenues and expenditures of the general fund of the District that are characterized as nonappropriated in the Comprehensive Annual Financial Report. The report required by this subsection shall include the following information for each category of nonappropriated funds:

(1) The source of revenues;

(2) The object of the expenditures;

(3) An aging of outstanding accounts receivable and accounts payable;

(4) The statutory or other legal authority under which such category of funds may be expended without having been appropriated as part of the District's annual budget and appropriations process;

(5) The date when such category of funds was first expended on a nonappropriated basis;

(6) The policy or rationale for why the revenues and expenditures of such funds should not be part of the District's annual budget and appropriations process; and

(7) A reconciliation of the amounts reported under this subsection with the amounts characterized as nonappropriated in the Comprehensive Annual Financial Report

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adds two categories of information to be included in the contents of the financial reports. The first new category (item 5) requires an explanation of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, and what other policy decisions may be necessary to reduce expenditures in other areas. The second new category (item 6) requires an aging of outstanding accounts receivable and accounts payable.

Nonappropriated funds.—The conference agreement includes a new subsection (c) that requires the District government to submit reports on nonappropriated accounts. The District's present budget procedures exclude from the budget submitted to Congress certain revenues and expenditures which the District characterizes as nonappropriated funds in its Comprehensive Annual Financial Report. Some of the activities that generate or are supported by such nonappropriated funds appear to be similar to activities that generate or are supported by appropriated funds. These activities include, but are not limited to, food sales at the District's public schools for children who do not qualify for free lunches, sales of vital records such as birth certificates, rents from District properties, sales of correctional institution products such as license plates, recycling surcharge fees billed to solid waste haulers, and sales of District properties.

For each activity that generates or is supported by nonappropriated funds, subsection (c) of section 137 requires District officials to report to the Congress the source, use and amount of nonappropriated funds no later than the date on which the Mayor issues the Comprehensive Annual Financial Report for the fiscal year ending September 30, 1994. The report is to include the statutory or other legal authority which authorizes the District to expend each category of funds without having been appropriated as part of the District's annual budget and appropriations process. The nonappropriated revenues and expenditures are to be reported on both a cash and an accrual basis, and the District agency responsible for administering each category of revenues and expenditures is to be identified.

The conferees are concerned that the exclusion of these nonappropriated amounts from the budget and appropriations process has contributed to inadequate fiscal control over the District's finances. The conferees believe that the District's budget should reflect all activities, including those that generate or are supported by what the District characterizes as nonappropriated funds. Although the District categorizes certain activities and funds that generate receipts and require expenditures as nonappropriated, those receipts and expenditures relate to the District government's operations and therefore are encompassed by sections 137 and 138 of this Act.

SPENDING REDUCTIONS

Amendment No. 16: Reduces the District government's appropriated budget by $140,000,000 instead of $150,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Amendment No. 17: Deletes the word "consolidated" proposed by the Senate.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Delete the matter inserted by said amendment, and

on page 34, line 7 of the House engrossed bill, H.R. 4649, after the word "Mayor" insert "*of the District of Columbia*", and on page 34, line 14 of the House engrossed bill, H.R. 4649, strike "Flow Statements" and insert in lieu thereof "*Forecasts*", and

on page 34, line 16 of the House engrossed bill, H.R. 4649, strike all after "include" down through and including "the" on line 18 and insert in lieu thereof "*revisions to the forecasts reported in accordance with subsection (b) of section 137 of this Act that incorporate the*"

, and

on page 34, line 4 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof "*Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Represenatatives, and the Committee on Governmental Affairs of the Senate*"

, and

on page 34, line 11 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof "*Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Represenatatives, and the Committee on Governmental Affairs of the Senate*"

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action makes technical clarifications relative to reporting requirements under section 138.

Amendment No. 19: Deletes language proposed by the Senate concerning the submission of detailed cash flow statements. These statements are covered under amendment number 20.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment

, and

on page 35 of the House engrossed bill, H.R. 4649, strike all after line 3 through and including line 24

, and

on page 36 of the House engrossed bill, H.R. 4649, strike lines 1 through 8 and insert in lieu thereof the following:

(b) ANNUAL LIMITATION ON DISBURSEMENTS.—

(1) AGGREGATE LIMITATION.—The total disbursements and net payables of the government of the District of Columbia from the funds covered by paragraph (2) during fiscal year 1995 shall not exceed the total receipts collected by the government and available for such funds during fiscal year 1995.

(2) INDIVIDUAL FUND LIMITATIONS.—The disbursements and net payables of the government of the District of Columbia from the general fund and from each of the government's other funds not covered by paragraph (3) during fiscal year 1995 shall not exceed the receipts collected by the government and available for the general fund and for each such fund during fiscal year 1995.

(3) CAPITAL PROJECTS, TRUST AND AGENCY FUNDS LIMITATIONS.—The disbursements and net payables of the government of the District of Columbia from each of the government's capital projects, trust and agency funds during fiscal year 1995 shall not exceed the total of the cash available to each such fund at the beginning of fiscal year 1995 plus the receipts of each such fund during fiscal year 1995.

(c) ENFORCEMENT.—

(1) PLACEMENT IN ESCROW OF PORTION OF ANNUAL FEDERAL PAYMENT.—Upon receipt of the annual Federal payment for fiscal year 1996 authorized by sections 502(a) or 503 of the District of Columbia Self-Government and Governmental Reorganization Act or made pursuant to any other provision of law authorizing a Federal payment to the general fund of the District of Columbia for fiscal year 1996, the Mayor of the District of Columbia shall place in escrow—

(A) 10 percent of the Federal payment, for purposes of enforcement of subsection (a); and

(B) an additional 10 percent of the Federal payment, for purposes of enforcement of subsection (b)(1).

(2) AVAILABILITY OF ESCROWED AMOUNTS.—No portion of the funds placed in escrow under paragraph (1) of this subsection shall be available for use by the government of the District of Columbia until the mayor submits to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate two reports, each certified by an independent public accountant, on (A) the spending reductions required by subsection (a) of this section, and (B) the disbursements, net payables, and receipts covered by paragraph (1) of subsection (b) of this section. In no event shall the report required by this paragraph be submitted later than the date on which the mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995.

(3) AMOUNT OF ESCROWED FUNDS AVAILABLE.—Fifteen days after submitting the reports required by paragraph (2), the funds placed in escrow under paragraph (1) shall be available for use by the government of the District of Columbia only if—

(A) the Mayor pays to the Treasury of the United States the sum of—

(i) the amount (if any) by which the actual reduction implemented under subsection (a) fails to achieve the reduction made by paragraph (1) of such subsection; and

(ii) the amount (if any) by which the disbursements and net payables described in subsection (b)(1) exceed the receipts described in such subsection; and

(B) such payment is made by the Mayor within such fifteen-day period from the escrowed funds or, if such escrowed funds are insufficient, from other funds available to the government of the District.

(d) VIOLATION REPORTS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995, the Mayor, Deputy Mayor Financial Management, and Controller shall jointly submit to the Committees on Appropriations of the House of Representatives and the Senate, the committee on the District of Columbia of the House of Representatives and the Committee on Governmental Affairs of the Senate a separate report on each fund described in paragraphs (2) and (3) of subsection (b) of this section that violated the limitation applicable to the fund. Each report shall contain, but not be limited to—

(1) the amount of the violation;

(2) an analysis of the difference between the budgeted and actual disbursements, payables and receipts for fiscal year 1995;

(3) an explanation of policies, events, or other factors that caused or contributed to the violation;

(4) actions taken or to be taken against government officials or employees for causing or contributing to the violation; and

(5) actions taken or to be taken to prevent recurrence of the violation in fiscal year 1996.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "net payables" means the difference in the amount of payables for a fund at the beginning of a fiscal year and the amount of such payables for such fund at the end of the fiscal year;

(2) the term "payables" means accounts payables and compensation payables; and

(3) the terms "disbursements", "accounts payables", "compensation payables", "receipts", "capital projects fund", "trust funds' and "agency funds" shall have the same meaning as such terms had for purposes of the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1993.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action replaces subsection (b) "Annual Limitation on Outlays" and subsection (c) "Enforcement" under section 138 concerning the spending reductions included in the bill and adds a new subsection (d) "Violation Reports" and subsection (e) "Definitions".

Subsection (a) of section 138 reduces the District's appropriated budget by $140,000,000 as discussed under amendment number 16 and requires the District to submit a report not later than 30 days after the date of enactment of this Act setting forth a detailed plan for the implementation of the reduction. Subsection (a) also requires the submission of revised plans as well as cash forecasts and statements. Subsection (b) limits disbursements and net payables to receipts collected. Subsection (c) requires the escrowing of 20 percent of the fiscal year 1996 Federal payment to encourage District officials to respond responsibly in making the fiscal year 1995 spending reductions mandated in subsection (a) and restricting the fiscal year 1995 disbursements and net accounts payable to receipts collected in fiscal year 1995. The escrowed funds will not be available for use by the District until fifteen days after two reports are submitted to Congress by an independent public accountant certifying that the reductions have been made and that overspending did not occur. The Mayor is required to pay the Treasury of the United States the amount by which the reductions are not made and the amount by which overspending occurs. The payments are to be made from the escrowed funds. If the amounts owed by the District government exceed the amount escrowed, the Mayor is required to pay the shortfall within the fifteen day period from other funds available to the District government.

Subsection (d) requires the Mayor, the Deputy Mayor for Financial Management and the Controller of the District of Columbia to submit reports to the Congress for violations of the limitations imposed under section 138. Subsection (e) includes specific definitions of terms.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment and delete the matter inserted by said amendment

, and

on page 36 of the House engrossed bill, H.R. 4649, strike lines 9 through 11.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action deletes subsection (d) of section 138 of the House-passed bill concerning the applicability of section 138.

Amendment No. 22: Deletes section 141 proposed by the Senate which would have extended the authorization in Public Law 101–590 for the renovation of the George Washington University Medical Center for an additional five years. The current authorization expires at the end of fiscal year 1995.

The conference report (H. Rept. 103–303) on District of Columbia Appropriations for fiscal year 1994 (Public Law 103–127), requested that the District develop a "plan providing for the financing of the capital rehabilitation and revitalization of the medical infrastructure within" the city generally, with specific recommendations on the authorized George Washington University Medical Center project as part of the overall plan. The plan was to be submitted by April 15, 1994. The report notes that historically the Federal government has played a significant role in financing the construction, renovation, and expansion of medical care facilities in the District. The enactment of Home Rule in 1973 changed the relationship between the District and Federal governments. That change necessitates a review of the funding mechanism for District hospitals' capital projects, therefore resulting in the conference committee's request for a plan.

On May 18, 1994 the Preliminary Health Facilities Plan was submitted by the District government. The transmittal letter notes that "The Plan is the product of the first phase of a development process which includes an assessment of the future capital expenditure needs of the 17 local hospitals * * *. It is estimated that the development of a comprehensive health facilities plan * * * requires at least 24 months." The conferees understand that this is an important matter that requires the District to consider all aspects and alternatives for financing future capital needs because of the long-term implications of such a plan and the current state of District government finances. In addition the current debate over health care reform makes financial considerations uncertain. Therefore, the conferees have no objection to the need to take two years to prepare a health facilities plan for the Nation's Capital and will await its submission by October 18, 1995.

The conferees, however, are concerned about the recent submission of information by the Director of the Department of Human Services received on August 3, 1994, in which the time frame and tasks to be completed list items in years one through three. This appears to contemplate a longer period than started in the Mayor's May 18, 1994 letter. The conferees expect the District to adhere to the Mayor's original schedule.

In its response to the conferee's original request the District government has embarked on an ambitious, and necessary, project to develop a database on information relating to hospital operations as well as capital needs in the District of Columbia. This project should not lose sight of the conferees primary concern that the District submit proposed legislation, either to the Council, the Congress, or both, that addresses the current lack of a funding mechanism for District hospital capital projects.

The conferees expect that the appropriate authorizing committees will hold hearings on the current and future capital needs of hospitals and health facilities with a view toward developing legislation necessary to permit the District government to discharge this responsibility to its citizens.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of matter proposed in said amendment, insert:

LIMITATION ON FULL-TIME EQUIVALENT POSITIONS

SEC. 141. (a) REDUCTION.—The total number of full-time equivalent positions financed from District of Columbia appropriated funds shall not exceed 33,588.

(b) MONITORING AND NOTIFICATION.—The Mayor of the District of Columbia shall—

(1) regularly monitor the total number of full-time equivalent positions financed from District of Columbia appropriated funds and make a determination on the first date of each quarter of the fiscal year of whether the requirements under subsection (a) are met; and

(2) notify the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives and the Committee on Governmental Affairs of the Senate on the first day of each quarter of the fiscal year of the determinations made under paragraph (1).

SEC. 142. (a) IN GENERAL.—The Secretary of the Army, acting through the Chief of Engineers, shall conduct a study of the Washington Aqueduct. The study shall be conducted in consultation with the Environmental Protection Agency, the Office of Management and Budget, and the non-Federal public water supply customers of the Washington Aqueduct.

(b) STUDY CONTENTS.—The study required by subsection (a) shall include analyses of—

(1) the current condition of the Washington Aqueduct;

(2) the operation and maintenance activities and capital improvements required at the Washington Aqueduct facility to ensure the availability of an uninterruptible supply of potable drinking water sufficient to meet the current

and future needs of the District of Columbia and its environs;

(3) alternative methods of financing such operation and maintenance activities and capital improvements; and

(4) alternative arrangements for ownership of the Washington Aqueduct facility, including the operation of establishing a non-Federal regional water authority and transferring ownership and operating responsibility from the Department of the Army to such regional authority or to another appropriate non-Federal entity.

(c) REPORT.—Not later than February 1, 1995, the Secretary of the Army, acting through the Chief of Engineers, shall submit to the Congress a report setting forth the findings of the study required by subsection (a) and any recommendations as a result of the findings. The report shall include a recommendation on the advisability of establishing a non-Federal regional water authority and transferring ownership of and operating responsibility for the Washington Aqueduct facility from the Department of the Army to such regional authority.

(d) DEFINITION.—For purposes of this section, the term "non-Federal public water supply customers of the Washington Aqueduct" means the District of Columbia, Arlington County, Virginia, and the City of Falls Church, Virginia.

ANNUAL BOARD OF EDUCATION REPORT AND BUDGET REVISION

SEC. 143. (a) ANNUAL REPORT ON POSITIONS AND EMPLOYEES.—Hereafter, the Board of Education of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system of the District. The first such annual report shall be verified by independent auditors.

(b) REQUIRED CONTENTS OF ANNUAL REPORT.—The annual report required by subsection (a) shall set forth—

(1) the number of validated schedule A positions in the public school system of the District of Columbia for the following fiscal year on a full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the public school system of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee is actually performing, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(c) SUBMISSION OF ANNUAL REPORT.—

(1) FIRST REPORT.—The first annual report required by subsection (a) shall include the information required by subsection (b)(1) for each of the fiscal years 1993, 1994, and 1995, and shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than October 1, 1994.

(2) SUBSEQUENT REPORTS.—Except as provided in paragraph (1), the annual report required by subsection (a) shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than April 15 of each year.

(d) ANNUAL BUDGET REVISION.—

(1) IN GENERAL.—Not later than October 1, 1994 and each succeeding year or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act for the fiscal year beginning on such October 1 (whichever occurs first), the Board of Education of the District of Columbia shall submit to the Congress, and to the Mayor and Council of the District, a revised appropriated funds operating budget for the public school system of the District for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(2) REQUIRED FORMAT.—The revised budget required by paragraph (1) shall be submitted in the format of the budget that the Board of Education of the District of Columbia submits to the Mayor of the District for inclusion in the Mayor's budget submission to the Council of the District pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198; D.C. Code, sec. 47-301).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action includes language under section 141 that requires the reduction of 2,000 full-time equivalent positions in fiscal year 1995 instead of 3,559 over five years as proposed by the Senate.

The Mayor has proposed incentive retirement programs that the District expects will attract the participation of 2,500 employees. The conferees support the Mayor in this effort and believe this will permit the District government to achieve the reduction required by the conference agreement without undue dislocation of any city employee or any reduction in the quality of services.

The conference action includes language under section 142 directing the Secretary of the Army, acting through the Chief of Engineers, to conduct a study in consultation with the Environmental Protection Agency, the Office of Management and Budget, and the non-Federal public water supply customers of the Washington Aqueduct to analyze the long-term capital improvements and operation and maintenance requirements of the Washington Aqueduct facility, as well as alternative methods of financing capital improvements, alternative facility ownership arrangements, and such other analyses as may be necessary to ensure the availability of an adequate, uninterruptible supply of potable drinking water from the Washington Aqueduct to meet the current and future needs of the District of Columbia, Arlington County, and the City of Falls Church. A report on the results of the study shall be submitted to the appropriate congressional committees no later than February 1, 1995.

The conference action includes language under section 143 concerning the D.C. Board of Education. The conferees note with concern that the Schedule A's submitted on behalf of the Board of Education this year fail to reflect the positions actually existing in the public school system. The total number of positions authorized has decreased by 1,247 between fiscal year 1993 and fiscal year 1995, yet the numbers, titles, and all other descriptors of every specific position are completely unchanged over this three-year period, and add up to 1,243 positions in excess of the authorized ceiling for fiscal year 1995. In view of the effective failure to submit the required schedules and of other indicators that the Board of Education cannot or will not fully and accurately account for the locations and functions of all of its positions and actual employees, the conferees have included language in section 143 requiring the Board of Education annually to compile and submit accurate and verifiable inventories of both positions and employees. The first report setting forth the number of validated Schedule A positions for fiscal years 1993, 1994, and 1995 and the compilation of all employees in the public school system as of December 31, 1993, is required by October 1, 1994. The next report and each subsequent report is due April 15 as part of the District government's annual budget submission. In addition, the language requires that the inventories in the first report be verified by independent auditors.

The conferees are equally concerned that every year for the past several years the Board of Education has oversight its appropriation for personal services by millions of dollars while underspending its appropriation for other-than-personal-services by an equal amount. The chronic recurrence of such an imbalance suggests that the Board of Education habitually submits budgets to the Congress that the Board knows to be unrealistic and that the Board intends to disregard. Section 143, therefore, requires the Board of Education annually to realign its budget before the beginning of the fiscal year accurately to reflect anticipated actual expenditures. This annual budget revision is to follow in full the format used by the Board of Education during budget appropriation proceedings of the Mayor and the Council of the District of Columbia.

TITLE II

FISCAL YEAR 1994 SUPPLEMENTAL DISTRICT OF COLUMBIA FUNDS

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

Amendment Nos. 24 and 25: Appropriate $38,961,000 for a net increase of $38,130,000 as proposed by the Senate instead of $32,461,000 for a net increase of $31,630,000 as proposed by the House. The increase of $6,500,000 above the House was requested by the Mayor and Council Chairman in a letter dated June 15, 1994 to meet court orders for the foster care program and for youth services.

PUBLIC WORKS

(RESCISSION)

Amendment No. 26: Rescinds $6,592,000 as proposed by the Senate instead of $9,092,000 as proposed by the House. The reduction of $2,500,000 below the House was requested by the Mayor and Council Chairman in a letter dated June 15, 1994 to partially restore the reduction made by District officials in the Metrobus subsidy.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1995 recommended by the Conference, with comparisons to the fiscal year 1994 amount, the 1995 budget estimates, and the House and Senate bills for 1995 follow:

FEDERAL FUNDS

New budget (obligational) authority, fiscal year 1994	$700,000,000
Budget estimates of new (obligational) authority fiscal year 1995	722,000,000
House bill, fiscal year 1995	720,000,000
Senate bill, fiscal year 1995	700,000,000
Conference agreement, fiscal year 1995	712,070,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	+12,070,000
Budget estimates of new (obligational) authority, fiscal year 1995	−9,930,000
House bill, fiscal year 1995	−7,930,000
Senate bill, fiscal year 1995	12,070,000

DISTRICT OF COLUMBIA FUNDS

New budget (obligational) authority, fiscal year 1994	*$3,740,382,000*
Budget estimates of new (obligational) authority fiscal year 1995	*3,690,438,635*
House bill, fiscal year 1995	*3,534,736,635*
Senate bill, fiscal year 1995	*3,589,736,635*
Conference agreement, fiscal year 1995	*3,536,806,635*
conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	*−203,575,365*
Budget estimates of new (obligational) authority, fiscal year 1995	*−153,632,000*
House bill, fiscal year 1995	*+2,070,000*
Senate bill, fiscal year 1995	*−52,930,000*

JULIAN C. DIXON,
LOUIS STOKES,
RICHARD J. DURBIN,
MARCY KAPTUR,
DAVID E. SKAGGS,
NANCY PELOSI,
DAVID R. OBEY,
JAMES T. WALSH,
ERNEST J. ISTOOK, Jr.,
HENRY BONILLA,
JOSEPH M. MCDADE,
Managers on the Part of the House.

HERB KOHL,
PATTY MURRAY,
DIANNE FEINSTEIN,
ROBERT C. BYRD,
CONRAD BURNS,
CONNIE MACK,
MARK O. HATFIELD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 4506

Mr. BEVILL submitted the following conference report and statement on the bill (H.R. 4506) making appropriations for Energy and Water Development for the fiscal year ending September 30, 1995, and for other purposes:

CONFERENCE REPORT (H. REPT. 103–672)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4506) "making appropriations for Energy and Water Development for the fiscal year ending September 30, 1995, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 11, 14, 17, 18, 19, 20, 23, 24, 25, 27, 29, 30, 31, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 10, 12, 37, 38, 40, 43, 45, 46, and 50, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment to the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$983,668,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the matter stricken insert *: Provided further, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the Division Offices*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$284,300,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,314,548,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$984,031,000*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$392,800,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted, insert: *$3,229,069,000 to remain available until expended*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,092,691,000*; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,849,657,000*; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$282,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 6, 8, 9, 15, 16, 21, 28, 33, 35, 39, 48, and 49.

TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
DOUGLAS "PETE" PETERSON,
ED PASTOR,
CARRIE P. MEEK,
DAVID R. OBEY,
JOHN T. MYERS,
(Except for amendment No. 35),
DEAN A. GALLO,
HAROLD ROGERS,
JOSEPH M. MCDADE,
Managers on the Part of the House.

J. BENNETT JOHNSTON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
JIM SASSER,
DENNIS DECONCINI,
HARRY REID,
ROBERT J. KERREY,
MARK O. HATFIELD,
THAD COCHRAN,
PETE V. DOMENICI,
DON NICKLES,
SLADE GORTON,
MITCH MCCONNELL,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 4506) making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

The language and allocations set forth in House Report 103-533 and Senate Report 103-291 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Corps of Engineers. Additional items of conference agreement are discussed below.

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

Amendment No. 1: Appropriates $181,199,000 for General Investigations as proposed by the State instead of $179,062,000 as proposed by the House.

The conference agreement includes $400,000 for the Corps of Engineers to undertake preconstruction engineering and design for the rehabilitation and reconstruction of flood control levees on the Arkansas River in Arkansas as authorized by section 110 of the Water Resources Development Act of 1990.

The conferees have provided an additional $500,000 for the Corps of Engineers to initiate engineering, design, and the preparation of detailed plans and specifications for water temperature control facilities at the Cougar and Blue River projects on the McKenzie River in Oregon. The conferees support installation of these facilities as project modifications which mitigate for the fish and wildlife impacts of the Cougar and Blue

River projects. The cost of the facilities would be repaid according to the allocations among the original projects purposes.

The conference agreement includes $1,500,000 for the Corps of Engineers to continue ongoing technical and planning and design assistance to non-Federal interests for water-related environmental infrastructure projects described in section 219 of the Water Resources Development Act of 1992 instead of $3,100,000 as proposed by the Senate. Within the amount provided, the Corps is directed to use $300,000 to continue its efforts to define the infrastructure needs of the Colonias along the U.S.-Mexico border.

The conferees have provided $800,000 for ongoing engineering and design activities on storm water discharge projects authorized by section 307 of the Water Resources Development Act of 1992. Within the amount provided is sufficient funding for design of the Portland, Maine, and Bangor, Maine, projects.

The conference agreement includes $37,350,000 for research and development activities of the Corps of Engineers instead of $38,350,000 as proposed by the House and $37,050,000 as proposed by the Senate. The amount provided includes $300,000 for the continuation of the Construction Technology Transfer project between the Corps' research institutions and Indiana State University. In addition, the Corps is directed to use $2,000,000 of the funds provided for research and development activities related to zebra mussel control.

Both the House and Senate bills included $475,000 for the Wolf River, Tennessee, project. The conference agreement includes funding for the project under the Flood Control, Mississippi River and Tributaries account.

The conferees are aware that it has been a number of years since the need for additional boat harbor facilities in Wrangell, Alaska, was evaluated and that a number of conditions may have changed significantly. The conferees wish to encourage the Corps of Engineers to consider the need for evaluation of this project when it prepares the General Investigations portion of its budget request for fiscal year 1996.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert:

Red River Navigation Study, Arkansas, $300,000;

Los Angeles County Water Conservation and Supply, California, $500,000;

Norco Bluffs, California, $200,000;

Indianapolis, White River, Central Waterfront, Indiana, $4,000,000;

Lake George, Hobart, Indiana, $200,000;

Little Calument River Basin (Cady Marsh Ditch), Indiana, $150,000;

Ohio River Greenway, Indiana, $500,000;

Hazard, Kentucky, $500,000;

Kentucky Lock and Dam, Kentucky, $2,000,000;

Mussers Dam, Pennsylvania, $100,000;

Hartsville, Trousdale County, Tennessee, $95,000;

West Virginia Comprehensive, West Virginia, $350,000; and

West Virginia Port Development, West Virginia, $800,000;

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes earmarks in the bill for the following projects, which were funded at the same level in the House and Senate bills: Indianapolis, White River, Central Waterfront, Indiana; Little Calumet River Basin (Cady Marsh Ditch), Indiana; Kentucky Lock and Dam, Kentucky; Hazard, Kentucky; Hartsville, Trousdale County, Tennessee; West Virginia Comprehensive, West Virginia; and West Virginia Port Development, West Virginia.

The conference agreement restores House language stricken by the Senate for the Los Angeles County Water Conservation and Supply, California, project amended to provide $500,000 instead of $700,000 as proposed by the House; restores House language stricken by the Senate for the Norco Bluffs, California, project amended to provide $200,000 instead of $400,000 as proposed by the House; restores House language stricken by the Senate for the Ohio River Greenway, Indiana, project amended to provide $500,000 instead of $900,000 as proposed by the House; restores House language stricken by the Senate for the Lake George, Hobart, Indiana, project amended to provide $200,000 instead of $260,000 as proposed by the House; and restores House language stricken by the Senate for the Mussers Dam, Pennsylvania, project amended to provide $100,000 instead of $200,000 as proposed by the House.

The conference agreement deletes funding proposed by the Senate for the Grand Marais Harbor, Michigan, project.

The conference agreement includes $300,000 for the Red River Navigation, Arkansas, study instead of $500,000 as proposed by the Senate.

CONSTRUCTION, GENERAL

Amendment No. 3: Appropriates $983,668,000 for Construction, General instead of $1,023,595,000 as proposed by the House and $977,660,000 as proposed by the Senate.

The conferees are in agreement with the language contained in the House report regarding the Miami Harbor, Florida, project which directs the Corps of Engineers to reprogram funds as necessary to reimburse the local sponsor for the Federal share of completed work.

The conferees also agree with the language contained in the House report regarding the O'Hare Reservoir and McCook and Thornton Reservoirs projects in Illinois.

The conferees have provided an additional $5,000,000 for the Lower Snake River Fish and Wildlife Compensation Program for hatchery construction projects. The projects to be initiated include adult trapping and juvenile acclimation facilities for the upper Grande Ronde River and Catherine Creek, a water treatment facility for Lookingglass Hatchery, and final rearing and/or acclimation facilities for the Clearwater, Snake, and lower Grande Ronde Rivers. The conferees direct the Corps to work with the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and the affected state and tribal hatchery managers in developing these projects. The conferees emphasize that only projects which will protect, maintain or enhance biological diversity of existing wild salmon stocks should be pursued.

The conferees have no objection to the reprogramming of funds for construction of the John Day and Bonneville Fish Monitoring Facilities as described in the Acting Assistant Secretary of the Army's letter to the House and Senate Committees dated June 16, 1994.

The conference agreement includes $9,500,000 for the Aquatic Plant Control Program instead of $12,000,000 as proposed by the House and $7,000,000 as proposed by the Senate. The funds provided above the budget request of $7,000,000 shall be used to increase the research effort at the Corps of Engineers' Waterways Experiment Station for cooperative research to be conducted as described in House Report 103–135.

The conference agreement includes funds for the following projects within the Corps of Engineers' Continuing Authorities Programs:

Emergency Streambank and Erosion Control (Section 14)

Four hundred and seventy thousand dollars to initiate and complete three erosion control projects in Morgan County, Indiana, at Blue Bluff Road along the White River and Bottom Road and Henderson Ford Road along White Lick Creek; $450,000 to initiate and complete streambank stabilization along the left descending bank of the Cumberland River immediately downstream of the Metro Center Levee in Nashville, Tennessee; and $40,000 to initiate and complete the Green River, Calhoun, McLean County, Kentucky, project.

Small Navigation Projects (Section 107)

Three hundred thousand dollars to complete the study of navigation improvements at the Southwind Maritime Centre near Evansville, Indiana; $745,000 to complete construction of the Aunt Lydia's Cove, Massachusetts, project; $100,000 for construction of the Provincetown Harbor, Massachusetts, project; and funds necessary to complete the Cooley Canal, Ohio, feasibility study not later than September 30, 1995.

Navigation Mitigation (Section 111)

Four hundred and fifty-seven thousand dollars to initiate and complete measures to mitigate shoreline damages at Umpqua River, Winchester Bay, Oregon.

Small Flood Control Projects (Section 205)

One hundred thousand dollars to conduct a reconnaissance study and initiate a feasibility study of a project to control flooding in Ellettsville, Indiana; $300,000 for the Mission Zanja Creek, California, project to develop the inlet expansion plan and initiate design as recommended in the February 1994 Mission Zanja Creek reconnaissance report; $80,000 to complete the feasibility study of the Cy Bend cut-through project at Jackson, Kentucky; $100,000 to continue the study of flood control improvements at Poplar Brook, New Jersey; and $200,000 to conduct a reconnaissance study and initiate a feasibility study for a project to control flooding in Caliente, Meadow Valley Wash, Nevada. The Corps is directed to use the existing flood control and snagging and clearing reports to the maximum extent possible in developing a plan that could restore channel capacity and reduce aggradation that causes flooding in the town of Caliente.

In addition, the conferees are aware that the levees at Geneva, Alabama, were in danger of failing during flooding in July of this year. In view of the critical nature of this problem, the Corps is directed to initiate work on a project to rehabilitate the levees at Geneva, Alabama.

Project Modifications for Improvement of the Environment (Section 1135)

Five hundred thousand dollars to prepare a project modification report for the environmental restoration project along the upper Sacramento River, California; $800,000 for design of the Davis, California, site, which is contiguous to the Yolo Basin Wetlands area; $225,000 to continue the Four Rivers Basin (Oklawaha River), Florida, project; $200,000 to begin engineering and design of environmental restoration work on the San Lorenzo

River, California, project. To the extent practical, the Corps is directed to coordinate this work so that the ongoing engineering and design of the flood control project is not delayed; and $2,000,000 for the Corps of Engineers to begin engineering, design, and construction for the restoration of the East Pearl River in the vicinity of Walkiah Bluff, Mississippi. Further, the conferees are supportive of additional funding requirements to complete this important project.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows;

In lieu of the matter stricken and inserted by said amendment, insert:

Red River Emergency Bank Protection, Arkansas and Louisiana, $6,000,000;

Red River below Denison Dam Levee and Bank Stabilization, Arkansas, Louisiana and Texas, $2,100,000

West Sacramento, California, $500,000;

Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California, $400,000;

Sacramento River Flood Control Project (Deficiency Correction), California $3,700,000;

San Timoteo Creek (Santa Ana River Mainstem), California, $5,000,000;

Central and Southern Florida, Florida, $8,624,000;

Kissimmee River, Florida, $4,000,000;

Savannah Harbor Deepening, Georgia (Reimbursement), $11,585,000, of which $2,083,000 is for a cost-shared Savannah River recreation enhancement and public access project along 900 linear feet of shoreline in the City of Savannah;

Casino Beach, Illinois, $1,000,000;

Des Moines Recreational River and Greenbelt, Iowa, $4,000,000;

Harlan (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $20,000,000;

Middlesborough (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $1,200,000;

Williamsburg (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $3,000,000;

Pike County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $5,000,000;

Lake Pontchartrain and Vicinity (Jefferson Parish), Louisiana, $800,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $12,500,000;

Ouachita River Levees, Louisiana, $4,500,000;

Ste. Genevieve, Missouri, $3,000,000;

Hackensack Meadowlands Area, New Jersey, $2,500,000;

Ramapo River at Oakland, New Jersey, $600,000;

Salem River, New Jersey, $1,000,000;

Carolina Beach and Vicinity, North Carolina, $2,800,000;

Fort Fisher and Vicinity, North Carolina, $900,000;

Broad Top Region, Pennsylvania, $1,000,000;

Lackawanna River, Olyphant, Pennsylvania, $1,100,000;

Lackawanna River, Scranton, Pennsylvania, $1,000,000;

South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, $7,000,000;

Allendale Dam, Rhode Island, $67,500;

Wallisville Lake, Texas, $1,000,000;

Richmond Filtration Plant, Virginia, $2,000,000;

Southern West Virginia Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, West Virginia, $1,500,000;

Hatfield Bottom (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $500,000; and

Upper Mingo County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $250,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes earmarks in the bill for the following projects, which were funded at the same level in the House and Senate bills: Red River Emergency Bank Protection, Arkansas and Louisiana; West Sacramento, California; Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California; Sacramento River Flood Control Project (Deficiency Correction), California; San Timoteo Creek, California; Casino Beach, Illinois; Harlan, Kentucky; Middlesborough, Kentucky; Williamsburg, Kentucky; Pike County, Kentucky; Lake Pontchartrain and Vicinity (Jefferson Parish), Louisiana; Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana; Ste. Genevieve, Missouri; Ramapo River at Oakland, New Jersey; Broad Top Region, Pennsylvania; Lackawanna River, Olyphant, Pennsylvania; Lackawanna River, Scranton, Pennsylvania; Wallisville Lake, Texas; Richmond Filtration Plant, Virginia; and Southern West Virginia Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, West Virginia.

The conference agreement restores House language stricken by the Senate for the Central and Southern Florida, Florida, project amended to provide $8,624,000 for the project instead of $11,315,000 as proposed by the House. The amount provided includes; $1,000,000 for the comprehensive review of the project; $1,000,000 for the C–111/South Dade project for engineering, design and initiation of construction. The conferees note with approval that the final integrated GRR/EIS has been completed and the recommended Alternative 6A meets the conferees' concerns; $600,000 for the Herbert Hoover Dike project; $517,000 for the Kissimmee Basin project; $1,000,000 for the preconstruction engineering and design and construction of the West Palm Beach Canal (C–51) project; $100,000 for the Lake Okeechobee project; $1,500,000 to begin design and construction of improvements to the C–7, C–8, and C–9 canals in North Dade County; $400,000 for the Lake Istokpoga GRR; $407,000 to repair the S–26 stilling basin; $100,000 for the St. Lucie Canal stabilization project; and $2,000,000 to continue work on the Upper St. Johns River Basin project.

The conference agreement restores House language stricken by the Senate earmarking funds for the Hackensack Meadowlands Area, New Jersey; Salem River, New Jersey; Carolina Beach and Vicinity, North Carolina; and Fort Fisher and Vicinity, North Carolina, projects.

The conference agreement provides $4,000,000 for the Kissimmee River, Florida, project instead of $9,000,000 as proposed by the House and $3,000,000 as proposed by the Senate (the conferees direct that the procedures delineated in House Report 103–135 shall continue in fiscal year 1995); provides $4,000,000 for the Des Moines Recreational River and Greenbelt, Iowa, project as proposed by the House instead of $2,000,000 as proposed by the Senate; and provides $7,000,000 for the South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, as proposed by the House instead of $2,000,000 as proposed by the Senate.

The conference agreement includes $2,100,000 for the Red River below Denison Dam, Louisiana, and Texas, project. Within the amount provided, the bill provides $600,000 for the Bowie Levee, Texas, portion of the project. The conferees direct the Secretary of the Army, acting through the Chief of Engineers, to initiate design and construction for restoration or replacement of the Bowie Levee, as authorized by the Flood Control Act of 1946, to provide the same level of protection as the adjoining Miller County Levee.

The conference agreement includes the earmarking of funds for the following projects as proposed by the Senate: Savannah Harbor Deepening, Georgia; Ouachita River Levees, Louisiana; Allendale Dam, Rhode Island; Hatfield Bottom, West Virginia; and Upper Mingo County, West Virginia.

The conferees agree that any additional funds required to reimburse the local sponsor for the Federal share of the Savannah Harbor Deepening, Georgia, project should be reprogrammed from within available funds.

The conference agreement includes $1,200,000 for the Middlesborough, Kentucky, element of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project as proposed by the House and the Senate. The Secretary of the Army is directed to construct the Middlesborough element in accordance with the channel modification plan in the Nashville District Commander's detailed project report for Middlesborough, Kentucky, dated June 1994.

The conferees have agreed to provide $6,000,000 to continue emergency bank stabilization work along the Red River in Arkansas and Louisiana. The $6,000,000, combined with $3,500,000 of funds appropriated in fiscal year 1994, will allow the Corps to fully fund construction of the Finn revetment phase I, initiate construction of Dickson and Sulfur revetments, initiate repairs to the Mays Lake realignment, and design and initiate construction on the Cat Island revetment.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

Amendment No. 5: Appropriates $328,138,000 for Flood Control, Mississippi River and Tributaries, as proposed by the Senate instead of $334,138,000 as proposed by the House.

The conferees are aware of and concerned by ongoing flooding problems in the Yalobusha River Watershed, particularly in the vicinity of Calhoun County, Mississippi. The Corps of Engineers is directed to study this problem and report to the House and Senate Committees on Appropriations on the nature and extent of the flooding, as well as the necessary flood control measures and cost to correct the problem. The report should also include a discussion of which Federal agency or combination of agencies has the responsibility for remediating this problem, and the authority under which the problem can be corrected. The conferees encourage the Corps of Engineers to prepare this report with significant input from the Soil Conservation Service of the U.S. Department of Agriculture and other Federal agencies, as applicable. The report should be provided to the Committees by February 1, 1995.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that provides $3,000,000 for the Eastern Arkansas Region, Arkansas, project; $640,000 for the removal of a collapsed bridge at mile 117 of the Yazoo River in Mississippi; and $1,000,000 to extend the Tiptonville-Obion segment of the Mississippi River levee in the vicinity of Tiptonville, Tennessee. The House bill also included an earmark of $3,000,000 for the Eastern Arkansas Region project.

OPERATION AND MAINTENANCE, GENERAL

Amendment No. 7: Appropriates $1,646,535,000 for Operation and Maintenance, General as proposed by the House instead of $1,631,434,000 as proposed by the Senate.

With regard to the Mississippi River, Baton Rouge to the Gulf of Mexico, Louisiana, project, the conferees are aware of the potential safety concerns of the Corps of Engineers and local communities associated with the soft dike demonstration project at Redeye Crossing in the vicinity of Missouri Bend and direct the Corps to use $100,000 of available funds to complete the bendway weir modeling.

The conference agreement includes an additional $3,200,000 for the Grays Harbor and Chehalis River, Washington, project as proposed by the House and the Senate to repair the breach at the south jetty. The conferees expect the Corps of Engineers to reprogram sufficient funds to initiate the repair in fiscal year 1994.

The conference agreement includes an additional $350,000 for the Dworshak Dam and Reservoir, Idaho, project as proposed by the House. Of the amount provided, $250,000 is for the Corps of Engineers to restore and improve the Big Eddy Launch and Boat Moorage Facility which was destroyed in June of 1992 in a severe wind storm. This funding will restore and improve the only full service marina providing service throughout the full operating range of Dworshak Reservoir. In addition, $100,000 is for extension of boat launch ramps at Freeman Creek, Idaho. The boat ramp extension is needed to accommodate boat launches during the massive summer drawdown of the Dworshak Reservoir water level to provide water for migrating salmon runs listed under the Endangered Species Act.

Within available funds, the Corps of Engineers is directed to complete the special project report concerning road flooding problems at Buckhorn Lake, Kentucky, and to pursue additional alternatives in coordination with the Commonwealth of Kentucky.

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

Tucson Diversion Channel, Arizona, $2,500,000;

Jeffersonville-Clarksville, Indiana, $750,000;

McAlpine Lock and Dam (Ohio River Locks and Dams), Kentucky, $1,000,000;

Raystown Lake, Pennsylvania, $5,330,000; and John H. Kerr Reservoir (Mosquito Control), Virginia and North Carolina, $40,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement: earmarks $2,500,000 for the Tucson Diversion Channel, Arizona, project as proposed by the House and the Senate; restores House language stricken by the Senate earmarking funds for the Jeffersonville-Clarksville, Indiana, project; restores House language stricken by the Senate earmarking funds for the McAlpine Lock and Dam, Kentucky, project; restores House language stricken by the Senate earmarking funds for the Raystown Lake, Pennsylvania, project; and includes language proposed by the Senate earmarking funds for the John H. Kerr Reservoir, Virginia and North Carolina, project.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which directs the Secretary of the Army to maintain a minimum conservation pool of 475.5 feet at Wister Lake, Oklahoma.

OIL SPILL RESEARCH

Amendment No. 10: Appropriates $900,000 for oil spill research as proposed by the Senate instead of $625,000 as proposed by the House.

GENERAL EXPENSES

Amendment No. 11: Appropriates $152,500,000 for General Expenses as proposed by the House instead of $156,255,000 as proposed by the Senate. The conference agreement also deletes language proposed by the Senate making General Expenses funds available until expended.

The conferees remain extremely concerned about Corps of Engineers project review procedures. Both the House and Senate committees have received complaints from Corps of Engineers cost-sharing partners about the excessive overhead costs and delays associated with the planning, design and construction of Corps projects. The conferees believe that one of the reasons why Corps of Engineers projects cost too much and take too long to complete is that at each step of the process each project is subjected to multiple levels of technical review and policy review. Therefore, the conferees have provided funding levels that will permit the Corps of Engineers to implement a project review process that provides for a single review, both technical and policy, above the district office level.

The conferees agree with the language in the House report regarding women and minority contracting and the payment of headquarters' travel costs by field organizations.

Amendment No. 12: Provides that $59,280,000 of the funds appropriated for General Expenses shall be available for general administration and related functions in the Office of the Chief of Engineers as proposed by the Senate instead of $56,480,000 as proposed by the House.

Amendment No. 13: Restores House language stricken by the Senate which prohibits the use of funds other than those appropriated for General Expenses for activities in the Office of the Chief of Engineers and the Division Offices with an amendment clarifying that the restriction only applies to the executive direction and management functions of the Division Offices.

The restriction included in the bill will eliminate the use of project funds for executive direction and management activities of the Division Offices while allowing administrative functions which were consolidated for efficiency purposes, such as the centralized payroll center in Omaha, and selected other activities, to be funded as they have in the past. The conferees are in agreement that activities conducted under the authority of the Mississippi River and Tributaries project should be funded using funds appropriated under the Mississippi River and Tributaries account.

Amendment No. 14: Deletes language proposed by the Senate regarding the use of other funds appropriated for the Corps of Engineers for activities in the Office of the Chief of Engineers and the Division Offices. This matter has been addressed in Amendment No. 13.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that in fiscal year 1995, the Secretary of the Army shall advertise for competitive bid at least 7,500,000 cubic yards of the hopper dredge volume accomplished with Government-owned dredges in fiscal year 1992 and which, notwithstanding the provisions of the section, authorizes the Secretary of the Army to use the Corps of Engineers' dredge fleet to undertake projects under certain conditions.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that the Corps of Engineers shall not collect fees at boat launching ramps located in undeveloped or lightly developed shorelands with minimum security and illumination.

The conference agreement includes bill language proposed by the Senate which would conform Corps of Engineers procedures for collecting user fees at boat launching ramps with the intent of the authorizing legislation contained in the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66.

The conferees have learned that certain private lessees who operate boat launching facilities constructed by the Corps of Engineers are charging fees for the use of those facilities which exceed the fees being charged by the Corps for the use of similar facilities.

The conferees are concerned that this difference in fees charged for the use of similar facilities, all of which were constructed by the Corps of Engineers with the taxpayers' money, is causing a great deal of confusion among the public. Therefore, the conferees direct the Secretary of the Army to take whatever steps are possible to ensure that fees charged by the private lessees for the use of boat launching facilities constructed by the Corps of Engineers do not exceed those charged by the Corps for the use of similar facilities. In addition, the conferees direct the Secretary to take whatever steps are possible to ensure that individuals who purchase season passes for the use of the Corps of Engineers boat launching facilities can use those passes at all facilities constructed by the Corps even if they are operated by private lessees.

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
	ALABAMA				
	ALABAMA - COOSA RIVER, AL	---	---	200,000	---
	HOBBS ISLAND, HUNTSVILLE, AL	---	---	150,000	---
	HUNTSVILLE SPRING BRANCH, HUNTSVILLE, AL	---	---	100,000	---
	MOBILE HARBOR (THEODORE SHIP CHANNEL), AL	---	---	200,000	---
	MUSCLE SHOALS, AL	---	---	150,000	---
	ALASKA				
(N)	ANCHOR POINT HARBOR, AK	200,000	---	200,000	---
(N)	CHIGNIK HARBOR, AK	---	100,000	---	100,000
(N)	COOK INLET, AK	100,000	---	100,000	---
(FDP)	DILLINGHAM, AK	130,000	---	130,000	---
(RDP)	KAKE HARBOR, AK	160,000	---	160,000	---
(N)	NORTHERN SEA ROUTE, AK	300,000	---	300,000	---
(N)	SAND POINT HARBOR, AK	210,000	---	210,000	---
(N)	SEWARD HARBOR, AK	120,000	---	120,000	---
(FDP)	SEWARD, LOWELL CREEK, AK	300,000	---	300,000	---
(N)	ST PAUL HARBOR, AK	150,000	---	150,000	---
	ARIZONA				
	ALAMO DAM, BILL WILLIAMS RIVER, AZ	---	---	200,000	---
(FDP)	ARIZONA FLOOD CONTROL STUDY, AZ	200,000	---	200,000	---
(FDP)	GILA RIVER & TRIBUTARIES, LOWER SANTA CRUZ RIVER, AZ	299,000	---	299,000	---
	GILA RIVER & TRIBUTARIES, MCDOWELL MOUNTAINS, AZ	---	---	500,000	---
	GILA RIVER & TRIBUTARIES, SANTA CRUZ RIVER BASIN, AZ	---	---	500,000	---
	GILA RIVER & TRIBUTARIES, TORTOLITA DRAINAGE AREA, AZ	---	---	300,000	---
(FDP)	GILA RIVER, GILLESPIE DAM TO YUMA, AZ	300,000	---	300,000	---
(FDP)	RIO SALADO, SALT RIVER, AZ	450,000	---	450,000	---
(FDP)	TUCSON DRAINAGE AREA, AZ	250,000	---	250,000	---
	ARKANSAS				
	ARKANSAS RIVER LEVEES, AR	---	---	---	400,000
(FDP)	LITTLE RIVER COUNTY, AR	---	---	200,000	---
(FDP)	ARKANSAS RIVER, TUCKER CREEK, AR	101,000	---	101,000	---
(FDP)	MAY BRANCH, FORT SMITH, AR	300,000	---	300,000	---
(FDP)	OUACHITA RIVER BASIN, HOT SPRINGS, AR	750,000	---	750,000	---
(N)	RED RIVER NAVIGATION STUDY, AR	---	---	300,000	---
(SPE)	WHITE RIVER WETLANDS, AR & MO	300,000	---	300,000	---
	CALIFORNIA				
(FC)	AMERICAN RIVER WATERSHED, CA	---	2,000,000	---	2,500,000
	CACHE CREEK ENVIRONMENTAL RESTORATION, CA	---	---	250,000	---
(FC)	CARNEROS CREEK, CA	---	237,000	---	237,000
	CITY OF ENCINITAS, CA	---	---	275,000	---
(SP)	CITY OF HUNTINGTON BEACH, ORANGE COUNTY, CA	133,000	---	133,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(SPE)	COAST OF CA, SOUTH COAST REGION (ORANGE COUNTY)	249,000	---	249,000	---
(N)	CRESCENT CITY HARBOR, CA	100,000	---	100,000	---
(N)	HUMBOLDT HARBOR AND BAY (DEEPENING), CA	---	250,000	---	250,000
(N)	HUMBOLDT HARBOR AND BAY (DEEPENING), CA	40,000	---	40,000	---
(FC)	KAWEAH RIVER, CA	---	500,000	---	500,000
	LACDA WATER CONSERVATION AND SUPPLY	---	---	500,000	---
(N)	LOS ANGELES - LONG BEACH HARBORS, CA	---	1,674,000	---	1,674,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	---	2,500,000	---	2,500,000
(SPE)	LOS ANGELES RIVER WATERCOURSE IMPROVEMENT, CA	200,000	---	200,000	---
	LOWER MISSION CREEK, CA	---	---	500,000	---
(SP)	MALIBU COASTAL AREA, CA	200,000	---	200,000	---
(FDP)	MARIN COUNTY SHORELINE, SAN CLEMENTE CREEK, CA	140,000	---	140,000	---
(N)	MARINA DEL REY AND BALLONA CREEK, CA	212,000	---	212,000	---
(SP)	MISSION BAY, SAN DIEGO COUNTY, CA	200,000	---	200,000	---
(FDP)	MISSION ZANJA CREEK, CA	300,000	---	---	---
(FDP)	N CA STREAMS, SACRAMENTO RIVER FISH MIGRATION, CA	350,000	---	350,000	---
(FDP)	N CA STREAMS, UPR SACRAMENTO R, F&WL HABITAT RESTORATI	200,000	---	200,000	---
(FDP)	N CA STREAMS, WESTSIDE TRIBUTARIES TO YOLO BYPASS, CA.	200,000	---	200,000	---
(FDP)	N CA STREAMS, WINTERS & VICINITY, CA	300,000	---	300,000	---
(FDP)	N CA STREAMS, YUBA RIVER BASIN, CA	200,000	---	200,000	---
(FC)	NAPA RIVER, CA	---	900,000	---	900,000
	NORCO BLUFFS, SANTA ANA RIVER, CA	---	---	200,000	---
(FDP)	NORTHERN LOS ANGELES COUNTY, CA	350,000	---	350,000	---
(N)	NOYO RIVER AND HARBOR (BREAKWATER), CA	---	809,000	---	809,000
(SP)	OCEANSIDE SHORELINE, CA	200,000	---	---	---
(SP)	PACIFIC COAST SHORELINE, CARLSBAD, CA	320,000	---	---	---
(FDP)	PAJARO RIVER AT WATSONVILLE, CA	300,000	---	300,000	---
	PILLAR POINT HARBOR, CA	---	---	300,000	---
(N)	PORT HUENEME, CA	300,000	---	300,000	---
	PORT OF LONG BEACH, CA	---	---	500,000	---
(SPE)	SACRAMENTO - SAN JOAQUIN DELTA, CA	700,000	---	700,000	---
	SACRAMENTO - SAN JOAQUIN DELTA, LITTLE HOLLAND TRACT,	---	---	250,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, PROSPECT ISLAND, CA	200,000	---	200,000	---
(FDP)	SACRAMENTO - SAN JOAQUIN DELTA, WESTERN DELTA ISLANDS,	550,000	---	550,000	---
	SAN ANTONIO CREEK, CA	---	---	400,000	---
	SAN DIEGO COUNTY, VICINITY OF OCEANSIDE, CA	---	---	600,000	---
(SP)	SAN FRANCISCO COUNTY, OCEAN BEACH, CA	185,000	---	185,000	---
(N)	SAN FRANCISCO HARBOR, CA	825,000	---	825,000	---
(FDP)	SAN JOAQUIN R BASIN, PINE FLAT DAM, F&WL HABITAT RESTO	200,000	---	200,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, ARROYO PASAJERO (FRESNO CO),	700,000	---	700,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, CALIENTE CREEK STREAM GROUP,	300,000	---	300,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, FIREBAUGH AND MENDOTA, CA	232,000	---	232,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, SOUTH SACRAMENTO COUNTY STRMS	200,000	---	200,000	---
(FC)	SAN LORENZO RIVER, CA	---	500,000	---	500,000
(FC)	SAN RAFAEL CANAL, CA	---	565,000	---	565,000
(N)	SANTA BARBARA HARBOR, CA	---	540,000	---	540,000
(N)	SANTA MONICA BREAKWATER, CA	---	400,000	---	400,000
(FDP)	SEVEN OAKS AND PRADO DAMS WATER CONSERVATION, CA	400,000	---	400,000	---
(SP)	SILVER STRAND SHORELINE, CORONADO, CA	133,000	---	133,000	---
	SOUTHEAST LOS ANGELES COUNTY WATER CONSERVATION, CA	---	---	600,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
(FDP)	UPPER GUADALUPE RIVER, CA	100,000	---	100,000	---
(FDP)	UPPER PENITENCIA CREEK, CA	150,000	---	150,000	---
(FC)	WEST SACRAMENTO CA	---	300,000	---	300,000
(FDP)	WHITEWATER RIVER BASIN, CA	650,000	---	650,000	---
	COLORADO				
(FDP)	BOXELDER, SPRING, AND DRY CREEKS, FT COLLINS, CO	20,000	---	20,000	---
(FDP)	MANITOU SPRINGS, CO	196,000	---	196,000	---
(FC)	RALSTON AND LEYDEN CREEKS, CO	---	45,000	---	45,000
	CONNECTICUT				
(FDP)	CENTRAL CONNECTICUT COASTAL FLOODING, CT	100,000	---	100,000	---
	DELAWARE				
(N)	C&D CANAL - BALTIMORE HBR CONN CHANNELS, DE & MD (DEEP	250,000	---	250,000	---
(SP)	DELAWARE BAY COASTLINE, DE & NJ	750,000	---	750,000	---
(SP)	DELAWARE COAST FROM CAPE HENLOPEN TO FENWICK ISLAND, D	192,000	---	192,000	---
(N)	DELAWARE RIVER MAIN CHANNEL DEEPENING, DE, NJ, & PA	---	2,800,000	---	2,800,000
	FLORIDA				
	BISCAYNE BAY, FL	---	---	50,000	---
(SP)	BREVARD COUNTY, FL	227,000	---	227,000	---
(FDP)	COAST OF FLORIDA STUDY, FL	750,000	---	750,000	---
(SP)	COLLIER COUNTY, FL	120,000	---	120,000	---
(SP)	DAYTONA BEACH SHORES, FL	62,000	---	62,000	---
(N)	HILLSBORO INLET, FL	---	150,000	---	150,000
(N)	JACKSONVILLE HARBOR, FL	250,000	---	250,000	---
(BE)	MARTIN COUNTY, FL	---	210,000	---	210,000
	MIAMI RIVER SEDIMENTS, FL	---	---	---	300,000
(BE)	NASSAU COUNTY, FL	---	272,000	---	272,000
(N)	PALM VALLEY BRIDGE, FL	---	500,000	---	500,000
(BE)	PANAMA CITY BEACHES, FL	---	588,000	---	588,000
(N)	PANAMA CITY HARBOR, FL	---	400,000	---	400,000
(N)	PONCE DE LEON INLET, FL	295,000	---	295,000	---
	PORT EVERGLADES, FL	---	---	25,000	---
	ST LUCIE INLET, FL	---	---	150,000	---
(N)	TAMPA HARBOR, ALAFIA RIVER AND BIG BEND, FL	64,000	---	64,000	---
	GEORGIA				
	BRUNSWICK HARBOR, GA	---	---	240,000	---
(N)	LOWER SAVANNAH RIVER BASIN, GA & SC	130,000	---	130,000	---
	SAVANNAH HARBOR EXTENSION, GA	---	---	250,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
	HAWAII				
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI..........	165,000	---	165,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI................	---	228,000	---	228,000
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI.........	393,000	---	393,000	---
	IDAHO				
(FDP)	LOWER BOISE RIVER AND TRIBUTARIES STUDY, ID..........	261,000	---	261,000	---
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL...................	251,000	---	251,000	---
(RDP)	CHICAGO RIVER, NORTH BRANCH (1946 MOD), IL...........	116,000	---	116,000	---
(BE)	CHICAGO SHORELINE, IL................................	---	462,000	---	462,000
(FDP)	DES PLAINES RIVER, IL................................	96,000	---	96,000	---
(FDP)	FLD PLN MGT ASSMT-UP MISS & LWR MO R,IL,IA,KS,MN,MO,NE	2,000,000	---	2,000,000	---
(RDP)	FREEPORT, IL...	300,000	---	300,000	---
	ILLINOIS SHORELINE EROSION, IL.......................	---	---	182,000	---
	NUTWOOD LEVEE, IL....................................	---	---	---	250,000
(FDP)	SOUTHEAST CHICAGO, IL................................	362,000	---	362,000	---
	SNY LEVEE, IL..	---	---	300,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	9,000,000	---	9,000,000	---
(RDP)	WAUKEGAN HARBOR, IL..................................	78,000	---	78,000	---
	INDIANA				
	INDIANAPOLIS CENTRAL WATERFRONT, IN..................	---	---	---	4,000,000
(FDP)	INDIANAPOLIS, WHITE RIVER (NORTH), IN................	271,000	---	271,000	---
	LAKE GEORGE, HOBART, IN..............................	---	---	---	200,000
(FDP)	LITTLE CALUMET RIVER BASIN, DYER, IN.................	212,000	---	212,000	---
	LITTLE CALUMET RIVER BASIN (CADY MARSH DITCH), IN.....	---	---	---	150,000
	LITTLE CALUMENT RIVER BASIN, CALUMET TOWHSHIP, IN.....	---	---	150,000	---
	OHIO RIVER GREENWAY, IN..............................	---	---	---	500,000
(FDP)	ORANGE COUNTY (LOST RIVER), IN.......................	200,000	---	200,000	---
	ST JOSEPH RIVER, SOUTH BEND, IN......................	---	---	---	300,000
(FDP)	UPPER TIPPECANOE RIVER BASIN, IN.....................	200,000	---	200,000	---
(FDP)	WABASH RIVER BASIN COMPREHENSIVE, IN & IL (MIDDLE REAC	290,000	---	390,000	---
(SP)	WABASH RIVER, NEW HARMONY, IN........................	---	---	200,000	---
	IOWA				
(FC)	GREEN BAY LEVEE & DRAINAGE DISTRICT NO.2, IA.........	---	400,000	---	400,000
(FDP)	MISSISSIPPI RIVER LEVEES, IA, IL & MO................	200,000	---	200,000	---
	KANSAS				
(FDP)	ARKANSAS CITY, KS....................................	---	---	---	700,000
	ELWOOD AND WATHENA, KS...............................	---	---	300,000	---
(RCP)	SALINA, KS...	75,000	---	75,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(RCP)	TOPEKA, KS	25,000	---	25,000	---
(FDP)	TURKEY CREEK BASIN, KS & MO	67,000	---	67,000	---
	WILSON LAKE, KS	---	---	100,000	---
	KENTUCKY				
(FDP)	EAST FORK OF THE LITTLE SANDY RIVER, KY	200,000	---	200,000	---
	HAZARD, KY	---	---	---	500,000
	KENTUCKY LOCK AND DAM, LOCK ADDITION, KY	---	---	---	2,000,000
	OHIO RIVER AND TRIBUTARIES, METRO LOUISVILLE, SOUTHWEST, LOUISVILLE, KY	---	---	500,000	---
(N)	MCALPINE LOCKS AND DAM, IN & KY	---	3,126,000	---	3,126,000
	MCLEAN COUNTY, KY	---	---	500,000	---
(FDP)	METROPOLITAN LOUISVILLE, BEARGRASS CREEK, KY	400,000	---	400,000	---
(FC)	METROPOLITAN LOUISVILLE, POND CREEK, KY	---	680,000	---	680,000
(N)	UNIONTOWN/OHIO RIVER MAINSTEM STUDY, KY, IL & IN	2,800,000	---	2,800,000	---
	LOUISIANA				
	BAYOU TIGRE, ERATH, LA	---	---	265,000	---
	BLACK BAYOU DIVERSION, LA	---	---	600,000	---
(FC)	COMITE RIVER, LA	---	750,000	---	750,000
(FC)	EAST BATON ROUGE PARISH, LA	---	646,000	---	646,000
(N)	INTRACOASTAL WATERWAY LOCKS, LA	1,700,000	---	1,700,000	---
(FDP)	JEFFERSON PARISH, LA	1,300,000	---	1,300,000	---
(FDP)	LAFAYETTE PARISH, LA	100,000	---	100,000	---
(N)	LAKE CHARLES SHIP CHAN, BY-PASS AND GEN ANCHORAGE AREA	400,000	---	400,000	---
	MERMENTAU, VERMILLION, & CALCASIEU RIVERS AND BAYOU TECHE, LA	---	---	300,000	---
(N)	MISSISSIPPI RIVER - GULF OUTLET BANK EROSION, LA	400,000	---	400,000	---
(FDP)	ORLEANS PARISH, LA	600,000	---	600,000	---
(FDP)	OUACHITA PARISH, LA	300,000	---	300,000	---
	OUACHITA RIVER BASIN COMPREHENSIVE, LA (BAYOU BARRTHOLOMEW)	---	---	400,000	---
(N)	PORT FOURCHON, LA	---	173,000	---	173,000
	ST TAMMANY PARISH, LA	---	---	500,000	---
(FC)	WEST BANK - EAST OF HARVEY CANAL, LA	---	1,500,000	---	1,500,000
	MARYLAND				
(FC)	ANACOSTIA RIVER & TRIBUTARIES, MD & DC	---	700,000	---	700,000
(N)	BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MD	300,000	---	300,000	---
(FDP)	BALTIMORE METROPOLITAN WATER RESOURCES STUDY, MD	240,000	---	240,000	---
(SPE)	CHESAPEAKE BAY TIME VARIABLE MODEL, MD, VA, PA & DC	500,000	---	500,000	---
	OCEAN CITY AND VICINITY WATER RESOURCES	---	---	---	300,000
	PATUXENT RIVER, MD	---	---	700,000	---
	MICHIGAN				
	SAULT STE MARIE, MI	---	---	---	200,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
	MINNESOTA				
(FDP)	CROOKSTON, MN	85,000	---	85,000	---
	MISSISSIPPI				
(FDP)	HANCOCK, HARRISON AND JACKSON COUNTIES, MS	260,000	---	260,000	---
(FDP)	JACKSON METROPOLITAN AREA, MS	333,000	---	333,000	---
	MISSOURI				
(FC)	BLUE RIVER BASIN, KANSAS CITY, MO	---	400,000	---	400,000
(RCP)	CLEARWATER LAKE, MO(SECTION 216)	150,000	---	150,000	---
(N)	MISSISSIPPI RIVER, VICINITY OF ST LOUIS, MO	510,000	---	510,000	---
(FC)	RIVER DES PERES, MO	---	114,000	---	114,000
(FDP)	ST. LOUIS REGION, MO	525,000	---	525,000	---
(FDP)	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	100,000	---	100,000	---
	NEBRASKA				
(FDP)	ANTELOPE CREEK, LINCOLN, NE	75,000	---	75,000	---
(FDP)	BURT - WASHINGTON COUNTIES, NE	20,000	---	20,000	---
	LOWER PLATTE RIVER & TRIBUTARIES, NE	---	---	160,000	---
(FC)	WOOD RIVER, GRAND ISLAND, NE	---	145,000	---	145,000
	NEVADA				
(FDP)	BATTLE MOUNTAIN, NV	200,000	---	200,000	---
(FDP)	LOWER TRUCKEE RIVER, NV	300,000	---	300,000	---
	NEW JERSEY				
(SP)	BARNEGAT INLET TO LITTLE EGG INLET, NJ	150,000	---	150,000	---
(SP)	BRIGANTINE INLET TO GREAT EGG HARBOR INLET, NJ	320,000	---	320,000	---
	GREAT EGG INLET TO TOWNSENDS INLET, NJ	---	---	250,000	---
(SP)	LOWER CAPE MAY MEADOWS - CAPE MAY POINT, NJ	275,000	---	275,000	---
(FC)	LOWER SADDLE RIVER, BERGEN COUNTY, NJ	---	750,000	---	750,000
	MANASQUAN INLET TO BARNEGAT INLET, NJ	---	---	250,000	---
(FDP)	MANASQUAN RIVER BASIN, NJ	100,000	---	100,000	---
(N)	NEW YORK HBR AND ADJACENT CHANNELS, CLAREMONT TERMINAL	---	272,000	---	272,000
(SP)	RARITAN BAY AND SANDY HOOK BAY, NJ	560,000	---	560,000	---
	RARITAN BAY AND SANDY HOOK BAY (CLIFFWOOD BEACH), NJ	---	---	---	320,000
(FC)	RARITAN RIVER BASIN, GREEN BROOK SUB-BASIN, NJ	---	2,000,000	---	2,000,000
(FDP)	SOUTH RIVER, RARITAN RIVER BASIN, NJ	300,000	---	300,000	---
(SP)	TOWNSENDS INLET TO CAPE MAY INLET, NJ	128,000	---	128,000	---
	NEW MEXICO				
(FDP)	ALBUQUERQUE ARROYOS, RIO GRANDE AND TRIBUTARIES, NM	79,000	---	79,000	---
(FDP)	ESPANOLA VALLEY, RIO GRANDE AND TRIBUTARIES, NM	100,000	---	100,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(FC)	LAS CRUCES, EL PASO AND VICINITY, NM	---	350,000	---	350,000
	RIO DE CHAMA, ABIQUIU DAM TO ESPANOLA, NM	---	---	200,000	---
(FDP)	ROCKY ARROYO/DARK CANYON, PECOS RIVER AND TRIBUTARIES,	183,000	---	183,000	---
(FDP)	SAN JUAN RIVER AND TRIBUTARIES, NM	215,000	---	215,000	---
	NEW YORK				
(RCP)	ADDISON, NY	104,000	---	104,000	---
(N)	ARTHUR KILL CHANNEL - HOWLAND HOOK MARINE TERMINAL, NY	---	370,000	---	670,000
	ATLANTIC COAST OF NEW YORK, NY	---	---	1,000,000	---
	FLUSHING BAY, NY	---	---	250,000	---
(N)	HUDSON RIVER HABITAT RESTORATION, NY	75,000	---	75,000	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	350,000	---	350,000	---
(N)	LAKE MONTAUK HARBOR, NY	175,000	---	175,000	---
(BE)	LONG BEACH ISLAND, NY	---	500,000	---	500,000
(SP)	LONG BEACH ISLAND, NY	23,000	---	23,000	---
(SP)	MONTAUK POINT, NY	150,000	---	150,000	---
(N)	NEW YORK HARBOR ANCHORAGE AREAS, NY	300,000	---	300,000	---
(SP)	NORTH SHORE OF LONG ISLAND, NY	106,000	---	106,000	---
(SPE)	ONONDAGA LAKE, NY (SEC 401, P L 101-596)	120,000	---	120,000	---
(N)	RARITAN BAY ANCHORAGES, NY AND NJ CHANNELS, NY & NJ	300,000	---	300,000	---
(N)	REYNOLD'S CHANNEL AND NEW YORK STATE BOAT CHANNEL, NY.	150,000	---	150,000	---
(SP)	SOUTH SHORE OF STATEN ISLAND, NY	150,000	---	150,000	---
	YONKERS SHORELINE, NY	---	---	200,000	---
	NORTH CAROLINA				
(FC)	BRUNSWICK COUNTY BEACHES, OCEAN ISLE BEACH PORTION, NC	---	500,000	---	500,000
(N)	CAPE FEAR - NORTHEAST (CAPE FEAR) RIVER, NC	300,000	---	300,000	---
(SP)	DARE COUNTY BEACHES, NC	300,000	---	300,000	---
(N)	WILMINGTON HARBOR, CHANNEL WIDENING, NC	---	560,000	---	560,000
	NORTH DAKOTA				
(SPE)	DEVILS LAKE, ND	350,000	---	350,000	---
(FDP)	GRAND FORKS, ND	460,000	---	460,000	---
(FDP)	LEWIS AND CLARK LAKE, NE & SD AND LAKE SAKAKAWEA, ND	100,000	---	100,000	---
	MIDTOWN DAM, ND	---	---	200,000	---
	OHIO				
(FDP)	DAYTON, OH (MIAMI RIVER BASIN)	300,000	---	300,000	---
(FC)	METROPOLITAN REGION OF CINCINNATI, DUCK CREEK, OH, KY.	---	540,000	---	540,000
	OKLAHOMA				
(FDP)	BIRD CREEK BASIN, OK	235,000	---	235,000	---
(FDP)	NORTH CANADIAN RIVER, OK	120,000	---	120,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	OREGON				
(FDP)	AMAZON CREEK WETLANDS, OR	250,000	---	250,000	---
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA	350,000	---	350,000	---
(N)	COOS BAY, OR (DEEP DRAFT NAVIGATION)	---	250,000	---	750,000
(FDP)	JOHNSON CREEK, OR	393,000	---	393,000	---
(FDP)	MIDDLE FORK WILLAMETTE FISHERY RESTORATION, OR	250,000	---	250,000	---
(FDP)	SOUTH SANTIAM FISHERY RESTORATION, OR	150,000	---	150,000	---
(FDP)	WILLAMETTE RIVER BASIN REVIEW, OR	150,000	---	150,000	---
(FDP)	WILLAMETTE RIVER TEMPERATURE CONTROL, OR	411,000	---	911,000	---
	PENNSYLVANIA				
(FC)	CHARTIERS CREEK, PA	---	350,000	---	350,000
(COM)	CONEMAUGH RIVER BASIN, PA	250,000	---	650,000	---
	GLEN FOERD, PA	---	---	---	110,000
(FDP)	JUNIATA RIVER BASIN, PA	50,000	---	50,000	---
(FDP)	LACKAWANNA RIVER BASIN, PA	500,000	---	500,000	---
(FDP)	LEHIGH RIVER BASIN, PA	300,000	---	300,000	---
(N)	LOCKS AND DAMS 2, 3 AND 4, MONONGAHELA RIVER, PA	---	3,852,000	---	3,852,000
(FDP)	MILTON, PA	250,000	---	250,000	---
	MUSSERS DAM, MIDDLE CREEK, SNYDER CO., PA	---	---	---	100,000
(FDP)	SCHYULKILL RIVER BASIN, SCHUYLKILL HAVEN AREA, PA	130,000	---	130,000	---
(FDP)	SUSQUEHANNA RIVER BASIN FISH RESTORATION, PA, NY & MD.	560,000	---	560,000	---
	SUSQUEHANNA RIVER BASIN RESERVOIR MNGT. STUDY PA	---	---	250,000	---
	PUERTO RICO				
(FC)	ARECIBO RIVER, PR	---	550,000	---	550,000
(FC)	RIO GRANDE DE LOIZA, PR	---	600,000	---	600,000
(FDP)	RIO NIGUA AT SALINAS, PR	24,000	---	24,000	---
(N)	SAN JUAN HARBOR, PR	---	989,000	---	989,000
	SOUTH CAROLINA				
(N)	CHARLESTON HARBOR, SC (DEEPENING/WIDENING)	645,000	---	645,000	---
(FDP)	CHARLESTON STORM DAMAGE REDUCTION, SC	154,000	---	154,000	---
	SOUTH DAKOTA				
(FC)	ABERDEEN AND VICINITY, SD	---	20,000	---	20,000
(FC)	BIG SIOUX RIVER, SIOUX FALLS, SD	---	400,000	---	400,000
(SPE)	JAMES RIVER ENVIRONMENTAL, SD	73,000	---	73,000	---
(RCP)	OAHE DAM TO LAKE SHARPE, SD	73,000	---	73,000	---
(FC)	WATERTOWN AND VICINITY, SD	---	170,000	---	170,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	TENNESSEE				
	KNOXVILLE, TN RIVERFRONT RECON STUDY	---	---	200,000	---
	HARTSVILLE, TROUSDALE COUNTY, TN	---	---	95,000	---
	METRO CENTER LEVEE, CUMBERLAND RIVER, NASHVILLE, TN	---	---	400,000	---
	TEXAS				
(FDP)	BOWIE COUNTY LEVEE, TX	100,000	---	---	---
(FC)	BRAYS BAYOU, HOUSTON, TX	---	900,000	---	900,000
(RCP)	BUFFALO BAYOU & TRIBUTARIES - ADDICKS & BARKER RESERVO	235,000	---	235,000	---
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	400,000	---	400,000	---
(FC)	CYPRESS CREEK, HOUSTON, TX	---	500,000	---	500,000
(SPE)	CYPRESS VALLEY WATERSHED, TX	127,000	---	1,077,000	---
(FC)	DALLAS FLOODWAY EXTENSION, TRINITY RIVER PROJECT, TX	---	700,000	---	700,000
(N)	GIWW - ARANSAS NATIONAL WILDLIFE REFUGE, TX	---	200,000	---	200,000
(RCP)	GIWW - CORPUS CHRISTI BAY TO PORT ISABEL, TX	300,000	---	300,000	---
(RCP)	GIWW - HIGH ISLAND TO BRAZOS RIVER, TX (SECTION 216)	184,000	---	184,000	---
(FDP)	GRAHAM, TX (BRAZOS RIVER BASIN)	114,000	---	114,000	---
(FC)	GREENS BAYOU, HOUSTON, TX	---	700,000	---	700,000
(N)	HOUSTON - GALVESTON NAVIGATION CHANNELS, TX	---	2,000,000	---	2,000,000
(FDP)	JEFFERSON COUNTY, TX	64,000	---	64,000	---
(FDP)	NORTH BOSQUE RIVER WATERSHED, TX	225,000	---	225,000	---
(RDP)	PECAN BAYOU LAKE, TX	520,000	---	520,000	---
(FDP)	PLAINVIEW, BRAZOS RIVER BASIN, TX	230,000	---	230,000	---
(N)	SABINE - NECHES WATERWAY, CHANNEL TO ORANGE, TX	200,000	---	200,000	---
(FC)	SOUTH MAIN CHANNEL, TX	---	900,000	---	900,000
(FDP)	UPPER TRINITY RIVER BASIN, TX	400,000	---	400,000	---
	UTAH				
(FDP)	SEVIER RIVER AND TRIBUTARIES, UT	200,000	---	200,000	---
	UPPER JORDAN RIVER, UT	---	---	---	450,000
	VERMONT				
(FDP)	WINOOSKI RIVER AND TRIBUTARIES, MONTPELIER, VT	200,000	---	200,000	---
	VIRGINIA				
(N)	AIWW BRIDGE AT GREAT BRIDGE, VA	---	850,000	---	850,000
(SPE)	CHESAPEAKE BAY SHORELINE, HAMPTON, VA	100,000	---	100,000	---
	EASTERN SHORE, ACCOMACK & NORTHAMPTON COUNTIES, VA	---	---	300,000	---
(BE)	VIRGINIA BEACH, VA (HURRICANE PROTECTION)	---	700,000	---	700,000

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	WASHINGTON				
(SPE)	CHIEF JOSEPH POOL RAISING, WA	600,000	---	600,000	---
(RCP)	HOWARD HANSON DAM (ADDITIONAL STORAGE), WA	400,000	---	400,000	---
(FDP)	SKAGIT RIVER, WA	500,000	---	500,000	---
	PUGET SOUND CONFINED DISPOSAL SITE STUDY, WA	---	---	300,000	---
	WEST VIRGINIA				
(FDP)	CHEAT RIVER BASIN, WV	---	---	400,000	---
(N)	KANAWHA RIVER NAVIGATION, WV	680,000	---	680,000	---
(N)	MARMET LOCKS AND DAM, WV	---	4,522,000	---	4,522,000
(FDP)	NORTH BRANCH POTOMAC RIVER ENVIRONMENTAL RESTOR, WV &.	100,000	---	100,000	---
	TUG VALLEY GREENWAY, WV	---	---	400,000	---
	TYGART RIVER COMPREHENSIVE, WV	---	---	700,000	---
	WEST VIRGINIA TRAILHEAD FACILITIES, WV	---	---	400,000	---
	WEST VIRGINIA COMPREHENSIVE, WV	---	---	350,000	---
	WEST VIRGINIA PORT DEVELOPMENT, WV	---	---	800,000	---
	WISCONSIN				
(RCP)	FOX RIVER, WI	115,000	---	115,000	---
(N)	LOWER KINNICKINNIC RIVER, MILWAUKEE, WI	42,000	---	42,000	---
	WYOMING				
(FDP)	JACKSON HOLE RESTORATION, WY	450,000	---	450,000	---

CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
	MISCELLANEOUS				
	COASTAL FIELD DATA COLLECTION	3,800,000	---	3,800,000	---
	COORDINATION STUDIES WITH OTHER AGENCIES	8,720,000	---	8,720,000	---
	ENVIRONMENTAL DATA STUDIES	155,000	---	155,000	---
	ENVIRONMENTAL SERVICE PARTNERSHIPS	2,115,000	---	1,500,000	---
	FLOOD PLAIN MANAGEMENT SERVICES	7,800,000	---	7,800,000	---
	GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	500,000	---
	HYDROLOGIC STUDIES	740,000	---	740,000	---
	INTERNATIONAL WATER STUDIES	500,000	---	500,000	---
	NATIONAL DREDGING NEEDS STUDY OF PORTS AND HARBORS	1,000,000	---	1,000,000	---
	NATIONAL MANAGEMENT DREDGED MATERIAL DISPOSAL	103,000	---	103,000	---
	PRECIPITATION STUDIES (NATIONAL WEATHER SERVICE)	500,000	---	500,000	---
	PRESIDENT'S CLIMATE CHANGE ACTION PLAN	600,000	---	600,000	---
	REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	300,000	---	300,000	---
	RESEARCH AND DEVELOPMENT	37,050,000	---	37,350,000	---
	SEC. 219 ENVIRONMENTAL INFRASTRUCTURE	---	---	1,500,000	---
	SEC. 307 WATER QUALITY PROJECTS	---	---	800,000	---
	SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	300,000	---	300,000	---
	STREAM GAGING (U.S. GEOLOGICAL SURVEY)	730,000	---	730,000	---
	TRANSPORTATION SYSTEMS	1,250,000	---	1,250,000	---
	GSA RENT REDUCTION	-150,000	---	-150,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-30,654,000	---	-32,242,000	---
	TOTAL, GENERAL INVESTIGATIONS	97,291,000	50,559,000	118,560,000	62,639,000

TYPE OF PROJECT:

(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER
(SP) SHORELINE PROTECTION
(FDP) FLOOD DAMAGE PREVENTION
(RCP) REVIEW OF COMPLETED PROJECT
(RDP) REVIEW OF DEFERRED PROJECT
(COMP) COMPREHENSIVE
(SPEC) SPECIAL

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ALABAMA		
(N)	BAYOU LA BATRE, AL	1,500,000	1,500,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, VICINITY OF JACKSO	500,000	500,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY WILDLIFE MITIGATION, AL	9,600,000	9,600,000
	ALASKA		
(FC)	BETHEL BANK STABILIZATION, AK	5,067,000	5,067,000
	DILLINGHAM, AK SHORELINE EROSION	---	500,000
(N)	KODIAK HARBOR, AK	8,000,000	8,000,000
(N)	SITKA HARBOR, AK	3,900,000	3,900,000
	ARIZONA		
(FC)	CLIFTON, AZ	2,900,000	2,900,000
(FC)	HOLBROOK, AZ	4,200,000	4,200,000
(FC)	NOGALES WASH, AZ	600,000	600,000
(FC)	RILLITO RIVER, AZ	9,600,000	9,600,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR (DAM SAFETY)	916,000	916,000
(MP)	DARDANELLE LOCK AND DAM (POWERHOUSE), AR (MAJOR REHAB)	4,100,000	4,100,000
(N)	MCCLELLAN - KERR AR RVR NAV SYSTEM, LOCKS AND DAMS, AR	8,300,000	8,300,000
	RED RIVER EMERGENCY BANK PROTECTION, AR	---	6,000,000
	CALIFORNIA		
(FC)	COYOTE AND BERRYESSA CREEKS, CA	12,000,000	12,000,000
(FC)	GUADALUPE RIVER, CA	10,000,000	10,000,000
	LOS ANGELES COUNTY DRAINAGE AREA, CA	---	500,000
(FC)	MARYSVILLE/YUBA CITY LEVEE RECONSTRUCTION, CA	3,000,000	3,000,000
(FC)	MERCED COUNTY STREAMS, CA	830,000	830,000
(N)	MORRO BAY HARBOR, CA	1,300,000	1,300,000
(N)	OAKLAND HARBOR, CA	35,000,000	35,000,000
(N)	RICHMOND HARBOR, CA	600,000	600,000
(FC)	SACRAMENTO RIVER BANK PROTECTION PROJECT, CA	1,500,000	1,500,000
(N)	SACRAMENTO RIVER DEEPWATER SHIP CHANNEL, CA	500,000	500,000
(FC)	SACRAMENTO RIVER FLOOD CONTROL PROJECT, CA (DEF CORR)	2,200,000	3,700,000
	SACRAMENTO RIVER FLOOD CONTROL PROJECT (GCID), CA	---	400,000
(FC)	SACRAMENTO URBAN AREA LEVEE RECONSTRUCTION, CA	1,500,000	1,500,000
(N)	SAN FRANCISCO BAY TO STOCKTON, CA	700,000	700,000
(FC)	SAN LUIS REY RIVER, CA	11,200,000	11,200,000
(FC)	SANTA ANA RIVER MAINSTEM, CA	66,000,000	66,000,000
(FC)	SANTA PAULA CREEK, CA	500,000	500,000
(N)	SONOMA BAYLANDS WETLAND DEMONSTRATION PROJECT, CA	8,000,000	8,000,000
(BE)	SURFSIDE - SUNSET - NEWPORT BEACH, CA	1,000,000	1,000,000
	WEST SACRAMENTO, CA	---	500,000
(FC)	WILDCAT AND SAN PABLO CREEKS, CA	2,157,000	2,157,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(E)	YOLO BASIN WETLANDS, SACRAMENTO RIVER, CA	2,000,000	2,000,000
	COLORADO		
(FC)	ALAMOSA, CO	2,000,000	2,000,000
	DELAWARE		
(BE)	DELAWARE COAST PROTECTION, DE	195,000	195,000
	FLORIDA		
	BROWARD COUNTY, FL	---	100,000
(N)	CANAVERAL HARBOR DEEPENING, FL	292,000	292,000
(N)	CANAVERAL HARBOR, FL	4,590,000	4,590,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	3,500,000	8,624,000
(FC)	DADE COUNTY, FL	3,600,000	3,600,000
(BE)	DUVAL COUNTY, FL	7,100,000	7,100,000
(N)	FORT PIERCE HARBOR, FL	2,200,000	2,200,000
(FC)	FOUR RIVER BASINS, FL	372,000	372,000
	KISSIMMEE RIVER, FL	---	4,000,000
(BE)	LEE COUNTY, FL (REIMBURSEMENT)	500,000	500,000
(N)	MANATEE HARBOR, FL	600,000	600,000
	MARTIN COUNTY, FL	---	150,000
(N)	MIAMI HARBOR CHANNEL, FL	1,000,000	1,000,000
(BE)	PINELLAS COUNTY, FL	2,700,000	4,000,000
(BE)	ST. JOHNS COUNTY (ST. AUGUSTINE BEACHES), FL	---	150,000
	GEORGIA		
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	5,977,000	5,977,000
	SAVANNAH HARBOR DEEPENING, GA	---	11,585,000
	HAWAII		
(FC)	ALENAIO STREAM, HAWAII, HI	1,732,000	1,732,000
(N)	KAWAIHAE SMALL BOAT HARBOR, HAWAII, HI	1,300,000	1,300,000
(N)	MAALAEA HARBOR, MAUI, HI	1,170,000	1,170,000
	ILLINOIS		
(FC)	ALTON TO GALE ORGANIZED LEVEE DISTRICT, IL & MO (DEF C	250,000	250,000
	CASINO BEACH, IL	---	1,000,000
(FC)	EAST ST LOUIS, IL	3,200,000	3,200,000
(N)	FOUR LOCKS, ILLINOIS WATERWAY, IL (MAJOR REHAB)	22,800,000	22,800,000
(N)	LOCK AND DAM 13, MISSISSIPPI RIVER, IL (MAJOR REHAB)	12,200,000	12,200,000
(N)	LOCK AND DAM 15, MISSISSIPPI RIVER, IL (MAJOR REHAB)	4,360,000	4,360,000
(N)	LOCK AND DAM 25, MISSISSIPPI RIVER, IL & MO (MAJOR REH	3,800,000	3,800,000
(FC)	LOVES PARK, IL	4,600,000	4,600,000
(FC)	MCCOOK AND THORNTON RESERVOIRS (CUP), IL	4,100,000	4,100,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	MELVIN PRICE LOCK AND DAM, IL & MO....................	12,100,000	12,100,000
(N)	OLMSTED LOCKS AND DAM, IL & KY........................	26,000,000	26,000,000
(N)	UPPER MISS RIVER SYSTEM ENV MGMT PROG, IL, IA, MO, MN.	19,455,000	19,455,000
	INDIANA		
	BURNS WATERWAY HARBOR (MAJOR REHABILITATION), IN......	---	1,600,000
(FC)	FORT WAYNE METROPOLITAN AREA, IN......................	1,000,000	1,000,000
(FC)	LITTLE CALUMET RIVER, IN..............................	3,300,000	3,300,000
	IOWA		
	DES MOINES RECREATIONAL RIVER AND GREENBELT, IA.......	---	4,000,000
(N)	MISSOURI RIVER FISH AND WILDLIFE MITIGATION, IA, NE, K	10,100,000	10,100,000
(FC)	MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO..........	500,000	500,000
(FDP)	MUSCATINE ISLAND, IA..................................	---	190,000
(FC)	PERRY CREEK, IA.......................................	5,200,000	5,200,000
(FC)	WEST DES MOINES, DES MOINES, IA.......................	5,070,000	5,070,000
	KENTUCKY		
(FC)	FRANKFORT, SOUTH FRANKFORT, KY........................	3,700,000	3,700,000
(FC)	YATESVILLE LAKE, KY...................................	851,000	851,000
	LOUISIANA		
(FC)	ALOHA - RIGOLETTE, LA.................................	200,000	200,000
	LAKE PONTCHARTRAIN STORM WATER DISCHARGE, LA..........	---	800,000
(FC)	LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECT	10,000,000	12,500,000
	LAKE PONTCHARTRAIN AND VICINITY, LA (JEFFERSON PARISH)	---	800,000
(FC)	LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)....	1,711,000	1,711,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA...................	1,000,000	1,000,000
(N)	MISSISSIPPI RIVER SHIP CHANNEL, GULF TO BATON ROUGE, L	5,100,000	5,100,000
(FC)	NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)......	1,539,000	1,539,000
	OUACHITA RIVER LEVEES, LA.............................	---	4,500,000
	RED RIVER BELOW DENISON DAM, LA, AR, & TX.............	---	2,100,000
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	35,782,000	36,782,000
(FC)	WESTWEGO TO HARVEY CANAL, LA (HURRICANE PROTECTION)...	5,100,000	5,100,000
	MARYLAND		
	CHESAPEAKE BAY OYSTER RECOVERY, MD....................	---	500,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	MASSACHUSETTS		
(FC)	TOWN BROOK, QUINCY AND BRAINTREE, MA..................	8,500,000	8,500,000
	MICHIGAN		
	CEDAR RIVER HARBOR, MI....................................	---	200,000
	MINNESOTA		
(FC)	BASSETT CREEK, MN..	377,000	377,000
(FC)	CHASKA, MN..	2,500,000	2,500,000
(FC)	ROCHESTER, MN...	3,161,000	3,161,000
	MISSISSIPPI		
(N)	GULFPORT HARBOR, MS......................................	1,000,000	1,000,000
(N)	PASCAGOULA HARBOR, MS..................................	8,000,000	8,000,000
(FC)	TOMBIGBEE RIVER AND TRIBUTARIES, MS & AL............	1,200,000	1,200,000
	MISSOURI		
(FC)	BLUE RIVER CHANNEL, KANSAS CITY, MO...................	8,800,000	8,800,000
(FC)	BRUSH CREEK, KANSAS CITY, MO...........................	3,577,000	3,577,000
(FC)	CAPE GIRARDEAU - JACKSON, MO...........................	2,800,000	2,800,000
(FC)	MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MO...........	1,180,000	1,180,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	6,400,000	6,400,000
	STE GENEVIEVE, MO..	---	3,000,000
	NEBRASKA		
(FC)	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD.........	100,000	100,000
	NEVADA		
(FC)	TROPICANA AND FLAMINGO WASHES, NV......................	7,000,000	7,000,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NEW JERSEY		
(BE)	CAPE MAY INLET TO LOWER TOWNSHIP, NJ	1,735,000	1,735,000
(BE)	GREAT EGG HARBOR INLET AND PECK BEACH, NJ	7,700,000	7,700,000
	HACKENSACK MEADOWLANDS AREA, NJ	---	2,500,000
(FC)	MOLLY ANN'S BROOK AT HALEDON, PROSPECT PARK AND PATERS	3,400,000	3,400,000
(N)	NEW YORK HARBOR & ADJACENT CHANNELS, PORT JERSEY CHANN	300,000	300,000
	RAMAPO RIVER AT OAKLAND, NJ	---	600,000
(N)	SALEM RIVER, NJ	1,000,000	1,000,000
(BE)	SANDY HOOK TO BARNEGAT INLET, NJ	13,100,000	13,100,000
	NEW MEXICO		
(FC)	ACEQUIAS IRRIGATION SYSTEM, NM	1,500,000	2,500,000
(FC)	ALAMOGORDO, NM	400,000	400,000
(FC)	MIDDLE RIO GRANDE FLOOD PROTECTION, BERNALILLO TO BELE	3,800,000	3,800,000
(FC)	RIO GRANDE FLOODWAY, SAN ACACIA TO BOSQUE DEL APACHE,.	1,000,000	1,000,000
	NEW YORK		
(BE)	ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT,	7,467,000	7,467,000
(BE)	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY,	7,600,000	7,600,000
(BE)	FIRE ISLAND INLET TO JONES INLET, NY	5,000,000	8,000,000
(BE)	FIRE ISLAND INLET TO MONTAUK POINT, NY	3,500,000	3,500,000
(N)	KILL VAN KULL AND NEWARK BAY CHANNEL, NY & NJ	8,100,000	8,100,000
(N)	NEW YORK HARBOR COLLECTION AND REMOVAL OF DRIFT, NY &.	290,000	290,000
(FC)	NORTH ELLENVILLE, NY (DEF CORR)	600,000	600,000
	ONONDAGA LAKE, NY COMBINED SEWER OVERFLOW	---	2,000,000
	NORTH CAROLINA		
(N)	AIWW - REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	4,400,000	4,400,000
(BE)	CAROLINA BEACH AND VICINITY, NC	2,500,000	2,800,000
	FORT FISHER AND VICINITY, NC	---	900,000
(N)	WILMINGTON HARBOR OCEAN BAR, NC	21,300,000	21,300,000
	NORTH DAKOTA		
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (DAM SAFETY)	2,900,000	2,900,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (MAJOR REHAB)	4,430,000	4,430,000
(FC)	SHEYENNE RIVER, ND	530,000	530,000
(FC)	SOURIS RIVER BASIN, ND	3,500,000	3,500,000
	OHIO		
(FC)	WEST COLUMBUS, OH	8,000,000	8,000,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	OKLAHOMA		
(FC)	FRY CREEKS, BIXBY, OK	1,000,000	1,000,000
(FC)	MINGO CREEK, TULSA, OK	11,600,000	11,600,000
	OREGON		
(MP)	BONNEVILLE POWERHOUSE PHASE I, OR & WA (MAJOR REHAB)	6,900,000	6,900,000
(MP)	BONNEVILLE POWERHOUSE PHASE II, OR & WA (MAJOR REHAB)	3,500,000	3,500,000
(MP)	BONNEVILLE SECOND POWERHOUSE, OR & WA	4,900,000	4,900,000
(MP)	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	1,900,000	3,900,000
(FC)	ELK CREEK LAKE, OR	500,000	500,000
	PENNSYLVANIA		
	BROAD TOP REGION, PA	---	1,000,000
(N)	GRAYS LANDING, LOCK AND DAM 7, MONONGAHELA RIVER, PA	6,970,000	6,970,000
	LACKAWANNA RIVER, OLYPHANT, PA	---	1,100,000
	LACKAWANNA RIVER, SCRANTON, PA	---	1,000,000
	LOCKS 2, 3, & 4, MONONGAHELA RIVER, PA	---	4,148,000
(BE)	PRESQUE ISLE PENINSULA, PA (PERMANENT)	425,000	425,000
	SOUTH CENTRAL PA ENVIRONMENTAL RESTORATION, PA	---	7,000,000
(FC)	TURTLE CREEK, PA	750,000	750,000
	WYOMING VALLEY (LEVEE RAISING), PA	---	2,000,000
	PUERTO RICO		
(FC)	PORTUGUES AND BUCANA RIVERS, PR	12,100,000	12,100,000
	RIO DE LA PLATA, PR	---	350,000
(FC)	RIO PUERTO NUEVO, PR	10,400,000	10,400,000
	RHODE ISLAND		
	ALLENDALE DAM, RI	---	67,500
	SOUTH CAROLINA		
	MYRTLE BEACH, SC	---	3,000,000
	TENNESSEE		
(MP)	CENTER HILL DAM, TN (DAM SAFETY)	5,900,000	5,900,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	TEXAS		
(FC)	BEALS CREEK, BIG SPRING, TX..........................	800,000	800,000
(N)	BRAZOS ISLAND HARBOR, TX..........................	1,721,000	1,721,000
(N)	CHANNEL TO VICTORIA, TX..........................	1,200,000	1,200,000
(FC)	CLEAR CREEK, TX..........................	1,500,000	1,500,000
(FC)	COOPER LAKE AND CHANNELS, TX..........................	8,250,000	8,250,000
(FC)	EL PASO, TX..........................	4,500,000	4,500,000
(N)	GIWW - BRAZOS RIVER FLOODGATES, TX (MAJOR REHAB)......	7,000,000	7,000,000
(N)	GIWW - SARGENT BEACH, TX..........................	10,100,000	10,100,000
(FC)	LAKE WICHITA, HOLLIDAY CREEK AT WICHITA FALLS, TX.....	2,250,000	2,250,000
(FC)	MCGRATH CREEK, WICHITA FALLS, TX..........................	1,700,000	1,700,000
(FC)	RAY ROBERTS LAKE, TX..........................	5,400,000	5,400,000
(FC)	RED RIVER BASIN CHLORIDE CONTROL, TX & OK..........	16,000,000	16,000,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX (DAM SAFETY)........	16,000,000	16,000,000
(FC)	SAN ANTONIO CHANNEL IMPROVEMENT, TX..........................	6,000,000	6,000,000
(FC)	SIMS BAYOU, HOUSTON, TX..........................	15,100,000	15,100,000
	WALLISVILLE LAKE, TX..........................	---	1,000,000
	VIRGINIA		
(FC)	JAMES R OLIN FLOOD CONTROL PROJECT, VA..........	4,700,000	4,700,000
(N)	NORFOLK HARBOR AND CHANNELS (DEEPENING), VA..........	1,200,000	1,200,000
	RICHMOND FILTRATION PLANT, VA..........................	---	2,000,000
(FC)	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA........	800,000	800,000
(BE)	VIRGINIA BEACH, VA (REIMBURSEMENT)..........................	900,000	900,000
	WASHINGTON		
(FC)	CHEHALIS RIVER, SOUTH ABERDEEN AND COSMOPOLIS, WA.....	6,000,000	6,000,000
(MP)	COLUMBIA RIVER JUVENILE FISH MITIGATION, WA, OR & ID..	36,300,000	36,300,000
(N)	GRAYS HARBOR, WA..........................	1,500,000	5,800,000
(MP)	LOWER SNAKE RIVER FISH & WILDLIFE COMPENSATION, WA, OR	1,000,000	6,000,000
(FC)	MUD MOUNTAIN DAM, WA (DAM SAFETY)..........................	8,710,000	8,710,000

CORPS OF ENGINEERS - CONSTRUCTION, GENERAL

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	WEST VIRGINIA		
(FC)	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, V	23,000,000	53,750,000
(FC)	MOOREFIELD, WV..	3,800,000	3,800,000
(FC)	PETERSBURG, WV..	4,200,000	4,200,000
(N)	ROBERT C BYRD LOCKS AND DAM, WV & OH..................	13,000,000	13,000,000
	SOUTHERN WEST VIRGINIA ENVIRONMENTAL RESTORATION, WV..	---	1,500,000
(N)	WINFIELD LOCKS AND DAM, WV..................................	51,000,000	51,000,000
	MISCELLANEOUS		
	AQUATIC PLANT CONTROL (1965 ACT).........................	7,000,000	9,500,000
	BEACH EROSION CONTROL PROJECTS (SECTION 103)..........	1,100,000	1,100,000
	CLEARING AND SNAGGING (SECTION 208)......................	300,000	300,000
	EMERGENCY STREAMBANK & SHORELINE PROTECTION (SEC. 14).	5,400,000	5,950,000
	EMPLOYEES' COMPENSATION.......................................	18,071,000	18,071,000
	FLOOD CONTROL PROJECTS (SECTION 205)......................	16,600,000	16,600,000
	INLAND WATERWAYS USERS BOARD - BOARD EXPENSES.........	35,000	35,000
	INLAND WATERWAYS USERS BOARD - CORPS EXPENSES.........	180,000	180,000
	NAVIGATION MITIGATION (SECTION 111).......................	300,000	757,000
	NAVIGATION PROJECTS (SECTION 107).........................	2,400,000	2,400,000
	PROJECT MODIFICATIONS FOR IMPROVEMENT OF THE ENVIRONME	5,000,000	8,000,000
	WETLAND AND AQUATIC HABITAT CREATION......................	2,500,000	2,500,000
	GSA RENT REDUCTION..	-407,000	-407,000
	PROCUREMENT REFORM..	-2,446,000	-2,446,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE........	-50,025,000	-96,525,500
	REDUCTION FOR PRIOR YEAR UNOBLIGATED BALANCES.........	---	-63,000,000
	TOTAL, CONSTRUCTION GENERAL..................................	956,147,000	983,668,000

TYPE OF PROJECT:
(N) NAVIGATION
(BE) BEACH EROSION CONTROL
(FC) FLOOD CONTROL
(MP) MULTIPURPOSE, INCLUDING POWER

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	GENERAL INVESTIGATIONS		
	SURVEYS:		
	GENERAL STUDIES:		
(FDP)	MORGANZA, LA TO THE GULF OF MEXICO	600,000	600,000
(FDP)	MISSISSIPPI DELTA, MS	3,164,000	3,164,000
(FDP)	REELFOOT LAKE, TN	500,000	500,000
	WOLF RIVER, MEMPHIS, TN	---	475,000
	COLLECTION AND STUDY OF BASIC DATA	325,000	325,000
	PRECONSTRUCTION ENGINEERING AND DESIGN:		
	EASTERN ARKANSAS REGION COMPREHENSIVE, AR	---	3,000,000
(FC)	LOWER WHITE RIVER, BIG CREEK & TRIBUTARIES, AR	414,000	414,000
	SUBTOTAL, GENERAL INVESTIGATIONS	5,003,000	8,478,000
	CONSTRUCTION		
	CACHE RIVER BASIN, AR	---	140,000
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	67,701,000	67,701,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	24,255,000	24,255,000
(FC)	ST FRANCIS BASIN, AR & MO, CONSOLIDATED	8,016,000	8,016,000
(FC)	WHITEMAN'S CREEK, AR	720,000	720,000
	HICKMAN BLUFF, KY	---	3,000,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	6,000,000	6,000,000
(FC)	ATCHAFALAYA BASIN, LA	21,000,000	21,000,000
(FC)	MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, MS & LA	5,600,000	5,600,000
(FC)	MISSISSIPPI DELTA REGION, LA	11,500,000	11,500,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	7,275,000	7,275,000
(FC)	HORN LAKE CREEK & TRIBUTARIES (INCL COW PEN CREEK), MS	310,000	310,000
	YAZOO BASIN, MS:	(53,605,000)	(58,295,000)
(FC)	BACKWATER LESS ROCKY BAYOU	189,000	189,000
(FC)	BIG SUNFLOWER RIVER, MS	8,540,000	10,500,000
(FC)	DEMONSTRATION EROSION CONTROL	25,000,000	25,000,000
(FC)	F&WL MITIGATION LANDS, MS	701,000	701,000
(FC)	MAIN STEM, MS	25,000	25,000
(FC)	REFORMULATION UNIT, MS	3,860,000	3,860,000
(FC)	TRIBUTARIES, MS	1,280,000	1,280,000
(FC)	UPPER YAZOO PROJECTS, MS	14,010,000	16,740,000
(FC)	NONCONNAH CREEK, TN & MS	100,000	100,000
(FC)	WEST TENNESSEE TRIBUTARIES, TN	2,101,000	2,101,000
	SUBTOTAL, CONSTRUCTION	208,183,000	216,013,000
	MAINTENANCE		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	69,318,000	69,318,000
(N)	HELENA HARBOR, PHILLIPS CO, AR	415,000	415,000
(FC)	LOWER ARKANSAS RIVER - NORTH BANK, AR	752,000	752,000
(FC)	LOWER ARKANSAS RIVER - SOUTH BANK, AR	115,000	115,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	6,108,000	6,108,000

CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	ST FRANCIS RIVER BASIN, AR & MO	7,037,000	7,037,000
(FC)	TENSAS BASIN, BOEUF AND TENSAS RIVERS, AR & LA	2,861,000	2,861,000
(FC)	WHITE RIVER BACKWATER, AR	1,500,000	1,500,000
(FC)	ATCHAFALAYA BASIN, LA	9,363,000	9,363,000
(FC)	BATON ROUGE HARBOR - DEVIL SWAMP, LA	190,000	190,000
(FC)	BAYOU COCODRIE AND TRIBUTARIES, LA	130,000	130,000
(FC)	BONNET CARRE, LA	873,000	873,000
(FC)	LOWER RED RIVER - SOUTH BANK LEVEES, LA	62,000	62,000
(FC)	MISSISSIPPI DELTA REGION, CAERNARVON, LA	35,000	35,000
(FC)	OLD RIVER, LA	3,502,000	3,502,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	2,578,000	2,578,000
(N)	GREENVILLE HARBOR, MS	258,000	258,000
(N)	VICKSBURG HARBOR, MS	223,000	223,000
	YAZOO BASIN, MS:	(20,889,000)	(27,919,000)
(FC)	ARKABUTLA LAKE, MS	3,588,000	4,468,000
(FC)	BIG SUNFLOWER RIVER, MS	1,921,000	1,921,000
(FC)	ENID LAKE, MS	2,839,000	5,039,000
(FC)	GREENWOOD, MS	659,000	659,000
(FC)	GRENADA LAKE, MS	3,893,000	5,303,000
(FC)	MAIN STEM, MS	916,000	916,000
(FC)	SARDIS LAKE, MS	3,962,000	6,502,000
(FC)	TRIBUTARIES, MS	1,614,000	1,614,000
(FC)	WILL M WHITTINGTON AUX CHAN, MS	406,000	406,000
(FC)	YAZOO BACKWATER AREA, MS	425,000	425,000
(FC)	YAZOO CITY, MS	666,000	666,000
(FC)	WAPPAPELLO LAKE, MO	3,501,000	3,501,000
(N)	MEMPHIS HARBOR (MCKELLAR LAKE), TN	1,646,000	1,646,000
(FC)	INSPECTION OF COMPLETED WORKS	1,348,000	1,348,000
(FC)	MAPPING	959,000	959,000
	SUBTOTAL, MAINTENANCE	133,663,000	140,693,000
	REDUCTION FOR SAVINGS AND SLIPPAGE	-26,849,000	-36,964,000
	GSA RENT REDUCTION	-82,000	-82,000
	TOTAL, FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES	319,918,000	328,138,000

TYPE OF PROJECT:
(N) NAVIGATION
(FC) FLOOD CONTROL

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	ALABAMA		
(FC)	ALABAMA - COOSA COMPREHENSIVE WATER STUDY, AL	3,000,000	3,000,000
(N)	ALABAMA - COOSA RIVER, AL	5,062,000	7,000,000
(N)	BAYOU CODEN, AL	25,000	25,000
(N)	BAYOU LA BATRE, AL	150,000	550,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, AL	14,130,000	20,000,000
(N)	DAUPHIN ISLAND BAY, AL	10,000	10,000
(N)	DOG AND FOWL RIVERS, AL	40,000	40,000
(N)	GULF INTRACOASTAL WATERWAY, AL	2,771,000	2,771,000
(MP)	MILLERS FERRY LOCK & DAM - WILLIAM "BILL" DANNELLY LAK	5,201,000	5,201,000
(N)	MOBILE HARBOR, AL	25,145,000	25,145,000
(MP)	ROBERT F HENRY LOCK AND DAM, AL	5,938,000	5,938,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY, AL & MS	17,637,000	20,000,000
(MP)	WALTER F GEORGE LOCK AND DAM, AL & GA	6,017,000	6,017,000
	ALASKA		
(N)	ANCHORAGE HARBOR, AK	1,300,000	1,300,000
(FC)	CHENA RIVER LAKES, AK	1,595,000	1,795,000
(N)	DILLINGHAM HARBOR, AK	603,000	603,000
(N)	DOUGLAS HARBOR, AK	70,000	70,000
(N)	HOMER HARBOR, AK	253,000	253,000
(N)	KETCHIKAN, THOMAS BASIN, AK	382,000	382,000
(N)	NINILCHIK HARBOR, AK	206,000	206,000
(N)	NOME HARBOR, AK	305,000	305,000
(N)	SEWARD HARBOR, AK	70,000	70,000
(N)	VALDEZ HARBOR, AK	70,000	70,000
(N)	WRANGELL NARROWS, AK	347,000	347,000
	ARIZONA		
(FC)	ALAMO LAKE, AZ	1,045,000	1,045,000
(FC)	PAINTED ROCK DAM, AZ	932,000	932,000
	TUCSON DIVERSION CHANNEL, AZ	---	2,500,000
(FC)	WHITLOW RANCH DAM, AZ	110,000	110,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR	3,868,000	3,868,000
(MP)	BLAKELY MT DAM - LAKE OUACHITA, AR	3,928,000	3,928,000
(FC)	BLUE MOUNTAIN LAKE, AR	1,034,000	1,034,000
(MP)	BULL SHOALS LAKE, AR	4,912,000	4,912,000
(MP)	DARDANELLE LOCK AND DAM, AR	5,216,000	5,216,000
(MP)	DEGRAY LAKE, AR	3,556,000	3,556,000
(FC)	DEQUEEN LAKE, AR	948,000	948,000
(FC)	DIERKS LAKE, AR	1,033,000	1,033,000
(FC)	GILLHAM LAKE, AR	943,000	943,000
(MP)	GREERS FERRY LAKE, AR	4,752,000	4,752,000
(N)	HELENA HARBOR, AR	530,000	530,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	24,073,000	24,073,000
(FC)	MILLWOOD LAKE, AR.	1,888,000	1,888,000
(MP)	NARROWS DAM - LAKE GREESON, AR.	3,067,000	3,067,000
(FC)	NIMROD LAKE, AR.	1,310,000	1,310,000
(MP)	NORFORK LAKE, AR.	3,919,000	3,919,000
(N)	OSCEOLA HARBOR, AR.	577,000	577,000
(N)	OUACHITA AND BLACK RIVERS, AR & LA.	5,039,000	5,039,000
(MP)	OZARK - JETA TAYLOR LOCK AND DAM, AR.	4,091,000	4,091,000
(N)	WHITE RIVER, AR.	2,110,000	2,110,000
(N)	YELLOW BEND PORT, AR.	142,000	142,000
	CALIFORNIA		
(FC)	BLACK BUTTE LAKE, CA.	1,596,000	1,596,000
(FC)	BUCHANAN DAM - H V EASTMAN LAKE, CA.	1,577,000	1,577,000
(N)	CHANNEL ISLANDS HARBOR, CA.	2,420,000	2,420,000
(FC)	COYOTE VALLEY DAM (LAKE MENDOCINO), CA.	2,890,000	2,890,000
(FC)	DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA.	3,071,000	3,071,000
(FC)	FARMINGTON DAM, CA.	215,000	215,000
(FC)	HIDDEN DAM - HENSLEY LAKE, CA.	1,816,000	1,816,000
(N)	HUMBOLDT HARBOR AND BAY, CA.	3,151,000	3,151,000
(FC)	ISABELLA LAKE, CA.	740,000	740,000
(N)	LOS ANGELES - LONG BEACH HARBOR MODEL, CA.	160,000	160,000
(N)	LOS ANGELES - LONG BEACH HARBORS, CA.	3,078,000	3,078,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA.	4,470,000	4,470,000
(N)	MARINA DEL REY, CA.	50,000	1,800,000
(FC)	MERCED COUNTY STREAM GROUP, CA.	160,000	160,000
(FC)	MOJAVE RIVER DAM, CA.	214,000	214,000
(N)	MORRO BAY HARBOR, CA.	882,000	782,000
(FC)	NEW HOGAN LAKE, CA.	1,630,000	1,630,000
(MP)	NEW MELONES LAKE (DOWNSTREAM CHANNEL), CA.	869,000	869,000
(N)	NEWPORT BAY HARBOR, CA.	40,000	40,000
(N)	NOYO RIVER & HARBOR, CA.	613,000	613,000
(N)	OAKLAND HARBOR, CA.	2,920,000	2,920,000
(N)	OCEANSIDE HARBOR, CA.	710,000	710,000
	OCEANSIDE HARBOR SAND BYPASS, CA.	---	1,500,000
(N)	PETALUMA RIVER, CA.	1,070,000	1,070,000
(FC)	PINE FLAT LAKE, CA.	2,614,000	2,614,000
(N)	PORT HUENEME, CA.	205,000	205,000
(N)	RICHMOND HARBOR, CA.	2,185,000	2,185,000
(N)	SACRAMENTO RIVER (30 FOOT PROJECT), CA.	1,914,000	1,914,000
(N)	SACRAMENTO RIVER AND TRIBUTARIES (DEBRIS CONTROL), CA.	820,000	820,000
(N)	SACRAMENTO RIVER SHALLOW DRAFT CHANNEL, CA.	208,000	208,000
(N)	SAN DIEGO HARBOR, CA.	125,000	125,000
(N)	SAN FRANCISCO BAY - DELTA MODEL STRUCTURE, CA.	2,260,000	2,260,000
	SAN FRANCISCO BAY LONG TERM MANAGEMENT STRATEGY, CA.	---	450,000
(N)	SAN FRANCISCO HARBOR AND BAY (DRIFT REMOVAL), CA.	2,150,000	2,150,000
(N)	SAN FRANCISCO HARBOR, CA.	1,810,000	1,810,000
(N)	SAN JOAQUIN RIVER, CA.	1,607,000	1,607,000
(N)	SAN PABLO BAY AND MARE ISLAND STRAIT, CA.	2,350,000	2,350,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	SANTA ANA RIVER BASIN, CA.	2,880,000	2,880,000
	SANTA BARBARA HARBOR, CA.	---	800,000
(FC)	SUCCESS LAKE, CA.	2,281,000	2,551,000
(N)	SUISUN BAY CHANNEL, CA.	1,095,000	1,095,000
(FC)	TERMINUS DAM (LAKE KAWEAH), CA.	1,353,000	1,353,000
(N)	VENTURA HARBOR, CA.	1,200,000	1,500,000
(N)	YUBA RIVER, CA.	30,000	30,000
	COLORADO		
(FC)	BEAR CREEK LAKE, CO.	436,000	436,000
(FC)	CHATFIELD LAKE, CO.	1,141,000	1,141,000
(FC)	CHERRY CREEK LAKE, CO.	800,000	800,000
(FC)	JOHN MARTIN RESERVOIR, CO.	1,845,000	1,845,000
(FC)	TRINIDAD LAKE, CO.	593,000	593,000
	CONNECTICUT		
(FC)	BLACK ROCK LAKE, CT.	306,000	306,000
(FC)	COLEBROOK RIVER LAKE, CT.	324,000	324,000
(FC)	HANCOCK BROOK LAKE, CT.	216,000	216,000
(FC)	HOP BROOK LAKE, CT.	820,000	820,000
(FC)	MANSFIELD HOLLOW LAKE, CT.	488,000	488,000
(FC)	NORTHFIELD BROOK LAKE, CT.	278,000	278,000
(FC)	STAMFORD HURRICANE BARRIER, CT.	1,345,000	1,345,000
(FC)	THOMASTON DAM, CT.	578,000	578,000
(FC)	WEST THOMPSON LAKE, CT.	594,000	594,000
	DELAWARE		
(N)	CEDAR CREEK, DE.	240,000	240,000
(N)	CHESAPEAKE AND DELAWARE CANAL - ST GEORGE'S BRIDGE REP	14,000,000	14,000,000
(N)	INDIAN RIVER INLET AND BAY, DE.	40,000	40,000
(N)	INTRACOASTAL WATERWAY, DELAWARE R TO CHESAPEAKE BAY, D	11,102,000	11,102,000
(N)	INTRACOASTAL WATERWAY, REHOBOTH BAY TO DELAWARE BAY, D	40,000	40,000
(N)	MISPILLION RIVER, DE.	630,000	630,000
(N)	MURDERKILL RIVER, DE.	260,000	260,000
(N)	WILMINGTON HARBOR, DE.	3,450,000	3,450,000
	DISTRICT OF COLUMBIA		
(N)	POTOMAC AND ANACOSTIA RIVERS (DRIFT REMOVAL), DC.	730,000	730,000
(N)	WASHINGTON HARBOR, DC.	32,000	32,000
	FLORIDA		
(N)	AIWW, NORFOLK TO ST JOHNS RIVER, FL, GA, SC, NC & VA..	860,000	860,000
(N)	APALACHICOLA BAY, FL.	74,000	74,000
(N)	CANAVERAL HARBOR, FL.	2,310,000	2,310,000
(FC)	CENTRAL AND SOUTHERN, FL.	8,008,000	8,008,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	EAST PASS CHANNEL, FL	28,000	28,000
(N)	ESCAMBIA - CONECUH RIVERS, FL	374,000	374,000
(N)	FERNANDINA HARBOR, FL	1,625,000	1,625,000
(N)	FORT PIERCE HARBOR, FL	633,000	633,000
(N)	INTRACOASTAL WATERWAY, CALOOSAHATCHEE R TO ANCLOTE R,	68,000	68,000
(N)	INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FL	1,136,000	1,136,000
(N)	JACKSONVILLE HARBOR, FL	5,537,000	5,537,000
(MP)	JIM WOODRUFF LOCK AND DAM, LAKE SEMINOLE, FL, AL & GA.	4,792,000	6,586,000
(N)	MIAMI HARBOR, FL	212,000	212,000
(N)	OKEECHOBEE WATERWAY, FL	3,178,000	3,178,000
(N)	OKLAWAHA RIVER, FL	124,000	124,000
(N)	PALM BEACH HARBOR, FL	1,285,000	1,285,000
(N)	PANAMA CITY HARBOR, FL	394,000	394,000
(N)	PENSACOLA HARBOR, FL	60,000	60,000
(N)	PONCE DE LEON INLET, FL	25,000	25,000
	REMOVAL OF AQUATIC GROWTH, FL	3,764,000	3,764,000
(N)	ST AUGUSTINE HARBOR, FL	280,000	280,000
(N)	ST LUCIE INLET, FL	130,000	130,000
(N)	TAMPA HARBOR, FL	5,951,000	5,951,000
(N)	WITHLACOOCHIE RIVER, FL	34,000	34,000
	GEORGIA		
(MP)	ALLATOONA LAKE, GA	4,994,000	4,994,000
(N)	APALACHICOLA CHATTAHOOCHEE AND FLINT RIVERS, GA, AL &.	4,294,000	4,394,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, GA	2,226,000	2,226,000
(N)	BRUNSWICK HARBOR, GA	3,532,000	3,532,000
(MP)	BUFORD DAM AND LAKE SIDNEY LANIER, GA	6,364,000	6,364,000
(MP)	CARTERS DAM AND LAKE, GA	3,360,000	3,360,000
(MP)	HARTWELL LAKE, GA & SC	8,118,000	8,118,000
(MP)	J STROM THURMOND LAKE, GA & SC	7,295,000	7,295,000
(MP)	RICHARD B RUSSELL, GA	6,014,000	6,014,000
(N)	SAVANNAH HARBOR, GA	8,702,000	8,702,000
(N)	SAVANNAH RIVER BELOW AUGUSTA, GA	901,000	901,000
(MP)	WEST POINT DAM AND LAKE, GA & AL	4,729,000	8,229,000
	HAWAII		
(N)	BARBERS POINT HARBOR, HI	126,000	126,000
(N)	HILO HARBOR, HI	19,000	19,000
(N)	HONOLULU HARBOR, HI	119,000	119,000
(N)	KAHULUI HARBOR, HI	19,000	19,000
(N)	NAWILIWILI HARBOR, HI	19,000	19,000
(N)	PORT ALLEN HARBOR, KAUAI, HI	494,000	494,000
	IDAHO		
(MP)	ALBENI FALLS DAM, ID	5,486,000	5,486,000
(MP)	DWORSHAK DAM AND RESERVOIR, ID	8,232,000	8,582,000
(FC)	LUCKY PEAK LAKE, ID	923,000	923,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLF	BUDGET ESTIMATE	CONFERENCE
	ILLINOIS		
(N)	CALUMET HARBOR AND RIVER, IL	782,000	782,000
(FC)	CARLYLE LAKE, IL	3,379,000	3,379,000
(N)	CHICAGO HARBOR, IL	2,182,000	2,182,000
(N)	CHICAGO RIVER, IL	399,000	399,000
(FC)	FARM CREEK RESERVOIRS, IL	233,000	233,000
(N)	ILLINOIS AND MISSISSIPPI CANAL, IL	581,000	581,000
(N)	ILLINOIS WATERWAY (LMVD PORTION), IL	1,487,000	1,487,000
(N)	ILLINOIS WATERWAY (NCD PORTION), IL & IN	20,262,000	20,262,000
(N)	KASKASKIA RIVER NAVIGATION, IL	1,657,000	1,657,000
(N)	LAKE MICHIGAN DIVERSION, IL	480,000	480,000
(FC)	LAKE SHELBYVILLE, IL	4,372,000	4,372,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS (LMVD PORTION), IL	10,354,000	10,354,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS, IL, IA, MN, MO &	79,328,000	79,328,000
	NORTH BRANCH CHICAGO RIVER, IL	---	150,000
(FC)	REND LAKE, IL	3,581,000	3,581,000
(N)	WAUKEGAN HARBOR, IL	916,000	916,000
	INDIANA		
(FC)	BEVERLY SHORES, IN	52,000	52,000
(FC)	BROOKVILLE LAKE, IN	556,000	556,000
(N)	BURNS WATERWAY HARBOR, IN	582,000	582,000
(N)	BURNS WATERWAY SMALL BOAT HARBOR, IN	437,000	437,000
(FC)	CAGLES MILL LAKE, IN	688,000	688,000
(FC)	CECIL M HARDEN LAKE, IN	1,087,000	1,087,000
(FC)	HUNTINGTON LAKE, IN	595,000	595,000
(N)	INDIANA HARBOR, IN	309,000	309,000
	JEFFERSONVILLE - CLARKSVILLE, IN	---	750,000
(N)	MICHIGAN CITY HARBOR, IN	151,000	151,000
(FC)	MISSISSINEWA LAKE, IN	596,000	596,000
(FC)	MONROE LAKE, IN	650,000	650,000
(FC)	PATOKA LAKE, IN	558,000	558,000
(FC)	SALAMONIE LAKE, IN	638,000	638,000
	IOWA		
(FC)	CORALVILLE LAKE, IA	2,385,000	2,385,000
(FC)	MISSOURI RIVER - KENSLERS BEND, NE TO SIOUX CITY, IA	65,000	65,000
(N)	MISSOURI RIVER - SIOUX CITY TO MOUTH, IA, NE, KS & MO.	6,962,000	6,962,000
(FC)	RATHBUN LAKE, IA	1,869,000	1,869,000
(FC)	RED ROCK DAM - LAKE RED ROCK, IA	2,682,000	2,682,000
(FC)	SAYLORVILLE LAKE, IA	3,475,000	3,475,000
	KANSAS		
(FC)	CLINTON LAKE, KS	1,451,000	1,451,000
(FC)	COUNCIL GROVE LAKE, KS	911,000	911,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	EL DORADO LAKE, KS	615,000	615,000
(FC)	ELK CITY LAKE, KS	750,000	750,000
(FC)	FALL RIVER LAKE, KS	1,060,000	1,060,000
(FC)	HILLSDALE LAKE, KS	792,000	792,000
(FC)	JOHN REDMOND DAM AND RESERVOIR, KS	1,003,000	1,003,000
(FC)	KANOPOLIS LAKE, KS	1,379,000	1,379,000
(FC)	MARION LAKE, KS	1,031,000	1,031,000
(FC)	MELVERN LAKE, KS	1,602,000	1,602,000
(FC)	MILFORD LAKE, KS	2,063,000	2,063,000
(FC)	PEARSON - SKUBITZ BIG HILL LAKE, KS	824,000	824,000
(FC)	PERRY LAKE, KS	1,701,000	1,701,000
(FC)	POMONA LAKE, KS	2,111,000	2,111,000
(FC)	TORONTO LAKE, KS	412,000	412,000
(FC)	TUTTLE CREEK LAKE, KS	1,620,000	1,620,000
(FC)	WILSON LAKE, KS	1,387,000	1,387,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY	6,882,000	6,882,000
(FC)	BARREN RIVER LAKE, KY	1,660,000	1,660,000
(N)	BIG SANDY HARBOR, KY	1,035,000	1,035,000
(FC)	BUCKHORN LAKE, KY	1,010,000	1,010,000
(FC)	CARR FORK LAKE, KY	1,237,000	1,237,000
(FC)	CAVE RUN LAKE, KY	796,000	796,000
(FC)	DEWEY LAKE, KY	1,080,000	1,080,000
(N)	ELVIS STAHR (HICKMAN) HARBOR, KY	572,000	572,000
(FC)	FISHTRAP LAKE, KY	1,200,000	1,200,000
(FC)	GRAYSON LAKE, KY	852,000	852,000
(N)	GREEN AND BARREN RIVERS, KY	1,447,000	1,447,000
(FC)	GREEN RIVER LAKE, KY	1,428,000	1,428,000
(N)	KENTUCKY RIVER, KY	1,045,000	1,045,000
(MP)	LAUREL RIVER LAKE, KY	1,149,000	1,149,000
(N)	LICKING RIVER OPEN CHANNEL WORK, KY	22,000	22,000
(FC)	MARTINS FORK LAKE, KY	666,000	666,000
(FC)	MIDDLESBORO CUMBERLAND RIVER BASIN, KY	38,000	38,000
(FC)	NOLIN LAKE, KY	1,614,000	1,614,000
(N)	OHIO RIVER LOCKS AND DAMS, KY, IL, IN, OH, PA & WV	53,182,000	54,182,000
(N)	OHIO RIVER OPEN CHANNEL WORK, KY, IL, IN, OH, PA & WV.	6,337,000	6,337,000
(FC)	PAINTSVILLE LAKE, KY	812,000	812,000
(FC)	ROUGH RIVER LAKE, KY	1,549,000	1,549,000
(FC)	TAYLORSVILLE LAKE, KY	890,000	1,490,000
(MP)	WOLF CREEK DAM - LAKE CUMBERLAND, KY	4,440,000	4,440,000
(FC)	YATESVILLE LAKE, KY	935,000	935,000
	LOUISIANA		
(N)	ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, L	10,695,000	10,695,000
(N)	BARATARIA BAY WATERWAY, LA	2,870,000	2,870,000
(FC)	BAYOU BODCAU RESERVOIR, LA	364,000	364,000
(N)	BAYOU LAFOURCHE AND LAFOURCHE - JUMP WATERWAY, LA	10,000	10,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	BAYOU PIERRE, LA..	25,000	25,000
(N)	BAYOU TECHE AND VERMILION RIVER, LA CA021.............	10,000	10,000
(N)	BAYOU TECHE, LA..	1,092,000	1,092,000
(FC)	CADDO LAKE, LA...	115,000	115,000
(N)	CALCASIEU RIVER AND PASS, LA.........................	7,736,000	9,936,000
(N)	FRESHWATER BAYOU, LA..................................	1,976,000	1,976,000
(N)	GULF INTRACOASTAL WATERWAY, LA & TX SECTION..........	14,050,000	14,050,000
(N)	HOUMA NAVIGATION CANAL, LA...........................	240,000	240,000
(N)	LAKE PROVIDENCE HARBOR, LA...........................	280,000	280,000
(N)	MADISON PARISH PORT, LA..............................	40,000	40,000
(N)	MERMENTAU RIVER, LA..................................	962,000	962,000
(N)	MISSISSIPPI RIVER - BATON ROUGE TO GULF OF MEXICO, LA.	39,816,000	39,816,000
(N)	MISSISSIPPI RIVER - GULF OUTLET, LA..................	13,160,000	13,160,000
(N)	MISSISSIPPI RIVER OUTLETS AT VENICE, LA..............	999,000	999,000
(N)	RED RIVER WATERWAY - MISSISSIPPI RIVER TO SHREVEPORT,.	8,100,000	8,100,000
	REMOVAL OF AQUATIC GROWTH, LA........................	1,825,000	1,825,000
(FC)	WALLACE LAKE, LA.....................................	184,000	184,000
	MARYLAND		
(N)	BALTIMORE HARBOR (DRIFT REMOVAL), MD.................	415,000	415,000
(N)	BALTIMORE HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS),	510,000	510,000
(N)	BALTIMORE HARBOR AND CHANNELS, MD & VA...............	10,165,000	10,165,000
(N)	BROAD CREEK, MD......................................	102,000	102,000
(FC)	CUMBERLAND, MD AND RIDGELEY, WV......................	92,000	92,000
(N)	HERRING BAY AND ROCKHOLD CREEK, MD...................	335,000	335,000
(N)	ISLAND CREEK, ST GEORGE ISLAND, MD...................	385,000	385,000
(FC)	JENNINGS RANDOLPH LAKE, MD & WV......................	1,408,000	1,408,000
(N)	NANTICOKE RIVER NORTHWEST FORK, MD...................	395,000	395,000
(N)	NORTHEAST RIVER, MD..................................	102,000	102,000
(N)	OCEAN CITY HARBOR AND INLET AND SINEPUXENT BAY, MD....	480,000	480,000
(N)	POCOMOKE RIVER, MD...................................	600,000	600,000
(N)	TRED AVON RIVER, MD..................................	630,000	630,000
(N)	WICOMICO RIVER, MD...................................	440,000	440,000
	MASSACHUSETTS		
(FC)	BARRE FALLS DAM, MA..................................	684,000	684,000
(FC)	BIRCH HILL DAM, MA...................................	436,000	436,000
(FC)	BUFFUMVILLE LAKE, MA.................................	418,000	418,000
(N)	CAPE COD CANAL, MA...................................	5,936,000	5,936,000
(FC)	CHARLES RIVER NATURAL VALLEY STORAGE AREA, MA.........	172,000	172,000
(N)	CHATHAM (STAGE) HARBOR, MA...........................	291,000	291,000
(FC)	CONANT BROOK LAKE, MA................................	355,000	355,000
(N)	CUTTYHUNK HARBOR, MA.................................	132,000	132,000
	DISPOSAL AREA MONITORING, MA.........................	913,000	913,000
(FC)	EAST BRIMFIELD LAKE, MA..............................	407,000	407,000
(N)	GREEN HARBOR, MA.....................................	366,000	366,000
(FC)	HODGES VILLAGE DAM, MA...............................	3,938,000	3,938,000
(FC)	KNIGHTVILLE DAM, MA..................................	552,000	552,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	LITTLEVILLE LAKE, MA	373,000	373,000
(FC)	NEW BEDFORD FAIRHAVEN AND ACUSHNET HURRICANE BARRIER,	278,000	278,000
(FC)	TULLY LAKE, MA	496,000	496,000
(FC)	WEST HILL DAM, MA	440,000	440,000
(FC)	WESTVILLE LAKE, MA	488,000	488,000
	MICHIGAN		
(N)	ALPENA HARBOR, MI	208,000	208,000
(N)	CHANNELS IN LAKE ST CLAIR, MI	531,000	531,000
(N)	CLINTON RIVER, MI	15,000	15,000
(N)	DETROIT RIVER, MI	4,118,000	4,118,000
(N)	FRANKFORT HARBOR, MI	1,592,000	1,592,000
(N)	GRAND HAVEN HARBOR, MI	970,000	970,000
(N)	HOLLAND HARBOR, MI	528,000	528,000
(N)	INLAND ROUTE, MI	47,000	47,000
(N)	KEWEENAW WATERWAY, MI	1,848,000	1,848,000
(N)	LELAND HARBOR, MI	215,000	215,000
(N)	LITTLE LAKE HARBOR, MI	177,000	177,000
(N)	LUDINGTON HARBOR, MI	1,292,000	1,292,000
(N)	MANISTEE HARBOR, MI	581,000	581,000
(N)	MARQUETTE HARBOR, MI	212,000	212,000
(N)	MONROE HARBOR, MI	175,000	175,000
(N)	MUSKEGON HARBOR, MI	777,000	777,000
(N)	ONTONAGON HARBOR, MI	2,646,000	2,646,000
(N)	ROUGE RIVER, MI	906,000	906,000
(N)	SAGINAW RIVER, MI	1,862,000	1,862,000
(N)	SAGINAW RIVER, MI (DIKE DISPOSAL)	452,000	452,000
(FC)	SEBEWAING RIVER (ICE JAM REMOVAL), MI	14,000	14,000
(N)	SOUTH HAVEN HARBOR, MI	25,000	25,000
(N)	ST CLAIR RIVER, MI	844,000	844,000
(N)	ST JOSEPH HARBOR, MI	910,000	910,000
(MP)	ST MARYS RIVER, MI	18,865,000	18,865,000
	MINNESOTA		
(FC)	BIGSTONE LAKE WHETSTONE RIVER, MN & SD	190,000	190,000
(N)	DULUTH - SUPERIOR HARBOR, MN & WI	2,938,000	2,938,000
(N)	GRAND MARAIS HARBOR, MN	225,000	225,000
(FC)	LAC QUI PARLE LAKES, MINNESOTA RIVER, MN	444,000	444,000
(N)	MINNESOTA RIVER, MN	145,000	145,000
(FC)	ORWELL LAKE, MN	2,334,000	2,334,000
(FC)	RED LAKE RIVER, MN	95,000	95,000
(N)	RESERVOIRS AT HEADWATERS OF MISSISSIPPI RIVER, MN	3,301,000	3,301,000
	MISSISSIPPI		
(N)	BILOXI HARBOR, MS	697,000	697,000
(N)	CLAIBORNE COUNTY PORT, MS	3,000	3,000
(FC)	EAST FORK, TOMBIGBEE RIVER, MS	170,000	170,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	GULFPORT HARBOR, MS	2,357,000	2,357,000
(N)	MOUTH OF YAZOO RIVER, MS	113,000	113,000
(FC)	OKATIBBEE LAKE, MS	1,534,000	1,534,000
(N)	PASCAGOULA HARBOR, MS	2,998,000	2,998,000
(N)	PEARL RIVER, MS & LA	240,000	240,000
(N)	ROSEDALE HARBOR, MS	427,000	427,000
(N)	YAZOO RIVER, MS	79,000	79,000
	MISSOURI		
(N)	CARUTHERSVILLE HARBOR, MO	317,000	317,000
(MP)	CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	5,074,000	5,074,000
(FC)	CLEARWATER LAKE, MO	1,989,000	1,989,000
(MP)	HARRY S TRUMAN DAM AND RESERVOIR, MO	8,235,000	8,235,000
(FC)	LITTLE BLUE RIVER LAKES, MO	893,000	893,000
(FC)	LONG BRANCH LAKE, MO	807,000	807,000
(N)	MISS RIVER BETWEEN OHIO AND MO RIVERS, MO & IL (REG WO	14,365,000	14,365,000
(N)	NEW MADRID HARBOR, MO	192,000	192,000
(FC)	POMME DE TERRE LAKE, MO	2,094,000	2,094,000
(FC)	SMITHVILLE LAKE, MO	1,129,000	1,129,000
(N)	SOUTHEAST MISSOURI PORT, MISSISSIPPI RIVER, MO	221,000	221,000
(MP)	STOCKTON LAKE, MO	2,994,000	2,994,000
(MP)	TABLE ROCK LAKE, MO	4,908,000	4,908,000
(FC)	UNION LAKE, MO	16,000	16,000
(FC)	WAPPAPELLO LAKE, MO	10,000	10,000
	MONTANA		
(MP)	FT PECK DAM AND LAKE, MT	4,113,000	4,113,000
(MP)	LIBBY DAM, LAKE KOOCANUSA, MT	5,756,000	5,756,000
	NEBRASKA		
(MP)	GAVINS POINT DAM, LEWIS AND CLARK LAKE, NE & SD	5,071,000	5,071,000
(FC)	HARLAN COUNTY LAKE, NE	1,441,000	1,441,000
	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	---	200,000
(MP)	MISSOURI R MASTER WTR CONTROL MANUAL, NE, IA, KS, MO,.	500,000	500,000
(FC)	PAPILLION CREEK & TRIBUTARIES LAKES, NE	661,000	661,000
(FC)	SALT CREEK AND TRIBUTARIES, NE	642,000	642,000
	NEVADA		
(FC)	MARTIS CREEK LAKE, NV & CA	408,000	408,000
(FC)	PINE AND MATHEWS CANYONS LAKES, NV	199,000	199,000
	NEW HAMPSHIRE		
(FC)	BLACKWATER DAM, NH	439,000	439,000
(FC)	EDWARD MACDOWELL LAKE, NH	495,000	495,000
(FC)	FRANKLIN FALLS DAM, NH	740,000	740,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	HOPKINTON - EVERETT LAKES, NH	1,252,000	1,252,000
(FC)	OTTER BROOK LAKE, NH	545,000	545,000
(FC)	SURRY MOUNTAIN LAKE, NH	530,000	530,000
	NEW JERSEY		
(N)	BARNEGAT INLET, NJ	1,129,000	1,129,000
(N)	CHEESEQUAKE CREEK, NJ	100,000	100,000
(N)	COHANSEY RIVER, NJ	650,000	---
(N)	COLD SPRING INLET, NJ	490,000	490,000
(N)	DELAWARE RIVER AT CAMDEN, NJ	750,000	750,000
(N)	DELAWARE RIVER, PHILADELPHIA TO THE SEA, NJ, PA & DE	12,497,000	12,497,000
(N)	DELAWARE RIVER, PHILADELPHIA, PA TO TRENTON, NJ	2,520,000	2,520,000
(N)	KEYPORT HARBOR, NJ	100,000	100,000
(N)	NEW JERSEY INTRACOASTAL WATERWAY, NJ	2,755,000	2,755,000
(N)	NEWARK BAY, HACKENSACK AND PASSAIC RIVERS, NJ	160,000	160,000
(N)	RARITAN RIVER, NJ	80,000	80,000
(N)	SALEM RIVER, NJ	555,000	555,000
	TOMS RIVER, NJ	---	300,000
	NEW MEXICO		
(FC)	ABIQUIU DAM, NM	1,379,000	1,379,000
(FC)	COCHITI LAKE, NM	1,760,000	1,760,000
(FC)	CONCHAS LAKE, NM	940,000	940,000
(FC)	GALISTEO DAM, NM	271,000	271,000
(FC)	JEMEZ CANYON DAM, NM	419,000	419,000
(FC)	SANTA ROSA DAM AND LAKE, NM	814,000	814,000
(FC)	TWO RIVERS DAM, NM	313,000	313,000
	NEW YORK		
(FC)	ALMOND LAKE, NY	386,000	386,000
(FC)	ARKPORT DAM, NY	206,000	206,000
(N)	BAY RIDGE AND RED HOOK CHANNELS, NY	320,000	320,000
(N)	BLACK ROCK CHANNEL AND TONAWANDA HARBOR, NY	3,368,000	3,368,000
(N)	BROWN CREEK	100,000	100,000
(N)	BUFFALO HARBOR, NY	1,493,000	1,493,000
(N)	BUTTERMILK CHANNEL, NY	150,000	150,000
(N)	CONEY ISLAND CREEK, NY	80,000	80,000
(N)	EAST RIVER, NY	75,000	75,000
(N)	EAST ROCKAWAY INLET, NY	60,000	60,000
(FC)	EAST SIDNEY LAKE, NY	416,000	416,000
(N)	EASTCHESTER CREEK, NY	75,000	75,000
	GLEN COVE CREEK, NY	---	130,000
(N)	HUDSON RIVER CHANNEL, NY	2,245,000	2,245,000
(N)	HUDSON RIVER, NY	2,295,000	2,295,000
(N)	JAMAICA BAY, NY	1,150,000	1,150,000
(N)	JONES INLET, NY	120,000	120,000
(N)	MATAWAN CREEK, NJ	100,000	100,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	MATTITUCK HARBOR, NY	870,000	870,000
(N)	MORICHES INLET, NY	100,000	100,000
(FC)	MT MORRIS LAKE, NY	1,875,000	1,875,000
(N)	NEW YORK AND NEW JERSEY CHANNELS, NY	155,000	155,000
(N)	NEW YORK HARBOR (DRIFT REMOVAL), NY & NJ	4,238,000	4,238,000
(N)	NEW YORK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS),	720,000	720,000
(N)	NEW YORK HARBOR, NY	6,396,000	9,896,000
(N)	PORTCHESTER HARBOR, NY	70,000	70,000
(N)	ROCHESTER HARBOR, NY	919,000	919,000
(N)	SHINNECOCK INLET, NY	100,000	100,000
(FC)	SOUTHERN NEW YORK FLOOD CONTROL PROJECTS, NY	783,000	783,000
(FC)	WHITNEY POINT LAKE, NY	3,701,000	3,701,000
	NORTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, NC	5,247,000	5,247,000
(FC)	B EVERETT JORDAN DAM AND LAKE, NC	1,220,000	1,220,000
(N)	BOGUE INLET AND CHANNEL, NC	450,000	450,000
(N)	CAPE FEAR RIVER ABOVE WILMINGTON, NC	714,000	714,000
(FC)	FALLS LAKE, NC	1,015,000	1,015,000
(N)	MANTEO (SHALLOWBAG) BAY, NC	5,603,000	5,603,000
(N)	MOREHEAD CITY HARBOR, NC	1,965,000	1,965,000
(N)	NEW RIVER INLET, NC	225,000	225,000
(FC)	W KERR SCOTT DAM AND RESERVOIR, NC	1,652,000	1,652,000
(N)	WILMINGTON HARBOR, NC	6,282,000	6,719,000
	NORTH DAKOTA		
(FC)	BOWMAN - HALEY LAKE, ND	261,000	261,000
(MP)	GARRISON DAM, LAKE SAKAKAWEA, ND	9,399,000	9,499,000
(FC)	HOMME LAKE, ND	197,000	197,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND	882,000	882,000
(FC)	PIPESTEM LAKE, ND	411,000	411,000
(FC)	SOURIS RIVER, ND	99,000	99,000
	OHIO		
(FC)	ALUM CREEK LAKE, OH	923,000	923,000
(N)	ASHTABULA HARBOR, OH	3,128,000	3,128,000
(FC)	BERLIN LAKE, OH	1,738,000	1,738,000
(FC)	CAESAR CREEK LAKE, OH	1,206,000	1,206,000
(FC)	CLARENCE J BROWN DAM, OH	567,000	567,000
(N)	CLEVELAND HARBOR, OH	4,814,000	4,814,000
(N)	CONNEAUT HARBOR, OH	717,000	717,000
(FC)	DEER CREEK LAKE, OH	1,920,000	1,920,000
(FC)	DELAWARE LAKE, OH	567,000	567,000
(FC)	DILLON LAKE, OH	541,000	541,000
(N)	FAIRPORT HARBOR, OH	244,000	244,000
(N)	HURON HARBOR, OH	48,000	48,000
(N)	LORAIN HARBOR, OH	1,096,000	1,096,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	MASSILLON LOCAL PROTECTION PROJECT, OH	25,000	25,000
(FC)	MICHAEL J KIRWAN DAM AND RESERVOIR, OH	820,000	820,000
(FC)	MOSQUITO CREEK LAKE, OH	746,000	746,000
(FC)	MUSKINGUM RIVER LAKES, OH	5,747,000	5,747,000
(FC)	NORTH BRANCH KOKOSING RIVER LAKE, OH	235,000	235,000
(FC)	PAINT CREEK LAKE, OH	641,000	641,000
(FC)	ROSEVILLE LOCAL PROTECTION PROJECT, OH	30,000	30,000
(N)	SANDUSKY HARBOR, OH	778,000	778,000
(N)	TOLEDO HARBOR, OH	3,223,000	3,223,000
(FC)	TOM JENKINS DAM, OH	291,000	291,000
(FC)	WEST FORK OF MILL CREEK LAKE, OH	431,000	431,000
(FC)	WILLIAM H HARSHA LAKE, OH	717,000	717,000
	OKLAHOMA		
(FC)	ARCADIA LAKE, OK	329,000	329,000
(FC)	BIRCH LAKE, OK	753,000	753,000
(MP)	BROKEN BOW LAKE, OK	2,404,000	2,404,000
(FC)	CANDY LAKE, OK	46,000	46,000
(FC)	CANTON LAKE, OK	1,782,000	1,782,000
(FC)	COPAN LAKE, OK	913,000	913,000
(MP)	EUFAULA LAKE, OK	3,841,000	3,841,000
(MP)	FORT GIBSON LAKE, OK	3,312,000	3,312,000
(FC)	FORT SUPPLY LAKE, OK	866,000	866,000
(FC)	GREAT SALT PLAINS LAKE, OK	355,000	355,000
(FC)	HEYBURN LAKE, OK	690,000	690,000
(FC)	HUGO LAKE, OK	1,668,000	1,668,000
(FC)	HULAH LAKE, OK	468,000	468,000
(FC)	KAW LAKE, OK	1,498,000	1,498,000
(MP)	KEYSTONE LAKE, OK	3,051,000	3,051,000
(FC)	OOLOGAH LAKE, OK	1,307,000	1,307,000
(FC)	OPTIMA LAKE, OK	523,000	523,000
(FC)	PENSACOLA RESERVOIR - LAKE OF THE CHEROKEES, OK	4,000	4,000
(FC)	PINE CREEK LAKE, OK	1,061,000	1,061,000
(MP)	ROBERT S KERR LOCK AND DAM AND RESERVOIRS, OK	4,262,000	4,262,000
(FC)	SARDIS LAKE, OK	784,000	784,000
(FC)	SKIATOOK LAKE, OK	815,000	815,000
(MP)	TENKILLER FERRY LAKE, OK	3,107,000	3,107,000
(FC)	WAURIKA LAKE, OK	1,349,000	1,349,000
(MP)	WEBBERS FALLS LOCK AND DAM, OK	2,816,000	2,816,000
(FC)	WISTER LAKE, OK	883,000	883,000
	OREGON		
(FC)	APPLEGATE LAKE, OR	633,000	633,000
(FC)	BLUE RIVER LAKE, OR	233,000	233,000
(MP)	BONNEVILLE LOCK AND DAM, OR & WA	17,097,000	17,097,000
	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	---	100,000
(N)	CHETCO RIVER, OR	471,000	471,000
(N)	COLUMBIA & LWR WILLAMETTE R BLW VANCOUVER, WA & PORTLA	10,341,000	10,341,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	COLUMBIA RIVER AT THE MOUTH, OR & WA	7,870,000	7,870,000
(N)	COLUMBIA RIVER BETWEEN VANCOUVER, WA AND THE DALLES, O	493,000	493,000
(N)	COOS BAY, OR	5,103,000	5,103,000
(N)	COQUILLE RIVER, OR	484,000	484,000
(FC)	COTTAGE GROVE LAKE, OR	694,000	694,000
(MP)	COUGAR LAKE, OR	1,106,000	1,106,000
(N)	DEPOE BAY, OR	3,000	3,000
(MP)	DETROIT LAKE, OR	2,230,000	2,230,000
(FC)	DORENA LAKE, OR	530,000	530,000
(FC)	FALL CREEK LAKE, OR	504,000	504,000
(FC)	FERN RIDGE LAKE, OR	840,000	840,000
(MP)	GREEN PETER - FOSTER LAKES, OR	2,451,000	2,451,000
(MP)	HILLS CREEK LAKE, OR	739,000	739,000
(MP)	JOHN DAY LOCK AND DAM, OR & WA	17,743,000	17,743,000
(MP)	LOOKOUT POINT LAKE, OR	3,550,000	3,550,000
(MP)	LOST CREEK LAKE, OR	3,899,000	3,899,000
(MP)	MCNARY LOCK AND DAM, OR & WA	12,051,000	12,051,000
(N)	PORT ORFORD, OR	263,000	263,000
(N)	ROGUE RIVER, OR	755,000	755,000
(N)	SIUSLAW RIVER, OR	831,000	831,000
(N)	SKIPANON CHANNEL, OR	17,000	17,000
(N)	TILLAMOOK BAY & BAR, OR	8,000	8,000
(N)	UMPQUA RIVER, OR	1,090,000	1,090,000
(N)	WILLAMETTE RIVER AT WILLAMETTE FALLS, OR	727,000	727,000
(FC)	WILLAMETTE RIVER BANK PROTECTION, OR	20,000	20,000
(FC)	WILLOW CREEK LAKE, OR	479,000	479,000
(N)	YAQUINA BAY AND HARBOR, OR	1,783,000	1,783,000
	YAQUINA RIVER, OR	---	293,000
	PENNSYLVANIA		
(N)	ALLEGHENY RIVER, PA	12,274,000	12,274,000
(FC)	ALVIN R BUSH DAM, PA	543,000	543,000
(FC)	AYLESWORTH CREEK LAKE, PA	189,000	189,000
(FC)	BELTZVILLE LAKE, PA	785,000	785,000
(FC)	BLUE MARSH LAKE, PA	1,630,000	1,630,000
(FC)	CONEMAUGH RIVER LAKE, PA	1,350,000	1,350,000
(FC)	COWANESQUE LAKE, PA	2,240,000	2,240,000
(FC)	CROOKED CREEK LAKE, PA	1,328,000	1,328,000
(FC)	CURWENSVILLE LAKE, PA	578,000	578,000
(FC)	EAST BRANCH CLARION RIVER LAKE, PA	1,002,000	1,002,000
(N)	ERIE HARBOR, PA	48,000	48,000
(FC)	FOSTER JOSEPH SAYERS DAM, PA	622,000	622,000
(FC)	FRANCIS E WALTER DAM, PA	1,088,000	1,088,000
(FC)	GENERAL EDGAR JADWIN DAM AND RESERVOIR, PA	194,000	194,000
(FC)	JOHNSTOWN, PA	2,383,000	2,383,000
(FC)	KINZUA DAM AND ALLEGHENY RESERVOIR, PA	1,182,000	1,335,000
(FC)	LOYALHANNA LAKE, PA	997,000	997,000
(FC)	MAHONING CREEK LAKE, PA	956,000	956,000
(N)	MONONGAHELA RIVER, PA	15,715,000	15,715,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PROMPTON LAKE, PA.	669,000	669,000
(FC)	PUNXSUTAWNEY, PA.	325,000	325,000
(FC)	RAYSTOWN LAKE, PA.	2,830,000	5,330,000
(N)	SCHUYLKILL RIVER, PA.	185,000	185,000
(FC)	SHENANGO RIVER LAKE, PA.	1,710,000	1,710,000
(FC)	STILLWATER LAKE, PA.	309,000	309,000
(FC)	TIOGA - HAMMOND LAKES, PA.	2,102,000	2,102,000
(FC)	TIONESTA LAKE, PA.	1,052,000	1,052,000
(FC)	UNION CITY LAKE, PA.	506,000	506,000
(FC)	WOODCOCK CREEK LAKE, PA.	763,000	763,000
(FC)	YORK INDIAN ROCK DAM, PA.	479,000	479,000
(FC)	YOUGHIOGHENY RIVER LAKE, PA.	1,785,000	1,785,000
	PUERTO RICO		
(N)	SAN JUAN HARBOR, PR.	1,515,000	1,515,000
	RHODE ISLAND		
(N)	BLOCK ISLAND HARBOR OF REFUGE, RI.	588,000	588,000
(N)	PROVIDENCE RIVER, RI.	90,000	90,000
(N)	PT JUDITH POND HBR OF REFUGE, RI.	656,000	656,000
(N)	SAKONNET HARBOR, RI.	252,000	252,000
	SOUTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, SC.	2,479,000	2,479,000
(N)	BROOKGREEN GARDEN CANAL, SC.	5,000	5,000
(N)	CHARLESTON HARBOR, SC.	4,701,000	4,701,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC.	2,956,000	2,956,000
(N)	FOLLY RIVER, SC.	386,000	386,000
(N)	GEORGETOWN HARBOR, SC.	4,042,000	4,042,000
(N)	JEREMY CREEK, SC.	4,000	4,000
(N)	LITTLE RIVER INLET, SC & NC.	89,000	89,000
(N)	MURRELLS INLET, SC.	95,000	95,000
(N)	PORT ROYAL HARBOR, SC.	1,175,000	1,175,000
(N)	SHIPYARD RIVER, SC.	380,000	380,000
(N)	TOWN CREEK, SC.	491,000	491,000
	SOUTH DAKOTA		
(MP)	BIG BEND DAM - LAKE SHARPE, SD.	5,887,000	5,887,000
(FC)	COLD BROOK LAKE, SD.	474,000	474,000
(FC)	COTTONWOOD SPRINGS LAKE, SD.	201,000	201,000
(MP)	FT RANDALL DAM - LAKE FRANCIS CASE, SD.	7,520,000	7,520,000
(FC)	LAKE TRAVERSE, SD & MN.	614,000	614,000
(MP)	OAHE DAM - LAKE OAHE, SD & ND.	9,610,000	9,610,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	TENNESSEE		
(MP)	CENTER HILL LAKE, TN	5,815,000	5,815,000
(MP)	CHEATHAM LOCK AND DAM, TN	5,624,000	5,624,000
(MP)	CORDELL HULL DAM AND RESERVOIR, TN	4,626,000	4,626,000
(MP)	DALE HOLLOW LAKE, TN	3,974,000	3,974,000
(MP)	J PERCY PRIEST DAM AND RESERVOIR, TN	3,618,000	3,618,000
(MP)	OLD HICKORY LOCK AND DAM, TN	5,671,000	5,671,000
(N)	TENNESSEE RIVER, TN	13,690,000	13,690,000
(N)	WOLF RIVER HARBOR, TN	706,000	706,000
	TEXAS		
(FC)	AQUILLA LAKE, TX	656,000	656,000
(FC)	ARKANSAS - RED RIVER BASINS CHLORIDE CONTROL - AREA VI	1,018,000	1,018,000
(N)	BARBOUR TERMINAL CHANNEL, TX	730,000	730,000
(FC)	BARDWELL LAKE, TX	1,160,000	1,160,000
(N)	BAYPORT SHIP CHANNEL, TX	1,780,000	1,780,000
(FC)	BELTON LAKE, TX	2,124,000	2,124,000
(FC)	BENBROOK LAKE, TX	1,536,000	1,536,000
(N)	BRAZOS ISLAND HARBOR, TX	2,145,000	2,145,000
(FC)	BUFFALO BAYOU AND TRIBUTARIES, TX	3,381,000	3,381,000
(FC)	CANYON LAKE, TX	1,488,000	1,488,000
(N)	CHANNEL TO PORT BOLIVAR, TX	75,000	75,000
(N)	CHANNEL TO PORT MANSFIELD, TX	290,000	290,000
(FC)	COOPER LAKE AND CHANNELS, TX	806,000	1,960,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	8,489,000	8,489,000
(MP)	DENISON DAM - LAKE TEXOMA, TX	4,762,000	4,762,000
(FC)	ESTELLINE SPRINGS EXPERIMENTAL PROJECT, TX	4,000	4,000
(FC)	FERRELLS BRIDGE DAM - LAKE O'THE PINES, TX	1,994,000	2,244,000
(N)	FREEPORT HARBOR, TX	4,368,000	4,368,000
(N)	GALVESTON HARBOR AND CHANNEL, TX	2,828,000	3,068,000
(N)	GIWW - CHANNEL TO VICTORIA, TX	610,000	610,000
(N)	GIWW - CHOCOLATE BAYOU, TX	22,000	22,000
(FC)	GRANGER DAM AND LAKE, TX	1,308,000	1,308,000
(FC)	GRAPEVINE LAKE, TX	1,969,000	1,969,000
(N)	GREENS BAYOU CHANNEL, TX	14,000	14,000
(N)	GULF INTRACOASTAL WATERWAY, TX	18,062,000	18,562,000
(FC)	HORDS CREEK LAKE, TX	1,164,000	1,164,000
(N)	HOUSTON SHIP CHANNEL, TX	3,623,000	3,623,000
(FC)	JOE POOL LAKE, TX	744,000	744,000
(FC)	LAKE KEMP, TX	210,000	210,000
(FC)	LAVON LAKE, TX	2,124,000	2,124,000
(FC)	LEWISVILLE DAM, TX	2,316,000	2,316,000
(N)	MATAGORDA SHIP CHANNEL, TX	99,000	99,000
(N)	MOUTH OF THE COLORADO RIVER, TX	1,720,000	1,720,000
(FC)	NAVARRO MILLS LAKE, TX	1,305,000	1,305,000
(FC)	NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	1,287,000	1,287,000
(FC)	O C FISHER DAM AND LAKE, TX	1,095,000	1,095,000
(FC)	PAT MAYSE LAKE, TX	750,000	750,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PROCTOR LAKE, TX	1,459,000	1,459,000
(FC)	RAY ROBERTS LAKE, TX	768,000	768,000
(N)	SABINE - NECHES WATERWAY, TX	7,328,000	7,328,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX	3,932,000	3,932,000
(FC)	SOMERVILLE LAKE, TX	2,224,000	2,224,000
(FC)	STILLHOUSE HOLLOW DAM, TX	1,393,000	1,393,000
(N)	TEXAS CITY SHIP CHANNEL, TX	1,580,000	1,580,000
(MP)	TOWN BLUFF DAM - B A STEINHAGEN LAKE, TX	1,509,000	1,509,000
(N)	TRINITY RIVER & TRIBUTARIES, TX	128,000	128,000
(FC)	WACO LAKE, TX	2,069,000	2,069,000
(FC)	WALLISVILLE LAKE, TX	554,000	554,000
(MP)	WHITNEY LAKE, TX	3,988,000	3,988,000
(FC)	WRIGHT PATMAN DAM AND LAKE, TX	2,200,000	2,200,000
	VERMONT		
(FC)	BALL MOUNTAIN LAKE, VT	713,000	713,000
(N)	NARROWS OF LAKE CHAMPLAIN, VT & NY	45,000	45,000
(FC)	NORTH HARTLAND LAKE, VT	427,000	427,000
(FC)	NORTH SPRINGFIELD LAKE, VT	480,000	480,000
(FC)	TOWNSHEND LAKE, VT	1,964,000	1,964,000
(FC)	UNION VILLAGE DAM, VT	395,000	395,000
	VIRGINIA		
	APPOMATTOX RIVER, VA	---	150,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, VA	2,679,000	2,699,000
(N)	BLACKWATER RIVER, VA	54,000	54,000
(N)	BROAD CREEK, VA	220,000	220,000
(N)	CHANNEL TO NEWPORT NEWS, VA	45,000	45,000
(N)	CHINCOTEAGUE INLET, VA	803,000	803,000
(N)	CHOWAN RIVER, VA	54,000	54,000
(N)	CRANES CREEK, VA	55,000	55,000
(N)	DEEP CREEK, VA	33,000	33,000
(FC)	GATHRIGHT DAM AND LAKE MOOMAW, VA	1,340,000	1,340,000
(N)	GREENVALE CREEK, LANCASTER COUNTY, VA	196,000	196,000
(N)	HAMPTON RDS, NORFOLK & NEWPORT NEWS HBR, VA (DRIFT REM	647,000	647,000
(N)	HORN HARBOR, VA	41,000	41,000
(N)	JAMES RIVER CHANNEL, VA	1,742,000	1,742,000
(MP)	JOHN H KERR DAM AND RESERVOIR, VA & NC	6,937,000	6,977,000
(FC)	JOHN W FLANNAGAN DAM AND RESERVOIR, VA	1,232,000	1,432,000
	NEABSCO CREEK, VA	---	100,000
(N)	NORFOLK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS), V	200,000	200,000
(N)	NORFOLK HARBOR AND CHANNELS, VA	8,213,000	8,213,000
(FC)	NORTH FORK OF POUND RIVER LAKE, VA	394,000	394,000
(MP)	PHILPOTT LAKE, VA	2,140,000	2,140,000
(N)	QUINBY CREEK, VA	352,000	352,000
(N)	RUDEE INLET, VA	542,000	542,000
(N)	STARLINGS CREEK, VA	53,000	53,000
(N)	TANGIER CHANNEL, VA	504,000	504,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	THIMBLE SHOAL CHANNEL, VA...............................	180,000	180,000
(N)	WATERWAY ON THE COAST OF VIRGINIA, VA..................	1,195,000	1,195,000
(N)	WILLOUGHBY CHANNEL, VA..................................	150,000	150,000
	WASHINGTON		
(N)	ANACORTES HARBOR, WA....................................	20,000	20,000
(N)	BELLINGHAM HARBOR, WA...................................	442,000	442,000
(MP)	CHIEF JOSEPH DAM, WA....................................	11,161,000	11,161,000
(N)	COLUMBIA RIVER AT BAKER BAY, WA & OR....................	24,000	24,000
(N)	COLUMBIA RIVER BETWEEN CHINOOK AND SAND ISLAND, WA....	7,000	7,000
(MP)	COLUMBIA RIVER SYSTEM OPERATION REVIEW, WA, ID, MT & O	565,000	565,000
(N)	EVERETT HARBOR AND SNOHOMISH RIVER, WA.................	835,000	835,000
(N)	GRAYS HARBOR AND CHEHALIS RIVER, WA....................	6,159,000	9,359,000
(FC)	HOWARD A HANSON DAM, WA.................................	991,000	991,000
(MP)	ICE HARBOR LOCK AND DAM, WA.............................	7,925,000	7,925,000
(N)	LAKE WASHINGTON SHIP CANAL, WA..........................	5,578,000	5,578,000
(MP)	LITTLE GOOSE LOCK AND DAM, WA...........................	5,208,000	5,208,000
(MP)	LOWER GRANITE LOCK AND DAM, WA..........................	7,330,000	7,330,000
(MP)	LOWER MONUMENTAL LOCK AND DAM, WA.......................	6,735,000	6,735,000
(FC)	MILL CREEK LAKE, VIRGIL B BENNINGTON LAKE, WA...........	763,000	763,000
(FC)	MT ST HELENS, WA..	454,000	454,000
(FC)	MUD MOUNTAIN DAM, WA....................................	1,596,000	1,596,000
(N)	PUGET SOUND AND TRIBUTARY WATERS, WA....................	1,155,000	1,155,000
(N)	QUILLAYUTE RIVER, WA....................................	695,000	695,000
(N)	SEATTLE HARBOR, WA......................................	575,000	575,000
(FC)	STILLAGUAMISH RIVER, WA.................................	165,000	165,000
(FC)	TACOMA, PUYALLUP RIVER, WA..............................	55,000	55,000
(MP)	THE DALLES LOCK AND DAM, WA & OR........................	9,868,000	9,868,000
(N)	WATERWAY CONNECTING PORT TOWNSEND AND OAK BAY, WA.......	43,000	43,000
(N)	WILLAPA RIVER AND HARBOR, WA............................	1,495,000	1,495,000
	WEST VIRGINIA		
(FC)	BEECH FORK LAKE, WV.....................................	778,000	778,000
(FC)	BLUESTONE LAKE, WV......................................	4,095,000	4,095,000
(FC)	BURNSVILLE LAKE, WV.....................................	1,270,000	1,270,000
	CHARLESTON, WV WATERFRONT PARK..........................	---	275,000
(FC)	EAST LYNN LAKE, WV......................................	1,178,000	1,178,000
(N)	ELK RIVER HARBOR, WV....................................	323,000	323,000
(FC)	ELKINS, WV..	7,000	7,000
	HUNTINGTON, WV WATERFRONT PARK..........................	---	805,000
(N)	KANAWHA RIVER LOCKS AND DAMS, WV........................	11,207,000	11,207,000
(FC)	R D BAILEY LAKE, WV.....................................	1,297,000	1,297,000
(FC)	STONEWALL JACKSON LAKE, WV..............................	904,000	904,000
(FC)	SUMMERSVILLE LAKE, WV...................................	1,340,000	1,340,000
(FC)	SUTTON LAKE, WV...	1,545,000	1,545,000
(N)	TYGART LAKE, WV...	1,957,000	1,957,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	WISCONSIN		
(N)	CORNUCOPIA HARBOR, WI	52,000	52,000
(FC)	EAU GALLE RIVER LAKE WISCONSIN, WI	547,000	547,000
(N)	FOX RIVER, WI	1,869,000	1,869,000
(N)	GREEN BAY HARBOR, WI	1,148,000	1,148,000
(N)	GREEN BAY HARBOR, WI (DIKE DISPOSAL)	3,030,000	3,030,000
(N)	KEWAUNEE HARBOR, WI	253,000	253,000
(FC)	LA FARGE LAKE, WI	41,000	41,000
(N)	MANITOWOC HARBOR, WI	273,000	273,000
(N)	MILWAUKEE HARBOR, WI	3,976,000	3,976,000
(N)	PORT WASHINGTON HARBOR, WI	131,000	131,000
(N)	SHEBOYGAN HARBOR, WI	646,000	646,000
(N)	STURGEON BAY, WI	1,009,000	1,009,000
(N)	TWO RIVERS HARBOR, WI	591,000	591,000
	WYOMING		
(FC)	JACKSON HOLE LEVEES, WY	1,322,000	1,322,000

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MISCELLANEOUS		
	CIVIL WORKS ENERGY DATA SYSTEM	60,000	60,000
	COASTAL INLET RESEARCH PROGRAM	4,500,000	4,000,000
	DREDGING DATA AND LOCK PERFORMANCE MONITORING SYSTEM	725,000	725,000
	DREDGING OPERATIONS TECHNICAL SUPPORT (DOTS)	3,250,000	3,250,000
	EARTHQUAKE HAZARDS PROGRAM FOR BUILDINGS AND LIFELINES	600,000	600,000
	ENVIRONMENTAL DREDGING (SEC. 312)	---	1,000,000
	ENVIRONMENTAL REVIEW GUIDE FOR OPERATIONS (ERGO)	1,500,000	1,500,000
	INSPECTION OF COMPLETED WORKS	7,056,000	7,056,000
	MISSISSIPPI RIVER BASIN MAINSTEM MODEL DEVELOPMENT	1,000,000	1,000,000
	MONITORING OF COMPLETED COASTAL PROJECTS	2,100,000	2,100,000
	NATIONAL DAM SAFETY PROGRAM	20,000	20,000
	NATIONAL EMERGENCY PREPAREDNESS PROGRAM (NEPP)	7,000,000	7,000,000
	NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION	3,235,000	3,235,000
	NATURAL RESOURCES TECHNICAL SUPPORT (NRTS)	1,600,000	1,600,000
	PEER REVIEW PROGRAM	400,000	400,000
	POLICY AND PROCEDURE OPTIONS FOR PROJECT O&M	500,000	500,000
	PROJECT CONDITION SURVEYS	9,067,000	9,067,000
	PROTECTING, CLEARING AND STRAIGHTENING CHANNELS	50,000	50,000
	REAL TIME WATER CONTROL RESEARCH PROGRAM	850,000	850,000
	RELIABILITY MODELS PROGRAM FOR MAJOR REHABILITATION	595,000	595,000
	REMOVAL OF SUNKEN VESSELS	1,000,000	1,000,000
	REPAIR, EVALUATION, MAINTENANCE & REHAB RESEARCH	6,000,000	6,000,000
	RIVER CONFLUENCE ICE RESEARCH	1,150,000	1,150,000
	SCANNING HYDROGRAPHIC OPERATIONAL AIRBORNE LIDAR SURVE	2,164,000	2,164,000
	SCHEDULING RESERVOIR OPERATIONS	3,247,000	3,247,000
	SURVEILLANCE OF NORTHERN BOUNDARY WATERS	3,972,000	3,972,000
	WATER OPERATIONS TECHNICAL SUPPORT (WOTS)	1,550,000	1,550,000
	WATERBORNE COMMERCE STATISTICS	4,200,000	4,200,000
	GSA RENT REDUCTION	-734,000	-734,000
	PROCUREMENT REFORM	-2,682,000	-2,682,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-30,632,000	-35,463,000
	TOTAL, OPERATION AND MAINTENANCE	1,608,184,000	1,646,535,000

TYPE OF PROJECT:

(N)	NAVIGATION
(BE)	BEACH EROSION CONTROL
(FC)	FLOOD CONTROL
(MP)	MULTIPURPOSE, INCLUDING POWER

TITLE II

DEPARTMENT OF THE INTERIOR

BUREA OF RECLAMATION

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Bureau of Reclamation. Additional items of conference agreement are discussed below.

GENERAL INVESTIGATIONS

Amendment No. 17: Appropriates $14,190,000 for General Investigations as proposed by the House instead of $14,340,000 as proposed by the Senate.

As part of the Bureau of Reclamation's ongoing Tucson/Phoenix Water Conservation and Exchange Study, the conferees encourage the Bureau to participate with non-Federal entities in the Northwest Tucson Active Management Replenishment Program.

Amendment No. 18: Deletes language proposed by the Senate providing $500,000 for the Equus Beds project in Wichita, Kansas. Funding for this project has been provided under the Construction Program as part of the Groundwater Recharge Demonstration Program.

Amendment No. 19: Deletes language proposed by the Senate providing $50,000 for the Lewis and Clark Rural Water System, South Dakota, feasibility study.

CONSTRUCTION PROGRAM

Amendment No. 20: Appropriates $432,727,000 for the Bureau of Reclamation's Construction Program as proposed by the House instead of $425,727,000 as proposed by the Senate.

The conferees have provided, under the Central Valley Project, California, $8,502,000 for the Delta Division for the purposes and priorities proposed by the House with the following changes: $400,000 for the joint Federal-state effort to address the San Francisco Bay and Sacramento San Joaquin Delta water quality efforts; $500,000 for the Delta Barriers Program; and $1,228,000 for the acquisition of Prospect Island.

The conferees have provided, under the Central Valley Project, California, $8,285,000 for the Miscellaneous Project Programs for the purposes and priorities proposed by the House with the following changes: $4,000,000 for the Unscreened Diversions Program; $300,000 for the Spring Run Salmon Program; $150,000 for the Coho Salmon Program; and $100,000 for the Salmon Stamp Program.

The conferees have provided, under the Central Valley Project, California, $3,460,000 for the Sacramento River Division for the purposes and priorities proposed by the House.

For the Shasta Division the conference agreement includes $18,000,000, $13,000,000 above the budget request, for the Shasta Dam Temperature Control Device. Including the amounts to be allocated from the Central Valley Project Restoration Fund, this provides a total of $25,037,000 for the Shasta Dam Temperature Control Device. The conferees direct the Bureau of Reclamation to award a contract to initiate construction in fiscal year 1995 and to request sufficient funds in fiscal year 1996 to keep construction of this important project on an optimum schedule.

Within available funds, the conferees direct the Bureau of Reclamation to provide $100,000 for preconstruction engineering and design work on the Colusa Basin, California, Drainage District's Watershed Integrated Resources Management Program, as described in the District's initial plan, adopted in October, 1993.

Within available funds, the conferees direct the Bureau of Reclamation to provide $100,000 for engineering, design, and construction of a replacement for the McCune Creek Siphon Crossing Putah South Canal in California. The current crossing is a public safety hazard and may adversely impact the operations of the siphon and canal.

The conferees urge the Bureau of Reclamation to reconsider the benefits of working with the National Fish and Wildlife Foundation or other entity to assist in the efficient implementation of the Central Valley Project Improvement Act. In reconsidering this issue, the Bureau of Reclamation should consult with Central Valley Project beneficiaries and other interested groups, such as environmental organizations, in selection of the entity to assist in the implementation, if needed.

The conferees are aware that the water quality within Camanche Reservoir and the Sacramento River Basin in California may be threatened by discharges from the abandoned Penn Mine. In light of this serious situation, the conferees direct the Bureau of Reclamation, in consultation with the Bureau of Mines, to make an analysis of the magnitude of the problem and potential solutions and report back to the Committee on Appropriations of the House and Senate during hearings on the fiscal year 1996 budget.

The conference agreement includes an additional $500,000 for the Groundwater Recharge Demonstration Program for the Equus Beds project in Wichita, Kansas. The Senate had proposed that this project be funded under the General Investigations account.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that provides $4,827,000 for the settlement of all claims with the State of New Mexico associated with work at Costilla Dam.

OPERATION AND MAINTENANCE

Amendment No. 22: Appropriates $284,300,000 for Operation and Maintenance instead of $286,521,000 as proposed by the House and $282,165,000 as proposed by the Senate.

The conferees have provided $70,504,000 for operation and maintenance activities associated with the Central Valley Project in California, $2,135,000 above the budget request. The additional funds should be used for replacements, additions, and extraordinary maintenance items.

The conference agreement includes $6,226,000 for the Water Management and Conservation Program for fiscal year 1995. This amount includes $500,000 for the Deschutes River, Oregon, project as described in the Senate report.

Amendment No. 23: Deletes language proposed by the Senate providing $300,000 for a regional drought mitigation center located within the Great Plains Region.

BUREAU OF RECLAMATION LOANS PROGRAM ACCOUNT

Amendment No. 24: Appropriates $9,000,000 for the Bureau of Reclamation Loans Program, excluding administrative expenses, as proposed by the House instead of $6,000,000 as proposed by the Senate.

The conference agreement includes a total of $9,000,000 for Bureau of Reclamation loans in fiscal year 1995. The funds appropriated include $6,000,000 for the initiation of new loans. On May 18, 1994, the Secretary of the Interior transmitted to Congress his approval of eight projects under the Small Reclamation Project Act. Those projects are the Castroville Irrigation Water Supply Project, California; the Water Reclamation Facility for Crop Irrigation Project, Monterey County, California; the Temescal Valley Project, California; the Chino Basin Desalination Project, California; the Ute Mountain Ute Indian Project, Colorado; the Milltown Hill Project, Oregon; The Dalles Project, Oregon; and the Hidalgo County Irrigation Project, Texas. The conferees are also aware that the application for the San Sevaine Creek, California, project is nearing completion and will be processed when received. The funds provided for the initiation of new loans are available to start the above projects.

The conferees are aware that the Bureau of Reclamation desires to fundamentally change the Loan Program. However, until those changes occur, the conferees believe it is appropriate to proceed with projects where the applicants have complied with all the requirements of the existing authorized program. The conferees hope that the Department of the Interior and the Bureau of Reclamation cooperate with this effort and budget for follow-on funding requirements.

Amendment No. 25: Provides for a limitation on the principal amount of direct loans of $23,000,000 as proposed by the House instead of $20,000,000 as proposed by the Senate.

CENTRAL VALLEY PROJECT RESTORATION FUND

The conferees agree with the language in the House report regarding projects to be undertaken under the Central Valley Project Restoration Fund in fiscal year 1995.

GENERAL ADMINISTRATIVE EXPENSES

The conferees are concerned that the establishment and operation of the Western Water Policy Review Commission has been delayed for nearly two years. The Commission was established pursuant to the direction contained in Public Law 102–575 which was enacted on October 30, 1992. The statute requires the Commission's report to be submitted to the President within three years of enactment. The conferees are concerned that insufficient time remains in the three-year period expiring on October 30, 1995, for the Commission to produce a high quality report. Accordingly, the conferees urge that the first meeting of the Commission be convened at the earliest possible date, and that no later than November 1, 1994, the Secretary of the Interior apprise the relevant House and Senate committees of the likelihood of the final report being completed by October 30, 1995.

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
GENERAL INVESTIGATIONS		
ARIZONA		
TUCSON/PHOENIX WATER CONSERVATION AND EXCHANGE STUDY..	300,000	300,000
VERDE RIVER BASIN MANAGEMENT STUDY....................	125,000	125,000
CALIFORNIA		
AMERICAN RIVER FOLSOM SOUTH OPTIMIZATION STUDY.........	---	400,000
IMPERIAL VALLEY AGRICULTURAL DRAINAGE..................	75,000	75,000
SALTON SEA RESEARCH PROJECT............................	---	100,000
SAN FRANCISCO AREA WATER RECLAMATION STUDY.............	---	790,000
SOUTHERN CALIFORNIA COMPREHENSIVE WATER................	325,000	325,000
COLORADO		
GRAND VALLEY PROJECT WATER CONSERVATION STUDY	63,000	63,000
YAMPA RIVER WATER SUPPLY STUDY	100,000	100,000
IDAHO		
IDAHO RIVER SYSTEMS MANAGEMENT.........................	100,000	100,000
UPPER SALMON RIVER WATER OPTIMIZATION STUDY............	100,000	100,000
MONTANA		
FORT PECK RESERVATION, INDIAN WATER RIGHTS ASSESSMENT.	---	150,000
MUSSELSHELL RIVER WATER MANAGEMENT PLAN................	50,000	50,000
WESTERN MONTANA WATER CONSERVATION STUDY...............	200,000	200,000
NEW MEXICO		
MIDDLE RIO GRANDE ASSESSMENT/MGMT STUDY................	100,000	100,000
PECOS RIVER BASIN FISH AND WILDLIFE....................	50,000	50,000
RIO PUERCO WATERSHED SEDIMENTATION & WATER QUALITY STU	200,000	200,000
SAN JUAN RIVER - GALLUP WATER SUPPLY STUDY.............	---	300,000
OREGON		
CARLTON LAKE RESTORATION...............................	200,000	200,000
CENTRAL OREGON IRRIGATION SYSTEM.......................	100,000	100,000
GRANDE RONDE WATER OPTIMIZATION STUDY..................	59,000	59,000
NORTHWEST OREGON REGIONAL WATER SUPPLY STUDY	250,000	250,000
OREGON STREAM RESTORATION PLANNING STUDY...............	200,000	200,000
OREGON SUBBASIN CONSERVATION PLANNING..................	200,000	200,000
OWYHEE PROJECT STORAGE OPTIMIZATION STUDY..............	150,000	150,000
UPPER DESCHUTES RIV BASIN WATER CONSERVATION PROJ......	120,000	120,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
SOUTH DAKOTA		
BLACK HILLS REGIONAL WATER MANAGEMENT STUDY...........	100,000	100,000
TRI COUNTY, SD..	---	150,000
TEXAS		
EDWARDS ACQUIFER REG. WATER RESOURCES & MGMT STUDY....	240,000	240,000
LOWER RIO GRANDE BASIN STUDY..........................	175,000	175,000
RINCON BAYOU-NUECES MARSH WETLANDS....................	90,000	90,000
UTAH		
WEBER BASIN WATER QUALITY/WATERSHED...................	150,000	150,000
VARIOUS		
COLORADO RIVER WATER QUALITY IMPROVEMENT PROGRAM......	1,245,000	1,245,000
DROUGHT INVESTIGATION PROGRAM.........................	80,000	80,000
ENVIRONMENTAL & INTERAGENCY COORDINATION ACTIVITIES...	1,695,000	1,695,000
GENERAL PLANNING STUDIES..............................	1,970,000	1,970,000
INVESTIGATION OF EXISTING PROJECTS....................	512,000	512,000
LOWER COLORADO RIVER REGULATORY STORAGE STUDY.........	150,000	150,000
MINOR WORK ON COMPLETED INVESTIGATIONS................	220,000	220,000
MISSOURI RIVER BASIN WATER RESOURCE MGMT PLANS........	250,000	250,000
PALLID STURGEON RECOVERY DECISION SUPPORT SYSTEM......	140,000	140,000
TECHNICAL ASSISTANCE TO STATES........................	1,866,000	1,866,000
UPPER SNAKE RIVER BASIN SALMON MIGRATION WATER STUDY..	300,000	300,000
UPPER SNAKE RIVER BASIN STORAGE OPTIMIZATION..........	200,000	200,000
WEST TEXAS/SOUTHERN NEW MEXICO WATER RESOURCE INVEST..	150,000	150,000
ASSOCIATED ITEMS		
UNDISTRIBUTED REDUCTION FOR ANTICIPATED SAVINGS, SLIPPAGE AND DELAYS..................................	---	-300,000
TOTAL, GENERAL INVESTIGATIONS..................	12,600,000	14,190,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
CONSTRUCTION PROGRAM		
CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS		
CALIFORNIA		
CENTRAL VALLEY PROJECT:		
AUBURN-FOLSOM SOUTH UNIT	2,182,000	2,182,000
DELTA DIVISION	6,024,000	8,502,000
MISCELLANEOUS PROJECT PROGRAMS	2,350,000	8,285,000
SACRAMENTO RIVER DIVISION	---	3,460,000
SAN LUIS UNIT	100,000	676,000
SHASTA DIVISION	5,000,000	18,000,000
TRINITY RIVER RESTORATION PROGRAM	5,000,000	5,000,000
SAN DIEGO AREA WATER RECLAMATION PROJECT	---	2,500,000
SAN GABRIEL BASIN PROJECT	5,000,000	5,000,000
LOS ANGELES AREA WATER RECLAMATION AND REUSE PROJECT	5,250,000	8,250,000
SAN JOSE AREA WATER RECLAMATION AND REUSE PROGRAM	---	1,750,000
COLORADO		
GRAND VALLEY UNIT, TITLE II, CRBSCP	7,270,000	7,270,000
LOWER GUNNISON BASIN UNIT, TITLE II, CRBSCP	698,000	698,000
PARADOX VALLEY UNIT, TITLE II, CRBSCP	3,050,000	3,050,000
NORTH DAKOTA		
GARRISON DIVERSION UNIT, P-SMBP	30,000,000	32,000,000
OREGON		
UMATILLA BASIN PROJECT	10,000,000	10,000,000
SOUTH DAKOTA		
BELLE FOURCHE UNIT, P-SMBP	3,064,000	3,064,000
LAKE ANDES-WAGNER, MARTY II, SD	---	250,000
MNI WICONI PROJECT	8,400,000	14,500,000
MID DAKOTA PROJECT	---	4,000,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
WASHINGTON		
COLUMBIA BASIN PROJECT:		
IRRIGATION FACILITIES	4,800,000	4,800,000
ELWHA RIVER RESTORATION	400,000	---
VARIOUS		
BOULDER CANYON PROJECT, AZ-NV	3,101,000	3,101,000
COLUMBIA AND SNAKE RIVER, SALMON RECOVERY PROJECT	5,600,000	5,600,000
COLORADO RIVER BASIN SALINITY CONTROL PROJ., TITLE I	3,501,000	3,501,000
ENDANGERED SPECIES CONSERVATION/RECOVERY PROJECTS	1,454,000	1,454,000
ENDANGERED SPECIES RECOVERY IMPLEMENTATION PROGRAM	5,546,000	5,546,000
INDIAN WATER RIGHTS SETTLEMENT PROJECTS	3,523,000	3,523,000
SUBTOTAL, REGULAR CONSTRUCTION	121,313,000	165,962,000
DRAINAGE AND MINOR CONSTRUCTION:		
COLORADO RIVER FRONT WORK & LEVEE SYSTEM, AR, CO	2,700,000	2,700,000
CULTURAL RESOURCES ACT., ID,ND,MT,OR,SE,WA,WY	34,000	34,000
HUNGRY HORSE SELECTABLE WITHDRAWAL	1,072,000	4,722,000
KLAMATH PROJECT, OREGON-CALIFORNIA	2,700,000	2,700,000
LEADVILLE / ARKANSAS RIVER RECOVERY	500,000	500,000
MC GEE CREEK PROJECT, OKLAHOMA	135,000	135,000
MOUNTAIN PARK PROJECT, OKLAHOMA	1,500,000	1,500,000
COSTILLA DAM, NM	---	4,827,000
NEWLANDS PROJECT, NEVADA	1,575,000	1,575,000
NUECES RIVER PROJECT, TEXAS	170,000	170,000
PALMETTO BEND PROJECT, TEXAS	75,000	75,000
PICK-SLOAN MISSOURI BASIN PROGRAM:		
BOSTWICK DIVISION, NEBRASKA	100,000	600,000
EAST BENCH UNIT, MONTANA	50,000	50,000
FARWELL UNIT, NEBRASKA	60,000	210,000
NORTH LOUP DIVISION, P-SMBP	2,781,000	2,781,000
OAHE UNIT, SOUTH DAKOTA	100,000	100,000
OWL CREEK UNIT, WYOMING	15,000	15,000
RAPID VALLEY D&MC	335,000	335,000
RECLAMATION RECREATION MANAGMENT ACT - TITLE 28	11,000,000	6,938,000
RECREATION FACILITIES AT EXISTING RESV, VARIOUS	150,000	150,000
WETLANDS DEVELOPMENT, VARIOUS	3,102,000	5,602,000
YAKIMA FISH PASSAGE/PROTECTIVE FACILITIES, WA	160,000	160,000
SUBTOTAL, DRAINAGE AND MINOR CONSTRUCTION	28,314,000	35,879,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
SAFETY OF DAMS PROGRAMS:		
DEPARTMENT OF INTERIOR DAM SAFETY PROGRAM	850,000	850,000
ITITIATE SOD CORRECTION ACTION, VARIOUS	18,389,000	18,389,000
MODIFICATION REPORTS & PRECONSTRUCTION ACTIVITY	2,500,000	2,500,000
SALT RIVER PROJECT, BARTLETT DAM, ARIZONA	15,846,000	15,846,000
SALT RIVER PROJECT, HORSESHOE DAM, ARIZONA	3,369,000	3,369,000
SALT RIVER PROJECT, STEWART MTN. DAM, ARIZONA	887,000	887,000
SAN CARLOS IRRIGATION - COOLIDGE DAM, ARIZONA	8,126,000	8,126,000
UMATILLA PROJECT, COLD SPRINGS DAM	7,150,000	7,150,000
SUBTOTAL, SAFETY OF DAMS	57,117,000	57,117,000
REHABILITATION AND BETTERMENT:		
MILK RIVER, GLASGOW DIVISION, MT	225,000	225,000
OGDEN RIVER PROJECT, UTAH	1,508,000	1,508,000
SHOSHONE PROJECT	1,700,000	1,700,000
WEBER BASIN PROJECT, UTAH	6,528,000	6,528,000
SUBTOTAL, REHABILITATION AND BETTERMENT	9,961,000	9,961,000
SCIENCE AND TECHNOLOGY:		
WATER TREATMENT TECHNOLOGY	1,700,000	1,700,000
GLOBAL CLIMATE CHANGE	525,000	525,000
GROUNDWATER RECHARGE DEMONSTRATION PROGRAM	1,765,000	2,265,000
WATERSHED MIODELING SYSTEM INTIATIVE	1,000,000	1,000,000
WATER TECHNOLOGY/ENVIRONMENTAL RESEARCH	3,000,000	3,000,000
SUBTOTAL, SCIENCE AND TECHNOLOGY	7,990,000	8,490,000
TOTAL, CONSTRUCTION AND REHABILITATION AND COLORADO RIVER BASIN SALINITY CONTROL PROJECTS	224,695,000	277,409,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
COLORADO RIVER STORAGE PROJECT		
UPPER COLORADO RIVER BASIN FUND AND PARTICIPATING PROJECTS		
COLORADO		
ANIMAS-LA PLATA PROJECT	6,600,000	6,600,000
DOLORES PROJECT	2,931,000	2,931,000
UTAH		
CENTRAL UTAH PROJECT, BONNEVILLE UNIT	13,480,000	13,480,000
DRAINAGE & MINOR CONSTRUCTION:		
PARTICIPATING PROJECTS:		
DALLAS CREEK PROJECT	261,000	261,000
RECREATIONAL AND FISH AND WILDLIFE FACILITIES:		
RECREATIONAL FACILITIES	3,835,000	3,835,000
FISH AND WILDLIFE FACILITIES	3,371,000	3,371,000
TOTAL, COLORADO RIVER STORAGE PROJECT	30,478,000	30,478,000
COLORADO RIVER BASIN PROJECT		
CENTRAL ARIZONA PROJECT		
ARIZONA		
CENTRAL ARIZONA PROJECT, WATER DEVELOPMENT (LCRBDF)	146,293,000	153,793,000
CENTRAL ARIZONA PROJECT, SAFETY OF DAMS	9,797,000	9,797,000
TOTAL, COLORADO RIVER BASIN PROJECT	156,090,000	163,590,000
ASSOCIATED ITEMS		
UNDISTRIBUTED REDUCTION BASED ON ANTICIPATED DELAYS	-30,357,000	-38,750,000
TOTAL, CONSTRUCTION PROGRAM	380,906,000	432,727,000

BUREAU OF RECLAMATION

PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
LOAN PROGRAM		
EASTERN MUNICIPAL CALIFORNIA WATER DISTRICT NO. 3.....	2,000,000	2,000,000
TOHONO O'ODHAM SCHUK TOAK..................................	1,000,000	1,000,000
INITIATION OF NEW LOANS....................................	---	6,000,000
LOAN ADMINISTRATION..	600,000	600,000
TOTAL, LOAN PROGRAM..	3,600,000	9,600,000

TITLE III

DEPARTMENT OF ENERGY

. The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs and activities of the Department of Energy. Additional items of conference agreement are discussed below.

APPLICATION OF GENERAL REDUCTIONS

With regard to any general reductions contained in the Fiscal Year 1995 Energy and Water Development Appropriations Act, with the exception of activities specifically addressed by the Committees, the conferees recommend that the Department of Energy apply those reductions in the most prudent and practical manner. Any such reduction should be taken in a manner that is cost effective and generally least disruptive to the Department's missions and programs. The Department continues to maintain significant amounts of prior year uncosted balances, particularly in capital equipment and construction project accounts. In applying any general reductions, the Department should seek to reduce these balances as much as possible. Furthermore, the Department shall consult with and make their plans for these reductions available to the House and Senate Energy and Water Development Appropriations Subcommittee prior to implementing the reductions.

The conferees agree with the provisions contained in the House report concerning Construction Project Reporting Requirements and the provisions contained in the Senate report concerning Technology Transfer, Environmental Remediation Coordination and Departmental reprogrammings.

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

Amendment No. 26: Appropriates $3,314,548,000 for Energy Supply, Research and Development activities instead of $3,302,170,000 as proposed by the House and $3,329,728,000 as proposed by the Senate.

Amendment No. 27: Deletes language proposed by the Senate concerning the construction of the Tokamak Physics Experiment including authorization restrictions.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided, That the Secretary of Energy may transfer available amounts appropriated for use by the Department of Energy under title III of previously enacted Energy and Water Development Appropriations Acts into the Isotope Production and Distribution Program Fund, in order to continue isotope production and distribution activities: Provided further, That the authority to use these amounts appropriated is effective from the date of enactment of this Act: Provided further, That fees set by the Secretary for the sale of isotopes and related services shall hereafter be determined without regard to the provisions of Energy and Water Development Appropriations Act (P.L. 101–101): Provided further, That amounts provided for isotope production and distribution in previous Energy and Water Development Appropriations Acts shall be treated as direct appropriations and shall be merged with funds appropriated under this head.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Previous Energy and Water Development Appropriations Acts established an Isotope Production and Distribution Program Fund which included a working fund and the retention of revenues. The Administration has sought an amendment to fund the isotope program in the Energy Supply, Research and Development Activities appropriation in order to allow greater flexibility in the production, pricing and sale of isotopes for medical and industrial use. The conferees agree with the amendment of the Senate with an amendment that further clarifies this change.

Amendment No. 29: Deletes language proposed by the Senate specifying funding for specifice solar and renewable activities. This amendment is incorporated in the tables accompanying the statement of the managers.

Amendment No. 30: Deletes language proposed by the Senate. This language is incorporated in Amendment No. 28.

Amendment No. 31: Deletes language proposed by the Senate concerning the hydrogen research program. The hydrogen research and development program is funded at $10,000,000 as proposed by the House which represents a $4,500,000 increase over the budget request. From within these funds, up to $250,000 may be made available to an institution where expertise in electrochemical (fuel cells), thermochemical and photochemical reactions for hydrogen production may be synergistically studied and the application to gas storage and alternate vehicle technology may be integrated.

Amendment No. 32: Deletes language proposed by the Senate concerning the hydropower research and development. This amendment is incorporated in the tables accompanying the statement of the managers.

SOLAR AND RENEWABLE ENERGY PROGRAMS

The conferees agree that the solar and renewables program is funded at $388,108,000 as indicated in the tables. The programs and activities are to be funded at the highest level described in either the House or Senate reports, unless otherwise directed in this report.

The conferees direct that $5,000,000 be restored to biochemical conversion in addition to the amount in the budget request from within available funds provided for biofuel energy systems.

The conferees agree to include $14,000,000 in research funds for electric and magnetic fields research based on information that the non-Federal cost-share of the program will be $8,000,000 for fiscal year 1995.

The conferees agree to fund the hydropower research and development program at $1,500,000 as proposed by the Senate, including the jointly funded program to develop an energy-efficient turbine that reduces the environmental impact on fish species.

The conferees have provided the House-recommended level for the Geysers wastewater effluent project and recognize the potential future application of this technology to the Department of Energy in achieving the goals of the National Energy Plan.

NUCLEAR ENERGY PROGRAMS

The conferees agree to increase the funding for Advanced Light Water Reactors by $14,000,000 as proposed by the Senate which brings the total funding for this program in fiscal year 1995 to $65,000,000. The conferees recommend that the Department of Energy require that the private sector match this increase and that the Government contribution be repaid out of royalties on the first commercial sale of this reactor design.

The conferees agree to fund the passively safe Gas Turbine-Modular Helium Reactor at $12,000,000. This turbine generating system powered by a passively safe nuclear reactor offers the potential of a cleaner, more economical and safe way to generate electricity.

The conferees agree to fund the Isotope Support line item in the Energy Supply, Research and Development Activities appropriation as requested by the Administration in a budget amendment and as recommended by the Senate. The conferees also recommend eliminating the Isotope Production and Distribution appropriation as proposed by the Senate in Amendment No. 40.

The conferees have agreed to terminate the Integral Fast Reactor/Advanced Liquid Metal Reactor (IFR/ALMR) program. A total of $83,800,000 is provided for shutdown of EBR II and termination of the program beginning this fall, as proposed by the House. In the termination process, the Department is to maximize the research on actinide recycle, and, as proposed by the Administration, should also retain such facilities as necessary, especially the pyroprocessing facilities, to provide for alternative missions at Argonne National Laboratory in Idaho and Illinois. The Department is encouraged to identify alternate funding sources for the unfunded alternative missions at Argonne National Laboratory's facilities in Idaho and Illinois.

ENVIRONMENT, SAFETY AND HEALTH

Because of budget constraints and the late arrival of the Administration's budge amendment, the conferees have included $126,740,000 as proposed by the House.

BIOLOGICAL AND ENVIRONMENTAL RESEARCH

The conferees agree to provide $5,000,000 to assist the University of Nebraska Medical Center in the development of its transplant center as proposed by the Senate.

The conferees also agree to provide $5,000,000 for the Biomedical Information Communication Center at the Oregon Health Sciences University as proposed by the Senate.

The conferees provide $3,000,000 to enable the Department to proceed in fiscal year 1995 with the Conceptual Design Phase of the National Biomedical Tracer Facility (NBTF). This phase would follow the conclusions of the Institute of Medicine study on the need for the NBTF and expand the grant previously awarded during the Project Definition Phase by supporting the development of site-specific designs and program plans. The above activities should provide DOE with the information necessary to include firm recommendations on the siting and development of the NBTF in its subsequent budget requests to Congress.

MAGNETIC FUSION

It is the intent of the conferees that the Tokamak Physics Experiment (TPX) project proceed with design activity only, including industrial participation in the engineering design and research and development and includes $42,000,000 for this activity. The conferees recognize the very significant scientific accomplishments of the deuterium-tritium (D–T) experiments on the Tokamak Fusion Test Reactor (TFTR) in support of the ITER design, and it is the intent of the conferees that these important experiments continue until construction of TPX is approved. Therefore, in fiscal year 1995, $65,000,000 is provided for continuation of TFTR experiments. $8,000,000 is included for the PBX–M program. With regard to TPX design, the Department of Energy is directed to use standard, phased industrial contracts for these design activities, with options for construction that would permit continuity and would allow the project to be completed in the most efficient and cost-effective manner. $2,000,000 may be used for the purchase of long lead-time superconducting material critical to maintaining the schedule of the project.

The conferees also provide $52,000,000 for the DIII-D Tokamak facility and $8,700,000 for the Inertial Confinement Fusion program including an increase of $2,000,000 for the induction linac systems experiment (ILSE) to enable this program to proceed on a timely and cost-effective schedule.

Because of the large budgetary requirements needed in the future for the fusion energy development program and other issues related to the development of fusion as an attractive energy resource, the conferees urge the President's Advisory Council on Science and Technology to undertake a review and evaluation of magnetic fusion and inertial confinement fusion energy development. The Council is also urged to issue a report that will help shape the direction of the Nation's effort on these important energy sources for the future.

SUPPORTING RESEARCH AND TECHNICAL ANALYSIS

The conferees agree to the budget request for Advanced Computational Technology Initiatives as proposed in the budget and funded by the Senate.

The conferees recommend $20,000,000 for operating expenses and $1,000,000 for capital equipment to continue the research and design of the Advanced Neutron Source. It is the intent of the conferees that the ANS project proceed with the design activity including immediate implementation of the planned industrial participation in the engineering design and research and development.

The conferees agree to include $3,700,000 to continue the Midwest Superconductivity Consortium as proposed by the Senate.

The conferees agree to continue the support for the work done at Florida State University's Super Computations Research Institute and include $5,900,000 as proposed by the House.

The conferees agree to fund and implement Indian energy resource programs authorized under section 2603 of the Energy Policy Act of 1992 as proposed by the House. The conferees support the use of funds to initiate the Tazimina hydroelectric project near Iliamna, Alaska.

The conferees agree to provide an additional $3,000,000 for the Division of Energy Biosciences for peer-reviewed, competitive grants as proposed by the Senate.

The conference agreement provides $500,000 to continue the partnership begun in 1992 with Lawrence Livermore and Sandia National Laboratories, Southern University, and other institutions of higher education to support the Louisiana systemic initiative which will address the need to increase representation of minorities and women in science, math technology, engineering, and related disciplines.

The conference agreement provides an additional $5,000,000 under university and science education programs to establish the Center for Minorities in Science, Engineering, and Technology at existing facilities at Southern University and A&M College System in Baton Rouge, Louisiana.

The conferees agree with the strong support of both the House and Senate with regard to the Boron Neutron Capture Therapy Program. The conferees agree that if additional facilities are required, the Committees will entertain a proposal justifying the requirements.

ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (NON-DEFENSE)

The conferees agree to provide $4,000,000 to continue the University Research Program in Robotics as proposed by the House.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

The conferees agree with the increases in operating costs and construction costs as proposed by the Administration and the Senate.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which specifies the funding of title X, subtitle A of the Energy Policy Act of 1992.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

Amendment No. 34: Appropriates $984,031,000 for General Science and Research Activities instead of $989,031,000 as proposed by the House and $973,632,000 as proposed by the Senate. Specific funding allocations are included in the tables accompanying this report.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that not to exceed $65,000,000 shall be available as a one-time contribution for the completion, with modification, of partially completed facilities at the Superconducting Super Collider (SSC) project site if the Secretary determines such one-time contribution (i) will assist the maximization of the value of the investment made in the facilities and (ii) is in furtherance of a settlement of the claims that the State of Texas has asserted against the United States in connection with the termination of the SSC project. No funding shall be made available as a contribution to operating expenses of such facilities.

NUCLEAR WASTE DISPOSAL FUND

Amendment No. 36: Appropriates $392,800,000 for the Nuclear Waste Disposal Fund instead of $304,800,000 as proposed by the House and $402,800,000 as proposed by the Senate.

The conferees recognize that the University of Nevada System has unique scientific expertise that can help answer questions posed by the Yucca Mountain project. To the greatest extent possible, the Department should utilize these capabilities. Therefore, the conferees direct that, of the amount appropriated herein, no less than $3,700,000 shall be available for infrastructure studies and other research and development work to be carried out by the University of Nevada-Reno, the University of Nevada-Las Vegas, the Desert Research Institute, and the Community of Southern Nevada, including $1,250,000 to the Center for Environmental Studies at the University of Nevada-Las Vegas for these purposes. Funding to the universities will be administered by the Department of Energy through a cooperative agreement.

Amendment No. 37: Provides $5,500,000 for oversight responsibility by the State of Nevada as proposed by the Senate instead of $6,000,000 as proposed by the House.

Amendment No. 38: Provides $7,000,000 for affected local governments of the Nuclear Waste Disposal Fund as proposed by the Senate instead of $8,500,000 as proposed by the House.

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that distribution of funds to local governments shall be determined by the Department of Energy and shall be made available to the state and affected units of local government by direct payment.

ISOTOPE PRODUCTION AND DISTRIBUTION PROGRAM FUND

Amendment No. 40: Deletes language proposed by the House providing funds for the Isotope Production and Distribution Program Fund. Funding for this activity is provided under the Energy Supply, Research and Development Activities appropriation.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

Amendment No. 41: Appropriates $3,229,069,000 instead of $3,201,369,000 as proposed by the House and $3,251,268,000 as proposed by the Senate, and deletes language proposed by the House directing specific funding levels for inertial confinement fusion program participants.

Inertial confinement fusion

The conferees reiterate concerns expressed by the Senate with respect to the program management of the inertial confinement fusion program within the Department and the continued disregard of committee and congressional direction to fund ongoing activities in a manner which provides for efficient operation and completion of the laser upgrades. Statutory language directing specific funding levels for program participants as proposed by the House has been deleted based on the Department's assurances that congressional concerns will be addressed.

Technology transfer

The conferees have provided the budget request of $215,794,000 for the technology transfer program as proposed by the Senate.

Nevada test site

The transfer of $152,419,000 from testing to research and development for stockpile stewardship is not intended to reduce or otherwise affect the Department's plans to expend funds as originally proposed for experimentation at the Nevada Test Site. The conferees believe that in order to maintain the Nevada Test Site in a cost effective manner, the Department should seek to utilize fully, consistent with national policy, the valuable test, demonstration and operational resources available to the Nevada Test Site.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

Amendment No. 42: Appropriates $5,092,691,000 instead of $5,128,211,000 as proposed by the House and $5,083,691,000 as proposed by the Senate.

Construction funding of $7,000,000 has been provided for project 95–E–600, the Hazardous Materials Training Center in Richland, Washington.

The conference agreement provides $1,000,000 for the scholarship and fellowship program, and $17,500,000 for the risk assessment initiative.

Waste Isolation Pilot Plant

The conferees have agreed to provide $178,600,000 for the Waste Isolation Pilot Plant.

Program taxes

There are indications that the Department is taxing the defense environmental restoration and waste management program to fund activities both within the program and throughout the Department which were never identified in the budget request. The conferees strongly reiterate their position that program taxes are not to be used to fund activities which were not identified in the budget justification materials presented for Congressional review.

Funding adjustments

The conferees have not accepted the Senate's proposal of a general reduction of $25,000,000 to this account. However, due to the large uncosted funding balances which continue to be maintained, the conferees have increased the use of prior year balances by $9,000,000 for a total of $249,300,000.

Amendment No. 43: Deletes language proposed by the House making funds previously appropriated for the Waste Isolation Pilot Plant available for other purposes.

These funds remain available for disbursement to the State of New Mexico upon compliance with the provision in Public Law 102–104, the Energy and Water Development Appropriations Act for fiscal year 1992.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

Amendment No. 44: Appropriates $1,849,657,000 instead of $1,842,204,000 as proposed by the House and $1,865,910,000 as proposed by the Senate.

Fissile Materials Control and Disposition

The conferees agree to provide $50,000,000 for Fissile Materials Control and Disposition, and direct that not less than $15,000,000 of those funds be expended as proposed by the Senate for the application of reactor technologies in the marketplace in such a way as to minimize cost to the government, and to maximize efficiency of the technology, both in terms of producing tritium and for generation of electricity for commercial sale to regional utilities. Further, the Department is directed to submit to the respective subcommittees, within 180 days, a report on the technological feasibility of a multipurpose, light water reactor for the disposition of plutonium and the production of tritium. Such report shall evaluate the impacts of a multipurpose reactor on the cost, schedule and reliability of the programs for both plutonium and tritium production, as well as the extent to which overall program costs can be offset through private financing of the construction, operation and ownership of the facility, and/or the sale of electricity.

The conferees also urge the Department to ensure that adequate funds, in the range of current year levels, be made available to continue the current accelerator production of tritium project and the accelerator-driven transmutation technology to dispose of plutonium.

Naval reactors

The conferees are unable to restore the funding reduction proposed by the House, but have recommended that the $5,000,000 reduction be applied to reactor operation and evaluation rather than reactor development.

Funding adjustments

The conferees have not accepted the Senate's proposal of a general reduction of $18,000,000 to this account. However, due to the large uncosted funding balances which continue to be maintained, the conferees have increased the use of prior year balances by $12,000,000 for a total of $401,406,000.

DEPARTMENT ADMINISTRATION

The conferees agree with the Senate proposed allocation of funding for general management expenses.

Within this appropriation account, funds have been realigned to reflect the correct distribution of salaries and other expenses for the scientific and engineering training and development program and the environmental policy studies program.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION

Amendment No. 45: Deletes language proposed by the House reducing funds available for obligation in fiscal year 1995 by $485,000.

The conferees support the Senate provision regarding the Bonneville Power Administration's efforts to achieve regional conservation goals. Bonneville should promote these goals while also recognizing the local decisionmaking authority of consumer owned utility systems.

The conferees are aware that the Administration will assume costs of the additional mitigation measures to protect endangered and threatened stocks of salmon in the Columbia and Snake river basins through spill and flow augmentation for 1994 since these additional measures go beyond those called for in the current biological opinion governing the operation of the Federal Columbia River Power System. While there is no objection to the recent decision to provide emergency short-term financial assistance for these expenses, the conferees are concerned that the decision to fund these costs by crediting the Bonneville Power Administration's repayment to Treasury may have broader financial and policy implications. The conferees expect the Department of Energy and the Office of Management and Budget to work with the House and Senate Committees on Appropriations to outline the budgetary principles to be applied if it appears there will be a continuing need for this assistance. The conferees also expect the Administration to work with the Committees on Appropriations to identify the appropriate financing mechanisms to be included in the President's budget.

WESTERN AREA POWER ADMINISTRATION

Amendment No. 46: Appropriates $222,285,000 as proposed by the Senate instead of $224,085,000 as proposed by the House.

Department of Energy

	Budget Estimate	Conference
ENERGY SUPPLY RESEARCH AND DEVELOPMENT		
SOLAR AND RENEWABLE ENERGY		
Solar Energy		
A. Solar applications		
1. Solar building technology research		
Operating expenses	4,505,000	4,505,000
Capital equipment	187,000	187,000
Total, Solar building technology research	4,692,000	4,692,000
2. Photovoltaic energy systems		
Operating expenses	90,400,000	90,000,000
Capital equipment	4,000,000	1,000,000
Total, Photovoltaic energy systems	94,400,000	91,000,000
3. Solar thermal energy systems		
Operating expenses	32,593,000	32,000,000
Capital equipment	700,000	700,000
Total, Solar thermal energy systems	33,293,000	32,700,000
4. Biofuels energy systems		
Operating expenses	59,152,000	59,152,000
Capital equipment	2,960,000	2,960,000
Total, Biofuels energy systems	62,112,000	62,112,000
5. Wind energy systems		
Operating expenses	50,710,000	48,000,000
Capital equipment	1,000,000	1,000,000
Total, Wind energy systems	51,710,000	49,000,000
Total, Solar applications	246,207,000	239,504,000

Department of Energy

	Budget Estimate	Conference
B. Other solar energy		
1. International solar energy program - OE	13,129,000	9,250,000
2. Solar technology transfer - OE	16,090,000	16,090,000
3. National renewable energy laboratory		
Capital equipment	1,548,000	1,548,000
Construction:		
General plant projects	1,665,000	1,665,000
95-E-103 South table mountain site infrastructure, Golden, CO	2,750,000	2,750,000
Total, Construction	4,415,000	4,415,000
Total, National renewable energy laboratory	5,963,000	5,963,000
4. Resource assessment		
Operating expenses	4,300,000	3,700,000
Capital equipment	400,000	400,000
Total, Resource assessment	4,700,000	4,100,000
5. Solar program support - OE	5,407,000	5,407,000
6. Program direction - OE	9,460,000	8,200,000
Total, Other solar energy	54,749,000	49,010,000
Total, Solar Energy	300,956,000	288,514,000
(Operating expenses)	(285,746,000)	(276,304,000)
(Capital equipment)	(10,795,000)	(7,795,000)
(Construction)	(4,415,000)	(4,415,000)

Department of Energy

	Budget Estimate	Conference
Geothermal		
A. Geothermal technology development - OE	43,377,000	35,277,000
B. Program direction - OE	1,000,000	1,000,000
C. Capital equipment	900,000	900,000
Total, Geothermal	45,277,000	37,177,000
(Operating expenses)	(44,377,000)	(36,277,000)
(Capital equipment)	(900,000)	(900,000)
Hydrogen research.- OE	5,500,000	10,000,000
Hydropower		
A. Small scale hydropower development - OE	910,000	1,410,000
B. Program direction - OE	90,000	90,000
Total, Hydropower	1,000,000	1,500,000
Electric energy systems and storage		
A. Electric energy systems		
1. Electric field effects research - OE	16,000,000	14,000,000
2. Reliability.research - OE	6,200,000	6,200,000
3. System and materials research.- OE	23,000,000	19,000,000
4. Program direction - OE	850,000	850,000
Total, Electric energy systems	46,050,000	40,050,000
B. Energy storage systems		
1. Battery storage - OE	5,700,000	5,700,000
4. Program direction - OE	350,000	350,000
Total, Energy storage systems	6,050,000	6,050,000
Total, Electric energy systems and storage	52,100,000	46,100,000
(Operating expenses)	(52,100,000)	(46,100,000)
Policy and management	4,817,000	4,817,000
TOTAL, SOLAR AND RENEWABLE ENERGY	409,650,000	388,108,000

Department of Energy

	Budget Estimate	Conference
NUCLEAR ENERGY		
A. Nuclear energy R & D		
1. Light water.reactor - OE	51,000,000	65,000,000
2. Advanced reactor R & D		
Operating expenses	8,700,000	20,700,000
3. Space reactor power systems -.OE	1,500,000	1,500,000
4. Advanced radioisotope power system		
Operating expenses	59,083,000	59,083,000
Capital equipment	2,000,000	2,000,000
Total, Advanced radioisotope power system	61,083,000	61,083,000
5. Facilities		
Operating expenses	40,300,000	7,100,000
6. Program direction	12,500,000	12,500,000
7. Policy and management - OE	11,900,000	11,900,000
8. Test reactor area hot cells		
Operating expenses	1,245,000	1,245,000
Capital equipment	200,000	200,000
Total, Test reactor area hot cells	1,445,000	1,445,000
9. Oak Ridge landlord		
Operating expenses	12,923,000	10,164,000
Capital equipment	2,981,000	1,981,000
Construction:		
GPN-103 General plant projects	3,255,000	2,255,000
Total, Oak Ridge landlord	19,159,000	14,400,000

Department of Energy

	Budget Estimate	Conference
10. Test reactor area landlord		
Operating expenses	1,500,000	1,500,000
Construction:		
GP-N-102 General plant projects, Idaho National Engineering Laboratory, ID	750,000	750,000
95-E-201 Test reactor area fire and life safety improvements, Idaho National Engineering Laboratory, ID	1,750,000	1,750,000
Total, Construction	2,500,000	2,500,000
Total, Test reactor area landlord	4,000,000	4,000,000
11. Advanced test reactor fusion irradiation	3,500,000	3,500,000
Total, Nuclear energy R & D	215,087,000	203,128,000
(Operating expenses)	(204,151,000)	(194,192,000)
(Capital equipment)	(5,181,000)	(4,181,000)
(Construction)	(5,755,000)	(4,755,000)
B. Termination costs		
Operating expenses	70,250,000	63,000,000
Capital equipment	1,000,000	1,000,000
Construction:		
GPN-102 General plant projects	2,500,000	2,500,000
95-E-207 Modifications to reactors, experimental breeder reactor - II sodium processing facility Argonne National Laboratory-West, ID	1,500,000	1,500,000
92-E-200 Modifications to reactors, experimental breeder reactor-II fuel handling major maintenance, Argonne National Laboratory-West, ID	2,500,000	2,500,000
Total, Construction	6,500,000	6,500,000
Total, Termination costs	77,750,000	70,500,000
C. Isotope support - OE	19,600,000	19,600,000
TOTAL, NUCLEAR ENERGY	312,437,000	293,228,000
(Operating expenses)	(294,001,000)	(276,792,000)
(Capital equipment)	(6,181,000)	(5,181,000)
(Construction)	(12,255,000)	(11,255,000)

Department of Energy

	Budget Estimate	Conference
CIVILIAN WASTE RESEARCH AND DEVELOPMENT		
A. Spent fuel storage R&D - OE........................	593,000	593,000
B. Program direction - OE.............................	110,000	110,000
TOTAL, CIVILIAN WASTE RESEARCH AND DEVELOPMENT........	703,000	703,000
ENVIRONMENT, SAFETY AND HEALTH		
Operating expenses....................................	177,845,000	125,240,000
Capital equipment.....................................	1,500,000	1,500,000
TOTAL, ENVIRONMENT, SAFETY AND HEALTH.................	179,345,000	126,740,000
NUCLEAR SAFETY POLICY - OE............................	17,180,000	17,180,000

Department of Energy

	Budget Estimate	Conference
ENERGY RESEARCH		
A. Biological and environmental research		
1. Biological and environmental research R&D		
Operating expenses	330,921,000	340,921,000
Capital equipment	25,701,000	25,701,000
Construction:		
GP-E-120 General plant projects	3,500,000	3,500,000
94-E-337 Advanced light source structural biology support facility, LBL	4,700,000	4,700,000
94-E-338 Structural biology center, ANL	6,700,000	6,700,000
94-E-339 Human genome lab, LBL	15,800,000	15,800,000
91-EM-100 Environmental & molecular sciences laboratory, PNL, Richland, WA	40,000,000	40,000,000
Total, Construction	70,700,000	70,700,000
Total, Biological and environmental research R&D	427,322,000	437,322,000
2. BER program direction - OE	7,500,000	7,500,000
Total, Biological and environmental research	434,822,000	444,822,000
(Operating expenses)	(338,421,000)	(348,421,000)
(Capital equipment)	(25,701,000)	(25,701,000)
(Construction)	(70,700,000)	(70,700,000)
B. Fusion energy	372,563,000	372,563,000
(Operating expenses)	(315,264,000)	(360,264,000)
(Capital equipment)	(10,299,000)	(10,299,000)
(Construction)	(47,000,000)	(2,000,000)

Department of Energy

	Budget Estimate	Conference
C. Supporting research and technical analysis		
1. Basic energy sciences		
a. Materials sciences	274,221,000	275,721,000
b. Chemical sciences	162,013,000	163,513,000
c. Applied mathematical sciences	109,367,000	109,367,000
d. Engineering and geosciences	36,837,000	36,837,000
e. Advanced energy projects	11,085,000	11,085,000
f. Energy biosciences	25,957,000	28,957,000
g. Program direction - OE	9,900,000	9,900,000
h. Capital equipment	41,537,000	41,537,000
i. Construction:		
GPE-400 General plant projects	4,500,000	4,500,000
95-E-305.Accelerator improvement projects	7,500,000	7,500,000
89-R-402.6-7 GeV syn. radiation source, ANL	58,379,000	58,379,000
Total, Construction	70,379,000	70,379,000
Total, Basic energy sciences	741,296,000	747,296,000
(Operating expenses)	(629,380,000)	(635,380,000)
(Capital equipment)	(41,537,000)	(41,537,000)
(Construction)	(70,379,000)	(70,379,000)
2. Advanced neutron source		
Operating expenses	12,300,000	20,000,000
Capital equipment	1,000,000	1,000,000
Construction:		
94-E-308 Advanced neutron source	26,700,000	---
Total, Advanced neutron source	40,000,000	21,000,000

Department of Energy

	Budget Estimate	Conference
3. Energy oversight, res. analysis & univ. support		
a. Energy research analyses -.OE................	3,531,000	3,531,000
b. University and science education programs		
i. Laboratory cooperative science centers..	30,846,000	35,846,000
ii. University programs......................	17,377,000	17,377,000
iii. University reactor fuel assistance......	3,730,000	3,730,000
iv. University research instrumentation.....	5,647,000	5,647,000
v. Program direction........................	2,944,000	2,944,000
Total, University and science.education programs	60,544,000	65,544,000
c. Laboratory technology transfer - OE..........	53,513,000	57,513,000
d. Advisory.and oversight - OE..................	12,450,000	12,450,000
Total, Energy oversight, res. anal. & univ. supt...	130,038,000	139,038,000

Department of Energy

	Budget Estimate	Conference
4. Multiprogram energy labs - facility support		
a. Multiprogram general purpose facilities		
Operating expenses	595,000	595,000
Capital equipment	5,787,000	5,787,000
Construction:		
GPE-801 General plant projects	8,740,000	8,740,000
95-E-301 Central heating plant rehabilitation, phase I (ANL)	1,307,000	1,307,000
95-E-302 Applied science center, phase I (BNL)	600,000	600,000
95-E-303 Electrical safety rehab (PNL)	240,000	240,000
95-E-310 Multiprogram laboratory rehabilitation, phase I (PNL)	400,000	400,000
94-E-351 Fuel storage and transfer facility upgrade (BNL)	2,479,000	2,479,000
94-E-363 Roofing improvements (ORNL)	3,000,000	3,000,000
93-E-313 Electrical system upgrade, phase II (ANL)	2,043,000	2,043,000
93-E-325 Potable water system upgrade, phase I (BNL)	1,863,000	1,863,000
92-E-322 East canyon electrical safety project (LBL)	1,000,000	1,000,000
92-E-324 Safety compliance modifications 326 building (PNL)	1,900,000	1,900,000
Total, Construction	23,572,000	23,572,000
Total, Multiprogram general purpose facilities	29,954,000	29,954,000

Department of Energy

	Budget Estimate	Conference
b. Multiprogram energy labs-environment, safety and health		
Operating expenses..........................	6,007,000	6,007,000
Capital equipment..........................	500,000	500,000
Construction:		
95-E-307 Fire Safety imp. III (ANL)........	210,000	210,000
95-E-308 Sanitary system.mods. II (BNL)....	960,000	960,000
95-E-309 Loss prevention.upgrades (BNL)....	600,000	600,000
93-E-315 Roof replacement, phase I (BNL)...	100,000	100,000
93-E-317 Life safety code compliance (PNL).	506,000	506,000
93-E-320 Fire and safety improvements, phase II (ANL)..........................	1,500,000	1,500,000
93-E-323 Fire and safety systems upgrade phase I (LBL)..........................	2,000,000	2,000,000
93-E-324 Hazardous materials safeguards, phase I (LBL)..........................	1,962,000	1,962,000
Total, Construction..........................	7,838,000	7,838,000
Total, Environment, safety and health..........	14,345,000	14,345,000
Inactive and surplus facilities - OE..........	500,000	500,000
Total, Multiprogram energy laboratories - fac sup..	44,799,000	44,799,000
(Operating expenses)..........................	(7,102,000)	(7,102,000)
(Capital equipment)..........................	(6,287,000)	(6,287,000)
(Construction)..........................	(31,410,000)	(31,410,000)
Total, Supporting.research and technical analysis.....	956,133,000	952,133,000
(Operating expenses)..........................	(778,820,000)	(801,520,000)
(Capital equipment)..........................	(48,824,000)	(48,824,000)
(Construction)..........................	(128,489,000)	(101,789,000)
D. Policy and management..........................	2,200,000	2,200,000
TOTAL, ENERGY RESEARCH..........................	1,765,718,000	1,771,718,000

Department of Energy

	Budget Estimate	Conference
ENERGY APPLICATIONS		
A. Technical information management program		
Operating expenses	14,715,000	14,715,000
Capital equipment	600,000	600,000
Construction	1,000,000	1,000,000
Total, Technical information management program	16,315,000	16,315,000
B. In-house energy management		
Operating expenses	6,550,000	6,550,000
Construction:		
IHE - 500 Modifications for energy mgmt	24,700,000	24,700,000
Total, In-house energy management	31,250,000	31,250,000
TOTAL, ENERGY APPLICATIONS	47,565,000	47,565,000
ENVIRONMENTAL RESTORATION AND WASTE MGMT (NON-DEFENSE)		
A. Corrective activities		
Operating expenses		
Operating expenses (undistributed)	600,000	600,000
Construction:		
92-E-601 Melton Valley liquid low level waste collection and transfer system upgrade, ORNL	9,100,000	9,100,000
88-R-830 Liquid low level waste collection and transfer system upgrade, ORNL	17,000,000	17,000,000
Total, Construction	26,100,000	26,100,000
Total, Corrective activities	26,700,000	26,700,000

Department of Energy

	Budget Estimate	Conference
B. Environmental restoration		
Operating expenses:		
1. Facilities and sites	220,165,000	220,165,000
2. Formerly utilized sites, remedial action projects	74,100,000	74,100,000
3. Uranium program mill tailings, remedial action projects	93,900,000	93,900,000
4. Uranium mill tailings, groundwater restoration.project	7,000,000	7,000,000
Total, Environmental restoration	395,165,000	395,165,000
C. Waste management		
Operating expenses:		
1. Waste operations	76,820,000	76,820,000
2. West valley	127,247,000	127,247,000
3. Low level waste	9,000,000	9,000,000
Total, Operating expenses	213,067,000	213,067,000
Capital equipment	2,191,000	2,191,000
Construction:		
GP-E-600 General plant projects	2,040,000	2,040,000
95-E-601 Radioactive waste handling facility, PPPL	1,937,000	1,937,000
94-E-601 Waste handling building, Fermilab	2,500,000	2,500,000
94-E-602 Bethel Valley federal facility agreement upgrades, ORNL	7,000,000	7,000,000
93-E-632 Laboratory floor drain collection system upgrades, BNL	571,000	571,000
93-E-633 Upgrade sanitary sewer system, ORNL	4,000,000	4,000,000
93-E-900 Long-term storage of TMI-2 fuel, INEL	4,910,000	4,910,000
91-E-305 Waste management facility project, BNL	5,160,000	5,160,000

Department of Energy

	Budget Estimate	Conference
91-E-602 Hazardous, radioactive and mixed waste storage facility, ANL	3,600,000	3,600,000
88-R-812 Hazardous waste handling facility, LBL	625,000	625,000
Total, Construction	32,343,000	32,343,000
Total, Waste management	247,601,000	247,601,000
D. Facility transition and management		
Operating expenses	74,225,000	74,225,000
Capital equipment	350,000	350,000
Total, Facility transition and managment	74,575,000	74,575,000
TOTAL, ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT	744,041,000	744,041,000
(Operating expenses)	(683,057,000)	(683,057,000)
(Capital equipment)	(2,541,000)	(2,541,000)
(Construction)	(58,443,000)	(58,443,000)
Subtotal, Energy supply research and development	3,476,639,000	3,389,283,000
Use of prior year balances	-35,683,000	-35,683,000
Productivity savings	-4,000,000	-4,000,000
GSA rent reduction	-295,000	-295,000
Procurement reform	-12,477,000	-12,477,000
General reduction	---	-22,280,000
TOTAL, ENERGY SUPPLY RESEARCH AND DEVELOPMENT	3,424,184,000	3,314,548,000
(Operating expenses)	(2,969,841,000)	(2,936,905,000)
(Capital equipment)	(107,341,000)	(103,341,000)
(Construction)	(347,002,000)	(274,302,000)

Department of Energy

	Budget Estimate	Conference
URANIUM SUPPLY AND ENRICHMENT ACTIVITIES		
A. Uranium enrichment activities		
1. Residual uranium enrichment activities		
Operating expenses	78,993,000	78,993,000
Construction	4,102,000	4,102,000
Capital equipment	1,000,000	1,000,000
Use of prior year balances	-10,885,000	-10,885,000
Total, Uranium enrichment activities	73,210,000	73,210,000
Revenues - Sales	-9,900,000	-9,900,000
TOTAL, URANIUM SUPPLY AND ENRICHMENT ACTIVITIES	63,310,000	63,310,000
(Operating expenses)	(58,208,000)	(58,208,000)
(Capital equipment)	(1,000,000)	(1,000,000)
(Construction)	(4,102,000)	(4,102,000)

Department of Energy

	Budget Estimate	Conference
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND		
UE Decontamination and Decommissioning Fund..........	301,327,000	301,327,000

Department of Energy

	Budget Estimate	Conference
GENERAL SCIENCE AND RESEARCH		
A. High energy physics		
1. Physics research - OE..........................	139,940,000	139,940,000
2. Facility operations		
Operating expenses.............................	254,399,000	279,399,000
Capital equipment..............................	53,775,000	53,775,000
Construction:		
GP-E-103 General plant projects, various locations......................................	12,146,000	12,146,000
95-G-301 Accelerator improvement projects, VL.	12,515,000	12,515,000
94-G-304 B-Factory, SLAC......................	44,000,000	44,000,000
92-G-302 Fermilab main injector, Fermilab.....	43,000,000	43,000,000
Total, Construction............................	111,661,000	111,661,000
Total, Facility operations.........................	419,835,000	444,835,000
3. High energy.technology - OE.....................	58,190,000	58,190,000
4. Other capital equipment.........................	3,925,000	3,925,000
Total, High energy physics............................	621,890,000	646,890,000
(Operating expenses)..................................	(452,529,000)	(477,529,000)
(Capital equipment).................................	(57,700,000)	(57,700,000)
(Construction).................................	(111,661,000)	(111,661,000)

Department of Energy

	Budget Estimate	Conference
B. Nuclear physics		
1. Medium energy physics - OE	93,686,000	127,586,000
2. Heavy ion physics - OE	61,560,000	61,560,000
3. Low energy physics - OE	24,760,000	24,760,000
4. Nuclear theory - OE	14,735,000	14,735,000
5. Capital equipment	26,130,000	26,130,000
6. Construction:		
GP-E-300 General plant projects, various locations	3,900,000	3,900,000
95-G-302 Accelerator improvements & mods., VL	3,200,000	3,200,000
91-G-300 Relativistic heavy ion collider, BNL	70,000,000	70,000,000
87-R-203 Continuous electron beam accelerator facility, Newport News, VA	1,000,000	1,000,000
Total, Construction	78,100,000	78,100,000
7. Other capital equipment	1,870,000	1,870,000
Total, Nuclear physics	300,841,000	334,741,000
(Operating expenses)	(194,741,000)	(228,641,000)
(Capital equipment)	(28,000,000)	(28,000,000)
(Construction)	(78,100,000)	(78,100,000)
C. General science program direction - OE	10,400,000	10,400,000
D. Superconducting super collider		
2. Termination costs	143,491,000	---
Subtotal, General science	1,076,622,000	992,031,000
General reduction	---	-5,000,000
Procurement reform	-3,000,000	-3,000,000
TOTAL, GENERAL SCIENCE AND RESEARCH	1,073,622,000	984,031,000
(Operating expenses)	(798,161,000)	(708,570,000)
(Capital equipment)	(85,700,000)	(85,700,000)
(Construction)	(189,761,000)	(189,761,000)

Department of Energy

	Budget Estimate	Conference
ATOMIC ENERGY DEFENSE ACTIVITIES		
WEAPONS ACTIVITIES		
A. Research and development		
1. Research and development - core		
Operating expenses	649,341,000	649,341,000
Capital equipment	69,420,000	59,420,000
Construction:		
GPD-101 General plant projects, various locations	8,500,000	4,500,000
95-D-102 CMR upgrades, Los Alamos National laboratory, NM	3,300,000	3,300,000
94-D-102 Nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations	13,000,000	13,000,000
92-D-102 Nuclear weapons research, development, and testing facilities revitalization, phase IV, various locations	21,810,000	21,810,000
90-D-102 Nuclear weapons research, development, and testing facilities revitalization, phase III, various locations	7,700,000	4,900,000
88-D-106 Nuclear weapons research, development, and testing facilities revitalization, phase II, various locations	22,480,000	20,980,000
Total, Construction	76,790,000	68,490,000
Total, Research and development - core	795,551,000	777,251,000
2. Stockpile stewardship		
Operating expenses	---	152,419,000
3. Inertial fusion		
Operating expenses	166,755,000	166,755,000
Capital equipment	9,718,000	9,718,000
Total, Inertial fusion	176,473,000	176,473,000

Department of Energy

	Budget Estimate	Conference
3. Technology transfer		
Operating expenses	209,794,000	209,794,000
Capital equipment	6,000,000	6,000,000
Total, Technology transfer	215,794,000	215,794,000
Total, Research and development	1,187,818,000	1,321,937,000

Department of Energy

	Budget Estimate	Conference
B. Testing		
1. Weapons program		
Testing capabilities and readiness - OE	180,000,000	160,000,000
Experimentation - OE	152,419,000	---
Capital equipment	15,000,000	15,000,000
Construction:		
GPD-101 General plant projects, various locations	4,000,000	4,000,000
93-D-102 Nevada support facility, North Las.Vegas, NV	17,000,000	17,000,000
Total, Construction	21,000,000	21,000,000
Total, Weapons.program	368,419,000	196,000,000
2. Marshall Islands		
Operating expenses	6,530,000	6,530,000
Capital equipment	470,000	470,000
Total, Marshall Islands	7,000,000	7,000,000
Total, Testing	375,419,000	203,000,000
Total, Research, development and testing	1,563,237,000	1,524,937,000
(Operating expenses)	(1,364,839,000)	(1,344,839,000)
(Capital equipment)	(100,608,000)	(90,608,000)
(Construction)	(97,790,000)	(89,490,000)
C. Stockpile support		
Operating expenses	1,482,785,000	1,476,785,000
Reconfiguration - OE	94,271,000	94,271,000
Capital equipment	20,180,000	20,180,000
Construction:		
Production base:		
95-D-123, Replacement aviation facility, Albuquerque, NM	2,000,000	2,000,000
88-D-122 Facilities capabilities assurance program (FCAP), various locations	19,620,000	14,820,000
GPD-121 General plant projects, various locations	1,000,000	1,000,000
Total, Production base	22,620,000	17,820,000

Department of Energy

	Budget Estimate	Conference
Environment, safety and health:		
95-D-122 Sanitary sewer upgrade, Y-12 Plant, Oak Ridge, TN	2,200,000	2,200,000
94-D-124 Hydrogen fluoride supply system, Y-12 Plant, Oak Ridge, TN	6,300,000	6,300,000
94-D-125 Upgrade life safety, Kansas City Plant, Kansas City, MO	1,000,000	1,000,000
94-D-127 Emergency notification system, Pantex Plant, Amarillo, TX	1,000,000	1,000,000
94-D-128 Environmental, Safety and Health analytical lab, Pantex Plant, Amarillo, TX	1,000,000	1,000,000
93-D-122 Life safety upgrades, Y-12 Plant, Oak Ridge, TN	5,000,000	5,000,000
Total, Environment, safety and health	16,500,000	16,500,000
Safeguards and security:		
88-D-123 Security enhancement, Pantex Plant, Amarillo, TX	15,000,000	15,000,000
Reconfiguration		
93-D-123 Complex-21, various locations	58,000,000	58,000,000
Total, Construction	112,120,000	107,320,000
Total, Stockpile support	1,709,356,000	1,698,556,000

Department of Energy

	Budget Estimate	Conference
D. Program direction		
Weapons program direction - OE	167,498,000	157,498,000
Capital equipment	2,354,000	2,354,000
Total, Program direction	169,852,000	159,852,000
Subtotal, Weapons activities	3,442,445,000	3,383,345,000
Use of prior year balances	-131,077,000	-143,276,000
Procurement reform	-11,000,000	-11,000,000
TOTAL, WEAPONS ACTIVITIES	3,300,368,000	3,229,069,000
(Operating expenses)	(2,967,316,000)	(2,919,117,000)
(Capital equipment)	(123,142,000)	(113,142,000)
(Construction)	(209,910,000)	(196,810,000)

Department of Energy

	Budget Estimate	Conference
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT		
A. Corrective activities		
Construction:		
92-D-403 Tank upgrades project, LLNL...............	1,012,000	512,000
B. Environmental restoration		
Operating expenses..	1,524,785,000	1,518,549,000
Productivity savings initiative..........................	-133,900,000	-133,900,000
Total, Environmental restoration.........................	1,390,885,000	1,384,649,000

Department of Energy

	Budget Estimate	Conference
C. Waste management		
Operating expenses	2,395,246,000	2,384,066,000
Capital equipment	104,790,000	90,790,000
Construction:		
GP-D-171 General plant projects, various locations	23,742,000	16,832,000
95-D-401 Radiological support facilities Richland, WA	1,585,000	1,585,000
95-D-402 Install permanent electrical service WIPP, AL	700,000	700,000
95-D-403 Hazardous waste storage facility, AL	597,000	597,000
95-D-405 Industrial landfill V and construction/ demolition landfill VII, Y-12 Plant, Oak Ridge, TN	1,000,000	1,000,000
95-D-406 Road 5-01 reconstruction, area 5, NV	2,338,000	2,338,000
95-D-407 219-S Secondary containment upgrade, Richland, WA	2,000,000	2,000,000
95-D-408 Phase II liquid effluent treatment and disposal, RL	7,100,000	7,100,000
94-D-400 High explosive wastewater treatment system, LANL	1,000,000	1,000,000
94-D-402 Liquid waste treatment system, NTS	3,292,000	3,292,000
94-D-404 Melton Valley storage tank capacity increase, ORNL	21,373,000	21,373,000
94-D-406 Low-level waste disposal facilities, K-25	6,000,000	6,000,000
94-D-407 Initial tank retrieval systems, Richland, WA	17,700,000	17,700,000
94-D-408 Office facilities - 200 East, Richland, WA	4,000,000	4,000,000
94-D-411 Solid waste operation complex Richland, WA	42,200,000	42,200,000

Department of Energy

	Budget Estimate	Conference
94-D-416 Solvent storage tanks installation, Savannah River, SC	1,700,000	1,700,000
94-D-417 Intermediate-level and low-activity waste vaults, Savannah River, SC	300,000	300,000
93-D-174 Plant drain waste water treatment upgrades, Y-12	1,400,000	1,400,000
93-D-178 Building 374 liquid waste treatment facility, Rocky Flats Plant, CO	3,300,000	3,300,000
93-D-181 Radioactive liquid waste line replacement, Richland, WA	3,300,000	3,300,000
93-D-182 Replacement of cross-site transfer system, Richland, WA	18,910,000	14,810,000
93-D-183 Multi-function waste remediation facility, Richland, WA	95,305,000	88,605,000
93-D-187 High level waste removal from filled waste tanks, Savannah River, SC	26,525,000	26,525,000
92-D-177 Tank 101-AZ waste retrieval system, Richland, WA	5,000,000	5,000,000
92-D-188 Waste management ES&H, and compliance activities, various locations	2,846,000	2,846,000
91-D-171 Waste receiving and processing facility, module 1, Richland, WA	3,995,000	3,995,000

Department of Energy

	Budget Estimate	Conference
90-D-172 Aging waste transfer line, Richland, WA	3,819,000	3,819,000
90-D-177 RWMC transuranic (TRU) waste characterization and storage facility, ID	11,747,000	1,747,000
90-D-178 TSA.retrieval enclosure, ID	7,594,000	7,594,000
89-D-173 Tank farm ventilation upgrade, Richland, WA	800,000	300,000
89-D-174 Replacement high level waste evaporator, Savannah River, SC	18,000,000	18,000,000
89-D-175 Hazardous waste/mixed waste disposal facility, Savannah River, SC	500,000	---
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	9,500,000	5,900,000
83-D-148 Non-radioactive hazardous waste management, Savannah River, SC	6,000,000	6,000,000
81-T-105 Defense waste processing facility Savannah River, SC	45,058,000	45,058,000
Total, Construction	400,226,000	367,916,000
Subtotal, Waste management	2,900,262,000	2,842,772,000
Productivity savings initiative	-160,800,000	-160,800,000
Total, Waste management	2,739,462,000	2,681,972,000
(Operating expenses)	(2,234,446,000)	(2,223,266,000)
(Capital equipment)	(104,790,000)	(90,790,000)
(Construction)	(400,226,000)	(367,916,000)

Department of Energy

	Budget Estimate	Conference
D. Technology development		
Operating expenses	386,974,000	386,974,000
Capital equipment	25,435,000	24,785,000
Construction:		
95-E-600 Hazardous materials training center, Richland, Washington	14,000,000	7,000,000
Total, Technology.development	426,409,000	418,759,000
E. Transportation management		
Operating expenses	20,240,000	20,240,000
Capital equipment	444,000	444,000
Total, Transportation management	20,684,000	20,684,000
F. Program direction		
Operating expenses	83,748,000	83,748,000
Capital equipment	1,200,000	1,200,000
Total, Program direction	84,948,000	84,948,000

Department of Energy

	Budget Estimate	Conference
G. Facility transition & management		
Operating expenses	683,517,000	676,884,000
Capital equipment	23,947,000	18,947,000
Construction:		
GP-D-171 General plant projects, var. locations	20,495,000	15,211,000
95-D-453 Primary highway route north of the Wye Barricade, Richland, WA	2,500,000	---
95-D-454 324 Facility compliance/renovation, Richland, WA	1,500,000	1,500,000
95-D-455 Idaho national engineering laboratory radio communications upgrade, INEL, Idaho	1,440,000	---
95-D-456 Security facilities upgrade, Idaho chemical processing plant, INEL, Idaho	986,000	986,000
94-D-122 Underground storage tanks, Rocky Flats Plant, CO	2,500,000	2,500,000
94-D-401 Emergency response facility, INEL, ID	5,219,000	5,219,000
94-D-412 300 area process sewer piping system upgrade, Richland, WA	7,800,000	7,800,000
94-D-415 Idaho national engineering laboratory medical facilities, INEL, ID	4,920,000	4,920,000
94-D-451 Infrastructure replacement, Rocky Flats Plant, CO	10,600,000	10,600,000
93-D-172 Idaho national engineering laboratory electrical upgrade, INEL, ID	7,800,000	7,800,000
93-D-184 325 facility compliance/renovation, Pacific Northwest Laboratory, Richland, WA	1,000,000	1,000,000
93-D-186 200 Area unsecured core area fabrication shop, Richland, WA	4,000,000	4,000,000
92-D-125 Master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, CO	2,100,000	2,100,000
92-D-181 Idaho national engineering laboratory fire and life safety improvements, INEL, ID	6,000,000	6,000,000

Department of Energy

	Budget Estimate	Conference
92-D-182 Idaho national engineering laboratory sewer systems upgrade, INEL, ID	1,900,000	1,900,000
92-D-186 Steam system rehabilitation, phase II Richland, WA	5,600,000	5,600,000
Total, Construction	86,360,000	77,136,000
Subtotal, Facility transition and management	793,824,000	772,967,000
Productivity savings initiative	-5,000,000	-5,000,000
Total, Facility transition and management	788,824,000	767,967,000
(Operating expenses)	(678,517,000)	(671,884,000)
(Capital expenses)	(23,947,000)	(18,947,000)
(Construction)	(86,360,000)	(77,136,000)
Subtotal, Defense.environment restoration & waste mgmt	5,452,224,000	5,359,491,000
Use of prior year balances	-240,300,000	-249,300,000
Procurement reform	-17,500,000	-17,500,000
TOTAL, DEFENSE ENVIRONMENTAL RESTORATION & WASTE MGMT.	5,194,424,000	5,092,691,000
(Operating expenses)	(4,537,010,000)	(4,503,961,000)
(Capital equipment)	(155,816,000)	(136,166,000)
(Construction)	(501,598,000)	(452,564,000)

Department of Energy

	Budget Estimate	Conference
MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS		
A. Materials Support		
1. Reactor operations	163,634,000	163,634,000
2. Processing of nuclear materials	410,468,000	410,468,000
3. Supporting services	167,776,000	167,776,000
4. Capital equipment	39,427,000	39,427,000
5. Construction:		
a. Environment, safety and health:		
95-D-154 Health physics site support facility, Savannah River, SC	2,000,000	---
95-D-158 Disassembly basin upgrades-K,L,P, Savanah River, SC	13,000,000	13,000,000
93-D-147 Domestic water system upgrade Phase I & II, Savannah River, SC	11,300,000	11,300,000
93-D-148 Replace high-level drain lines, Savannah.River, SC	2,700,000	2,700,000
93-D-152 Environmental modification for production facilities, Savannah River, SC	2,900,000	2,900,000
92-D-143 Health protection instrument calibration facility, Savannah River, SC	3,000,000	3,000,000
90-D-149 Plantwide fire protection, Phases I and II, Savannah River, SC	21,000,000	5,000,000
Total, Environment, safety and health	55,900,000	37,900,000

Department of Energy

	Budget Estimate	Conference
b. Programmatic projects:		
GPD-146 General plant projects, various locations	21,000,000	15,000,000
95-D-155 Upgrade site road infrastructure, Savannah River, SC	750,000	750,000
95-D-156 Radio trunking system, Savannah River, SC	2,100,000	2,100,000
95-D-157 D-area powerhouse life extension, Savannah River, SC	4,000,000	4,000,000
92-D-150 Operations support facilities, Savannah River, SC	2,000,000	2,000,000
92-D-153 Engineering support facility, Savannah River Site, SC	3,200,000	3,200,000
Total, Programmatic projects	33,050,000	27,050,000
Total, Construction	88,950,000	64,950,000
6. Program direction	58,000,000	56,000,000
Subtotal, Materials Support	928,255,000	902,255,000
Total, Materials support	928,255,000	902,255,000
(Operating expenses)	(799,878,000)	(797,878,000)
(Capital equipment)	(39,427,000)	(39,427,000)
(Construction)	(88,950,000)	(64,950,000)

Department of Energy

	Budget Estimate	Conference
B. Other national security programs		
1. Verification and control technology		
a. Nonproliferation and verification R&D		
Operating expenses	224,547,000	215,000,000
Capital equipment	13,500,000	13,500,000
Total, Nonproliferation & verification R&D	238,047,000	228,500,000
b. Arms control		
Operating expenses	76,251,000	76,251,000
Capital equipment	673,000	673,000
Total, Arms.control	76,924,000	76,924,000
c. Intelligence		
Operating expenses	41,431,000	41,431,000
Capital equipment	1,700,000	1,700,000
Total, Intelligence	43,131,000	43,131,000
Total, Verification and control technology	358,102,000	348,555,000
2. Nuclear safeguards and security		
Operating expenses	82,421,000	82,421,000
Capital equipment	3,395,000	3,395,000
Total, Nuclear.safeguards and security	85,816,000	85,816,000
3. Security investigations - OE	38,827,000	33,827,000
4. Security evaluations - OE	14,780,000	14,780,000
5. Office of nuclear safety		
Operating expenses	24,629,000	21,629,000
Capital equipment	50,000	50,000
Total, Office of nuclear safety	24,679,000	21,679,000
6. Worker and community transition	125,000,000	115,000,000
7. Fissile materials control and disposition	9,000,000	50,000,000
Total, Other national security programs	656,204,000	669,657,000
(Operating expenses)	(636,886,000)	(650,339,000)
(Capital equipment)	(19,318,000)	(19,318,000)

Department of Energy

	Budget Estimate	Conference
C. Naval reactors		
1. Naval reactors development		
a. Plant development - OE	146,700,000	146,700,000
b. Reactor development - OE	348,951,000	348,951,000
c. Reactor operation and evaluation - OE	136,000,000	131,000,000
d. Capital equipment	28,200,000	28,200,000
e. Construction:		
GPN-101 General plant projects, various locations	6,200,000	6,200,000
95-D-200 Laboratory systems and hot cell upgrades, various locations	2,400,000	2,400,000
95-D-201 Advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, ID	700,000	700,000
93-D-200 Engineering services facilities Knolls Atomic Power Laboratory, Niskayuna, NY	7,900,000	7,900,000
92-D-200 Laboratories facilities upgrades, various locations	2,800,000	2,800,000
Total, Construction	20,000,000	20,000,000
f. Program direction - OE	18,800,000	18,800,000
Total, Naval reactors development	698,651,000	693,651,000
2. Enrichment materials - OE	32,000,000	32,000,000
Total, Naval reactors	730,651,000	725,651,000
(Operating expenses)	(682,451,000)	(677,451,000)
(Capital equipment)	(28,200,000)	(28,200,000)
(Construction)	(20,000,000)	(20,000,000)
Subtotal, Materials support & other defense programs	2,315,110,000	2,297,563,000
Savannah river pension refund	-40,000,000	-40,000,000
Use of prior year balances	-369,700,000	-401,406,000
Procurement reform	-6,500,000	-6,500,000
TOTAL, MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS	1,898,910,000	1,849,657,000
(Operating expenses)	(1,703,015,000)	(1,677,762,000)
(Capital equipment)	(86,945,000)	(86,945,000)
(Construction)	(108,950,000)	(84,950,000)

Department of Energy

	Budget Estimate	Conference
DEFENSE NUCLEAR WASTE DISPOSAL		
Defense nuclear waste disposal........................	129,430,000	129,430,000
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES...............	10,523,132,000	10,300,847,000
(Operating expenses)..................................	(9,336,771,000)	(9,230,270,000)
(Capital equipment)...................................	(365,903,000)	(336,253,000)
(Construction)...................................	(820,458,000)	(734,324,000)

Department of Energy

	Budget Estimate	Conference
DEPARTMENTAL ADMINISTRATION		
A. Administrative Operations		
1. Office of the Secretary - salaries and expenses.	3,416,000	3,416,000
2. General management - personnel compensation and benefits..................................	199,383,000	202,886,000
3. General management - other expenses		
a. Travel.......................................	5,663,000	5,755,000
b. Services.....................................	180,978,000	181,028,000
c. Capital equipment...........................	6,895,000	6,895,000
Total, Other expenses............................	193,536,000	193,678,000
4. Program support		
a. Minority.economic impact.....................	3,426,000	3,426,000
b. Policy analysis and system.studies...........	5,875,000	4,500,000
c. Consumer.affairs.............................	46,000	46,000
d. Public affairs...............................	54,000	54,000
f. Environmental policy studies.................	---	6,070,000
g. Scientific and engineering training..........	---	2,285,000
Total, Program.support...........................	9,401,000	16,381,000
Total, Administrative operations.....................	405,736,000	416,361,000
B. Cost of work for others...........................	24,356,000	24,356,000
Subtotal, Departmental Administration (gross).........	430,092,000	440,717,000
Use of unobligated balances and other adjustments.....	-30,707,000	-30,707,000
GSA rent reduction....................................	-2,698,000	-2,698,000
Total, Departmental administration (gross)............	396,687,000	407,312,000
Miscellaneous revenues................................	-161,490,000	-161,490,000
TOTAL, DEPARTMENTAL ADMINISTRATION (net)..............	235,197,000	245,822,000
(Operating expenses)..................................	(228,302,000)	(238,927,000)
(Capital equipment)...................................	(6,895,000)	(6,895,000)

Department of Energy

	Budget Estimate	Conference
OFFICE OF INSPECTOR GENERAL		
Office of Inspector General............................	32,425,000	32,425,000
Use of prior year balances............................	-5,960,000	-5,960,000
TOTAL, OFFICE OF INSPECTOR GENERAL.....................	26,465,000	26,465,000

Department of Energy

	Budget Estimate	Conference
POWER MARKETING ADMINISTRATIONS:		
ALASKA POWER ADMINISTRATION		
A. Operation and maintenance		
Operating expenses	6,494,000	6,494,000
TOTAL, ALASKA POWER ADMINISTRATION	6,494,000	6,494,000
SOUTHEASTERN POWER ADMINISTRATION		
A. Operation and maintenance		
1. Operating expenses	3,292,000	3,292,000
2. Purchase power and wheeling	27,249,000	27,249,000
Subtotal, Operation and maintenance	30,541,000	30,541,000
Use of prior year balances	-8,110,000	-8,110,000
TOTAL, SOUTHEASTERN POWER ADMINISTRATION	22,431,000	22,431,000
SOUTHWESTERN POWER ADMINISTRATION		
A. Operation and maintenance		
1. Operating expenses	19,539,000	19,539,000
2. Purchase power and wheeling	1,503,000	1,503,000
3. Construction	9,514,000	9,514,000
Subtotal, Operation and maintenance	30,556,000	30,556,000
Use of prior year balances	-9,240,000	-9,240,000
TOTAL, SOUTHWESTERN POWER ADMINISTRATION	21,316,000	21,316,000
WESTERN AREA POWER ADMINISTRATION		
A. Operation and maintenance		
1. Construction and rehabilitation	95,683,000	92,883,000
2. System operation and maintenance	127,972,000	127,972,000
3. Purchase power and wheeling	101,506,000	101,506,000
4. Utah mitigation and conservation	5,135,000	5,135,000
Subtotal, Operation and maintenance	330,296,000	327,496,000
Use of prior year balances	-105,044,000	-105,044,000
GSA rent reduction	-167,000	-167,000
TOTAL, WESTERN AREA POWER ADMINISTRATION	225,085,000	222,285,000
TOTAL, POWER MARKETING ADMINISTRATIONS	275,326,000	272,526,000

Department of Energy

	Budget Estimate	Conference
FEDERAL ENERGY REGULATORY COMMISSION		
Federal energy regulatory commission..................	166,173,000	166,173,000
FERC revenues..	-166,173,000	-166,173,000
TOTAL, FEDERAL ENERGY REGULATORY COMMISSION...........	---	---
NUCLEAR WASTE DISPOSAL FUND		
Discretionary funding..................................	254,800,000	392,800,000

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

Amendment No. 47: Appropriates $282,000,000 for the Appalachian Regional Commission instead of $187,000,000 as proposed by the House and $287,000,000 as proposed by the Senate.

The conferees agree that a total of $75,000,000 is provided for Corridor H in West Virginia; a total of $2,000,000 is provided for Corridor F and $20,000,000 for Corridor G in Kentucky; and a total of $35,400,000 is provided for corridor construction in Alabama.

NUCLEAR REGULATORY COMMISSION

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *$520,501,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $520,501,000 for the Nuclear Regulatory Commission Salaries and Expenses instead of $540,501,000 as proposed by the House and $535,501,000 as proposed by the Senate.

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *$498,501,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement applies revenues of $498,501,000 instead of $518,501,000 as proposed by the House and $513,501,000 as proposed by the Senate.

Amendments No. 48 and 49 provide for economies at the Nuclear Regulatory Commission.

TENNESSEE VALLEY AUTHORITY

Amendment No. 50: Appropriates $142,873,000 as proposed by the Senate instead of $136,856,000 as proposed by the House.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1995 recommended by the Committee of Conference, with comparisons to the fiscal year 1994 amount, the 1995 budget estimates, and the House and Senate bills for 1995 follow:

New budget (obligational) authority, fiscal year 1994	$22,275,532.000
Budget estimates of new (obligational) authority, fiscal year 1995	20,682,638,000
House bill, fiscal year 1995	20,525,510,000
Senate bill, fiscal year 1995	20,682,296,000
Conference agreement, fiscal year 1995	20,662,402,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1994	−1,613,130,000
Budget estimates of new (obligational) authority, fiscal year 1995	−20,236,000
House bill, fiscal year 1995	+136,892,000
Senate bill, fiscal year 1995	−19,894,000

TOM BEVILL,
VIC FAZIO,
JIM CHAPMAN,
DOUGLAS "PETE" PETERSON,
ED PASTOR,
CARRIE P. MEEK,
DAVID R. OBEY,
JOHN T.MYERS,
(except for amendment no. 35)
DEAN A. GALLO,
HAROLD ROGERS,
JOSEPH M. MCDADE,
Managers on the Part of the House.
J. BENNETT JOHNSTON,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
JIM SASSER,
DENNIS DECONCINI,
HARRY REID,
J. ROBERT KERREY,
MARK O. HATFIELD,
THAD COCHRAN,
PETE V. DOMENICI,
DON NICKLES,
SLADE GORTON,
MITCH MCCONNELL,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DEFAZIO (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of family illness.

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT), for today, on account of official business in the district.

Mr. FORD of Michigan (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mr. CLEMENT (at the request of Mr. GEPHARDT), for today after 1 p.m., on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DORNAN) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, today.
Mr. HORN, for 5 minutes, today.
Mr. DUNCAN, for 5 minutes, today.
Mr. DELAY, for 5 minutes, today.
Mr. SAXTON, for 5 minutes, today.
Mr. EMERSON, for 5 minutes, today.
Mr. KINGSTON, for 5 minutes, today.
Mr. GINGRICH, for 5 minutes, today.
Mr. WELDON, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.

(The following Members (at the request of Mr. CARDIN) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.
Mr. SANDERS, for 5 minutes, today.
Mr. CARDIN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DINGELL and Mr. FIELDS of Texas on conference report to accompany H.R. 3841.

Mr. HUGHES, immediately following colloquy of Mr. FRANK of Massachusetts and Mr. MCCOLLUM during consideration of conference report on H.R. 3841, today.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. PACKARD in two instances.
Mr. SOLOMON in two instances.
Mr. WALSH.
Mr. BALLENGER.
Mr. FIELDS of Texas.
Mr. KOLBE in two instances.
Mr. GOODLING.
Mr. EVERETT.
Mr. DORNAN.

(The following Members (at the request of Mr. CARDIN) and to include extraneous matter:)

Ms. SCHENK.
Mr. MANN.
Ms. PELOSI.
Mr. FOGLIETTA.
Mr. HOYER.
Mr. TRAFICANT.
Mr. DURBIN.
Mr. VENTO in two instances.
Ms. ESHOO.

(The following Members (at the reqeust of Mr. DOOLITTLE) and to inlcude extraneous matter:)

Mr. CLYBURN.
Mr. COOPER.
Mr. STUPAK.
Mr. POSHARD.
Mr. TORRES.
Mr. HUTTO.
Mr. BARCIA of Michigan.
Mr. COSTELLO.
Mr. MATSUI.
Mr. STUDDS in two instances.
Mr. MOLINARI in two instances.
Mr. OWENS.
Mr. NADLER.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found two enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 868. An act to strengthen the authority of the Federal Trade Commission to protect consumers in connection with sales made with a telephone, and for other purposes;

H.R. 2457. An act to direct the Secretary of the Interior to conduct a salmon captive broodstock program; and

H.J. Res. 374. Joint resolution designating August 2, 1994, as "National Neighborhood Crime Watch Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1458. An act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

ADJOURNMENT

Mr. DOOLITTLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Friday, August 5, 1994 at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3641. A letter from the Acting General Counsel, Department of Defense, transmitting a list of congressionally mandated reports compiled pursuant to section 1151 of the fiscal year 1994 National Defense Authorization Act, pursuant to 10 U.S.C. 113 note; to the Committee on Armed Services.

3642. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to section 3 of the AECA concerning the unauthorized transfer of U.S.-origin defense articles, pursuant to 22 U.S.C. 2314(d); to the Committee on Foreign Affairs.

3643. A letter from the Executive Secretary, Federal Reserve Employee Benefits System, transmitting the pension plan report for the Federal Reserve Employee Benefits System for plan year ending December 31, 1993, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

3644. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

3645. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

3646. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Natural Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing reference to the proper calendar, as follows:

Mr. OBEY: Committee on Appropriations. Revised Subdivision of Budget Totals for fiscal year 1994 (Rept. 103-664). Referred to the Committee of the Whole House on the State of the Union.

Mr. OBEY: Committee on Appropriations. Revised Subdivision of Budget Totals for fiscal year 1995 (Rept. 103-665). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 507. Resolution providing for consideration of the bill (H.R. 4217) to reform the Federal Crop Insurance Program, and for other purposes (Rept. 103-666). Referred to the House Calendar.

Mr. MILLER of California: Committee on Natural Resources. H.R. 2866. A bill to provide for the sound management and protection of Redwood forest areas in Humboldt County, CA, by adding certain lands and waters to the Six Rivers National Forest and by including a portion of such lands in the national wilderness preservation system; with an amendment (Rept. 103-667 Pt. 1). Ordered to be printed.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4088. A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans; with amendments (Rept. 103-668). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4386. A bill to amend title 38, United States Code, authorizing the Secretary of Veterans Affairs to provide compensation to veterans suffering from disabilities resulting from illnesses attributed to service in the Persian Gulf theater of operations during the Persian Gulf war, to provide for increased research into illnesses reported by Persian Gulf war veterans, and for other purposes; with an amendment (Rept. 103-669). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIBBONS: Committee of Conference. Conference report on H.R. 4277. A bill to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program (Rept. 103-670). Ordered to be printed.

Mr. DIXON: Committee of Conference. Conference report on H.R. 4649. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes (Rept. 103-671). Ordered to be printed.

Mr. BEVILL: Committee of Conference. Conference report on H.R. 4506. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1995, and for other purposes (Rept. 103-672). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER (for himself and Mr. GORDON):

H.R. 4897. A bill to provide for more effective child support enforcement; to the Committee on Ways and Means.

H.R. 4898. A bill to strengthen paternity establishment; to the Committee on Ways and Means.

By Mr. FRANKS of Connecticut:

H.R. 4899. A bill to amend the Internal Revenue Code of 1986 to allow a credit for 100 percent of the contributions made by individuals to organizations engaged in addressing the needs of at-risk youth and teenagers; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H.R. 4900. A bill to provide for the establishment of an occupational safety and health standard applicable to boxing under the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. BARCIA of Michigan (for himself, Mr. BREWSTER, and Mr. CAMP):

H.R. 4901. A bill to amend the Internal Revenue Code of 1986 to simplify the assessment and collection of the excise tax on arrows; to the Committee on Ways and Means.

By Ms. DUNN (for herself, Mr. DEAL, Mr. ZIMMER, Mrs. FOWLER, Mr. CUNNINGHAM, Mr. SAXTON, Mr. SMITH of New Jersey, Mr. MANTON, Mr. MANZULLO, Mr. LINDER, Ms. MOLINARI, Mr. HUFFINGTON, Mr. HYDE, and Mr. MCCOLLUM):

H.R. 4902. A bill to provide protection against sexually violent predators; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 4903. A bill to expand the powers of the Secretary of the Treasury and the Bureau of Alcohol, Tobacco and Firearms to regulate the manufacture, distribution, and sale of firearms and ammunition, and to expand the jurisdiction of the Bureau to include firearm products and non-powder firearms; to the Committee on the Judiciary.

By Mr. HOEKSTRA (for himself, Mr. ARMEY, Mr. BOEHNER, Mr. DORNAN, Mr. GOODLING, Mr. GRAMS, Mr. MCKEON, Mr. MILLER of Florida, Mr. SMITH of New Jersey, Mr. BALLENGER, Mr. KNOLLENBERG, Mr. MCINNIS, Mr. HUTCHINSON, Mr. UPTON, Mr. TORKILDSEN, and Mrs. FOWLER):

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress regarding the prerogatives of each State for health care reform; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. MCMILLAN:

H. Res. 508. Resolution making in order, in the consideration by the House of Representatives of H.R. 3600—the "Health Security Act"—an amendment in the nature of a substitute consisting of the text of H.R. 3080 and including a title providing for assistance for the purpose of health insurance; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROTH:

H.R. 4904. A bill for the relief of Eugene Hasenfus; to the Committee on the Judiciary.

By Mr. SAXTON:

H.R. 4905. A bill for the relief of Floyd L. Martin; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 291: Mr. ROBERTS, Mr. YOUNG of Alaska, Mr. LAFALCE, Mr. TOWNS, Mr. MOLLOHAN, Mr. Lewis of Kentucky, Mr. Wolf, Mr. Neal of North Carolina, Mr. Kleczka, and Mrs. Vucanovich.

H.R. 323: Ms. Molinari.

H.R. 494: Mr. Gilman.

H.R. 546: Mr. Pastor.

H.R. 723: Mr. Fields of Texas.

H.R. 1080: Mr. Lucas.

H.R. 1110: Mr. Sensenbrenner and Mr. Gillmor.

H.R. 1164: Mr. Saxton.

H.R. 1276: Mr. Lucas.

H.R. 1280: Mr. Thompson, Mr. Fields of Louisiana, Mr. Bryant, Mr. Coppersmith, Mr. Barrett of Wisconsin, and Mr. Mann.

H.R. 1428: Mr. Doolittle.

H.R. 1824: Mr. Matsui.

H.R. 1834: Mr. Thornton.

H.R. 2345: Mr. Hamburg.

H.R. 2375: Mr. Fingerhut.

H.R. 2586: Mr. Barrett of Wisconsin and Mr. Moran.

H.R. 2680: Mr. Wise.

H.R. 2866: Mrs. Lowey.

H.R. 3538: Mr. Towns, Mr. Berman, Mr. Stupak, and Mr. Fingerhut.

H.R. 3630: Mr. Weldon.

H.R. 3645: Mr. Lucas.

H.R. 3666: Mr. Coble, Mr. Frank of Massachusetts, Mrs. Unsoeld, Mr. Wilson, Mr. Skeen, and Mr. Payne of Virginia.

H.R. 3705: Mr. Holden and Mrs. Meyers of Kansas.

H.R. 3795: Mr. Livingston.

H.R. 3814: Mr. Schaefer.

H.R. 3835: Mr. Hastert.

H.R. 3851: Mr. Duncan, Mr. Rogers, Mr. Solomon, Mr. Kyl, Mrs. Vucanovich, and Mrs. Meyers of Kansas.

H.R. 4051: Mr. Barlow, Mr. Hochbrueckner, Mr. Sawyer, and Mr. Hefner.

H.R. 4072: Mr. Obey.

H.R. 4074: Mr. Barcia of Michigan, Mr. Reynolds, Mr. Fish, Mr. Holden, Mr. Schiff, Mr. Schumer, Mr. Stark, Mr. Barrett of Wisconsin, Mr. Diaz-Balart, Mr. Matsui, Mr. Mineta, Mr. Kreidler, Mr. Hastings, Mr. Greenwood, and Mr. Hutchinson.

H.R. 4088: Mr. Cramer, Mr. Montgomery, and Mr. Stump.

H.R. 4142: Mr. Crane, Mrs. Bentley, and Mr. Dixon.

H.R. 4179: Mr. Diaz-Balart.

H.R. 4232: Mr. Peterson of Minnesota and Mr. Upton.

H.R. 4288: Mr. Serrano.

H.R. 4303: Mr. Hoekstra.

H.R. 4318: Mr. Barlow and Mr. Hefner.

H.R. 4345: Mr. Evans.

H.R. 4370: Mr. Sanders.

H.R. 4371: Mr. Pallone.

H.R. 4404: Mr. Hamilton, Ms. Roybal-Allard, Mr. Gejdenson, and Ms. Slaughter.

H.R. 4450: Mr. Ackerman and Mr. Poshard.

H.R. 4481: Mr. Dellums.

H.R. 4540: Mr. Inslee, Mr. Towns, Ms. DeLauro, Mr. Hoagland, Mr. Diaz-Balart, and Mr. Torricelli.

H.R. 4559: Mrs. Meyers of Kansas.

H.R. 4589: Mr. Sensenbrenner.

H.R. 4636: Mr. Barrett of Wisconsin, Mr. Bilbray, Mr. Traficant, Mr. Hilliard, Mr. Carr, and Mr. Torres.

H.R. 4643: Mr. Kopetski.

H.R. 4713: Ms. Lambert.

H.R. 4734: Mr. Saxton, Mr. Stupak, and Ms. Kaptur.

H.R. 4742: Mr. Doolittle, Mr. Tauzin, Mr. Hayes, and Mr. Baker of Louisiana.

H.R. 4805: Mr. Hamilton, Mr. Rohrabacher, Mr. Petri, Mr. McCloskey, and Mr. Gunderson.

H.R. 4831: Mr. Hunter.

H.R. 4857: Mr. Sensenbrenner.

H.R. 4887: Mr. Stearns.

H.J. Res. 261: Mr. Kasich, Mr. Meehan, Mr. Solomon, Mr. Leach, Mr. Frost, Mr. Doolittle, Mr. Wolf, Mr. Callahan, and Mr. de Lugo.

H.J. Res. 366: Mr. Becerra, Mr. Fazio, Mr. Fields of Texas, Mr. Gejdenson, Mr. Greenwood, Mr. Hastert, Mr. Horn, Mr. Hutchinson, Ms. Eddie Bernice Johnson of Texas, Mr. Kim, Ms. Margolies-Mezvinsky, Ms. McKinney, Mr. McNulty, Mrs. Meyers of Kansas, Mr. Miller of California, Mr. Minge, Mr. Moorhead, Mr. Quillen, Mr. Richardson, Mr. Stokes, Mr. Tanner, Mr. Valentine, and Mr. Young of Alaska.

H.J. Res. 390: Mr. Bonior.

H. Con. Res. 148: Mr. Smith of Texas.

H. Con. Res. 192: Mr. Abercrombie.

H. Con. Res. 223: Mr. Foglietta, Mr. Lipinski, and Mr. Tejeda.

H. Con. Res. 268: Mr. Miller of Florida, Mr. Barton of Texas, Mr. Manzullo, Ms. Dunn, and Mr. Royce.

H. Con. Res. 269: Mr. Lipinski, Mr. Baker of Louisiana, and Mr. McMillan.

H. Con. Res. 274: Mr. Lehman and Mr. Brooks.

H. Res. 86: Mr. Walsh.

H. Res. 270: Mr. Baker of Louisiana, Mr. Hoekstra, and Mr. Hayes.

H. Res. 485: Mr. Ewing and Mr. Neal of North Carolina.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4590: Mr. Barlow.

EXTENSIONS OF REMARKS

H.R. 4867—THE HIGH SPEED RAIL DEVELOPMENT ACT OF 1994

HON. LYNN SCHENK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Ms. SCHENK. Mr. Speaker, on Monday I introduced H.R. 4867, the High Speed Rail Development Act of 1994. I am pleased to have been joined in this effort by the distinguished chairman of the Energy and Commerce Committee [Mr. DINGELL] and the distinguished chairman of the Transportation Subcommittee [Mr. SWIFT] in introducing this legislation. The legislation passed the Transportation Subcommittee by unanimous vote this morning, and I expect the full Energy and Commerce Committee will take the bill up on Friday.

Mr. Speaker, high-speed rail is an idea whose time has come. H.R. 4867 represents the first commitment in the history of this great Nation to develop and implement a high-speed rail transportation network. Our ultimate goal is the construction of a safe, fast, efficient, and environmentally sound transportation alternative for all Americans. H.R. 4867 establishes the policy framework and takes the first steps toward achieving that goal.

In April of last year, I was proud to be an original cosponsor of the administration's original high-speed rail proposal. That legislation, H.R. 1919, was reported out of the Energy and Commerce committee in late July. Unfortunately, two things became very clear to us in the months following our full committee markup. First, we understood that Congress could not offer funding at the levels specified in the bill. Second, certain provisions relating to reemployment benefits and the application of Davis-Bacon rules drew strong opposition from the States and certain members. For the past several months, I have worked closely with our distinguished committee chair [Mr. DINGELL], our distinguished subcommittee chair [Mr. SWIFT], the Department of Transportation, and the Federal Railroad Administration to resolve these matters and forge a consensus bill. H.R. 4867 is the product of those efforts.

H.R. 4867 authorizes total appropriations of $29,000,000 in fiscal year 1995, $70,000,000 in fiscal year 1996, and $85,000,000 in fiscal year 1997 to the Secretary of Transportation for purposes of carrying out this policy. The legislation has two primary components. Section 26101 of the bill specifies criteria for Federal assistance to States for the purposes of corridor planning. In 1992, the Department of Transportation identified five high-priority high-speed rail corridors—Chicago to St. Louis, Detroit, and Milwaukee; Miami-Orlando-Tampa; San Diego-Los Angeles-San Francisco Bay area and Sacramento via the San Joaquin Valley; Eugene-Portland-Seattle-Vancouver, BC; Washington, DC-Richmond-Raleigh-Charlotte. In addition to these five corridors, the existing New York State high-speed corridor—New York City-Albany-Buffalo—is also eligible for Federal assistance.

Under section 26101, the Federal Government can provide up to 50 percent in matching funds for a variety of corridor activities, including environmental assessments, economic analyses, feasibility studies, preliminary engineering, and the acquisition of rights-of-way. This bill grants the Secretary of Transportation some discretion in determining which corridors receive funding under this section. However, it is our intent that those corridors previously designated by ISTEA be a priority for Federal assistance.

Section 26102 authorizes the Secretary of Transportation to provide funding for the adaptation and integration of developed technologies for commercial application in the United States. This type of commitment to technology development is long overdue. High-speed innovations like maglev and the tilt train are U.S. technologies that have been commercialized and applied overseas.

Furthermore, the aggressive promotion of high-speed technology will ease our conversion from a defense to a civilian economy. Early last year, I asked Gary Denman, the Director of the Advanced Research Projects Agency [ARPA] to consult with the Department of Transportation in making its grants through the Technology Reinvestment Project [TRP], because I believe that transportation is a particularly attractive commercial market for defense companies. In fact, the majority of TRP applications in this past year have been transportation-related.

H.R. 4867 authorizes the Secretary of Transportation to provide financial assistance to private businesses, local governments, or public authorities that seek to develop high-speed rail technologies. The Secretary will coordinate DOT's efforts with other State and Federal agencies, so that high-speed rail technology can augment our existing conversion policies.

What this means is American jobs. It is my hope that this bill will jump-start the efforts of hundreds of defense companies to seek to use their technologies in the commercial transportation markets. If we can lend a hand and help coordinate their efforts, we can help the private sector create thousands of jobs across the Nation.

Mr. Speaker, while this is my first term in the Congress, I am no stranger to the issue of high-speed rail. As a former Secretary of Business, Transportation and Housing in the State of California, I advocated this type of Federal support for high-speed rail over a decade ago. Despite the absence of such support, the State of California has been extremely progressive in pursuing high-speed rail over the past decade; our State has invested more than $1 billion in its rail system since the passage of ISTEA alone. In my home State, the Los Angeles-San Diego corridor has the second-highest ridership in the Nation despite operating under normal rail speeds. A Federal high-speed rail policy will help California and other States continue to make the incremental improvements necessary to realize high-speed rail transportation.

Mr. Speaker, I would like to offer my deep appreciation to both Chairman DINGELL and to Chairman SWIFT for including me in their discussions and deliberations on this issue. They and their excellent staffs have been extremely fair and generous with their time. In particular, I want to commend the chairman of the subcommittee for his tireless leadership on these issues. He is an inspiration to his colleagues, and his impending retirement is the institution's loss. I look forward to working with him in the next few months to pass H.R. 4867 and establish our Nation's first high-speed rail policy.

ARIZONA WINNER, VOICE OF DEMOCRACY, CHESLEY CRANCH

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. KOLBE. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies' auxiliary sponsor a contest for secondary school students across the Nation. This year, more than 138,000 students competed in the Voice of Democracy broadcast scriptwriting contest, and I am proud to recognize the State winner from Arizona, Ms. Chesley Cranch, a 12th grade student from Safford High School in Safford, AZ.

I am inserting the text of her script so my colleagues can read her inspiring words. Society presents so many challenges for teenagers, and it is encouraging to know there are so many youth, like Chesley, who have bright vision for the future and the desire to give their very best to keep America strong.

MY COMMITMENT TO AMERICA

Commitments to America have been around since before there was an America to commit to. In 1776 a small group of men gathered together and made a commitment to their country in signing a radical statement concerning their independence from Great Britain. These men first stated their beliefs about all men being created equal, about their Creator giving them certain unalienable rights including life, liberty and the pursuit of happiness, and about a government deriving its powers from the consent of the governed. Then, they pledged or committed their lives, their fortunes, and their sacred honor in support of those beliefs. From that commitment arose the country called America.

Did these early patriots expect every American after them to have the same dedication as they? I, for one, believe they did. I also believe that most Americans have not

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

lost sight of their responsibilities. That, just below the surface of our fast-paced way of life, there is a love for this country in every citizen just waiting for the chance to show itself when the need arises and the call goes out.

Perhaps the greatest outpouring of patriotism and dedication to the values our country was founded on that I have experienced in my lifetime was during the Desert Storm War in the Middle East. This country got behind our armed forces who went out to secure for some foreign nation the unalienable rights our country was designed to embrace. The President even declared a National Day of Prayer that God would watch over our soldiers going into battle. The outcome of that war marks an accomplishment that this whole country feels proud about.

Other events in my own lifetime that have helped me to form my commitment to America include the striving to attain freedom and democracy as seen in Tiananmen Square in China, in the demolition of the Berlin Wall, and in the break-up of the Communist Republics in Russia. If so many people are giving up so much for what we have in this country, I figure I had better take another look at what I have and what I should do with it.

The Preamble to the Constitution begins with the words, "We the people . . .". To me this means that Americans have the right and responsibility to participate in the democratic process. I see it as my duty to let my representatives know how I feel about the issues on which they are making decisions, not from just an emotional or self-centered point of view, but from an informed and educated perspective. A couple years ago the state government announced that they were going to close our local state park. Our government class researched the topic, came up with some suggestions for alternative funding, and wrote letters to our state legislators. In the end, our park remained open and we felt good that it must have been at least partly to our own involvement.

Another part I intend to play in America in a few months when I turn eighteen is to exercise my right to vote. The signers of the Declaration of Independence made special mention of this when they stated that governments should derive their power from the consent of the governed. I intend to know the candidates running for public office and educate myself about the issues being discussed. Even if my candidate loses, I know my voice will be heard when my vote is counted with the others.

Finally, in looking back at the first American patriots, I was impressed at their faith in God and in the belief that He plays a part in governments by first creating men with "certain unalienable rights," and then instituting governments among men, "to secure these rights." These men, I'm sure, prayed much that they were doing the right thing. This is why I am making it my final commitment to America to pray daily for my country and its leaders, that God would give them the wisdom in every decision that will affect this country and those that live here.

H.W. ROGERS HOSE CO. IS SECOND OLDEST IN STATE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. SOLOMON. Mr. Speaker, research has shown that the H.W. Rogers Hose Co. No. 2 of Hudson is the second oldest volunteer fire company in the State of New York.

Ironically, the title of oldest volunteer fire company is bestowed on another Hudson unit, J.E. Edmonds Hose Co. No. 1, formed 7 months earlier in 1794.

Mr. Speaker, I've always reserved a special place in my heart for volunteer firemen, partially out of a special bias. I was a volunteer fireman myself for over 20 years in my hometown of Queensbury. I know well the sacrifices these volunteers make to provide fire protection in mostly rural areas.

In New York State alone, they save countless lives and billions of dollars worth of property every year. They come from all walks of life, all social classes, all ages, and all economic levels. Frequent attendance at training schools has honed their skills to a professional level. But above all they are marked by a spirit of civic pride and desire to help their neighbors, especially when trouble arises.

And the H.W. Rogers Hose Co. No. 2 has been doing it for 200 years. We could only imagine how many buildings have been saved, and how many lives and livestock rescued by the prompt action of these dedicated volunteers.

Many of you have noted the display of fire helmets in the reception area of my office. That's a tribute to my respect for volunteer firemen. A more official tribute will be paid to H.W. Rogers Hose Co. No. 2 on August 20, along with its sister company, J.W. Edmonds Hose Co. No. 1. This is one exfireman who looks forward to marching with them in their firemen's parade.

In meantime, Mr. Speaker, let us pay our own tribute to H.W. Rogers Hose Co. No. 2 for its two centuries of outstanding fire protection.

SIXTH DISTRICT SCHOOL NOMINATED FOR NATIONAL HISTORIC REGISTER

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. CLYBURN. Mr. Speaker, I rise today to proudly announce that the old Summerton High School, which is the last remaining of five Clarendon County schools named in the 1950 Briggs versus Elliot lawsuit demanding equal education opportunities for black students, was recently nominated to be placed on the National Register of Historic Places.

Summerton High School was thrust into the national spotlight in 1952, when the Clarendon County case merged with four others across the Nation to become Brown versus Board of Education.

In 1954, the U.S. Supreme Court ruled that separate schools for black children and white children were unconstitutional.

Summerton High School is not in use today, but stands as a monument to the courage Summerton residents played in striking down legal segregation in public schools in America.

ON THE RETIREMENT OF KATHLEEN DENSON AND ANN MUELLER

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. STUDDS. Mr. Speaker, few disagree with Woodrow Wilson's assessment that "Congress in session is Congress on public exhibition, whilst Congress in its committee rooms is Congress at work."

And when Congress works in its committee rooms, we depend on able and professional staff like Kathleen Denson and Ann Mueller to help us get the job done. Combined, these two women have spent nearly 60 years serving their country.

Kay began working for our former colleague, John Murphy, in his Staten Island, NY, office in 1969. She and her husband, Joe, and their three children, Michelle, Allison, and Joseph, moved to Washington in 1976 and Kay continued as a case worker in Representative Murphy's District of Columbia office. She has been on the staff of the Merchant Marine and Fisheries Committee since 1981.

As our legislative clerk, Kay has not only maintained the committee's permanent legislative records but fought the often thankless and always uphill battle of attempting to make sure that Members at full committee markups know what's going on. She is the one who takes all the bits and pieces of information that cascade through the doorway in the 24 hours before a markup, puts it in some kind of order, and then presents each Member with a complete and accurate folder of amendments, bills, and everything else we need to make a decision.

After 25 years of Government service, Kay's last day was Friday, July 29. She and Joe—who is also retiring from the Department of Justice—expect to spend a good deal of time relaxing and enjoying their new grandson.

Kay may have 25 years of service, but Ann Mueller has files that are 25 years old. Ann started out in 1960 with the Defense Department at Scott Air Force Base in her home State of Illinois. She served at Yokata Air Base in Japan, and at the Pentagon before coming to the Merchant Marine and Fisheries Committee in 1977.

Until 1992, Ann worked for New York Congressman Mario Biaggi on our Coast Guard and Navigation Subcommittee and then as clerk of the Merchant Marine Subcommittee. To this day, she continues to keep our full committee maritime staff in line and informed.

From our committee's first work on a comprehensive oil spill bill in the 1970's, to the Shipping Act of 1984, to our current maritime reform legislation, Ann has been the constant. She knows what we did, why we did it, how it worked, and, if it didn't work, she often knew why.

Ann is famous for her ability to remember everything. Need that letter we sent to Admiral Shear at Marad in 1983? No problem. Ann not only has it, she can tell you what prompted it, and fax you a copy of the response.

In her retirement, Ann plans to move to the mountains, play golf, and come back to town for long lunches with her many friends.

Kay Denson and Ann Mueller. Two of the unsung, but never unappreciated staff who allow Congress to work in committee.

We couldn't do it without you—but now we'll have to.

On behalf of every Member whose life you two have made easier, I wish you fair winds and following seas as you begin this next voyage.

WHAT ABOUT THE WAR CRIMES TRIBUNAL?

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Ms. MOLINARI. Mr. Speaker, I rise today to address an issue which the administration has not treated with nearly enough seriousness: the U.N. War Crimes Tribunal for Yugoslavia.

The War Crimes Tribunal was organized over 17 months ago to investigate and prosecute perpetrators of war crimes in the Balkan conflict. In that time, not a single case file has been created, not a single defendant named, nor even one investigation completed. Meanwhile evidence of these crimes disappears daily and victims scatter across the globe.

This tragedy in the Balkans has thus far led to 187 mass graves containing as many as 5,000 total bodies—143 grave sites in Bosnia alone. Women and children are still being raped and human rights are violated on a daily basis. Bosnian men and women are publicly humiliated and forced to perform heinous acts before usually being killed or maimed.

These investigations must be conducted immediately, and with vigor, to fulfill the promises our President has made to the helpless victims that these crimes would not go unpunished and that justice would be served. Otherwise, the cycle of violence will likely continue unabated.

Last year, the Congress and the administration provided $3 million in voluntary contributions directly to the U.N. Tribunal in Yugoslavia. I am very disappointed that this year's bill gives no allocation to the tribunal. Rather than offering any specific appropriation, the committee would have the tribunal raid existing State Department or Justice Department accounts for funding. In other words: if you can "rob Peter to pay Paul" for this important project, great.

Mr. Speaker, by failing to fulfill our obligations to prosecute the guilty in Bosnia, we give the go-ahead to genocidal maniacs all over the world that they need not fear action from the United States. We must recognize that all member nations of the United Nations—including our own—bear responsibility for not stopping the war crimes in Bosnia sooner. And we certainly bear the responsibility to make those who organized these heinous acts pay.

I call on the administration to correct this terrible oversight by providing the voluntary contributions, the necessary resources and the strong leadership to successfully prosecute these criminals.

THE CANADIAN HEALTH CARE SYSTEM—THE LOSS OF INDIVIDUAL FREEDOM

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. KOLBE. Mr. Speaker, proponents of a massive Government intervention into our country's health care system often tout the health care system of our neighbors to the north in Canada. The following article by Susan Riggs, a Canadian writer, warns us about the perils of increasing Government intervention in our lives. As we head into the final leg of the health care debate, we would be wise to take Ms. Riggs' words to heart and stop the trend in our country towards curbing individual freedom.

This article appeared in the Arizona Daily Star on July 17, 1994.

WARNING FROM CANADA: LEARN FROM OUR MISTAKES

(By Susan Riggs)

TORONTO.—An open letter to my American neighbors:

Like you, I woke up today, got dressed and settled down to a steaming brew and the morning newspaper before heading out to work. Unlike you, I read that dozens of my fellow citizens were arrested for carrying copies of the Buffalo News. The newspaper contained information about a trial here that the powers-that-be did not want us to read. It is that simple.

It is now 11:15 p.m. Minutes ago, I turned on the Buffalo television station, hoping to see on my TV what could not reach us through the newspapers. I am now looking at a blank screen. We received about 10 seconds of the trial controversy, and suddenly my screen went blank. A message appeared on the screen explaining that because of the contravention of a ban, the station was prohibiting broadcast of the news. Along with the sign was a high-pitched whistle that sounded like the air-raid sirens the Britons used during World War II.

As I sit here alone, I realize that my blood is running cold at the sound of that whistle.

This could never happen here. Not in Canada.

You must wonder about a country that would deny its own citizens the freedom to read. As a Canadian, I have done a lot of hard thinking about it. I guess the powers have their reasons for the ban. Censorship always has its reasons, but, believe me, when you are on the receiving end of government censorship, no reason amounts to a hill of beans—and that is why I am writing to you.

It is my hope that you will read the Canadian story and, as your famous columnist Ann Landers says, "wake up and smell the coffee"—while you still have a newspaper to read along with it.

I have always loved the United States of America, and I know that you are now making critical decisions about the role of government in your lives. Many years ago, we in Canada were at a crossroads in our decision making that is similar to the one you are at now. I wish our decisions back then had been very different. Then maybe I wouldn't be sitting here staring at a blank screen.

Some two decades ago, Canadians were concerned with how government could best help its citizens. We looked around at countries with a comprehensive social welfare system and envied them their cushions of comfort for everything from universal medical care to national day care.

We were a country that held individual freedom in high esteem. Surely, we thought, it was possible to take the best aspects of socialism and weave them into the fabric of a free society. After all, this was democratic Canada, not the Soviet Union.

Over the next 20 years, we developed an extensive social support network at both the federal and provincial levels of government. The government spent money on every conceivable program. We spent and spent. Still, no one was ever really satisfied.

The spending even now continues unabated, and our national deficit today stands at more than $45 billion. (We are now looking to New Zealand for pointers on how to control our deficit.)

When you adopt an extensive government agenda, you soon discover that all the entrenched programs and layers of bureaucracy become impossible to budge. Much of the population works for the government; about one of every four Canadians now draws a government paycheck.

People learn to depend on government, and all governments, even those whose leaders warn against this dependency, learn to love the power that flows from it.

As for the threat to individual liberty, newspaper censorship is, frankly, the tip of the iceberg. Government intervenes in our lives constantly, and individual liberties are abrogated in new and ever more imaginative ways each day.

Recently, while on vacation, I rented a car in Seattle and tried to drive into British Columbia. My car was confiscated at the border. When I asked for an explanation, I was told that I had not paid taxes on it—a rental car. Had I been an American, there would have been no problem, but, as a Canadian, I had to pay $200 more for a Canadian rental car in order to continue my trip.

Canadians who dare to get a haircut or a car tune-up across the border are being photographed and prosecuted upon their return to Canada. Why? Because they have secured these services without having to incur the 7 percent goods-and-services tax slapped onto our ever-burgeoning provincial taxes. Even insurance plans are now taxed.

Once it takes hold, monopolization by government soon spreads to nearly every aspect of your life; in the Toronto area alone, we have six separate municipal governments and one super-municipal government (the "mother" of all local governments) called Metro, which exists to oversee the others.

You will find that after a time, your state and federal governments—even those of a different political stripe—will join forces to make their task of tax collection easier.

Our entire education system, up to university level, is governed by a centralized bureaucracy called the Ministry of Education, which dictates what can and cannot be taught in the schools and how it is to be taught. Universities are mainly government-funded.

I realize that the issue of government-run programs is particularly important to you now because of the state of your health-care system. I sympathize with you completely. I cannot imagine a world where one could be left bankrupt because of illness. I also think that you are on the right track with your solutions. If anyone can devise a workable system for medical care, it is you.

I suggest that you look upon it as you do your police protection; a guard in place for the physical and mental well-being of your citizens. The real danger in socialized medicine is the attitude of entitlement it engenders.

The stories you have heard about us are largely true. It is not uncommon to pick up a newspaper and read about "The Frightening Wait for Cancer Therapy" here in Ontario, and the situation is no, better in the other provinces. There is a shortage of the most advanced diagnostic technology. Thousands of the health cards that ensure access to medical care have been issued erroneously.

We do wait two hours for an appointment booked weeks in advance. Despite our world-class doctors, many patients can't get treatment in time because of overcrowding. When you are faced with a life-and-death medical situation, you don't mind paying whatever it costs. Under the government-dominated medical system, however, you can't even buy your way in—unless, of course, you go to the United States.

The sound of the air-raid siren on my TV has stopped, at least for now. As the politicians love to say, this is my "defining moment."

Writing is my great love, the part of me that can never be censored. This letter was difficult to write, and no one up here knows that I have written it. All these issues are not just personal; they are professional, too.

I am employed in administration at a prominent Ontario university that has historically enjoyed a high degree of autonomy. Last summer, my president wrote a letter to the staff explaining that the government had expressed an intention to take a more active role in the management of university affairs. He described this as an enormous threat to our autonomy as a free-thinking institution, and in the end the government retreated—for now.

As I sit here tonight, it is simply beyond my comprehension that such a well-intentioned and beloved country as my own could go so far astray so quickly. And it is all the more remarkable that it has taken place without grand conspiracies or intricate plots.

Indeed, most Canadians are as offended by the images of totalitarian government as you are. We shared your joy at the fall of the Berlin Wall and the crumbling of the Soviet bloc; we value freedom. And yet we have fallen into a trap where we are not free.

As with that other well-known road, we traveled this one with the best of intentions.

To those who would dismiss me as an alarmist, I issue this invitation: Read our newspapers, watch our news broadcasters (what is left of them) and see for yourselves. Prove me wrong. I wish you could.

Really think about what it could mean when you hear about a government initiative that sounds too good to be true. Thank God for a free press, even when you find yourself criticizing the media for broadcasting stories that you would rather not hear about. The recent publication ban is not the first one. There are others, and their numbers are growing.

When you make critical decisions about the role of government in your life, please think about me, about this letter and about Canada.

Listen and learn, America. Cup your ear to the wind and hear the blood-chilling wail of the siren whistle as it drifts down across your border. If just one of you reads this letter and pauses, even for a moment, to think about what unchecked government can do, then it has been worth the writing.

I have faith in you, America. Your road is tough and not perfect. Nothing is. Your road will keep leading you to freedom—the freedom to read and think and be exactly who and what you are—if you only let it. Treasure that freedom, love it and resolve never, ever to let it go.

J.W. EDMONDS HOSE CO. CELEBRATES 200 YEARS OF FIGHTING HUDSON FIRES

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. SOLOMON. Mr. Speaker, those of you who have visited my office have noticed the display of fire helmets that dominates the reception area. They're there for two reasons.

First, I had the privilege of being a volunteer fireman in my hometown of Queensbury for more than 20 years, which also explains the second reason, the great respect that experience gave me for the volunteers who provide fire protection in our rural areas.

Mr. Speaker, in a rural area like the 22d District of New York, fire protection is often solely in the hands of these volunteer companies. In New York State alone they save countless lives and billions of dollars worth of property. And no unit has been doing it longer than J.W. Edmonds Hose Co. No. 1 of Hudson, NY.

The State of New York has recognized the company as the oldest active, continually volunteer fire company in the State.

Coincidentally, the second oldest unit in New York State is H.W. Rogers Hose Co. No. 2, also of Hudson.

J.W. Edmonds Hose Co. No. 1 was formed in April, 1794, 7 months before H.W. Rogers Hose Co. One wonders how many alarms the company has answered in those 200 years, how many homes saved, and how many human beings and livestock rescued from smoke and flames.

And throughout those 200 years, the company has been made up of volunteers from all social classes and economic levels, from farmers to teachers to grocery clerks. What they have had in common is a desire to help their neighbors. Nothing, Mr. Speaker, is more all-American.

On August 20, a fireman's parade will be held in celebration of those 200 years of service. This is one ex-fireman who hopes to be there to march with them. Today, I would ask all Members to join me in tribute to J.W. Edmonds Hose Co. No. 1 for its two centuries of outstanding fire protection.

MALEA JOHNSON—VOLUNTEER OF THE YEAR

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. CLYBURN. Mr. Speaker, I rise today to congratulate Malea Johnson, a rising junior at Columbia High School, who recently received the Volunteer of the Year Award from the city of Columbia, SC.

Miss Johnson certainly is a worthy recipient of this award, as she was moved into action to establish a tutorial program for area elementary school students after lamenting the students' low standardized test scores.

Johnson, a cheerleader and member of the student council, found time in her busy school schedule to establish a neighborhood tutorial program that helped approximately 20 first through eighth graders improve their academic performance. She encouraged 10 other students and 3 adults to join her in this worthy endeavor.

Mr. Speaker, Malea Johnson certainly deserves recognition for her initiative and she should be held up as an outstanding example of the character, drive and volunteer spirit embodied in many of our Nation's youths.

TRIBUTE TO THE UNITED STATES COAST GUARD ON ITS 204TH ANNIVERSARY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. STUDDS. Mr. Speaker, today marks the 204th anniversary of the U.S. Coast Guard, our Nation's oldest maritime service. I take personal pleasure in noting Massachusetts' special relationship with the Coast Guard which dates back to the agency's inception. In 1790, Alexander Hamilton, then-Secretary of the Treasury, ordered the commissioning of 10 revenue cutters to assist in the collection of customs duties. The revenue cutter *Massachusetts* was the largest of the 10 original Coast Guard cutters. Today, Massachusetts fishermen and all other mariners continue to rely on the U.S. Coast Guard to be "Semper Paratus."

Over the past 200 years, the Coast Guard's missions have greatly expanded from its revenue cutter service beginnings. Today, the Coast Guard is charged with maintaining aids to navigation, ensuring the protection of the marine environment from oil and other hazardous spills, interdicting the flow of drugs, enforcing fisheries laws and treaties, and promoting safety at sea. In addition to these peacetime duties, the Coast Guard is a branch of our military and has served with distinction in every U.S. armed conflict.

And the missions keep expanding. Thus far in 1994, the Coast Guard has rescued over 25,000 Haitians from overcrowded boats helplessly adrift in the Caribbean.

The U.S. Coast Guard is the world's premier humanitarian maritime organization. The invaluable service it provides to the American people was clearly illustrated by a letter recently sent to the Coast Guard Commandant, Admiral Robert Kramek, by a grateful citizen.

Writing to thank the Coast Guard for its successful efforts to rescue first a seriously injured crew member and then the boat itself, Mr. Louis Spizziri of Wyckoff, NJ, said:

> Every member of your organization performed in outstanding fashion. They were all most competent in their jobs which they performed in a thoroughly professional manner. I feel that their behavior displayed an extraordinary level of ability and training.

Mr. Spizziri vividly described the June 27, 1994, rescue of the badly injured owner of the sloop *Kanoa Kai* by a USCG HH 60 J Jayhawk helicopter 200 miles east of the entrance to the Chesapeake Bay. The following day, the remaining crew encountered a violent thunderstorm that knocked the boat flat four times in the space of only 10 minutes and set off the engine alarm. The Coast Guard cutter *Aquidneck* sent two crewmen to help but were unable to solve the problem and the cutter ended up towing the boat to Little Creek, VA.

Mr. Spizziri closed his letter to Admiral Kramek by saying,

> I know I speak for the owner and the other two crew members of the *Kanoa Kai* thanking all the many people who participated in the rescue operations and commending them for their outstanding abilities and dedication to service. Some of them as you well know literally put their own lives at risk. The Coast Guard certainly lived up to its mission of saving lives and performing rescue.

Mr. Speaker, those of us who work with the Coast Guard know that events like those described by Mr. Spizziri are a daily occurrence. The resourceful and courageous men and women who serve in the Coast Guard are to be applauded and there is no better time to recognize their often heroic efforts then on today, their 204th anniversary.

TRIBUTE TO ADELAIDE KASSENBROCK

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Ms. MOLINARI. Mr. Speaker, I rise today with great pride in a member of my district. Adelaide Kassenbrock has been recognized as the Bay Ridge Community Council Civic Award winner. She has received this award for her outstanding and relentless dedication in serving the Bay Ridge community for over 50 years.

As a registered nurse during World War II, Adelaide Kassenbrock worked as a volunteer for the American Red Cross. Following her retirement, she continued to be a volunteer for many years at the Goldwater Hospital on Roosevelt Island. For over 30 years, Adelaide Kassenbrock has participated in many activities and served on every committee as a member of the Bay Ridge Community Council. She has been the vice president, recording secretary, corresponding secretary and historian. She is a founding member of the Kassenbrock Brothers Memorial Scholarship Fund, an organization of vital importance in Bay Ridge because it raises thousands of dollars in scholarship aid each year for needy high school seniors.

Adelaide Kassenbrock's accomplishments and contributions compare second to none. She has been the president of the Women's Guild of the Lutheran Medical Center and served as secretary in the Bay Ridge Nursery. As a founding member of the Bay Ridge Mental Health Council, she currently serves as the corresponding secretary. I could go on and on about the wonderful service Adelaide Kassenbrock has provided to Bay Ridge. I am proud to have Adelaide Kassenbrock as a constituent. Her devotion to Bay Ridge is simply unequaled.

TRIBUTE TO THE U.S. COAST GUARD ON ITS 204TH BIRTHDAY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. FIELDS of Texas. Mr. Speaker, today, the U.S. Coast Guard celebrates its 204th birthday—and Americans honor the courage, patriotism and professionalism of the men and women who formerly served and who currently serve as members of the Coast Guard.

As the ranking Republican member of the House Merchant Marine and Fisheries Committee, I have been impressed that Coast Guard members have carried out, and continue to carry out, their many varied responsibilities with quiet dedication, honor and courage. I have been equally impressed with the concern that Coast Guard personnel demonstrate on a daily basis not only for the well-being of their fellow man, but for the well-being and protection of our marine environment as well.

This has been a busy, and difficult, year for the men and women of the Coast Guard. The audible alarm that notifies Coast Guard personnel when an individual is in distress and needs assistance has sounded at a record pace this year. As that alarm has sounded, the Coast Guard has responded quickly, completely, competently and compassionately.

This year, the alarm has sounded for the humanitarian rescue of record numbers of refugees from Haiti and Cuba.

The alarm has sounded for the continued vigorous enforcement of our Nation's fisheries laws—particularly in areas that are being dangerously overfished.

The alarm has sounded for ice-breaking assistance during one of our Nation's worst winters on record.

The alarm has sounded when pollution has threatened our Nation's coastlines—and when the Coast Guard's considerable expertise and rapid response was needed to avert several major environmental disasters.

The alarm has sounded—and it has sounded an average of 144 times each and every day of the year, Mr. Speaker—for search and rescue missions, as boaters, swimmers, surfers and others have found themselves in emergency, life-threatening situations.

The alarm has sounded when the Coast Guard's assistance was needed for drug interdiction, for vessel inspection, and to service aids to navigation.

On July 12 and July 13 of this year, an another alarm sounded—an alarm that none of us hopes we will ever have to hear again. It was an alarm informing us that six Coast Guard personnel had been killed in the line of duty, in service to their country, in two separate incidents in California and over the Gulf of Mexico. Those two tragic incidents reminded Coast Guard personnel that their work is not without risk—and reminded all Americans of the invaluable service Coast Guard personnel perform on a daily basis despite the risks involved. We extend our condolences to the families and loved ones of the six men killed last month, and we pray for the safety and well-being of those Coast Guard personnel on whom so many Americans continue to depend.

Tragedies such as occurred in July might cause some people to become hesitant, tentative, and more concerned about their own safety than about the safety of others—but not the men and women of the U.S. Coast Guard.

Despite these tragic reminders of their own mortality, and with a solemn nod to the sometimes life-threatening nature of their chosen career, the men and women of the U.S. Coast Guard continue to answer the call whenever, and wherever, the alarm for help sounds. With renewed resolve to honor the memory of their fellow "Coasties" who died last month, and those who have given their lives to save others during the 204-year history of the U.S. Coast Guard, the men and women of the Coast Guard continue to live up to words of their song, *Semper Paratus:* "We're always ready for the call. We place our trust in Thee. Through surf and storm and howling gale, high shall our purpose be."

CLINTON-GEPHARDT BILL: MORE GOVERNMENT, LESS QUALITY

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. PACKARD. Mr. Speaker, the Clinton-Gephardt bill now before Congress represents everything that Americans dislike about Washington—a huge, intrusive, government, one-size fits all approach which limits choice, threatens quality, and increases cost.

The Clinton-Gephardt bill sets up a huge bureaucracy with the power to regulate the entire health care system. This plan will force the American people to spend their health care dollars on 50,000 new bureaucrats responsible for making decisions about their health care.

And what can the American people look forward to when this complex system of price controls is introduced—rationing. To see rationing at work, one must only look at another government-run experiment in health care, the local VA hospital. Even at the best VA facilities, patients who need special care like heart or orthopedic procedures must wait 60 to 90 days to see a specialist and then months more for needed surgery or treatments.

Routine care also suffers. Over half such patients, reports GAO, wait 1 to 3 hours to be seen briefly by a doctor burdened with increasing numbers of patients and piles of Government forms. Little wonder that 90 percent of the Nations 27 million veterans turn to private hospitals rather than the free VA facilities.

Imagine what it would be like if all Americans had the choice of rationed care in a government-run system.

Mr. Speaker, we need to institute health care reform which ensures the kind of quality and choice the American people deserve.

TRIBUTE TO SANDY CHRISTOFFERSON

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. WALSH. Mr. Speaker, I rise today to express my deepest concern and regard for Sandy Christofferson, a resident of Cortlandville, NY. Sandy has faced more adversity and pain in the last month than most of us experience in a lifetime.

Last month, Sandy and her husband, Doug, were excitedly preparing for a vacation to celebrate their 29th anniversary, when Sandy fell ill and lost feeling in her legs. Following a 911 call and a stay in the intensive care unit of a Syracuse hospital, Sandy was diagnosed as having an embolism, or blood clot. Though doctors are still unsure as to exactly what happened to Sandy, the blood clots had cut the supply of blood to her legs. Eventually, both her legs were amputated above the knee. While she must still go into the operating room every other day, the doctors have discovered that the embolisms are dissolving and Sandy may be able to leave the hospital later this month.

Throughout this entire ordeal, Sandy and her family have maintained a positive outlook. Rather than despairing over what has been lost, Sandy rejoices in life and what she has: a loving husband, devoted children, and beautiful grandchildren.

In addition, Sandy has the support and love of the Cortland community. She has spent years working in the area and on behalf of its residents. Most of Sandy's time and energy has always been focused on children, her own and the community's. She worked as a maternity ward nurse in the Cortland Memorial Hospital and as a nurse for McGraw Central School. She has been a 4-H volunteer for over 17 years, and was employed as a 4-H program assistant focusing on animal science for 6 years. Recently she became a health services facilitator for the Cortland County Head Start Program. Sandy has dedicated an enormous amount of time over the years toward helping young people achieve success. I hope she will continue to laugh and cry along with the children she has always loved.

Peers and coworkers have started a collection to help the Christoffersons defray medical expenses, and community members have donated wholeheartedly. Residents and visitors have signed two extra-large cards expressing their prayers. It is very clear to all that Sandy is beloved in her community.

Mr. Speaker, I am extremely proud to recognize Sandy Christofferson, her family, and the Cortland community. I hope my colleagues join me in praying for her continued recovery.

COMMUNITY RATING: AN ISSUE THAT HAS BEEN OVERLOOKED

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. BALLENGER. Mr. Speaker, there is one aspect of the health care debate that seems to have been overlooked: the community rating system for individual health insurance purchasers. Community rating raises the rates of younger people, while it lowers the rates of those aged 45 to 54 years, in order to make paying for health insurance more equitable. This policy would take $40 billion out of the pockets of people under the age of 35. The average median income of this group has fallen 15 percent in the last two decades. This group needs a tax break, not an increase.

A strict community rating system, as proposed by the Clinton health care plan and the other Democratic health care plans, forces individuals at lower risk of developing serious medical problems to pay for those who are at greater risk. The risks related to age would call for a premium 3.5 to 4.5 times as high for a 50-year-old as for a 25-year-old. Community rating would roughly double the cost of health insurance for the young, while cutting in half the rate for middle-aged Americans. Median annual income for a worker aged 25 or under is $18,313; while that number is $43,751 for a worker aged 45 to 54. Yet, some people believe that these two groups should pay the same amount for health insurance. The people in their mid-thirties are the least insured group in the country already. Clearly, doubling the insurance premium for this group will not increase the number of policyholders.

Mr. Speaker, if you want a health care plan that provides universal coverage for all, community rating is not the way to go. By raising the price of insurance for those under the age of 35, you give them a disincentive to purchase health insurance. In New York, the cost of insurance for a single male rose 170 percent after the State implemented this policy of community rating. Since adults in their mid-thirties are already the least insured group. They need to be encouraged to purchase insurance, not discouraged. By doubling the price of health insurance for this age group, the number of uninsured is bound to increase. Community rating is a bad idea which begs for bad results.

DR. JAMES BLAKE HONORED WITH STREET NAMING

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Dr. James Blake of Marion, SC, for his many years of community and professional service.

The city of Marion recently honored Dr. Blake, a former educator, with the unveiling of a street sign bearing his name. In 1993, the city of Marion named the unpaved road—running through a new 30-unit housing project off Martin Luther King Drive—Blake Circle, recognizing Dr. Blake for his 27 years of work as a member of the Marion Housing Authority.

Dr. Blake is also a retired assistant superintendent of Marion County District 1 and math supervisor.

Dr. Blake was accompanied at the unveiling by his wife, Rita; children Karen, James Jr., Albert, William, and Kevin; and grandchildren Tre' and Tyler Blake, who unveiled the sign.

Mr. Speaker, Dr. Blake is a friend of long standing and his family, friends, and professional and community associates can certainly testify to the fact that he is deserving of this honor.

CONGRATULATING EAGLE SCOUT TODD K. RIELAGE

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. MANN. Mr. Speaker, I take this opportunity today to congratulate Todd Rielage on his accomplishment of earning the rank of Eagle Scout. This is a substantial achievement demonstrating Todd's perseverance, as only 2 percent of all Scouts even attain the Eagle rank. Todd joins his older brothers, Dale and Keith, as an Eagle Scout from Troop 828, sponsored by Groesbeck United Methodist Church.

Todd is an eighth grade honor roll student at Colerain Middle School. He is the accomplished first clarinet in the school band and covers home plate for the Walt Sweeney select baseball team.

I extend my heartiest congratulations to Todd Rielage who should be justifiably proud of his accomplishments. I also extend congratulations to his parents, Robert and Diana Rielage, and his adult Scout leaders whose support and encouragement helped make his goal a reality.

TRIBUTE TO SULTAN AHMAD

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. FOGLIETTA. Mr. Speaker, I rise to congratulate my good friend Sultan Ahmad on the occasion of his promotion to deputy director of operations at the Philadelphia Parking Authority. Sultan comes to his new position from the mayor's Office of Community Services where he served as the agency's executive director.

Sultan's prior position entailed coordinating programs to address issues of homelessness, housing, youth violence, nutrition, unemployment, economics, and illiteracy in the city of Philadelphia. Last year, over 100,000 citizens were affected by the agency's services. In addition, he established the Sultan Jihad Ahmad Scholarship Fund which grants scholarships to deserving college students and grants to worthy organizations. This fund was formed by Sultan in loving memory of his son, a high school student who died tragically in a shooting death. Sultan has been a leader in promoting respect, dedication, and faith in people of all ages.

In recognition of his leadership and commitment to the community, he will be honored by the staff of the Office of Community Services with a celebration dinner on Wednesday, August 10, 1994, in Philadelphia. Mr. Speaker, I join with friends and family in recognizing Sultan Ahmad's accomplishments and wishing him the best of luck in his new endeavors with the Philadelphia Parking Authority.

THE DAD-FINDER ACT OF 1994 AND THE CHILD SUPPORT ENFORCEMENT ACT OF 1994

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. COOPER. Mr. Speaker, most of us agree that the current welfare system desperately needs fixing. Taxpayers are fed up with paying for it, and even people on welfare realize that they are being trapped in a cycle of dependency—sometimes for two and three generations. Unfortunately, many of us fear that partisan gridlock will keep comprehensive welfare reform from being passed by this Congress.

The American people have told us that we have to do something about welfare. And we have to do it now. That's why I am proposing measures which will help fix a significant problem within our welfare system—child support.

I have met too many women in my home State of Tennessee who have been forced onto welfare because the fathers of their children do not pay child support. Many times, the father has never been identified. Other times, the father has tried to escape his obligations. As a result, the American taxpayer, through the welfare system, has to come up with the child support payments for these children.

I have introduced two separate bills that would help tackle these problems while saving taxpayers billions of dollars. The first bill is the Dad Finder Act of 1994. This measure would help identify fathers of children born out of wedlock by encouraging paternal identification programs both before and at the time of birth and by cutting off welfare benefits where fathers have not been identified.

The second bill is the Child Support Enforcement Act of 1994. This bill would crack down on deadbeat dads by authorizing the seizure of their bank accounts, property, and even gambling winnings, and restricting their ability to obtain credit or professional and drivers' licenses. This measure would also make grandparents financially responsible for their grandchildren when the children's parents cannot or will not make child support payments.

There is nothing revolutionary about either of these measures. In fact, many of these provisions can be found in welfare reform proposals already introduced by both Democrats and Republicans. However, these are ideas whose time has come. I urge my colleagues to support this profamily legislation.

SALUTE TO JERRY ENOMOTO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. MATSUI. Mr. Speaker, I am honored to rise today to salute Mr. Jerry Enomoto, the first Japanese-American United States marshal.

I have known Jerry Enomoto personally and professionally for many years and I count him among my best friends and most respected colleagues. Given Mr. Enomoto's outstanding career in law enforcement and corrections, I can think of no other person more deserving of his new position with the Marshal Service.

A trailblazer in many ways, Mr. Enomoto's unparalleled job performance has resulted in him accomplishing many firsts. He was the first Japanese-American to break into numerous positions, including first Japanese-American to be appointed warden of a prison in the mainland United States; first Japanese-American director of a department of California's State government; and now he has the distinction of being our Nation's first Japanese-American United States marshal.

Mr. Enomoto graduated from the University of California, Berkeley in 1949 and returned to earn a master's degree in social welfare in 1951. In the more than 40 years that have passed since then, he has developed a critically acclaimed career out of a desire to better California's system of corrections.

His outstanding success within the California Department of Corrections has been widely recognized through honors, awards, and commendations too numerous to mention. In addition to his great legacy to the department of corrections, Jerry has inspired by example countless individuals to become involved in community work.

In addition to his more than 40 years of service to the Japanese-American Citizens League, Mr. Enomoto has served the Lions Club and has been an active member of several boards including Visions. Inc.—a mental health agency—Friends Outside, and the Asian Legal Service Outreach. For over 25 years he has been a committed and valued member of the Democratic Party and he is also an elder in the First Community Presbyterian Church of Sacramento. In short, he is a community leader we all would do well to emulate.

IN HONOR OF THE HUMANITARIAN EFFORTS OF THE HERRIN PRAIRIE AMERICAN LEGION POST NO. 645

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. POSHARD. Mr. Speaker, I rise today to pay tribute to the members of the Herrin Prairie American Legion Post No. 645 for their compassionate efforts in aiding the victims of the 1993 Illinois floods. The Legionaires and auxiliary members of Post No. 645 in their humanitarian efforts are an example to us all, and they should be commended for their unselfish generosity.

The Herrin Prairie post, along with other local American Legion posts, gave not only from their pocketbooks, but most generously from their hearts. During the floods, members of the post assisted flood victims by providing them with much needed food, clothing, and toys. Several members also assisted in efforts to sandbag flood threatened areas.

I highly commend the members of Herrin Prairie Post No. 645 for their gallant hours of service to such a devastated region of Illinois. Their heartfelt commitment will forever be remembered by those families whose communities and lives they helped to rebuild. I want to especially commend our departed comrade, Terry Umdenstock, for the leadership that he brought to this great endeavor. Terry is greatly missed by those of us who loved him as well as the many unfortunate people he served over the years.

HONORING HELEN F. CHAVEZ FOR HER UNWAVERING COMMITMENT TO THE UNITED FARM WORKERS UNION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. TORRES. Mr. Speaker, I rise today to honor Helen F. Chavez, the beloved wife of the late civil rights labor leader, Cesar Chavez. On August 8, 1994, Cesar Chavez will posthumously receive the Presidential Medal of Freedom. Helen will receive the award on his behalf and on the behalf of all the farm workers she and Cesar have fought for all their lives.

The Presidential Medal of Freedom is the country's highest civilian honor. Recipients have demonstrated the highest ideals of their fellow citizens. Cesar Chavez dedicated his life to improving the working conditions for thousands of individuals who pick the crops which feed America. Cesar not only founded the United Farm Workers Union, but he left a legacy that we can all identify with and benefit from, his doctrine of nonviolence.

Always beside Cesar was his supporting wife, Helen, often overshadowed on the limelight but never eclipsed. The daughter of Mexican farm workers, Helen was born on January 21, 1928, in Brawley, CA. Her parents had seven children and were farm workers until the days of their deaths. It was in Brawley that she began her life's journey with farm workers. And it is in these fields where she labored that she met her partner for life, Cesar Chavez.

Married on October 22, 1948, in Delano, CA, she and Cesar not only committed their lives to each other, but also to fight for better conditions for the farm workers of California's Central Valley. Having both labored in the fields since their childhood, they knew the day-to-day struggles of the farm workers all too well.

In 1965, Cesar started organizing support for a farm workers union. One of the benefits union members could receive is to belong to a credit union. In 1967, Cesar passed the torch to Helen to run the credit union. Helen had no formal accounting or banking training, but nonetheless taught herself how to manage an efficient credit union. The credit union offered stability to these laborers since they could save money, collect interest, and take out loans at a low interest rate. Most farm workers do not earn enough money to take out loans and to lead stable lifestyles because of their constant movement. Under Helen's leadership, though, the membership not only grew from 7 members to 2,100 at its height, the farm workers had a chance to invest in a better tomorrow.

In addition to her commitment to the credit union and her work in the fields, Helen also raised 8 children, Fernando, Sylvia, Linda, Eloise, Anna, Paul, Elizabeth, and Anthony, 29 grandchildren, and 2 great-grandchildren. They lived in humble settings, and she credits her children as being good soldiers in the fight for justice for all.

Since Cesar's death in April 1993, Helen and her children have not relented in the fight for better working conditions for farm laborers, but more importantly, for justice for all who suffer at the hands of injustice.

All political leaders have power. But, true power emanates from deep within the individual. The silent spirit of Helen Chavez has called us all to hear the simple message of two farm workers, "Don't be afraid. Stay strong. And keep fighting for equality and dignity."

Mr. Speaker, I ask my colleagues to join me in paying tribute to a strong woman we can all learn from, Helen F. Chavez.

TRIBUTE TO JOE OLDMIXON

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. HUTTO. Mr. Speaker, on July 28, 1994, Escambia County, FL, lost one of its most outstanding citizens with the passing of Joe Oldmixon. Joe was, without doubt, one of the most loved and respected public officials in history in northwest Florida.

Joe Oldmixon was the longest serving supervisor of elections in Florida. He had served as Escambia County Supervisor of Elections for 41 years. As an indication of the esteem in which he was held. Joe had no opposition after he was first elected to the position in 1952. Election after election no one dared to challenge Joe Oldmixon—a remarkable record.

Joe was a politician who proved that politics does not have to be a dirty word. Young people would do well to emulate the outstanding example of Joe Oldmixon.

Brenda Renfroe, assistant supervisor, said of Joe, "He always preached to us to treat everyone like you'd like to be treated. That was the number one requirement for working here."

Joe Oldmixon, indeed, treated everyone fairly and decently. He and his fine staff have done an excellent job of running elections in Escambia County by registering voters and encouraging people to vote.

Both Joe and his lovely wife, Jeanie, have used wheelchairs since early in life. But there was never a complaint by either as they served the people of our area. Honesty, integrity, trustworthiness, and many other good qualities endeared Joe to thousands of people and he was known and admired by many throughout the State.

Joe was a devout Christian and it was my good fortune to be involved with him and Jeanie several years ago in the Fellowship of Christian Politicians.

Joe will be greatly missed by Jeanie and the family and all of us. But, he will not be forgotten and his legacy sets a high standard that will continue to give us inspiration.

HARRY, WE WISH YOU WELL

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. BARCIA of Michigan. Mr. Speaker, I rise to call attention to the career of an individual who has been extremely important to many of my constituents, and who has played a significant role of the economic well-being of the many dry bean producers and shippers that I represent.

Harry H. McClintic is retiring after 44 years with Stokley-Van Camp, Inc., and Quakers Oats Co. He is being honored by the Michigan Bean Shippers Association for his professional achievements during his outstanding career. He has been a major player in the purchase of dry beans that are produced in Michigan, particularly in my congressional district. He is known by many as a very knowledgeable, articulate, and skillful businessman who is both a shrewd bargainer and a most pleasant individual with whom one would want to spend a great deal of time.

Through his professional skills he helps bring consumers throughout the United States a quality product that is getting most deserved attention to its positive role in good nutrition. He has left his capable mark on the buyers he has trained, making his impression felt on an even wider part of our country.

He has been welcomed in Michigan as an arbitrator, and as a processor member of the Michigan Bean Commission. He has been welcomed as a business partner, and perhaps most importantly, he has been welcomed as a friend.

Mr. Speaker, those of us who have had the good fortune to get to know Harry and his wife, Marilee, want to wish them every happiness and success as they together move on to new challenges. Their friends in Illinois will be happy to see them more, and their friends in Michigan, including myself and Congressman CAMP who joins me in recognizing his accomplishments, will miss them. We hope that they will return to Michigan time and time again and consider our home State their second home.

TRIBUTE TO CARLO MONTEZ CLARK

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. COSTELLO. Mr. Speaker, I would like to introduce a citizen of the 12th Congressional District who will be honored by the President of the United States and the Attorney General for his courage and bravery to the Members of this body. Mr. Carlo Montez Clark, a resident of Belleville, IL, will receive the Young American Medal for Bravery for his actions rescuing a woman from a dangerous fire.

On August 23, 1992, Mr. Clark was walking past a grocery store and noticed smoke coming from an apartment building. Mr. Clark made many attempts to enter the apartment, but finally crawled on his hands and knees to enter the place of residence. Once inside, he discovered Ms. Virginia Hudecek on the floor and had to carry her out on his back. This destructive fire caused extensive damage to Ms. Hudecek's apartment. Without Carlo's valor and tenacity, Ms. Hudecek's life could have been lost.

Because of Carlo's heroism, he has been the recipient of many awards and acclamations, including the Carnegie Medal from the Carnegie Hero Fund Commission, the 1992 Humanitarian Award, and is the youngest citizen to receive the Southern Illinois Law Enforcement Commission Award. Mr. Speaker, as a former law enforcement official, I too, know that acts of bravery by citizens of the community are necessary for the protection for all citizens.

Currently, Carlo is completing his degree in mathematics at Western Illinois University in Macomb. With his generous and caring attitude toward his community, he will have an excellent future ahead of him. Mr. Speaker, I wish him a hearty thanks and a successful career.

THE PIKE COUNTY FARM BUREAU: 75 YEARS OF PROGRESS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. DURBIN. Mr. Speaker, I rise today to recognize and congratulate the Pike County Farm Bureau on the occasion of its 75th anniversary.

I have the pleasure of representing Illinois' 20th Congressional District, which includes Pike County. Located in west-central Illinois, Pike County is home to rich farmland that consistently produces abundant harvests of corn and soybeans, as well as a number of quality pork production operations. The 2,400 members of the Pike County Farm Bureau certainly play a vital role in the economic well-being of agriculture and the quality of farm family life in the county.

Since 1919, members of the Farm Bureau have joined together to provide a respected voice for the men and women who are involved in agriculture production in Pike County. Members continue to strive to bring common sense to the wetlands issue, protect private property rights, and work with local, State, and Federal Governments to ensure that the interests of farmers are represented. Since coming to Congress in 1983, I have had numerous opportunities to meet with this organization and to work on issues of importance to its members. The Pike County Farm Bureau is without a doubt organized and dedicated to providing its members with a strong voice and active representation.

Mr. Speaker, just over a year ago, the Pike County Farm Bureau helped fight the raging Mississippi River flood waters that threatened not only agricultural lands, but small towns in the county as well. Unfortunately, flood waters broke through a portion of the Sny Island levee and destroyed thousands of acres of cropland and hundreds of homes. The Farm Bureau's valiant fight to save the levee, coupled with its subsequent flood recovery effort, helped secure the organization and its members a place in the hearts of county residents and flood victims throughout the Midwest.

I salute the Pike County Farm Bureau, its membership and leaders, for 75 years of progress for American agriculture. I look forward to working with the Farm Bureau for many more years.

THE BATTLE OF THE BULGE 50-YEAR ANNIVERSARY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. TRAFICANT. Mr. Speaker, I rise here today to commemorate the men and women of the U.S. Army and to pay special tribute to the members of the 196th Field Artillery. The 196th Field Artillery was formed at Fort Jackson, SC, when the 115th FA separated, sending half to Iceland and leaving half to form the new division. The 196th Field Artillery provided support for the Allied Forces at the Normandy beachhead and remained in France throughout some of the bloodiest battles of the war. The troops of the 196th were also the first to enter Paris and helped in its liberation from Germany, resulting in five battle stars and the Arrowhead Badge.

Mr. Speaker, as we approach the 50th anniversary of The Battle of the Bulge, where many of these men fought and lost their lives, I would like to offer my personal thanks and admiration to these men who fought so courageously in the pursuit of freedom. Because of these men and their sacrifices, Western Europe remains democratic and economically stable.

Since 1968 these men have had a reunion with the inaugural year involving 7 men and since grown to over 100 attendees. There are 24 States represented at this reunion by people who have helped provide a better life for all Americans.

Today I join with the citizens in my district in saluting these men for their courage, dedication, and accomplishments. May God bless them with health and happiness in the years to come.

TRIBUTE TO JOHN MURREN

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. GOODLING. Mr. Speaker, I am pleased to have the opportunity to honor one of my constituents, Mr. John Murren, who has contributed 50 years of volunteer fire service in Adams County, PA.

Throughout his 50 years of service Mr. Murren has protected the lives of many people and has rescued many homes. He has contributed over 10,000 hours of volunteer services, traveled more than 80,000 miles, and investigated at least 2,750 fires. With all of his great achievements and qualifications he became president of the Adams County Volunteer Firemen's Association. All too often volunteers receive only the personal satisfaction for their acts. Mr. Murren deserves recognition for his outstanding accomplishments as well.

There are approximately 6,000 deaths and $10 billion worth of property damage annually as a result of fire. Each year, more than 100 firefighters are killed in the line of duty. Today, we as a Nation are indebted to 1.3 million volunteers and 450,000 paid firefighters in the United States.

Community volunteers play a vital role in the development and betterment of our communities. It is often the local volunteer firefighters and veterans organizations who organize the Fourth of July ceremonies every year. It is almost always the firefighters who are first to organize and work tirelessly in search parties for lost children.

Mr. Speaker, the true fabric of our Nation is made of Americans like John Murren who devoted tireless efforts to the service of others. I would personally like to thank Mr. Murren and let him know that his years of service are very much appreciated by the citizens of Adams County.

TRIBUTE TO AMEDEO FIORINDO GONELLA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Ms. ESHOO. Mr. Speaker, I rise today to pay tribute to Amedeo Fiorindo (Floyd) Gonella—beloved husband, devoted father, and adored grandfather—who passed away last week in Daly City, CA. Having known this good man and his extraordinary family, I know he will be sorely missed. But I also know that his contributions to the community and the legacy of his devotion to family will endure for generations to come.

Floyd Gonella first came to the United States as a teenager, arriving alone at Ellis Island and eventually settling in San Mateo County. He had learned farming in Italy and became a cabbage rancher in California and then a gardener for Daly City. He loved growing, and continued to garden well after he retired. Floyd Gonella and his wife Tina raised two exceptional sons, Floyd and Raymond, and were blessed with six grandchildren.

Floyd will be fondly remembered by his family friends at the Lincoln Park Senior Center, where he spent countless hours playing his bocci, listening to music, dancing, and celebrating all forms of Italian culture. He truly loved people and went out of his way to help others. He was known and admired by his peers at Lincoln Park as a kind, gracious, and gentle man.

Mr. Speaker, Floyd Gonella was one of the finest individuals I have ever had the privilege to know and his passing is a great loss for his family and friends and our entire community. I ask my colleagues to join me at this time in paying tribute to him and the life of purpose he led, and in extending our deepest sympathies to the family he loved so much.

SIXTH DISTRICT CHURCH NOMINATED FOR NATIONAL HISTORIC REGISTER

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. CLYBURN. Mr. Speaker, I rise today to proudly announce that the 128-year-old Trinity United Methodist Church in Orangeburg, SC, is one of several Sixth District sites recently nominated to be placed on the National Register of Historic Places.

Trinity Church is significant for its historic service in the African-American community and for its 20th century Gothic revival architecture. The church was organized in 1866 by newly freed slaves. The existing church at 185 Boulevard NE is the fourth sanctuary to serve the congregation.

Construction on the existing church began in 1928 and was designed by African-American architect William W. Wilkins.

The Rev. George F. Manigo is pastor of the historic church and H.B. Pasley is chairman of the board of trustees.

Mr. Speaker, I am pleased this church is being recognized for its historical significance in African-American history.

HONORING COAST GUARD CUTTER *MACKINAW*'S 50 YEARS OF SERVICE

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to a piece of history which sails the Great Lakes and which is stationed in the First Congressional District of Michigan, which I represent. I am here today to honor the Coast Guard cutter *Mackinaw*'s 50 years of service to the State of Michigan and to America.

The cutter *Mackinaw* was commissioned on December 20, 1944, in Toledo, OH. At 290 feet long, the *Mackinaw* is the largest and most powerful Coast Guard ship on the Great Lakes.

Throughout the last 50 years the cutter *Mackinaw,* affectionately known as Big Mack or Queen of the Lakes, has been a driving force behind the economic growth of Michigan and America. Tirelessly toiling during the bitter winter months, Big Mack and her crew have ensured the safe passage of tankers through the icy waters of the Great Lakes. In the 1940's the cutter *Mackinaw* kept the shipping lanes open, allowing America's mighty war machine to continue its high level of production. Since World War II, the cutter *Mackinaw* has ensured the safe arrival of vital raw materials for the steel and auto industries of Pennsylvania, Ohio, Indiana, and Michigan. The Big

Mack's relentless efforts over the last 50 years have helped develop America's industrial base into one of the world's largest.

The cutter *Mackinaw* has not only helped save the economy, but has also saved lives as well. On numerous occasions the Big Mack and her crew have braved the icy waters to save wayward boaters. A vital part of the Coast Guard's search and rescue missions, I am sure there are more than a few sailors and their families who are eternally grateful to the cutter *Mackinaw* and her crew.

Over the years, the *Mackinaw* has been a friend to many. Trustworthy and dependable, she has performed her duties without question.

Today, we are recognizing the cutter *Mackinaw* for its 50 years of service. This would not be possible, however, if it were not for the dedication and loyalty her crewmembers have displayed over the years. As the *Mackinaw* celebrates its 50 years of service, I ask the crew to join and celebrate their tireless dedication to the *Mackinaw,* to Michigan, and to America.

Mr. Speaker, the cutter *Mackinaw,* and her numerous crewmembers over the years, rarely receive the gratitude they deserve. Together they have embodied the spirit and dedication that has made America the great Nation it is today. I would like to thank the U.S. Coast Guard cutter *Mackinaw* and everyone who has served on her in the Great Lakes over the last 50 years. Congratulations, and best wishes.

SALUTE TO THE 1994 UNIVERSITY OF ALABAMA INTERNATIONAL MOOT COURT TEAM

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. EVERETT. Mr. Speaker, I am pleased to congratulate the 1994 University of Alabama International Moot Court Team for having written the best brief in the Jessup International Law Moot Court Competition, Worldwide. The Dillard Award recognized the best brief, worldwide, among hundred of briefs submitted for competition by Moot Court Teams from law schools throughout the United States and the world.

The team members, Ms. Jamie Manasco, respondent oralist, of counsel; Mr. John Gilliland, respondent oralist, of counsel; Ms. Christa Hayes, applicant oralist, of counsel; Mr. David Overstreet, applicant oralist, of counsel; Ms. Paige Carpenter, of counsel; Sonya Powell, team manager; and team advisors, Dean Kenneth Randall and Frank Kaprio, attorney at law, should be commended for their hard work, dedication, thorough research, and brilliant writing. Two members of the team, Jamie Manasco and John Gilliland were also awarded the Baxter Award for having written the best respondent brief in the Jessup international competition.

Mr. Gilliland is from Montgomery AL; Ms. Manasco is from Birmingham, AL; Ms. Hayes is from Gadsden, AL; Ms. Carpenter is from Tuscaloosa, AL; Mr. Overstreet is from New Mexico; Ms. Powell is from Virginia Beach, VA; Dean Kenneth Randall is from Tuscaloosa, AL; and Frank Kaprio is from Huntsville, AL.

I am proud to pay tribute to these fine young scholars representing the University of Alabama, the State of Alabama, and the country as a whole. They deserve our congratulations and our best wishes as they graduate from law students to jurists, moving forward from this success toward their next.

U.S. COAST GUARD'S 204TH ANNIVERSARY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. MANTON. Mr. Speaker, today is the 204th anniversary of the founding of the U.S. Revenue Cutter Service, the predecessor of the U.S. Coast Guard. At the time of its inception in 1790, the Revenue Cutter Service began with the authorization to operate 10 revenue cutters. Since then, through periods of war and peace, the Coast Guard has held a proud place in history. The 30 battle streamers awarded to the Coast Guard honor the service's involvement in every major war of the Nation, including Vietnam and the Grenada expedition. They exhibit the proud history of this, the oldest continuous seagoing service.

The many missions successfully undertaken by the Coast Guard over the last 204 years, clearly demonstrate how this small but valuable group of men and women have served our Nation. Under the current leadership of Adm. Robert E. Kramek, I am confident the Coast Guard will continue to serve as the premiere protector of life and property at sea. The Coast Guard's ongoing commitment to excellence is most clearly evidenced in its response to the recent surge of migrant rescues. Regardless of our views on the policy on Haitian migrants, all surely agree that the Coast Guard has done a remarkable job in protecting lives and providing essential humanitarian assistance to these frightened refugees. In addition, the Coast Guard continues without interruption—daily search and rescue missions, ongoing drug interdiction initiatives, environmental response efforts, waterways management, and defense operations. Each of these mission areas provides essential services to our taxpayers.

It is a pleasure to offer my congratulations and commend the Coast Guard on a job well done and to honor the Coast Guard for 204 years of dedicated service.

INTRODUCTION OF THE FIREARMS SAFETY AND VIOLENCE PREVENTION ACT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 4, 1994

Mr. OWENS. Mr. Speaker, I rise to introduce the Firearms Safety and Violence Prevention Act. This legislation would grant the Federal Bureau of Alcohol, Tobacco and Firearms [ATF] broad authority to regulate the design, manufacture, distribution, and performance of firearms and ammunition for the promotion of public health and safety.

Currently, ATF aggressively monitors illegal commerce in firearms. Its sole mission is to promote criminal justice. However, firearms not only pose a criminal threat, but also pose a significantly high risk to public health. It therefore is important that ATF also be vested with the mission to promote public health and prevent violence, particularly since none of the agencies with public health missions has the expertise necessary to regulate firearms.

Because of ATF's exclusive focus on criminal justice, the gun industry has always enjoyed a complete lack of regulation. For example, while some firearm manufacturers equip their products with trigger arrestors or loading indicators, they are not required to do so.

In contrast, the Consumer Product Safety Commission [CPSC] in 1988 banned worm probes which use electrical charges to drive worms from the ground after 28 people died as a result of using them. Twenty eight people is a far cry from the 37,000 people who are killed by guns each year, yet ATF does not have the authority to issue gun regulations to ensure consumer safety.

Moreover, it is shocking and ironic that children's toys are more strictly regulated than guns, particularly when one considers that so many children are killed by guns every year. According to the National Center for Health Statistics, every day in America 13 children under the age of 19 are killed by gunfire.

The Firearms Safety and Violence Prevention Act would end the gun industry's preferential treatment by giving ATF the power to regulate firearms like other consumer products. ATF would have the authority to take the steps necessary to protect consumers from any unreasonable risk of injury resulting from the use of firearms or firearm products. ATF could meet this responsibility by setting safety standards, issuing recalls of defective firearms, and mandating warnings. Only if measures such as these failed to prevent the public from being exposed to an unreasonable risk of injury could ATF then prohibit the manufacture, sale, or transfer of a specific firearm.

The addition of violence prevention to ATF's agenda is vital to the continued viability of our Nation's health care system. Between 1960 and 1980, the Nation's firearm death rate increased 160 percent while the rate for other homicides declined. According to the Centers for Disease Control, firearm injuries soon may overtake motor vehicle injuries as the Nation's leading cause of injury mortality, and already have in eight States. That trend is not good news, since firearm injuries are more costly than any other type of injury. The total cost of firearm injuries in 1990 was $20.4 billion—a 42-percent increase in costs over the 1985 level. These health cost data illustrate the importance of preventing firearm injuries, and no agency can match ATF's expertise in relation to firearms.

Mr. Speaker, this bill represents a crucial step forward in the effort to promote public health because it sends the message that violence is preventable. I urge my colleagues to

cosponsor this legislation and join me in sending that message.

THE FIREARMS SAFETY AND VIOLENCE PREVENTION ACT—AN ACT TO REGULATE THE MANUFACTURE AND SAFETY OF FIREARMS

Expands the authority of the Federal Bureau of Alcohol, Tobacco and Firearms (ATF) to regulate the design, manufacture, and distribution of firearms and ammunition. The Act grants ATF health and safety powers in addition to its law enforcement functions. ATF would be empowered to take the steps necessary to protect the public from unreasonable risk of injury resulting from the use of firearms or firearm products.

Expands ATF's jurisdiction to include firearm-related products (such as laser sights and trigger activators) and non-powder firearms.

Establishes within ATF a Firearms Violence Information and Research Clearinghouse to collect, analyze, and make available to the public data regarding the firearms industry as well as firearm-related death and injury.

Extends ATF's authority to include the ability to set safety standards, issue recalls of defective firearms, and mandate warnings.

Authorizes ATF to prohibit the manufacture and transfer of specific firearms, but only if the agency determines that the exercise of other authority granted the agency would be insufficient to prevent exposure of the public to unreasonable risk of injury.

Allows ATF to take emergency action to protect the public from "imminently hazardous" firearm products.

Requires manufacturers to test firearms and firearm products to guarantee compliance with relevant standards issued by ATF. All firearms and firearm products must be labeled with the name and address of the manufacturer to ensure that defective guns can be identified and traced.

Requires manufacturers to notify ATF of intent to manufacture new types of firearms.

Sets penalties of up to $5,000 per violation for civil violations of the Act. Criminal penalties may include imprisonment for not more than two years and fines under the existing criminal statute.

Establishes a private right of action for persons harmed by violations of the Act and allows for private enforcement of the provisions of the Act.

SENATE—*Friday, August 5, 1994*

The Senate met at 9:30 a.m., and was called to order by the Honorable HARRIS WOFFORD, a Senator from the State of Pennsylvania.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Beloved let us love one another: for love is of God * * *.—1 John 4:7.

Almighty God, holy, just, and loving in all Thy ways, the exhortation of the apostle John to love one another seems unrealistic or impractical in the atmosphere of politics. Nevertheless, the Bible insists it is the most powerful source in life. In the words of Paul, "Love suffereth long and is kind, love envieth not, love vaunteth not itself, love is not puffed up, love seeketh not her own, is not easily provoked, love bears all things, believes all things, hopes all things, endures all things. Love never fails."

Help us, gracious Lord, to understand love as more than emotion. We have been exhorted to love our enemies—those who despitefully use us. Emotionally, we want to crush them, but we have been commanded to love. Help us to see love as volitional, as a matter of the will, as a decision. Help us to comprehend the profound truth that, "Love fulfills the law of God." Help us to determine to love one another, even in the atmosphere of politics.

We pray in His name who is incarnate love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 5, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRIS WOFFORD, a Senator from the State of Pennsylvania, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WOFFORD thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

The majority leader.

DEPARTMENT OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

Mr. MITCHELL. Mr. President, under the previous order, is it now in order for the Senate to proceed to consideration of H.R. 4606, the Labor, Health and Human Services, and Education and related agencies appropriations bill?

The ACTING PRESIDENT pro tempore. Yes, it is.

Under the previous order, the Senate will now proceed to the consideration of H.R. 4606, the Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4606) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies, for the fiscal year ending September 30, 1995, and for other purposes.

The Senate proceeded to consider the bill making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies, for the fiscal year ending September 30, 1995, and for other purposes, which had been reported from the Committee on Appropriations with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 4606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1995, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs and for carrying out section 908 of the Social Security Act, $90,276,000, together with not to exceed $45,073,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING RESCISSION)

For expenses necessary to carry into effect the Job Training Partnership Act, as amended, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act; title II of the Civil Rights Act of 1991; title XV, part A of Public Law 102–325; title VII, subtitle C of the Stewart B. McKinney Homeless Assistance Act; the Women in Apprenticeship and Nontraditional Occupations Act; Goals 2000: Educate America Act; and the School-to-Work Opportunities Act; **[**$5,524,991,000**]** *$5,468,217,000* plus reimbursements, of which **[**$5,035,179,000**]** *$5,049,267,000* is available for obligation for the period July 1, 1995 through June 30, 1996; of which **[**$150,000,000**]** *$126,556,000* is available for the period July 1, 1995 through June 30, 1998 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers, **[**including $51,254,000 for new centers; of which $184,788,000 shall be available for the period October 1, 1994 through June 30, 1995;**]** and of which **[**$140,000,000**]** *$100,000,000* shall be available for obligation from July 1, 1995 through September 30, 1996, for carrying out activities of the School-to-Work Opportunities Act: *Provided*, That **[**$63,666,000**]** *$64,218,000* shall be for carrying out section 401 of the Job Training Partnership Act, **[**$84,841,000**]** *$86,000,000* shall be for carrying out section 402 of such Act, $8,880,000 shall be for carrying out section 441 of such Act, **[**$1,500,000**]** *$2,223,000* shall be for the National Commission for Employment Policy, **[**$5,579,000**]** *$6,000,000* shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under such Act, $3,861,000 shall be for service delivery areas under section 101(a)(4)(A)(iii) of such Act in addition to amounts otherwise provided under sections 202, 252 and 262 of the Act, **[**$1,044,813,000**]** *$1,064,813,000* shall be for carrying out title II, part A of such Act, and $598,682,000 shall be for carrying out title II, part C of such Act: *Provided further*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further, That funds used from this Act to carry out title III of the Job Training Partnership Act shall not be subject to the limitation contained in subsection (b) of section 315 of such Act; that the waiver allowing a reduction in the cost limitation relating to retraining services described in subsection (a)(2) of such section 315 may be granted with respect to funds used from this Act if a substate grantee demonstrates to the Governor that such waiver is appropriate due to the availability of low-cost retraining services, is necessary to facilitate the provision of needs-related payments to accompany long-term training, or is necessary to facilitate the provision of appropriate basic readjustment services; and that funds used from this Act to carry out the Secretary's discretionary grants under part B of such title III may be used to provide needs-related payments to participants who, in lieu of meeting the requirements relating to enrollment in training under section 314(e) of such Act, are enrolled in training by the end of the sixth week after grant funds have been awarded.*

Of the amounts made available in fiscal year 1994 under the Job Training Partnership Act, title II–C, $50,000,000 are hereby rescinded.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $320,190,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $90,310,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95–250, as amended, and of trade adjustment benefit payments and allowances under part I, and for training, for allowances for job search and relocation, and for related State administrative expenses under part II, subchapters B and D, chapter 2, title II of the Trade Act of 1974, as amended, $274,400,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49–491–1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502–504); necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, and sections 225, 231–235, 243–244, and 250(d)(1), 250(d)(3), title II of the Trade Act of 1974, as amended; as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H), 212(a)(5)(A), (m) (2) and (3), (n)(1), and 218(g) (1), (2), and (3), and 258(c) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.); necessary administrative expenses to carry out the Targeted Jobs Tax Credit Program under section 51 of the Internal Revenue Code of 1986, and section 221(a) of the Immigration Act of 1990, [$146,697,000] *$147,351,000*, together with not to exceed [$3,269,013,000] *$3,280,357,000* (including not to exceed $1,653,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980, and including not to exceed $1,000,000 which may be obligated in contracts with non-State entities for activities such as occupational and test research activities which benefit the Federal-State Employment Service System), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502–504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, shall be available for obligation by the States through December 31, 1995, except that funds used for automation acquisitions shall be available for obligation by States through September 30, 1997; and of which [$144,763,000] *$145,417,000* together with not to exceed [$817,224,000] *$821,803,000* of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1995, through June 30, 1996, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which [$232,437,000] *$232,202,000* shall be available only to the extent necessary for additional State allocations to administer unemployment compensation laws to finance increases in the number of unemployment insurance claims filed and claims paid or changes in a State law: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 1995 is projected by the Department of Labor to exceed 2.772 million, an additional [$27,800,000] *$30,000,000* shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund: *Provided further*, That funds appropriated in this Act and in Public Law 103–112 which are used to establish a national one-stop career center network may be obligated in contracts, grants or agreements with non-State entities: *Provided further, That funds appropriated under this Act for activities authorized under the Wagner-Peyser Act, as amended, and title III of the Social Security Act, may be used by the States to fund integrated Employment Service and Unemployment Insurance automation efforts, notwithstanding cost allocation principles prescribed under Office of Management and Budget Circular A–87.*

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and section 104(d) of Public Law 102–164, and section 5 of Public Law 103–6, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1996, $686,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 1995, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

OFFICE OF THE AMERICAN WORKPLACE

SALARIES AND EXPENSES

For necessary expenses for the Office of the American Workplace, [$30,411,000] *$32,225,000*.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for Pension and Welfare Benefits Administration, [$66,388,000] *$69,454,000*.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96–364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1995, for such Corporation: *Provided*, That not to exceed $11,493,000 shall be available for administrative expenses of the Corporation: *Provided further*, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as nonadministrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, [$242,860,000] *$248,667,000*, together with $1,059,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act: *Provided*, That the Secretary of Labor is authorized to accept, retain, and spend, until expended, in the name of the Department of Labor, all sums of money ordered to be paid to the Secretary of Labor, in accordance with the terms of the Consent Judgment in Civil Action No. 91–0027 of the United States District Court for the District of the Northern Mariana Islands (May 21, 1992): *Provided further*, That the Secretary of Labor is authorized to establish and, in accordance with 31 U.S.C. 3302, collect and deposit in the Treasury fees for processing applications and issuing certificates under sections 11(d) and 14 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(d) and 214) and for processing applications and issuing registrations under Title I of the Migrant and Seasonal Agricultural Worker Protection Act, 29 U.S.C. 1801 et seq.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $258,000,000 together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That such sums as are necessary may be used for a demonstration project under section 8104 of title 5, United States Code, in which the Secretary may reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: *Provided further*, That balances of reimbursements unobligated on September 30, 1994, shall remain available until expended for the payment of compensation, benefits, and expenses: *Provided further*, That in addition there shall be transferred to this appropriation from the Postal Service and from any other corporation or instrumentality required under section 8147(c) of title 5, United States Code, to pay an amount for its fair share of the cost of administration, such sums as the Secretary of Labor determines to be the cost of administration for employees of such fair share entities through September 30, 1995: *Provided further*, That of those funds transferred to this account from the fair share entities to pay the cost of administration, $5,299,000 shall be made available to the Secretary of Labor for expenditures relating to capital improvements in support of Federal Employees' Compensation Act administration, and the balance of such funds shall be paid into the Treasury as miscellaneous receipts: *Provided further*, That the Secretary may require that any person filing a notice of injury or a claim for benefits under Subchapter 5, U.S.C., Chapter 81, or under Subchapter 33, U.S.C. 901, et seq. (the Longshore and Harbor Workers' Compensation Act, as amended), provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $994,864,000, of which $943,005,000 shall be available until September 30, 1996, for payment of all benefits as authorized by section 9501(d) (1), (2), (4), and (7), of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which $28,216,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $23,333,000 for transfer to Departmental Management, Salaries and Expenses, and $310,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $312,500,000, including not to exceed $70,615,000 which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970; and, in addition, notwithstanding 31 U.S.C. 3302, the Occupational Safety and Health Administration may retain up to $500,000 per fiscal year of training institute course tuition fees, otherwise authorized by law to be collected, and may utilize such sums for occupational safety and health training and education grants: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost workday case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, [$197,519,000] *$201,238,000*, of which $5,851,000 shall be for the State Grants Program, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, [$296,761,000] *$298,761,000*, of which $5,134,000 shall be for expenses of revising the Consumer Price Index and shall remain available until September 30, 1996, together with not to exceed $54,102,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of five sedans, and including up to $4,392,000 for the President's Committee on Employment of People With Disabilities, *and including $2,500,000 for the International Program on the Elimination of Child Labor notwithstanding any other provision of law*, [$156,002,000, which includes $6,500,000 which shall remain available until expended for use by appropriate Departmental agencies for ADP equipment acquisition, systems development and associated support related to Departmental enforcement programs;] *$152,818,000* together with not to exceed $328,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed [$185,281,000] *$187,964,000* may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001–10 and 2021–26.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [$47,676,000] *$48,535,000*, together with not to exceed [$3,860,000] *$3,966,000*, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

GENERAL PROVISIONS

[SEC. 101. None of the funds in the Employees' Compensation Fund under 5 U.S.C. 8147 shall hereafter be expended for payment of compensation, benefits, and expenses to any individual convicted of a violation of 18 U.S.C. 1920, or of any felony fraud related to the application for or receipt of benefits under subchapters I or III of chapter 81 of title 5, United States Code.]

SEC. 101. DETERRENCE OF FRAUD AND ABUSE IN THE FEDERAL EMPLOYEE'S WORKER COMPENSATION PROGRAM.

(a) IN GENERAL.—(1) Chapter 81 of title 5, United States Code, is amended by inserting after section 8147 the following new section:

"§8148. Forfeiture of benefits by convicted felons

"(a) Any individual convicted of a violation of section 1920 of title 18, or any other Federal or State criminal statute relating to fraud in the application for a receipt of any benefit under this subchapter or subchapter III of this chapter, shall forfeit (as of the date of such conviction) any entitlement to any benefit such individual would otherwise be entitled to under this subchapter or subchapter III for any injury occurring on or before the date of such conviction. Such forfeiture shall be in addition to any action the Secretary may take under section 8106 or 8129.

"(b)(1) Notwithstanding any other provision of this chapter (except as provided under paragraph (3)), no benefits under this subchapter or subchapter III of this chapter shall be paid or provided to any individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's

conviction of an offense that constituted a felony under applicable law.

"(2) Such individual shall not be entitled to receive the benefits forfeited during the period of incarceration under paragraph (1), after such period of incarceration ends.

"(3) If an individual has one or more dependents as defined under section 8110(a), the Secretary of Labor may, during the period of incarceration, pay to such dependents a percentage of the benefits that would have been payable to such individual computed according to the percentages set forth in section 8133(a) (1) through (5).

"(c) Notwithstanding the provision of section 552a of this title, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary of Labor, upon written request, the names and Social Security account numbers of individuals who are confined in a jail, prison, or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to such individuals' conviction of an offense that constituted a felony under applicable law, which the Secretary of Labor may require to carry out the provisions of this section.".

(2) The table of sections for chapter 81 of title 5, United States Code, is amended by inserting after the item relating to section 8147 the following new item:

"8148. Forfeiture of benefits by convicted felons.".

(b) CRIMINAL PENALTIES.—(1) Section 1920 of title 18, United States Code, is amended to read as follows:

"§1920. False statement or fraud to obtain Federal employee's compensation

"Whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes a false, fictitious, or fraudulent statement or representation, or makes or uses a false statement or report knowing the same to contain any false, fictitious, or fraudulent statement or entry in connection with the application for or receipt of compensation or other benefit or payment under subchapter I or III of chapter 81 of title 5, shall be guilty of perjury, and on conviction thereof shall be punished by a fine of not more than $250,000, or by imprisonment for not more than 5 years, or both; but if the amount of the benefits falsely obtained does not exceed $1,000, such person shall be punished by a fine of not more than $100,000, or by imprisonment for not more than 1 year, or both.".

(2) The table of sections for chapter 93 of title 18, United States Code, is amended by amending the item relating to section 1920 to read as follows:

"1920. False statement or fraud to obtain Federal employee's compensation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act. The amendments made by subsection (a) shall apply to claims filed before, on, or after the date of enactment of this Act, and shall apply only to individuals convicted after such date of enactment.

SEC. 102. None of the funds appropriated under this Act shall be expended by the Secretary of Labor to implement or administer either the final or proposed regulations referred to in section 303 of Public Law 102-27.

(TRANSFER OF FUNDS)

SEC. 103. Not to exceed 1 percent of any appropriation made available for the current fiscal year for the Department of Labor in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 3 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 104 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 104. (a) None of the funds provided under this Act to the Department of Labor shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act to the Department of Labor shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 105. The Secretary of Labor may, in his discretion, utilize funds appropriated in this and subsequent Acts to engage in joint projects, or perform services, on matters of mutual interest, with nonprofit organizations, research organizations, or public organizations or agencies, the cost of which shall be apportioned equitably, as determined by the Secretary.

SEC. 106. The Secretary of Labor is authorized to accept, in the name of the Department of Labor, and employ or dispose of in furtherance of authorized activities of the Department of Labor, during the fiscal year ending September 30, 1995, and each fiscal year thereafter, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

SEC. 107. Section 5315 of title 5, United States Code, is amended by inserting at the end thereof: "The Commissioner of Labor Statistics, Department of Labor.".

Section 5316 of title 5, United States Code, is amended by striking: "Commissioner of Labor Statistics, Department of Labor.".

SEC. 108. None of the funds appropriated in this title for the Job Corps shall be used to pay the compensation of an individual, either as direct costs or any proration as an indirect cost, at a rate in excess of $125,000.

This title may be cited as the "Department of Labor Appropriations Act, 1995".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles II, III, VII, VIII, X, XII, XVI, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, Public Law 101-527, and the Native Hawaiian Health Care Act of 1988, as amended, [$3,008,225,000] *$3,066,254,000*, of which $411,000 shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act: *Provided*, That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advance to this appropriation: *Provided further*, That of the funds made available under this heading, $933,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center: *Provided further*, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry out that Act: *Provided further, That of the amounts available for Area Health Education Centers, $25,000,000 shall be for section 746(i)(1)(A) of the Health Professions Education Extension Amendments of 1992, notwithstanding section 746(i)(1)(C): Provided further, That of the funds made available under this heading for program administration, $3,000,000 shall be made available for grants to cities under title XXVI, sections 2601–2608 of the Public Health Service Act: Provided further, That no more than $5,000,000 is available for carrying out the provisions of Public Law 102-501.*

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $9,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM

For the cost of guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the total loan principal any part of which is to be guaranteed at not to exceed $375,000,000. In addition, for administrative expenses to carry out the guaranteed loan program, $2,946,000.

VACCINE INJURY COMPENSATION PROGRAM TRUST FUND

For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: *Provided*, That for necessary administrative expenses, not to exceed $3,000,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

VACCINE INJURY COMPENSATION

For payment of claims resolved by the United States Court of Federal Claims related to the administration of vaccines before October 1, 1988, $110,000,000, to remain available until expended.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, and XIX of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, [$2,086,850,000] *$2,050,931,000*, of which $3,575,000 shall remain available until expended for equipment and construction and renovation of facilities, and in addition, such sums as may be derived from authorized user fees, which shall be credited to this account: *Provided*, That for fiscal year 1995 and subsequent fiscal years training of private persons shall be made subject to reimbursement or advances to this appropriation for not in excess of the full cost of such training: *Provided further*, That funds appropriated under this heading for fiscal year 1995 and subsequent fiscal years shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who had participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That for fiscal year 1995 and subsequent fiscal years amounts received by the National Center for Health Statistics from reimbursements and interagency agreements and the sale of data tapes may be credited to this appropriation and shall remain available until expended: *Provided further*, That in addition to amounts provided herein, up to [$27,862,000] *$28,873,000* shall be available from amounts available under section 241 of the Public Health Service Act, to carry out the National Center for Health Statistics surveys.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $1,919,419,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out sections 301 and 1105 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $1,259,590,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, $162,832,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, [$726,784,000] *$728,784,000*.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, [$626,801,000] *$628,801,000*.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $536,416,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $877,113,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $513,409,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, [$290,335,000] *$292,022,000*.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311 and title IV of the Public Health Service Act with respect to environmental health sciences, [$266,400,000] *$267,955,000*.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, [$431,198,000] *$433,198,000*.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, [$227,021,000] *$229,021,000*.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, [$166,155,000] *$167,129,000*.

NATIONAL INSTITUTE OF NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, [$47,971,000] *$48,326,000*.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse and alcoholism, $181,445,000.

NATIONAL INSTITUTE ON DRUG ABUSE

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, $290,280,000.

NATIONAL INSTITUTE OF MENTAL HEALTH

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, [$542,050,000] *$544,050,000*.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $294,877,000: *Provided*, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants: *Provided further*, That $20,000,000 shall be for extramural facilities construction grants.

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, $152,010,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, [$15,193,000] *$13,209,000*.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, [$123,274,000] *$127,274,000*.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, [$219,474,000] *$215,045,000*: *Provided*, That funding shall be available for the purchase of not to exceed five passenger motor vehicles for replacement only: *Provided further*, That the Director may direct up to 1 percent of the total amount made available in this Act to all National Institutes of Health appropriations to activities the Director may so designate: *Provided further*, That no such appropriation shall be increased or decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer.

OFFICE OF AIDS RESEARCH

(INCLUDING TRANSFER OF FUNDS)

For carrying out part D of title XXIII of the Public Health Service Act, $1,337,606,000: *Provided*, That the Director of the Office of AIDS Research shall transfer from this appropriation the amounts necessary to carry out section 2353(d) of the Act.

BUILDINGS AND FACILITIES

For the study of, construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, [$114,370,000] *$113,370,000*, to remain available until expended.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out the Public Health Service Act with respect to substance abuse and mental health services, section 612 of Public Law 100–77, as amended, and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, [$2,166,148,000] *$2,164,179,000*: *Provided*, That no portion of amounts appropriated for the programs of the Department of Health and Human Services shall be available for obligation pursuant to section 571 of the Public Health Service Act, other than an amount of $3,750,000 from amounts appropriated to carry out section 510 of that Act.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(INCLUDING TRANSFER OF FUNDS)

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out titles III, XVII, XX and XXI of the Public Health Service Act, [$70,261,000] *$63,004,000, of which $2,048,000 and 30 full-time equivalent positions will be transferred from the National Vaccine Program Office to the Centers for Disease Control and Prevention for the expanded immunization program*, and, in addition, amounts received from Freedom of Information Act fees and reimbursable and interagency agreements shall be credited to this appropriation and shall remain available until expended[: *Provided*, That $2,000,000 of the amount appropriated in this paragraph shall be transferred to the Food and Drug Administration, Salaries and Expenses appropriation account].

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, [$134,624,000] *$128,914,000*, together with not to exceed [$5,806,000] *$5,786,000* to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by sections 1142 and 201(g) of the Social Security Act; in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed [$13,202,000] *$31,504,000*.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act [$62,637,775,000] *$62,640,775,000*, to remain available until expended.

For making, after May 31, 1995, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1995 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1996, $27,047,717,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, $37,546,758,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, and title XIII of the Public Health Service Act, the Clinical Laboratory Improvement Amendments of 1988, section 4360 of Public Law 101-508, and section 4005(e) of Public Law 100-203, not to exceed [$2,183,985,000] *$2,207,237,000*, together with all funds collected in accordance with section 353 of the Public Health Service Act, the latter funds to remain available until expended; the [$2,183,985,000] *$2,207,237,000* to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds: *Provided*, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act are to be credited to this appropriation.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, $15,000,000 together with any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 1995, no commitments for direct loans or loan guarantees shall be made.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, $25,094,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, $527,874,000, to remain available until expended.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1996, $180,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [$21,237,101,000] *$21,192,101,000*, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For carrying out title XVI of the Social Security Act for the first quarter of fiscal year 1996, $7,060,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than [$5,127,785,000] *$5,157,011,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act or as necessary to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986 as such sections were in effect on January 1, 1993, from any one or all of the trust funds referred to therein: *Provided*, That reimbursement to the Trust Funds under this heading for administrative expenses to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986 shall be made, with interest, not later than September 30, 1996.

In addition to funding already available under this heading, and subject to the same terms and conditions, [$352,000,000] *$320,000,000*, for disability caseload processing.

In addition to funding already available under this heading, and subject to the same terms and conditions, [$130,000,000] *$64,000,000*, which shall remain available until expended, to invest in a state-of-the-art computing network, including related equipment and administrative expenses associated solely with this network, for the Social Security Administration and the State Disability Determination Services, may be expended from any or all of the trust funds as authorized by section 201(g)(1) of the Social Security Act.

ADMINISTRATION FOR CHILDREN AND FAMILIES

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to States or other non-Federal entities, except as otherwise provided, under titles I, IV-A (other than section 402(g)(6)) and D, X, XI, XIV, and XVI of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), $12,761,788,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-A and D, X, XI, XIV, and XVI of the Social Security Act, for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or other non-Federal entities under titles I, IV-A (other than section 402(g)(6)) and D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9) for the first quarter of fiscal year 1996, $4,400,000,000, to remain available until expended.

JOB OPPORTUNITIES AND BASIC SKILLS

For carrying out aid to families with dependent children work programs, as authorized by part F of title IV of the Social Security Act, $1,300,000,000.

LOW INCOME HOME ENERGY ASSISTANCE

(INCLUDING RESCISSION)

Of the funds made available beginning on October 1, 1994 under this heading in Public Law 103-112, [$250,000,000] *$89,592,000* are hereby rescinded.

The funds remaining after said rescission shall be available for obligation through September 30, 1995.

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, [$1,225,000,000] *$1,475,000,000*, to be available for obligation in the period October 1, 1995 through September 30, 1996.

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, an additional $600,000,000: *Provided*, That all of the funds available under this paragraph are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That these funds shall be made available only after submission to Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96–422), $399,779,000: *Provided*, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 102–394 for fiscal year 1993 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal years 1994 and 1995.

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act, section 408 of Public Law 99–425, and the Stewart B. McKinney Homeless Assistance Act, [$465,714,000] *$476,219,000, of which $12,000,000 shall be for carrying out the National Youth Sports Program: Provided, That payments from such amount to the grantee and subgrantees administering the National Youth Sports Program may not exceed the aggregate amount contributed in cash or in kind by the grantee and subgrantees: Provided further, That amounts in excess of $9,400,000 for such amount may not be made available to the grantee and subgrantees administering the National Youth Sports Program unless the grantee agrees to provide contributions in cash over and above the preceding year's cash contribution to such program in an amount that equals 29 percent of such excess amount.*

CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), $934,656,000, which shall be available for obligation under the same statutory terms and conditions applicable in the prior fiscal year.

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, $2,800,000,000.

CHILDREN AND FAMILIES SERVICES PROGRAMS

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the State Dependent Care Development Grants Act, the Head Start Act, the Child Development Associate Scholarship Assistance Act of 1985, the Child Abuse Prevention and Treatment Act, chapters 1 and 2 of subtitle B of title III of the Anti-Drug Abuse Act of 1988, the Family Violence Prevention and Services Act, the Native American Programs Act of 1974, title II of Public Law 95–266 (adoption opportunities), the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, the Abandoned Infants Assistance Act of 1988, subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act, and part B of title IV and section 1110 of the Social Security Act, and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, section 204 of the Immigration Reform and Control Act of 1986, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, Public Law 100–77, and section 126 and titles IV and V of Public Law 100–485, [$4,408,775,000] *$4,415,514,000.*

FAMILY PRESERVATION AND SUPPORT

For carrying out section 430 of the Social Security Act, $150,000,000.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities, under title IV–E of the Social Security Act, [$3,440,871,000] *$3,597,371,000.*

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, and section 10404 of Public Law 101–239 (volunteer senior aides demonstration), [$869,823,000] *$873,662,000.*

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, [$89,500,000] *$88,774,000,* together with $31,008,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $63,585,000, together with not to exceed $37,060,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $18,409,000 together with not to exceed $3,874,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, [$14,632,000] *$10,741,000.*

GENERAL PROVISIONS

SEC. 201. Funds appropriated in this title shall be available for not to exceed $37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 202. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 203. None of the funds appropriated under this Act may be used to implement section 399L(b) of the Public Health Service Act or section 1911(d) [and section 1503] of the National Institutes of Health Revitalization Act of 1993, Public Law 103–43.

[SEC. 204. None of the funds made available by this Act may be used to require States as a condition of receiving funding under the Child Abuse Prevention and Treatment Act to restrict, condition, or otherwise qualify a State's authority to determine (i) whether and under what circumstances a parent's decision to provide non-medical health care for a child may constitute negligent treatment or maltreatment, and (ii) the circumstances under which it is appropriate to order medical treatment for a child who is receiving non-medical health care.]

SEC. 204. None of the funds made available by this Act may be used to withhold payment to any State under the Child Abuse Prevention and Treatment Act by reason of a determination that the State is not in compliance with section 1340.2(d)(2)(ii) of title 45 of the Code of Federal Regulations. This provision expires upon the date of enactment of the reauthorization of the Child Abuse Prevention and Treatment Act or upon September 30, 1995, whichever occurs first.

SEC. 205. (a) Of the budgetary resources available to the Department of Health and Human Services (excluding the Food and Drug Administration and the Indian Health Service) during fiscal year 1995, $37,125,000 are permanently canceled.

(b) The Secretary of Health and Human Services shall allocate the amount of budgetary resources canceled among the Department's accounts (excluding the Food and Drug Administration and the Indian Health Service) available for procurement and procurement-related expenses. Amounts available for procurement and procurement-related expenses in each such account shall be reduced by the amount allocated to such account.

(c) For the purposes of this section, the definition of "procurement" includes all stages of the process of acquiring property or services, beginning with the process of determining a need for a product or services and ending with contract completion and close-out, as specified in 41 U.S.C. 403(2).

SEC. 206. None of the funds appropriated in this title for the National Institutes of Health and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of $125,000 per year.

SEC. 207. (a) Of the budgetary resources available to the Department of Health and Human Services for space rental charges (excluding Food and Drug Administration and the Indian Health Service) during fiscal year 1995, $4,505,000 are permanently canceled.

(b) The Secretary of Health and Human Services shall allocate the amount of budgetary resources canceled among the Department's accounts (excluding the Food and Drug Administration and the Indian Health Service) available for space rental charges. Amounts available for space rental charges in each such account shall be reduced by the amount allocated to such account.

SEC. 208. Taps and other assessments made by any office located in the Department of Health and Human Services shall be treated as a reprogramming of funds and shall not be available for obligation or expenditure except in compliance with the Committee reprogramming procedures.

SEC. 209. None of the funds made available by this Act shall be obligated or expended for storage or distribution of publicly-purchased pediatric vaccine through a warehouse and distribution facility operated by the General Services Administration until such time as the Secretary of Health and Human Services receives written approval by the Appropriations Committees of both the House and Senate: Provided, That such approval shall be contingent upon the following requirements:

(1) All aspects of the ordering, storage, packaging and distribution system are fully developed, tested and validated in accordance with the requirements imposed on commercial manufacturers and distributors.

(2) The Commissioner of FDA has conducted a complete review of all aspects of the system, has reviewed and verified documentation of testing and validation procedures, and has provided documentation to the Committees of both the House and the Senate that all licensing and performance standards required of commercial distributors have been met by the General Services Administration system.

(3) The Secretary has provided documentation to the Committees of both Houses that the cost of the General Services Administration system is lower than the cost of private sector bids.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1995".

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION REFORM

For carrying out activities authorized by titles II [and III], *III, and IV* of the Goals 2000: Educate America Act and titles II, III, and IV of the School-to-Work Opportunities Act, $528,400,000 of which $503,670,000 shall become available on July 1, 1995, and remain available through September 30, 1996.

EDUCATION FOR THE DISADVANTAGED

For carrying out the activities authorized by title I of the Elementary and Secondary Education Act of 1965, as amended by the Improving America's Schools Act as [passed the House of Representatives on March 24, 1994] *reported by the Senate Committee on Labor and Human Resources on June 24, 1994*, and by section 418A of the Higher Education Act, [$7,245,655,000] *$7,233,411,000*, of which [$7,212,093,000] *$7,214,849,000* shall become available on July 1, 1995 and shall remain available through September 30, 1996: *Provided*, That $6,698,356,000 shall be available for grants to local education agencies, *not less than* $41,434,000 shall be available for capital expenses, $102,024,000 shall be available for the Even Start program, $305,475,000 shall be available for title I migrant education activities, [$37,244,000] *not less than $40,000,000* shall be available for title I delinquent and high-risk youth education activities, *no more than* $27,560,000 shall be for program improvement activities, [$15,000,000 shall be for demonstration grants,] and $8,270,000 shall be for evaluation.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools authorized by the Improving America's Schools Act as [passed the House of Representatives on March 24, 1994] *reported by the Senate Committee on Labor and Human Resources on June 24, 1994*, [$728,000,000] *$666,880,000*, of which $40,000,000, to remain available until expended, shall be for payments for heavily impacted districts under section [8004(f)] *9004(f)*.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out school improvement activities authorized by titles II, [III, IV, and V] *IV, V, VII, VIII, IX, and XV* of the Elementary and Secondary Education Act of 1965, as amended by the Improving America's Schools Act as [passed the House of Representatives on March 24, 1994] *reported by the Senate Committee on Labor and Human Resources on June 24, 1994*; the Stewart B. McKinney Homeless Assistance Act; the Civil Rights Act of 1964; and title V of the Higher Education Act; [$1,424,513,000] *$1,570,201,000*, of which [$1,158,695,000] *$1,164,849,000* shall become available on July 1, 1995, and remain available through September 30, 1996: *Provided*, That [$5,899,000 shall be for law related education under section 3702] *$100,000,000 shall be for education infrastructure under title XV, $5,899,000 shall be for law related education under section 8252, $37,393,000 shall be for dropout assistance under part B of title V, $4,185,000 shall be for Ellender Fellowships under part E of title VIII, $15,000,000 shall be for education for Native Hawaiians under part C of title IX, and $10,912,000 shall be for foreign language assistance under part B of title VII.*

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, bilingual and immigrant education activities authorized by [title VII] *titles VII and IX* of the Elementary and Secondary Education Act as amended by the Improving America's Schools Act, as [passed the House of Representatives on March 24, 1994 and by title IV of the Carl D. Perkins Vocational and Applied Technology Education Act] *reported by the Senate Committee on Labor and Human Resources on June 24, 1994*, [$247,572,000] *$238,082,000*, of which $25,180,000 shall be for training activities under [part C] *subpart 3 of part A of title VII*, and $50,000,000 shall be for the immigrant education program *under part B of title IX*.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act, [$3,106,634,000] *$3,299,459,000*, of which [$2,858,973,000] *$3,045,425,000* shall become available for obligation on July 1, 1995, and shall remain available through September 30, 1996.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, the Technology-Related Assistance for Individuals with Disabilities Act, and the Helen Keller National Center Act, as amended, [$2,355,600,000] *$2,413,675,000*.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), [$6,406,000] *$6,680,000*.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), [$41,462,000] *$43,191,000*, of which [$333,000 for the endowment program as authorized under section 207 and not to exceed $192,000 for construction shall remain available until expended] *$336,000 shall be for the endowment program as authorized under section 207 and shall be available until expended and $150,000 shall be for construction and shall be available until expended.*

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), [$76,742,000] *$80,030,000*, of which [$991,000] *$1,000,000* shall be for the endowment program as authorized under section 207 and shall be available until expended.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, *the National Literacy Act of 1991*, and the Stewart B. McKinney Homeless Assistance Act, [$1,456,383,000, of which $1,453,464,000] *$1,475,736,000, of which $1,472,817,000* shall become available on July 1, 1995 and shall remain available through September 30, 1996: *Provided*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act, $400,000 of the amount available for Tech-Prep shall be for evaluation of the program and [$25,767,000] *$37,096,000* shall be for national programs under title IV, including $7,851,000 for research, of which $6,000,000 shall be for the National Center for Research on Vocational Education; [$13,000,000] *$23,245,000* for demonstrations, notwithstanding section 411(b); and [$4,916,000] *$6,000,000* for data systems: *Provided further*, That of the amounts made available under the Adult Education Act, [$5,400,000] *$3,900,000* shall be for national programs under [sections 382 and 383] *section 383*, and $4,869,000 shall be for the National Institute for Literacy under section 384.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3, and 4 of part A, and parts C, E, and H of title IV of the Higher Education Act of 1965, as amended, including, notwithstanding section 401(a)(1), not to exceed 3,930,000 Pell Grant recipients in award year 1994–1995, [$7,825,417,000] *$7,685,524,000*, which shall remain available through September 30, 1996, and of which [$54,322,000] *$72,429,000* shall be for State Student Incentive Grants under subpart 4 of part A.

The maximum Pell Grant for which a student shall be eligible during award year 1995–1996 shall be $2,340: *Provided*, That notwithstanding section 401(g) of the Act, as amended, if the Secretary determines, prior to publication of the payment schedule for award year 1995–1996, that the $6,247,180,000 included within this appropriation for Pell Grant awards for award year 1995–1996, and any funds available from the FY 1994 appropriation for Pell Grant awards, are insufficient to satisfy fully all such awards for which students are eligible, as calculated under section 401(b) of the Act, the amount paid for each such award shall be reduced by either a fixed or variable percentage, or by a fixed dollar amount, as determined in accordance with a schedule of reductions established by the Secretary for this purpose.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act, as amended, $62,191,000.

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

For the cost of direct loans authorized by title IV, part D, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purposes of the program, including such sums as may be derived from negative subsidy receipts: Provided, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles I, [II, without regard to section 241(d),] III, IV, including chapter 2 of subpart 2 of part A, V, VI, VII, [IX, part A, and subpart 1 of part B of title X,] *VIII, IX, part A, subpart 1 of part B, and part D of title X, and* XI, without regard to section 1151, *and section 1521 as amended by Public Law 103–239*, [and XV] of the Higher Education Act of 1965, as amended; the Mutual Educational and Cultural Exchange Act of 1961; [title VI, including part C,] *and title VI* of the Excellence in Mathematics, Science and Engineering Education Act of 1990; [and Public Law 102–423; $954,686,000, of which $8,248,000] *$946,703,000, of which $7,498,000* for endowment activities under section 331 of part C of title III and $17,512,000 for interest subsidies under title VII of the Higher Education Act, as amended, [and $4,000,000 for Public Law 102–423] shall remain available until expended [and $1,500,000 of the amount provided herein for title III shall be available for an evaluation of the title III programs].

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), **[**$206,463,000**]** *$192,896,000*, of which **[**$7,910,000**]** *$3,530,000*, to remain available until expended, shall be for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 98–480) **[**and $6,000,000, to remain available until expended, shall be for construction**]**.

HIGHER EDUCATION FACILITIES LOANS

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program for the current fiscal year.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For the costs of direct loans, as authorized by title VII, part C, of the Higher Education Act, as amended, **[**$134,000**]** *$168,000: Provided*, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 and that these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed **[**$8,000,000**]** *$10,000,000*: *Provided further*, That obligated balances of these appropriations will remain available until expended, notwithstanding the provisions of 31 U.S.C. 1552(a), as amended by Public Law 101–510. In addition, for administrative expenses to carry out the existing direct loan program of college housing and academic facilities loans entered into pursuant to title VII, part C, of the Higher Education Act, as amended, $1,022,000.

COLLEGE HOUSING LOANS

Pursuant to title VII, part C of the Higher Education Act, as amended, for necessary expenses of the college housing loans program, previously carried out under title IV of the Housing Act of 1950, the Secretary shall make expenditures and enter into contracts without regard to fiscal year limitation using loan repayments and other resources available to this account. Any unobligated balances becoming available from fixed fees paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING, PROGRAM ACCOUNT

The total amount of bonds insured pursuant to section 724 of title VII, part B of the Higher Education Act shall not exceed $357,000,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title VII, part B of the Higher Education Act, as amended, $347,000.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

For carrying out activities authorized by the Educational Research, Development, Dissemination, and Improvement Act; the Elementary and Secondary Education Act of 1965 **[**and the Education Council Act, as amended by the Improving America's Schools Act as passed the House of Representatives on March 24, 1994; the National Education Statistics Act of 1994 as passed the House of Representatives on March 24, 1994; and the General Education Provisions Act, $318,775,000: *Provided*, That $39,320,000 shall be for regional laboratories, including rural initiatives; $4,463,000 shall be for civics education activities; $14,480,000 shall be for the National Diffusion Network; $34,424,000 shall be for Eisenhower professional development Federal activities; and $20,000,000 shall be for Federal leadership activities in education technology**]**, *as amended by the Improving America's Schools Act as reported by the Committee on Labor and Human Resources on June 24, 1994; the National Education Statistics Act of 1994, as reported by the Committee on Labor and Human Resources on June 24, 1994; and title VI of Public Law 103–227; $371,586,000: Provided, That $41,000,000 shall be for regional laboratories, including rural initiatives and network activities; $33,000,000 shall be for research centers; $5,000,000 shall be for title VI of Public Law 103–227; $3,000,000 shall be for part K of title VIII of the Elementary and Secondary Education Act, as amended by the Improving America's Schools Act as reported by the Committee on Labor and Human Resources on June 24, 1994; $4,463,000 shall be for civic education activities; $14,480,000 shall be for the National Diffusion Network; $40,000,000 shall be for Eisenhower professional development Federal activities, including not less than $5,472,000 for the National Clearinghouse for Science and Mathematics, $15,000,000 for regional consortia, and $3,000,000 for part E of title II of the Elementary and Secondary Education Act, as amended by the Improving America's Schools Act as reported by the Committee on Labor and Human Resources on June 24, 1994; and $50,000,000 shall be for education technology activities under part A of title III of the Elementary and Secondary Education Act, as amended by the Improving America's Schools Act as reported by the Committee on Labor and Human Resources on June 24, 1994.*

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, IV, and VI of the Library Services and Construction Act (20 U.S.C. ch. 16), and **[**section 222 of the Higher Education Act, $115,996,000**]** *title II of the Higher Education Act, $147,558,000, of which $17,792,000 shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended, and $4,916,000 shall be for section 222 and $8,270,000 shall be for section 223 of the Higher Education Act, of which $2,500,000 shall be for demonstration of on-line and dial-in access to a statewide, multitype library bibliographic data base through a statewide fiber optic network housing a point of presence in every county, connecting library services in every municipality, and $1,500,000 shall be for a demonstration project making Federal information and other data bases available for public use by connecting Internet to a multistate consortium of public and private colleges and universities, a public library system, and a State historical library.*

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of two passenger motor vehicles, **[**$359,358,000**]** *$346,008,000*.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $58,325,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, **[**$29,199,000**]** *$31,675,000*.

GENERAL PROVISIONS

SEC. 301. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 302. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 303. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 304. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

This title may be cited as the "Department of Education Appropriations Act, 1995".

TITLE IV—RELATED AGENCIES

ARMED FORCES RETIREMENT HOME

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the United States Soldiers' and Airmen's Home and the United States Naval Home, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, **[**$59,816,000**]** *$56,820,000*, of which $2,906,000 shall remain available until expended for construction and renovation of the physical plants at the United States Soldiers' and Airmen's Home and the United States Naval Home: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Soldiers' and Airmen's Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

DOMESTIC VOLUNTEER SERVICE PROGRAMS, OPERATING EXPENSES

For expenses necessary for the Corporation for National and Community Service to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, [$205,771,000] *$217,688,000.*

CORPORATION FOR PUBLIC BROADCASTING

[(RESCISSION)

[Of the funds made available under this heading in Public Law 102–394, $21,100,000 are hereby rescinded.]

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1997, $330,000,000: Provided, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: Provided further, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171–180, 182–183), including hire of passenger motor vehicles; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95–454 (5 U.S.C. chapter 71), [$31,078,000] *$31,610,000.*

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $6,200,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91–345, as amended by Public Law 102–95), $901,000.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, [$1,643,000] *$1,843,000.*

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141–167), and other laws, [$173,388,000] *$176,047,000*: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including emergency boards appointed by the President, $8,119,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $7,595,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, $4,176,000 to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1886(e) of the Social Security Act, $4,667,000 to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $261,000,000, which shall include amounts becoming available in fiscal year 1995 pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds $261,000,000: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $300,000, to remain available through September 30, 1996, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board, $73,881,000, to be derived from the railroad retirement accounts: *Provided*, That $200,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 231–231u).*

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $17,031,000 shall be apportioned for fiscal year 1995 from moneys credited to the railroad unemployment insurance administration fund.

SPECIAL MANAGEMENT IMPROVEMENT FUND

To effect management improvements, including the reduction of backlogs, accuracy of taxation accounting, and debt collection, $1,640,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: *Provided*, That these funds shall supplement, not supplant, existing resources devoted to such operations and improvements.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than [$6,682,000] *$6,860,000*, to be derived from the railroad retirement accounts and railroad unemployment insurance account.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, [$10,912,000] *$11,500,000.*

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 502. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 503. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 504. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 505. The Secretaries of Labor and Education are each authorized to make available not to exceed $15,000 from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 506. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug unless the Surgeon General of the United States determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs, except that such funds may be used for such purposes in furtherance of demonstrations or studies authorized in the ADAMHA Reorganization Act (Public Law 102-321).

[SEC. 507. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

[(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.]

SEC. 507. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 508. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

SEC. 509. None of the funds appropriated under this Act shall be expended for any abortion except when it is made known to the Federal entity or official to which funds are appropriated under this Act that such procedure is necessary to save the life of the mother or that the pregnancy is the result of an act of rape or incest.

[SEC. 510. No funds appropriated herein shall be used to implement any regulation promulgated under section 481(b)(6) of the Higher Education Act of 1965, as amended, prior to July 1, 1995.

[SEC. 511. None of the funds appropriated or otherwise made available under this Act may be obligated in violation of existing Federal law or regulation already prohibiting such benefit or assistance.]

SEC. 511. None of the funds appropriated or otherwise made available under this Act may be obligated in violation of existing Federal law or regulation already prohibiting such benefit or assistance. None of the funds appropriated under this Act may be used by any Federal official, or any State or local official, to encourage the application by or on behalf of illegal aliens for Federal or federally assisted benefits for which they are not eligible. Each State agency and each other entity administering a program under which verification of immigration status is required by section 121 of the Immigration Reform and Control Act of 1986 shall participate in the system for the verification of such status established by the Commissioner of the Immigration and Naturalization pursuant to section 121(c) of that Act, unless an alternative system is available and employed for such purposes which is found to meet the criteria for waiver under section 121(c)(4).

SEC. 512. Notwithstanding any other provision of law, monthly benefit rates under part B or part C of the Black Lung Benefits Act shall continue to be based on the benefit rates in effect in September, 1994 and be paid in accordance with the Act, until exceeded by the benefit rate specified in section 412(a)(1) of the Act.

SEC. 513. No more than one percent of salaries appropriated for each Agency in this Act may be expended by that Agency on cash performance awards.

SEC. 514. Funds available for executive direction, excluding the Centers for Disease Control and Prevention, the National Institutes of Health and the Social Security Administration, shall not exceed the amounts set forth in the budget estimates submitted to Congress for fiscal year 1995.

SEC. 515. (a) No appropriations for Agencies in this Act may be used to fund non-formula grants or contracts or modifications thereto to grantees or contractors determined by each Agency's grant or contracting officer to have previously included expressly unallowable costs in required cost reports or in claims to the Government, unless such grant or contract includes a clause which—

(1) specifically states that the costs previously determined to be unallowable will not again be reported as allowable costs or claimed for reimbursement, and

(2) requires the submission of a certification by the grantee or contractor attesting to (1) above.

(b) A grantee or contractor that knowingly submits a cost report or claim for reimbursement which includes a cost that is expressly specified by regulation as being unallowable and which was determined to have been disallowed in a previous grant or contract with this grantee or contractor shall be subject to the provisions of 18 U.S.C. 287, 31 U.S.C. 3729, and/or 31 U.S.C. 3801.

(c) The unallowability of a type of cost reported or claimed for reimbursement may be evidenced by a prior final determination by a grant or contracting officer of the Agency disallowing such costs charged by that grantee or contractor which determination is, where appropriate, upheld by any adjudicatory body, such as an Administrative Law Judge, Board of Contract Appeals, or other higher level review provided by law or regulation.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995".

MEASURES PLACED ON THE CALENDAR—S. 2346 AND S. 2357

Mr. MITCHELL. Mr. President, I ask unanimous consent that it be in order for those items currently listed under bills and joint resolutions read the first time to be considered to have received their second reading, en bloc, and objection having been heard to further proceedings, the measures be placed on the calendar as provided for under rule XIV, paragraph 2.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, the Senate is now considering the Labor-HHS appropriations bill and will continue in consideration of that measure throughout the day. I expect amendments to be offered shortly to the bill following the managers' opening statements, and Senators, therefore, should be aware that votes may occur at any time during the day today.

Mr. President, as I previously announced on several occasions, following consultations with the distinguished Republican leader and many other Senators, it is my intention to proceed to consideration of health care reform legislation on next Tuesday afternoon. There will be, under the proposed schedule, a period for debate only lasting until Wednesday afternoon so as to permit all Senators who wish to make opening statements and make other comments to do so.

Beginning on Wednesday afternoon, the bill will be open to amendment and debate. The Senate will remain in session through Saturday of next week—that is through and including Saturday. And then we will return to session the following Monday and be in session Monday through Saturday for as long as it takes to complete action on the health care reform bill.

I introduced a bill on Wednesday of this week which is a blend of the bills previously acted upon by the Senate Labor Committee in early June and the Senate Finance Committee in early July. I stated when I introduced the bill, and I repeat now, that I welcome constructive suggestions and alternatives by other Senators. It is clear to all people that a bill of this magnitude will not pass the Senate without change. I expect the change to occur. I hope and expect much of it will be in the form of improvement.

I am open to constructive suggestion and alternative ways to achieve our common objective by other Senators. I have read in the newspaper that our Republican colleagues intend to introduce their bill today. I welcome that.

Obviously, the bill, as with the bill I introduced and all others, should and will be given careful scrutiny, and I hope that in the debate that follows, beginning next Tuesday, we can all remember that whatever State we represent and whatever political party we are in, our highest obligation is to the American people. This will be a rare opportunity to act in a meaningful and a constructive way. And while there clearly are, and appropriately so, differences on what our goals should be and on how to get there, there is no reason why we cannot conduct this debate in a positive and constructive way, concentrate on the issues rather than on the individuals, tone down the rhetoric on all sides, and, hopefully, reach a result that we and the American people can justifiably describe as meaningful reform action.

I want to assure all Senators that is my objective. I believe that to be the objective of most of the Members of the Senate. And I hope that we can conduct ourselves in a manner so that we will be proud not only of the product but of the process involved.

I thank my colleagues who have made suggestions so far with respect to the bill that I have introduced. I have already incorporated many of the suggested changes. We are continuing our consultation with other Senators. There will be some changes from the draft bill presented on Wednesday to when we introduce it next week. Some are technical in nature. Some correct the inevitable drafting errors in legislation of this magnitude. Some will incorporate what I believe to be constructive suggestions by Senators. That process will continue.

I have said, and I now repeat and emphasize, I am open about this. I want very much to produce a good result. I think that all of us have much to learn from each other. And for myself, I am interested only in getting a result that is good for the American people—not so much who makes it, who presents an idea, but what is the idea itself. I hope we can all approach the debate and conduct ourselves through the debate in that manner.

Mr. INOUYE. Mr. President, will the leader yield for a question?

Mr. MITCHELL. Yes, sir.

Mr. INOUYE. Am I to conclude from the leader's announcement that Defense appropriations will not be scheduled for Senate consideration until September?

Mr. MITCHELL. Mr. President, it is my hope that we can do so sooner. But it depends upon our ability to get through the rest of the schedule and the willingness of our colleagues, our Republican colleagues, to permit consideration of such a measure.

As I previously indicated to the distinguished chairman of the subcommittee, his is the last and one of the more important and significant of the appropriations bills that we will be considering. I have previously, and do now encourage him, if possible, to work out agreements which would limit the time which I think increases the likelihood of our gaining consent from our colleagues to bring the bill up and complete action on it.

Mr. INOUYE. Mr. President, I bring this up because I think it should be noted by my colleagues that the appropriations bill includes, among other things, funding for Rwanda, funding for Bosnia and other matters of urgent interest in the U.S. Congress.

Mr. MITCHELL. I agree completely with the Senator. As he knows, we have been taking these bills up largely in the order that they were reported out by the Appropriations Committee. Of the last two remaining, the bill we are now on, the Labor-HHS bill and the defense bill, Labor-HHS was reported out at an earlier time. I tended generally, although not in every instance, to proceed to them in the chronological order that they were reported out.

I will also say to the Senator that we will have to, if necessary, interrupt the debate next week to take up the crime conference report when the House acts on that. If it is at all possible to get an agreement and work in the DOD appropriations bill, I would be very receptive to that. That, of course, as the Senator knows, requires the consent of all of our colleagues. If we encounter objection to that—it will depend, in part, on other factors, such as when we complete action on the current bill and how long it would take to complete the bill that the Senator will manage.

So I assure him of my interest in doing so. I will do the very best I can in that regard.

Mr. INOUYE. I thank the leader.

Mr. MITCHELL. Mr. President, I yield the floor.

Mr. KERREY. Mr. President, I ask unanimous consent that I and the distinguished Senator from North Dakota be allowed 15 minutes of morning business.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. SPECTER. Reserving the right to object, I did not hear the request. How much time does the Senator from Nebraska ask for?

Mr. KERREY. Fifteen minutes equally divided between the distinguished Senator from North Dakota and myself.

Mr. SPECTER. I had understood that the Senator from Nebraska wanted 5 minutes. If I may have the attention of the manager of the bill, the Senator from Nebraska had asked for 5 minutes. We have been talking about the urgency of not having a Haiti amendment, which I intend to offer at the earliest moment for an hour equally divided. If we are going to try to finish this bill today, I just want to call my colleague's attention to that, and we will spend a lot of time talking about 15 minutes equally divided, but this is three times the request the Senator from Nebraska has just talked about.

Mr. KERREY. Mr. President, the Senator from North Dakota indicated to me that he had asked last night for morning business. I was consolidating it and trying to ask for an amount of time which I made sure I did not run over. I will deliver my statement as rapidly as possible so as not to cut into the debate on the bill.

Mr. SPECTER. To keep the time short, I shall not object.

Mr. HARKIN. I understand the request is 15 minutes equally divided between the Senator from North Dakota and the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HARKIN. The Senator from Minnesota would like to respond.

Mr. DURENBERGER. I would like to add 5 minutes to that request.

Mr. HARKIN. I ask unanimous consent that there be 15 minutes equally divided—5 minutes for the Senator from Nebraska, 5 minutes for the Senator from North Dakota, 5 minutes for the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

UNIVERSAL HEALTH CARE

Mr. KERREY. Mr. President, President Clinton, Wednesday night at his press conference, said in a statement that was broadcast and distributed across the Nation that he urged the American people, and us on their behalf, to go with him down the road to universal health care.

The route to be taken is either of the Democratic bills written by the Majority Leader GEPHARDT of the House or Majority Leader MITCHELL of the Senate. My answer, despite my great passion to have every American secure in the knowledge they will receive high-quality health care and despite my great respect for the President and both majority leaders, is no. I do not want America to go down the road the President is asking us to travel.

The road the President is asking us to travel takes us to a place where health care decisions will be increasingly centralized. The American public does not want that and their judgment is sound. They do not want political representatives or Government employees in Washington, DC, to make more of their health care decisions for them. They want them to make fewer.

The road the President is asking us to travel takes us to a place where Federal spending on health care entitlements will have displaced even more of a dwindling pool of household savings. As one representative who has some knowledge of these predictions, I do not trust forecasts that our deficits will get smaller or remain the same.

The air is full of promises to spend more. The winds carry a message to the people that our problem is we do not spend enough on health care, telling Americans they are victims of insidious individuals and institutions with malice in their hearts. Any campaign for universal coverage which proceeds upon these beliefs cannot be trusted to make the structure of America's fiscal house any stronger.

The road the President is asking us to travel takes us to a place where an even larger percentage of the Federal budget and a larger percentage of total taxes will be devoted to spending on health care.

Washington, DC, is already beginning to resemble an ATM machine where too many individuals and too many businesses come to get some extra cash. Worse, this emphasis on broadening and deepening the promise to pay somebody else's health care bills subordinates the promise of restraint or cost containment to the promise of free health care.

The present system already penalizes States like Nebraska where frugality and efficiency are the order of the day. Any bill with new entitlements will create more demand, driving prices even higher, making matters worse for my State. It will also make matters worse by creating new Federal regulations driving Americans to Washington, DC, for permission to proceed in a wide range of currently unregulated health care activities.

The majority leader has told me he is willing to make changes in this legislation. I believe him. I have great respect for his integrity and legislative ability. However, I want there to be no doubt that I will not vote for this bill as is. My vote is no.

Tomorrow, America will celebrate, or curse, the 1-year anniversary of enactment of legislation which passed because I voted yes. I believed the road America would travel with that legislation would take us in the direction of improved consumer confidence, leading to sustained economic recovery, lower interest rates, increased housing starts, more American jobs and lower deficit spending.

I voted "yes" because I believed the positives outweighed the negatives. The economy could withstand the blow of higher taxes and the weight of fiscal constraint imposed through tough spending caps. As it turned out, the economy not only survived, it has thrived.

I almost voted no, Mr. President, for two reasons, both of which are relevant to my decision to inform the President and my Senate Democratic leader, GEORGE MITCHELL, that I will not vote for his bill in its current form.

First, it did not finish the job of eliminating our deficit. It did not put us on a course of paying off rather than continuing to accumulate debt.

Second, the rhetoric which began with the lofty and powerful message of shared sacrifice, deteriorated into the harangue of the middle class as victims of the wealthy.

This time I will not vote yes unless this bill is changed. Unless the road takes us where the power of decisionmaking shifts away from Washington, DC, I will vote "no". Unless the road takes us to where cost containment is our overriding purpose, I will not agree to get on board, Mr. President.

This time I will only vote "yes" if the President follows his own stated desire to get a bipartisan bill. And there is a way. It is the so-called mainstream coalition which includes Senator CHAFEE, Senator DANFORTH, and Senator DURENBERGER, three of the Republican Party leading advocates of health care reform. The President should call them in and ask them what they want, support their requests as an amendment to the MITCHELL bill.

The coalition has great appreciation for the President's leadership. He will discover sincere gratitude for his service in the health care cause. He has driven this issue relentlessly and with a high sense of purpose. The President will also learn we are willing to fight so that every American has the help needed to pay the costs of health care. We want health care security to be universal.

However, we believe that unless you deal with costs first you cannot get to health care security. It is the rising costs of care that are making Americans feel insecure. Further, we believe that demand for expensive care in an environment where someone else pays the bills is principally responsible for higher costs. In order to achieve universality, the price of health care must be affordable for all Americans. We cannot risk creating new entitlements which drive up costs for everyone.

Government intervention to expand coverage is risky. Using history as a guide we should be very cautious to presume that government can get the job done. Every time we withdraw money from the non-health-care economy and drive it into the health care system, prices go up. Thus, as we collectively agree to pay someone's health care bills that agreement increases costs and makes it more unaffordable creating added pressure to pay more of someone's health care bills. It is a vicious cycle.

Indeed, it is fair to say the unprecedented reduction of health care costs which has taken place in the marketplace the past 2 years is at least in part attributable to the fear of Government action. It is the action in the market which gives us a clue about what we should do with our health care laws. It is the marketplace's success at controlling costs and the Federal Government's failure which leads me to conclude that we should use the forces of the market to control costs instead of the dictates of the Government.

The Mitchell bill has too many new Federal Government dictates. The majority leader has asked and next week we will supply him with suggested changes in his good faith effort to achieve consensus. Today, let me identify five areas of increased Federal decisionmaking:

FEDERAL OVERSIGHT OF STATES

The Federal Government would set requirements which status must follow in the new system. States would submit an application to the Federal Government specifying how they will meet the requirements. If the State does not submit an application, or if the Federal Government does not approve the application, the Federal Government can step in and take over health care reform in the State, and charge a 15-percent tax on all insurance. After a State's application is approved, it is subject to the Uncle Sam's variation of the random drug test: It can audit a State's program at any time.

FEDERAL OVERSIGHT OF MEDICINE

The Federal Government would decide how many doctors will be trained each year and how many go into primary care and how many will be permitted to train in each specialty and where they will train.

The National Health Board will set standards for what is medically necessary and appropriate treatment instead of doctors.

The National Health Benefits Board and the National Health Care Cost and Coverage Commission are exempted from the Federal Advisory Committee Act. Translation: They do not have to allow the public into their meetings.

FEDERAL REGULATION OF HEALTH SPENDING

The Federal Government would set the baseline for total health spending excluding Medicare and SSI based on 1994 spending for the standard benefit package. That number is trended forward in 1995 and 1996 based on CBO estimates for health care growth in their 1993 report. The Government then sets what the rate of growth will be beginning in 1997 and forward. Any plan that exceeds that will be taxed at 25 percent of the difference beginning in 1997. Big business and big unions are exempt from the tax until 1999.

FEDERAL REGULATION OF HEALTH INSURANCE

These regulations have the net effect of eliminating the existence of hospital indemnity policies, cancer policies, and other types of supplemental policies.

FEDERAL REGULATION OF SMALL BUSINESS

No business with fewer than 500 employees would be permitted to self-insure. All businesses of less than 500 would be required to join purchasing alliances.

I do not want to travel down this road, and I do not believe the people I represent want to either. They and I do want health care reform. They know that much in our current system is broken and they want it fixed. They know health care is becoming unaffordable for many and they know the ice of medical indigency grows thinner under their feet.

Increasingly, however, their mood is turning skeptical that we here in Washington, DC, know what we are doing. As they trust us less, they are less enthusiastic about any change we propose.

The source of their skepticism is the hyper-inflated and unnecessarily exaggerated language of the partisans for or against change. The cure for this skepticism is not a hard line decision to support or oppose one bill or another. Instead the cure is a broad based bipartisan effort to write a new law. Either we quickly produce a bipartisan majority—as I believe the mainstream coalition could become—or we should just as quickly abandon all hope of doing the people's will.

In conclusion, it will require States to come to Washington, DC, to get permission from a plan, and the Federal Government can take over the State's plan if they do not comply, giving the Federal Government the equivalent of a random drug test to come in and audit a State and take them over if they are not doing the right thing; increased regulation of business, Mr. President, increased regulation as well of the health care system and providers, increased opportunity for the Federal Government to make decisions about whether or not health care is going to be given.

Mr. President there has been unprecedented change in the marketplace in the last 3 years, and this legislation ought to recognize that change, ought to give the President full credit for producing some of it and ought to enact legislation that gets cost control done by taking advantage of it.

I yield the floor and I thank my friend from North Dakota.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

DURUM WHEAT PRICES

Mr. DORGAN. Mr. President, I appreciate the indulgence of the managers of the bill. I will be brief.

I did not want this week to go by without challenging the statements made by both the New York Times in their editorials and the pasta manufacturers, the pasta industry in this country, as a result of decisions the Clinton administration took against Canada on Monday of this week. The fact is the Canadian Wheat Board targeted the American grain market with a flood of unfairly subsidized durum. This administration finally stood up and took action, fair action, that says to the Canadians, you cannot engage in unfair trade against the American producer, against the American farmer. This administration did the right thing.

Now, let us look at what is being said. The pasta industry says this is going to have a very negative effect on the U.S. pasta industry; pasta producers are going to pay higher prices, which are also going to hit the consumer.

Now, look, this proves you do not have to think to run a pasta association, I guess. Let me show you a chart. And let us have a little show and tell. I say to the pasta manufacturers, bring your noodles, bring your linguini, bring your lasagna, your spaghetti here to Capitol Hill and let us talk. Let us find out what you did with the price of your macaroni when the price of durum went up and down.

I can show you 3 years when the price of durum wheat went down and the price of macaroni went up. Why? Why, when the price of durum wheat collapses $2 a bushel can you not walk into a grocery store, if there is such a relationship between durum wheat and macaroni, and find that macaroni prices are down in the grocery store? The fact is the pasta industry seldom, if ever, reduces their prices irrespective of what is happening to the price of durum wheat. That is a plain fact. If they dispute it, they ought to come to Capitol Hill and let us talk about it.

Second, that great bastion of knowledge about agriculture and trade, the New York Times, wrote an editorial that says the Clinton administration is keeping Canadian wheat out. Nonsense. A substantial amount of Canadian wheat will continue to come in. This administration just took the first action that finally says let us begin to stop this speeding train.

With all due respect to those folks who apparently wear coveralls and go to the New York Times every morning and think about agriculture and write these editorials, they ought to get the facts. The facts are this was unfair trade. This administration had every justification, in fact a requirement, to intervene on behalf of the U.S. producers. I am just flat sick and tired of every time there is a dispute between the big moneyed interests and the little folks, big moneyed interests win. This is a dispute that pits the big moneyed interests, some of the biggest food companies in this country with record profits, against the economic interests of the small family farmer. And guess who always wins?

Well, this administration finally stood up for the interests of the family farmer. It is about time. We could not get the time of the day from the Bush administration. This administration has taken action against Canada, and it ill-behooves the editors of the New York Times to write an editorial that does not contain the facts and reaches the wrong conclusion. And it certainly ill-behooves those who manufacture macaroni and spaghetti and lasagna in this country to tell us their prices have much to do with durum wheat. The fact is they buy durum. It does not matter what the price is; they jack up the price of pasta products in the grocery store. When durum wheat prices drop $2 a bushel, I defy anybody to go to the grocery store and find the beneficial nature of these big food corporations to rush in and reduce the sticker price of macaroni. It does not happen. Frankly, they take advantage for their own economic interests, for their own profits, and they care little about those who raise the durum wheat that produces the semolina flour that is eventually produced into a piece of elbow macaroni.

So I applaud the Clinton administration and Ambassador Kantor. It is about time. I ask the New York Times to write an editorial with the right facts, and that will lead you to the right conclusion. I say to the pasta manufacturers, if the price of macaroni has anything to do with the price of durum wheat, then let us see some reduced pasta prices for a change.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. DURENBERGER. How much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Minnesota has 5 minutes.

Mr. DURENBERGER. I rise first to thank my colleague from North Dakota for his statement, and, in my time this morning, I would add to it the discussion of barley and some other situations that we have in common.

HEALTH CARE REFORM

Mr. DURENBERGER. Mr. President, I listened with interest to my colleague, the majority leader, this morning talk about health care reform and the schedule we are on, and I am glad we are getting to that point. I appreciate also the comments about the fact it is time to rise up and do what is good for America. So I would like to take just a couple minutes this morning and remind everyone in this Chamber of a visual that I hope they cannot and do not forget, and that is the President of the United States, William Jefferson Clinton, on January 25, 1994, speaking on the subject and the challenge of health care reform, holding up his veto pen and saying: If the legislation you send me does not guarantee every American private health insurance that can never be taken away, I will take this pen, veto that legislation, and we will come right back here and start over again.

I hope that during the course of the debate, I and others will have an opportunity to continue to repeat that promise: If the legislation you send me does not guarantee every American private health insurance that can never be taken away, I will take this pen and veto that legislation.

Mr. President, we can get ready right now to veto the Gephardt bill, the Clinton bill, and the Mitchell bill. Not a one of these bills meets the test of the President of the United States. Neither does anything that the President has said since January 25, with the exception of one very lucid response to a Governor in Boston when he spoke on the subject of universal coverage. All of the rhetoric since January has been on the word "guarantee" and none of the rhetoric has been zeroed in on "private health insurance."

In all the talk about promises about universal coverage, about mandates, about triggers, hard and soft and in between, I have never forgotten the President's insistence on private health insurance for every American.

Mr. President, the bills presented by President Clinton, by Mr. MITCHELL and Mr. GEPHARDT do not guarantee private health plans to all Americans. The only way to make good on that guarantee is to give everyone an opportunity to buy a private health plan. The only way to make good on that guarantee is to make that plan affordable to every person to whom the guarantee is made. Otherwise, it is an empty promise. The only way to get affordable prices on health plans is to reduce the cost of medical and insurance services, maintain and improve quality of care, and expand access to those services. And the only way to improve quality and lower prices is through market competition.

So as I began looking through the 1400 or so pages of the latest Democratic proposal, Senator MITCHELL's bill, I went on a hunt for a marketplace. I have been through this drill before, back in a snowstorm in December, with the Clinton bill. I searched in vain for real market forces in the Labor Committee product—the same result. It is not there. And here we go again.

Mr. President, all is not lost. There is at the desk today the one bipartisan bill that has been passed through a committee of the Congress of the United States. Its number, if you care, is S. 2351. It was passed out of the Senate Finance Committee on July 2, 1994.

If you want to find out how to encourage medical markets, I urge you to read S. 2351. I urge you to listen to the comments of those of us who have worked so hard over this period of time to get to this point. Remember, the President promised the American people private health plans. The Finance Committee bill extends that promise to the elderly. For nearly 30 years, America's elderly have been forced at age 65 to join the Federal Government's single-payer system we call Medicare. The Finance Committee bill gives American elderly a way out of a wasteful Canadian system back into America, a private health plan that cannot be taken away. The Mitchell bill drops out all of those provisions. Instead, it slashes payments to the doctors and the hospitals who serve Medicare patients and uses all of the proceeds for a new drug benefit.

Mr. President, I express my appreciation to the managers of this bill for yielding time from morning business.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. HARKIN. Mr. President, what is the regular order?

The ACTING PRESIDENT pro tempore. The regular order is the Senate is considering H.R. 4606.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent, for the purposes of floor consideration of H.R. 4606, the Labor-HHS appropriations bill, that William Cordess, Ellen Murray, Ron Yucas, and Antonio Clinkscales be given floor privileges. They are temporarily detailed to the committee staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, we are now on the Labor, Health and Human Services, and Education and related agencies appropriations bill for fiscal year 1995 that is now before the Senate.

So I ask Senators who have amendments, after the opening statements of me and Senator SPECTER, to be ready to offer their amendments so that we might finish at a reasonable hour yet today.

This bill before us totals $252.8 billion for both discretionary and mandatory spending. This bill is $6.647 billion below the appropriations for fiscal 1994.

So this is in keeping with the budget caps and the reductions for the 5-year period. That amount includes $182.9 billion for mandatory programs, a decrease of 4.9 percent from last year's level. It also includes $69.976 billion in discretionary budget authority.

The recommendations before the Senate is at its 602(b) outlay ceiling, so any amendments that Members want to offer today will have to be fully offset.

As the Senators know, this year has been particularly challenging for this subcommittee. As I said last year, the President presented us with a size 12 budget, but we received an allocation to accommodate only a size 9 shoe. This year, our feet got bigger, and our shoe smaller.

Our problem began with last year's reconciliation bill which essentially froze discretionary outlays for 5 years. That freeze presented special problems for our subcommittee, which includes nearly all of the President's people-first investments—for education reform, job retraining, and children's programs—and 40 percent of the President's entire investment package, far greater than any other subcommittee. And more than all this subcommittee's increases were devoted to those investments. In fact, the President's original budget called for $2.6 billion in increase for his investments, which is greater than the overall net increase in outlays for this subcommittee.

Our situation got worse with the allocation process. A combination of CBO's rescoring of the President's budget and the Exon-Grassley amendment to the budget resolution forced $3.6 billion in cuts to the President's overall budget. The end result of the President's appeal was that our subcommittee suffered a cut in its allocation nearly equal to the Defense Subcommittee, even through defense is nearly three times larger than ours.

As with every year, this subcommittee and staff faced additional pressures from the numerous requests by other Senators for increases in their particular programs. This year, staff received more than 1,000 requests from 96 individuals Senators.

I also want to say that I am grateful to the President and his staff for helping us to find additional sources of budget authority and outlays for this subcommittee to help meet at least most of the requests and the needed investment package in our subcommittee.

Our bill provides 43 percent of the increases the President requested for his investment programs, including:

A total of $1.296 billion for dislocated workers assistance, $120 million for one-stop career centers, $1.08 billion for Job Corps, and $200 million evenly divided between the Departments of Labor and Education for the school-to-work initiative;

A total of $3.544 billion for Head Start, a $220 million increase over last year; and $634 million for Ryan White, a $54 million increase, and the President's request for immunizations;

A total of $11.33 billion for NIH, a $395 million increase over last year; and

A total of $7.7 billion for the President's education investments, including $428 million for Goals 2000, and $6.7 billion for title I.

In addition, the subcommittee has provided $1.385 billion for the Low-Income Home Energy Assistance Program. That is $160 million more than the House figure, and $655 million more than the President's request. In addition, we have included $1.475 billion in advance funding for fiscal 1996, and $600 million in an emergency fund. I want to specially thank Senator SPECTER for all his efforts to increase funding over the House level for this important program.

Also, the subcommittee has provided $100 million for a new program providing construction and repair grants to disadvantaged urban and rural school districts. Neither the administration request nor the House bill included funds for this activity.

I believe that this is going to be a very important program that we are starting to help rebuild, and renovate schools in disadvantaged areas. It will provide jobs for people to work, and I think it will be one of the best welfare programs we have ever had because not only will it put people to work, but it will put them to work renovating, rebuilding, and building schools in urban and rural areas, disadvantaged areas.

Like last year, the subcommittee has included a number of provisions to reduce administrative costs, reduce duplication, and promote consolidation of programs within our jurisdiction.

In response to the recommendations of the Vice President's National Performance Review, this subcommittee eliminated 25 existing programs or programs that were created by the House in this year's appropriations bill.

Our bill freezes program management accounts for most departments, including the Department of Education, the Administration on Aging, HRSA [Health Resources Services Administration], and Administration on Children and Families. In addition, our bill cuts below the fiscal 1994 levels, the administrative accounts for several other offices, including the Office of the Secretary at HHS, the Centers for Disease Control and Prevention, AHCPR, SAMHSA Program Management, and the Assistant Secretary for Health.

Limits have been placed on employee bonuses for all agencies, requiring that no more than 1 percent of all salary and benefit funds can be used for employee bonuses. Furthermore, we have capped the number of employees in a single agency who can receive cash awards.

So I wanted to bring that especially to Senators' attention. I know we always have amendments that say we will take money out of salaries and expenses and we will put them into a program that we like. Again, I want to repeat for emphasis sake that in most of the management accounts we have frozen them or we have cut them below last year's level, and we put the limit on how much bonuses can be given out.

So I ask Senators to please take that into account if they have such amendments in mind.

Following up on several hearings our subcommittee held this year on waste, fraud and abuse, our bill takes several steps to implement the recommendations from those hearings. Specifically, the bill provides for—

An increase of $7.2 million for payment safeguards to eliminate overcharges to the Medicare Program. Historically, payment safeguards have been documented to save $14 for every $1 invested.

A pilot demonstration of an information system designed to help investigators detect potential Medicaid fraud. Such automated systems are an effective tool in combating health care fraud.

A requirement that prevents payment of workmen's compensation benefits to convicted felons. This requirement expands on the restrictions we imposed last year that eliminated workmen's compensation benefits for those who defrauded that program.

Increased monitoring by the Social Security Administration to identify and suspend SSI benefits to recipients who do not comply with drug or alcohol treatment requirements; certification from Government contractors that they will not knowingly claim costs that have been previously judged unallowable. Additionally, should a contractor be convicted of filing such a fraudulent claim, the conviction will be a felony punishable by fines and/or imprisonment.

So, Mr. President, there are many highlights, but I will not take the time to discuss them again. I want to yield to Senator SPECTER for any comments he would like to make and say that we are indebted to Senator SPECTER for his advice and assistance throughout this long process. His counsel is reflected throughout this bill and report, and I am grateful to him and his staff.

Following his comments, we will be open for any statements or amendments Members wish to make. Any amendments that are offered will, of course, require appropriate offsets.

As in previous years, $500,000 of the funds appropriated for targeted training grants under OSHA's compliance assistance activity is to be used to award demonstration grants for people employed in the logging industry. People in this hazardous industry have and will continue to benefit from continued efforts under the pilot worker safety program.

Mr. President, I ask unanimous consent that a statement clarifying several provisions in the committee report, Senate Report 103-294, accompanying this legislation, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE REPORT 103-318 CLARIFICATION

On page 85, under the section dealing with the National Institute of Allergy and Infectious Diseases, the language concerning "Infertility and Contraceptive Research" should be moved to the section dealing with the National Institute of Child Health and Human Development.

Mr. HARKIN. I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Pennsylvania [Mr. SPECTER] is recognized.

Mr. SPECTER. Mr. President, at the outset, I compliment the chairman, Senator HARKIN, his staff, and my staff, on an extraordinary job of accommodating many, many conflicting interests.

The appropriations bill on discretionary accounts amounts to slightly less than $70 billion. While that may sound like a great sum of money—and it is—accommodating the appropriations process for labor, health, human services, and education is an enormous task.

I will supplement what Senator HARKIN has said by way of brief summary, because there is an interest in moving ahead to complete this bill today, if we can.

With respect to the issue of health and human services, we have added to the National Institutes of Health almost $400 million, bringing that account to $11.3 billion. That is the account which has been consistently increased, notwithstanding frequent requests by the Presidents, whether they are Democrats or Republicans, to have a cut in that account. This is my 14th year in the Senate, my 14th year in service on this subcommittee, and there has been consistent attention to that account, notwithstanding the cuts in the budget generally. I believe that has served America, really, and the world, tremendously.

We have seen advances in technology. We have seen advances in gene research. So now there are marvelous breakthroughs on cystic fibrosis, cholesterol, Alzheimer's disease, and enormous progress on AIDS and cancer, and technical developments with mechanisms like the MRI, of which I personally was a major beneficiary last year.

I think that is an enormous achievement where there will be additional funds for research on many lines—AIDS, breast cancer, prostate cancer. There have been specific additional increases in funding on screening for breast and cervical cancer, an increase of almost $22 million; increases in funds for Ryan White and other AIDS services. So that on the medical side, as the Congress is looking at comprehensive health reform, this subcommittee has been hard at work on providing very important funding for very important matters.

With respect to education, again, there has been priority treatment here with additional funding for Head Start for youngsters, some $220 million extra, now totaling in excess of $3.5 billion a year, on the recognition that early education is so important. Even Start has had an increase in funding. We have had an increase in student financial assistance on the basic recognition that education is so vital for our society as we move into the 21st century.

With respect to mine safety and health, there has been an increase in funding for black lung, provisions for dislocated workers, Job Corps, school-to-work programs; and I think that we have taken a very hard look at the priorities and have come up with a bill which is as carefully crafted as possible. I think it meets the objectives and priorities of the sums of money involved.

LIHEAP—Low-Income Housing Energy Assistance Program—has been of tremendous concern as those funds have been decreased. It is a matter of enormous importance in Iowa, Pennsylvania, the New England States—all over the country. There has been a considerable addition in LIHEAP in this bill.

EXCEPTED COMMITTEE AMENDMENTS

Mr. HARKIN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as thus amended, be regarded for the purposes of amendment as original text, provided that no point of order shall have been considered to have been waived by agreeing to this request; and that the following committee amendments be excepted from this en bloc request:

Page 25, lines 8 through 13; page 50, line 17; page 78, line 16 through page 81, line 8; page 63, line 5 through page 64, line 4; page 68, line 18 through page 69, line 5; page 78, line 24 through page 79, line 15.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, we are ready to go to amendments at any point.

I yield the floor.

Mr. SPECTER. Mr. President, I believe it is in order that I request unanimous consent that the pending committee amendment be temporarily laid aside and that it be in order to consider the committee amendment beginning on page 25, line 8; is that correct?

The PRESIDING OFFICER. The Chair advises the Senator that that is the pending committee amendment; therefore, no unanimous consent request is required.

AMENDMENT NO. 2460 TO THE EXCEPTED COMMITTEE AMENDMENT ON PAGE 25, LINES 8 THROUGH 13

(Purpose: To prohibit the use of the United States Armed Forces in Haiti)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 2460.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 13, before the last period, insert the following:

SEC. 108. PROHIBITION ON THE USE OF THE UNITED STATES ARMED FORCES IN HAITI.

(a) FINDINGS.—Congress makes the following findings:

(1) Article I, Section 8 of the United States Constitution provides that Congress shall have the sole power to declare war; and

(2) On July 31, the United Nations Security Council adopted Resolution 940, which authorizes member states of the United Nations to use all necessary means to facilitate the departure from Haiti of the military leadership, consistent with the Governors Island Agreement, the prompt return of the legitimately elected President, and the restoration of the legitimate authorities of the Government of Haiti.

(b) PROHIBITION OF UNITED STATES ARMED FORCES IN HAITI.—The President is prohibited from using the United States Armed Forces to facilitate the departure of the military leadership and the restoration of the legitimately elected government.

(c) The prohibition in subsection (b) does not apply if—

(1) the use of the United States Armed Forces in Haiti is authorized in advance by Congress;

(2) the temporary deployment of forces of the United States Armed Forces into Haiti is necessary in order to protect or evacuate United States citizens from a situation of imminent danger and the President reports as soon as practicable to Congress after the initiation of the temporary deployment, but in no case later than 48 hours after the initiation of the temporary deployment; or

(3) the deployment of forces of the United States Armed Forces into Haiti is vital to the national security interests of the United States (including the protection of American citizens of Haiti), there is not sufficient time to seek and receive congressional authorization, and the President reports as soon as practicable to Congress after the initiation of the deployment, but in no case later than 48 hours after the initiation of the deployment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. McCAIN. Mr. President, I believe that once the amendment is proposed, the Senator loses the right to the floor.

The PRESIDING OFFICER. Once the amendment is offered, the floor is open for recognition, but the Chair recognized the Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair. I will be glad to yield to my colleague from Arizona.

Mr. McCAIN. Mr. President, the only reason I sought recognition was to ask the Senator if he was prepared to enter into a time agreement on this particular amendment. That was the only reason.

I yield back to the Senator.

Mr. SPECTER. I thank the chairman. I am prepared to do that.

Senator HARKIN and I had discussed the time agreement and it is agreeable to have a 1-hour time agreement equally divided.

Mr. HARKIN. Mr. President, if the Senator will yield, I will propound a unanimous consent request.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that at 11:30 a.m., Senator MCCAIN, or his designee, be recognized to move to table the Specter amendment No. 2460, with the time between now and then equally divided and controlled in the usual form, with no other amendments in order prior to the vote on the motion to table; that the time be controlled by Senator SPECTER, or his designee, and by Senator MCCAIN, or his designee.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

Mr. SPECTER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. SPECTER. Mr. President, the amendment proposes that there be a prohibition on the use of armed forces in Haiti unless there is specific authorization in advance by Congress or the temporary deployment of forces in Haiti is necessary in order to protect or evacuate United States citizens or the deployment of forces is vital to the national security interests of the United States and there is not sufficient time to seek and receive congressional authorization.

We have debated the Haiti issue substantially on this floor, Mr. President, in the course of the past several weeks, and I believe that it is necessary to consider this amendment for a number of reasons.

One reason is that notwithstanding the sense-of-the-Senate resolutions expressing the concern of the Senate and objecting to the deployment of military forces in Haiti, the President of the United States has continued to say that he does not have to get congressional authority to move ahead with an invasion in Haiti.

It is my view that the President is incorrect and that as a matter of fundamental constitutional law, where the sole authority to declare war resides in the Congress, and the Congress has spoken, the Senate has spoken in opposition to an invasion in Haiti, the President may not proceed on the current record without a change in circumstances or cannot proceed when Congress is in session and there is an opportunity for the President to come to Congress to get congressional authorization as the Constitution requires.

The President had a news conference on Wednesday night, August 2, the day before yesterday, and it was reported in the New York Times, August 3, and I read a brief extract of the President's statement at that time. This is with respect to Haiti:

> I would welcome the support of the Congress, and I hope that I will have that like my predecessors of both parties. I have not agreed that I was constitutionally mandated to get it, but at this moment I think we have done all we need to do because I do not want to cross that bridge until we come to it.

The suggestion has been made, Mr. President, that this type of an amendment is premature, but it is my view that we do not know when the Congress will recess. We do not know when the President may proceed to use force in Haiti, and it is necessary that the Senate speak as clearly and as unequivocally as possible and the Senate speak promptly after the President's statement on Wednesday night.

When the United Nations moved to authorize the use of force in Haiti at the request of the United States, it seems to me that the President, short of coming to Congress, had taken the last step to set the stage for the invasion of Haiti. On Monday of this week, the day following the United Nations action, I asked the majority leader if he had an intention of bringing to the floor a resolution authorizing the use of force as the Congress considered such a resolution before the war in Iraq, and the majority leader told me that he had not considered that but would do so. I talked with him again yesterday afternoon, and he advised me that he thought it was premature to undertake such a consideration of such a resolution. I respectfully disagree with the majority leader because I believe that it is necessary to consider that resolution at this time.

The majority leader has considerably more power in the premises than does any other Senator because the majority leader establishes the schedule of the Senate as to when we will be here. I do not know how long the Senate will be in session during the month of August before the break if there is to be a break. I understand, too, that the majority leader cannot be sure, depending upon how long the debate takes on the crime bill and how long the debate takes on the legislation for reform of our health system.

But the majority leader does have the authority to keep the Senate in for an extra day or two, and the majority leader does have the authority to set the agenda so that if he sets forth a resolution for the use of force in Haiti as he set forth a resolution for the use of force in Iraq back in 1991, he has that control which is obviously greater than the control which any other Senator has.

The other consideration on what may or may not be premature is that it is impossible to make a determination as to what the President will do. He has not said that he is going to use force or established any timetable, and there is substantial speculation in the press about when it may or may not occur. But it is entirely possible that the President may decide to use force and to invade Haiti when the Senate goes out of session later in August or perhaps in early September. I believe it is vitally important that the Senate, as one of the two Houses of the Congress, speak as emphatically and as directly as we can on this subject.

There have been a series of amendments and the sense-of-the-Senate resolutions passed by overwhelming numbers expressing our sense that there not be an invasion of Haiti. When the resolutions have taken a slightly different form, that is, to prohibit funding for an invasion, a different result occurred largely along party lines with the Senate being unwilling to cut off funding for an invasion in Haiti, and then after that, an additional amendment was offered again expressing the sense of the Senate that there not be an invasion and that resolution passed in large numbers. And then the distinguished Republican leader, Senator DOLE, and Senator GREGG offered an amendment saying that the U.N. resolution on the use of force did not constitute authorization by the Congress, and that passed unanimously 100 to nothing.

That was an important resolution because there is some legal theory that the United States is bound by treaties that become the supreme law of the land, and there might be a commitment by the United States to proceed to use force—notwithstanding the constitutional provision—because of the authorization by the United Nations.

One of the difficulties is that the sense-of-the-Senate resolutions are not binding. I considered what might be done procedurally to set forth a resolution authorizing the use of force and then arguing against it because I believe we should not invade Haiti, and I considered a sense-of-the-Senate resolution and decided that a more direct and a more binding way is to provide for a prohibition on the use of United States Armed Forces in Haiti. And that is what this amendment provides.

There are two issues, Mr. President, involved here. One is the constitutional issue, and the second is the public policy as to whether Haiti ought to be invaded. I think that the constitutional issue is institutionally the more important by far.

Taking up the question of an invasion of Haiti on the merits, there has been a virtual unanimity or overwhelming majorities in the Senate, 98 to 2 and, I believe, 93 to 4, on the sense of the Senate that Haiti should not be invaded, that we do not have vital national interests at stake. When we went into Haiti in 1915, we were there some 19 years, and it was a mistake then, and it will be a mistake now.

The President, in his press conference on Wednesday, uses another concept, a concept of fundamental interest as he articulates it. The word "vital" interests, I think, has some substantial meaning. I do believe that the Senate is virtually unanimous that there is not a vital national interest in invading Haiti, and the House of Representatives has spoken on the matter as well.

And yet, in the face of that, the President persists in saying that "I have not agreed that I was constitutionally mandated to get it"—"it", obviously, referring to congressional approval.

Mr. President, I believe that we have strayed a long way in the United States from the head-on recognition of Congress' sole authority to declare war and have moved a great deal where the powers of the President, as Commander in Chief, have been expanded.

This is a subject that I have been concerned about long before coming to the Senate, and have expressed myself on it on many occasions in my 14 years here in the Senate.

Korea, by all accounts, was a war, but Congress never declared war there. Once the President initiates an action—as President Truman did on June 25, 1950—Congress could exercise power by limiting funds, but has never done that. It is, as a practical matter, not realistic to cut off funding once the President has dispatched troops to the field.

I recall the day well, June 25. I started that day at Lowry Air Force Base in ROTC summer training between my third and fourth years at the University of Pennsylvania. When several thousand young men started that training, the thought in all of our minds was that we probably would not take the khaki off with the Korean war starting. We were not correct on that. I went back, as did the others, to finish my 4 years of college and then served as a lieutenant in the Office of Special Investigations in the Air Force stateside.

But it seemed to me at that time the constitutional mandate was not observed. Then we became embroiled in the Vietnam war. There was never a declaration of war there, and we had the Gulf of Tonkin resolution. I think Vietnam demonstrated that the United States could not fight a war without public support. The first line to get that public support is in the Congress. And I think that applies today to Haiti, as well.

When we had issues on Lebanon, the matter was debated under the War Powers Act. I had a debate with Senator Percy about whether Korea was a war, about whether Vietnam was a war. Senator Percy then was chairman of the Foreign Relations Committee and the best person to talk to about that. He agreed that both of those events constituted war, and yet there had not been a declaration. I consulted with Senator Baker, then our majority leader, and went through the laborious task of drafting a complaint to try to get a Supreme Court determination of the relative authority of the President and the Congress under the constitutional provisions. I tried to get a submission to the Supreme Court with the agreement of the President, not that that necessarily would have prevailed, where the Court takes only cases in controversy, and the White House turned it down at that time.

We have seen the matters evolve in many situations which I will not go into now. But I think it is safe to say, Mr. President, that there has never been a situation like Haiti, where the Congress has spoken repeatedly and definitely on our judgment that we should not invade Haiti and the President has come back and, on Wednesday night, says again that he does not consider it necessary to get congressional authorization.

I was one who spoke out early on the Iraq situation after the United Nations authorized the use of force there, spoke out and said that the President, President Bush, a Republican President, did not have the authority to use force in Iraq unless there was congressional approval.

There was a very complex series of events. Senator HARKIN spoke up on January 3, 1991 on a procedural issue, which I think compelled bringing that matter to the Senate. There was a very extensive debate. The use of force was authorized and I supported it. But I thought it was important for the Congress institutionally to make that decision, and we did at that time.

And, similarly, I think it is very important institutionally that the Congress make a decision if there is to be an invasion of Haiti.

We talk about what constitutes a war, semantics as to whether the Korean conflict was a war. Certainly, it was. In my legal opinion, where there is an invasion of Haiti under these circumstances, it is a war; not a war that will necessarily be hard to win. But what do we do after we are there? And what does it do to the institutions of American Government where the constitution is explicit that only the Congress has the authority to declare war?

Congress has spoken about its sense of the matter and we have a renewed statement by the President of the United States that he does not consider himself to be constitutionally obliged—"I have not agreed that I was constitutionally mandated to get it," referring to congressional authorization.

So this is the articulation of this issue in the terms that most squarely presents the issue. That is why I have offered the amendment here. I do not wish to see this bill encumbered unnecessarily, but I think this is an important amendment. Since we have debated it in the past, I thought we could handle it in the course of an hour's debate. I am advised that the leadership does not want a vote before 11:30, so I do not think we are encumbering the process here and I do not believe that there are any other Senators who have any other amendments to offer.

But I make no apologies for offering this amendment at this time. There is no other way to take it up. We are not likely to have the defense appropriations bill on the floor before the recess. And, who knows, this issue may have to be revisited when other legislation is on the floor between now and the time of recess, depending upon what events transpire.

I inquire of the Chair, how much time remains?

The PRESIDING OFFICER. The Senator from Pennsylvania has 18 minutes and 20 seconds remaining. The Senator from Arizona has the full 35 minutes.

Mr. SPECTER. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I yield myself 10 minutes.

Mr. President, according to the unanimous-consent agreement, I will be offering a motion to table the Specter amendment at the expiration of the time.

Mr. President, it is kind of an unusual situation, because in every way I am in agreement with Senator SPECTER and the majority of this body on this issue. To me, the Specter amendment—which has been addressed in various forms in the past, and I have spoken out on this constitutional issue on several occasions—is one of an interpretation of the Constitution of the United States.

Before I go further and my friend from Pennsylvania departs, I would say that I believe that he is one of the foremost constitutional experts in this country. I believe that on many occasions he has illuminated this body on the Constitution of the United States. I appreciate the many contributions he has made.

On this particular issue, we happen to disagree, although on a constitutional basis, not on whether we should invade Haiti. I appreciate the continued efforts of the Senator from Pennsylvania to alert the people of this country as to the consequences of an invasion and also an invasion without congressional approval, which the Senator from Pennsylvania correctly assumes is an extreme likelihood.

In fact, this morning's Washington Post states:

> Senior officials said that at a meeting of Clinton's senior foreign policy and security advisers on Tuesday, Joint Chiefs of Staff Chairman Gen. John Shalikashvili laid out a 4-to-6 week period as "optimal" for assembling and training an international coalition. September also would have the virtue of coinciding with the end of the upcoming congressional recess, should Clinton be disposed to consult.

So, I do not think there is any doubt that the congressional recess has an impact on the decisionmaking process in the White House, which I find, frankly, very distasteful.

Mr. President, it is well known, and I will not go into detail, all the reasons I am opposed to an invasion of Haiti. I do not think it is in our national security interest. I do not think it is worth the risk of American lives. Very importantly, I believe once we are there, without the ability to disengage, the ability to form some international force—which we are finding nearly impossible to get together—the chances of their succeeding are about the same as those of the multinational force that tried and failed in Somalia.

I am also deeply concerned—and I have to mention this again —that in yesterday's New York Times and again in this morning's Washington Post, Mr. Strobe Talbott, the No. 2 person who is described as being the lead person on this issue, is in opposition to speaking with or negotiating with Mr. Cedras and those other thugs in Haiti. He said he found it, according to the New York Times, "morally repugnant," although he did not in the past find it morally repugnant for the United States to talk with Mr. Brezhnev who invaded Afghanistan and slaughtered thousands of innocent people. But he finds it morally repugnant to talk to Cedras. Whereas Secretary of Defense Perry, as portrayed by the media, strongly feels we should try everything, every possible avenue before we put American lives at risk.

Mr. President, I ask unanimous consent this article from the Washington Post be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEST TIME TO INVADE HAITI IS WEEKS AWAY, AIDES SAY

(By Ann Devroy and Daniel Williams)

President Clinton's top advisers have concluded they need until at least mid-September to launch an invasion of Haiti under "optimal" conditions, senior officials said yesterday.

That conclusion, reached following a series of high-level meetings on Haiti this week, is based on what officials said was the time required to enlist and train the international component of an invasion force headed by the United States, although so far no country has stepped forward to join such a force. Argentina, the only country to have made a public commitment, yesterday withdrew.

Officials say they also want to plug the porous border with the Dominican Republic, long a major hole in the economic blockade of Haiti. About 30 percent of Haiti's energy needs are met with gasoline and oil coming across the border.

"It will be a matter of some weeks" before the United States is prepared to invade, said one official, although others noted that if American lives were threatened or Haiti exploded in violence, military action could be undertaken right away.

Another high-ranking official said that President Clinton, who was involved in some but not all of the meetings, has "a great number of individual decisions to make," including a determination that economic sanctions will produce no further progress and invasion is the only option to achieve his goal of ousting Haiti's military rulers.

Pending decisions include whether to issue a public deadline for their departure from the country, whether to send a high-profile envoy to Haiti to deliver an ultimatum to the military, and whether to enlist support in Congress for an invasion.

The delay in reaching decisions has costs, for Haiti suffering under sanctions and a repressive regime, but also for Washington in its efforts to synchronize policy with other countries.

Even as efforts to collect invasion partners have been unsuccessful so far, Venezuela and other hemispheric governments that oppose invasion prepared a separate diplomatic approach to Haiti. The Venezuelans have proposed sending a delegation of foreign ministers to Haiti to offer a secure and comfortable exile to Haiti's military leaders, and amnesty for their subordinates left behind.

If Haitian military leaders Lt. Gen. Raoul Cedras and others refuse, the ministers would warn of invasion, Venezuelan officials said. Yesterday Venezuela put the plan on hold pending a clear sign from the United States that invasion would follow an ultimatum. "We don't want to go with a weak hand," said Enrique Tejera Paris, Venezuela's ambassador to the United Nations.

U.S. officials expressed some dismay over the Venezuelan proposal, however, saying it might cause greater delay if it involves prolonged negotiation. The officials also said they feared it would result in letting Cedras and the others off the hook.

Senior officials said that at a meeting of Clinton's senior foreign policy and security advisers on Tuesday, Joint Chiefs of Staff Chairman Gen. John Shalikashvili laid out a four-to-six week period as "optimal" for assembling and training an international coalition. September also would have the virtue of coinciding with the end of the upcoming congressional recess, should Clinton be disposed to consult.

The officials discussed but rejected setting an internal deadline for the Haitian rulers to leave, fearing that it would become public and tie the administration's hands. Defense Secretary William J. Perry was particularly opposed, senior officials said.

Secretary of State Warren Christopher argued for no further negotiations with the Haitian military, but he was opposed by Perry who said that all options should be given a chance because American lives would be at stake.

Deputy Secretary of State Strobe Talbott and Perry clashed over whether financial inducements should be offered to Cedras and others, with Talbott opposing, officials said.

White House and other administration officials yesterday attempted to portray the administration as united, with everyone in agreement that the United States must lead an invasion force as a "last resort" and that all other options would be exhausted first. The rest was mere debate over tactics, they said.

Clinton has "not even entered this discussion seriously," a senior official added.

Supporters and advisers of deposed President Jean-Bertrand Aristide here suspect that delay is a maneuver by the Clinton administration to prepare for compromise with anti-Aristide political forces in Haiti. They say that Talbott and Clinton's national security adviser Anthony Lake have talked of a need for a political counterweight in the Haitian government to Aristide, viewed as radical by many U.S. officials.

Meanwhile, White House press secretary Dee Dee Myers said yesterday that the United States has asked Haitian authorities for permission to send a charter plane to pick up as many as 500 Haitians who have been approved to come to the United States as refugees. She said no response has been received.

Haiti has been without international air service since Sunday, when Air France, the last carrier operating out of Port-au-Prince, suspended all flights. American and other international carriers stopped serving Haiti weeks ago as part of the international sanctions.

Myers said that if the U.S. request to send a charter plane is turned down, other means of evacuating the Haitians will be explored, according to the Associated Press.

In addition to the 500 who are ready to leave, another 1,000 or so Haitians also have been declared eligible for refugee status but are not ready to travel because their paperwork is not complete.

Officials said they are pleased with current trends, noting only one Haitian has been rescued at sea since Sunday. In contrast, more than 3,200 were saved on July 4, the most since Haitians began to flee after Aristide's ouster almost three years ago.

Mr. McCAIN. "Deputy Secretary of State Strobe Talbott and Perry clashed over whether financial inducements should be offered to Cedras and others, with Talbott opposing, officials said."

Then most alarming of all, Mr. President—in fact I find it unbelievable—the article says, "Clinton"—obviously President Clinton—"Clinton has 'not even entered this discussion seriously,' a senior official added."

Here we are making plans for an invasion of Haiti and the President of the United States has "not even entered this discussion seriously." Give me a break. I think it is time that the President of the United States entered this discussion seriously.

We have sent, in clear and unequivocal terms within the constitutional constraints of this body and the Congress of the United States, the views of the Senate of the United States against an invasion of Haiti. I believe the 100-to-0 vote that just occurred in this body within the last 48 hours on a resolution stating unequivocally that authorization by the United Nations does not constitute authorization by the Congress of the United States sends a clear message. Time after time both bodies in this Congress have sent sense-of-the-Congress resolutions saying we are opposed to an invasion of Haiti. The message is clear, and it reflects the overwhelming majority view of the American people.

My problem with the Specter amendment is that it exceeds the authority of the Congress of the United States. The first military endeavor in the history of this country was a dispatch of naval forces to the Mediterranean to stop the Barbary pirates, as they were then known, from interfering with U.S. commerce in the Mediterranean. The great nations were not disturbed by these pirates. Those ships were sent. They engaged in combat—very successful combat I am happy to say. There was conflict, they took casualties, and the Congress of the United States never made a declaration of war or even a declaration of approval. That has been the case throughout.

Senator SPECTER mentioned the case of Korea. I would say to Senator SPECTER, at any time if the Congress of the United States had shown the willingness to do so, they could have had a resolution on a declaration of war. They chose not to.

There was a case, I inform my friend from Pennsylvania, in the case of Cambodia, where the Congress of the United States did cut off funds which prevented further aerial bombardment of Cambodia. I did not happen to agree with that decision of Congress, but there is historical precedent for congressional action, after the President of the United States acts.

Why is that? Why did our Founding Fathers give this enormous authority to one person, the Commander in Chief of the U.S. Armed Forces, the President of the United States? Because legislative bodies cannot anticipate events in the world. If we use the philosophy and the line of thinking of this amendment, we should be considering as amendments to this bill resolutions by the Senate prohibiting our engagement in Rwanda. Right now there is a possibility of our being involved militarily in Rwanda. Perhaps this body wants to speak on that issue.

In Bosnia, clearly the Bosnian peace process is breaking down. Should we be considering legislation prohibiting the President of the United States from engaging militarily in Bosnia? I do not want the President of the United States to engage militarily in Bosnia, but I can draw a scenario where, if the Balkan conflict spreads throughout the region, then maybe, tragically the United States may have to be involved. But should we have passed an amendment, a binding amendment on the President of the United States that he not go into Bosnia?

Mr. President, it is impossible for legislative bodies to anticipate world events. That is why our Founding Fathers put those responsibilities, enormous responsibilities—the lives of American service men and women—within the authority of the President of the United States of America.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 26 minutes 30 seconds remaining.

Mr. McCAIN. Mr. President, we put that enormous responsibility into the hands of the President of the United States because there is no way that a legislature can anticipate events in the world which would require U.S. reaction. And that is particularly true in the 20th century.

But if the President of the United States embarks on a wrong or dangerous course—on a course which involves the needless and wasteful loss of American lives, then the Congress of the United States does have the clear responsibility—not just the privilege or right, but responsibility—to act. We have the power of the purse. If the President of the United States leads this country into some kind of military debacle, then we can cut off those funds. That is clear. That was exercised, as I mentioned, in the case of the bombing of Cambodia back in the year 1973, if I remember correctly.

So the problem that I see here is that if we approve an amendment, no matter how well-meaning and no matter how much I share the goal of prohibiting the President of the United States from invading Haiti, there is no reason why we should not be able to prohibit the President of the United States from going anywhere in the world. And, unfortunately, this body, the Congress of the United States, does not have the clairvoyance and ability to predict events anywhere in the world.

Two or three years ago, I do not believe there were many Americans who knew where Bosnia was. Unfortunately, today most Americans do not know where Macedonia is, where we happen to have a few hundred marines stationed. I do not believe the people of this country are appreciative—nor should they be—of the flash points of the world, nor of the fact that there are conflicts going on in 40 places in the world. It takes a wise and foresighted foreign policy in order to anticipate where the United States may have to be militarily involved, where our vital national security interests are threatened.

I would say again to my friend from Pennsylvania, elections have consequences. Elections have consequences, as we all know. I supported and I believe that the foreign policy of the Reagan-Bush administration will go down in history as perhaps one of this Nation's finest hours in the conduct of foreign policy. I do not have to review for my colleagues the incredible events that took place between the years 1981 and 1993 that literally changed the shape and complexion of this world. Our children can now go to sleep at night without fear of a nuclear exchange. But the fact is, at no time during those years would I have contemplated prohibiting the President of the United States from military actions any place in the world.

In 1983, when we were considering a resolution about Beirut, I went to the floor of the House of Representatives where I was at the time and spoke as passionately as I could in opposition to sending our marines to Beirut. I wish they had listened to me because 241 young marines would be alive today. But I exhausted my responsibilities at that time as a Member of Congress, just as, when we pass resolutions as to what the sense of this body is, we exhaust our responsibilities, as tragic as it may be. And the fact is, the President of the United States, Bill Clinton—although I obviously wish it were not Bill Clinton because I am of the opposite party—has that responsibility. It was given to him by the American people. And as long as he is Commander in Chief I intend to help him carry out his responsibilities, although I will closely monitor them. And if he goes wrong, I will take every constitutional action to try to prohibit further mistakes and further loss of American life.

Mr. President, I believe that there have been serious mistakes made. I have ventilated my views on this issue many times on this floor. But the fact is that the President of the United States is given the responsibility, the most grave responsibility of sending into harms way our greatest national treasure, our young men and women.

So, Mr. President, with all due respect to Senator SPECTER, whose knowledge of the Constitution I am deeply appreciative of, and whose impassioned interest on this issue and many other foreign policy issues has been a great service to this body and this country, I will seek to table the amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my colleague from Arizona for those comments. I understand his background as a naval pilot, and I appreciate the comments he has made about the authority of the President. But where we join issue, and where I disagree with him categorically—if I might have the Senator's attention because I would like to discuss this one point—is the point about prohibiting him from acting, which does bind him.

I agree with most of what Senator MCCAIN had to say. When he talks about the Cambodian situation, Congress did withdraw funds, but that was on bombing, which is very different when you have forces on the ground. So I think it would be impossible for the Congress realistically to stop ground forces once they were in Haiti, just as I think it was impossible for the Congress to stop ground forces in Vietnam, although there was much sentiment in this body and in the House against the Vietnam war.

When the Senator from Arizona says that the necessity exists for Executive action in cases of emergency if something unforeseen happens, I agree with him. I have tried to craft the exceptions very much as Senator GREGG did in an amendment which Senator MCCAIN approved cutting off funds. I believe he voted for that amendment.

Mr. MCCAIN. I say to my friend I voted against that.

Mr. SPECTER. I thank the Senator for the correction. I had thought he was with us on that.

But coming to the merits as to what he has argued, this prohibition would not apply under three specific circumstances. One of the circumstances is when the temporary deployment of forces of the United States into Haiti is necessary in order to protect or evacuate United States citizens from a situation of imminent danger. And a second exception would be when the deployment of forces into Haiti is vital to the national security interests of the United States and there is not sufficient time to seek and receive congressional authorization.

So I believe that on the face of this amendment there would be sufficient latitude for the President to act if there were an emergency.

The concern that I have is that if the President moves into Haiti after the House and the Senate have spoken, and there is no change in circumstance, there is really nothing left to the congressional authority to declare war and that when the Senator from Arizona says that legislative bodies cannot anticipate all the events in the world, I agree with him on that. But I think there is sufficient latitude here.

So the question on which I take issue with the Senator from Arizona and would like a specific view, is that where you agree that the Constitution gives the authority to the Congress to declare war, and where you agree that there should not be an invasion of Haiti on the merits, if there is no change in circumstance, why should not the Congress enter a prohibition?

Mr. MCCAIN. I say to my friend from Pennsylvania, the Constitution gives the Congress the right to declare war. It does not give the Congress of the United States the right to declare peace. It does not give the Congress of the United States the right to declare, prior to the President acting, that we cannot engage militarily. The President of the United States, as Commander in Chief of the Armed Forces, can send forces into hostilities any place in the world, with the proviso that sooner or later—hopefully sooner—he should seek congressional approval.

That is my reading of the Constitution of the United States, as it was probably Thomas Jefferson's when he sent a naval task force to put down the Barbary pirates in 1801. Just as there were expeditions, in my view tragically, into Mexico on several occasions in pursuit of Pancho Villa. Just as there was another occupation of Haiti in the year 1915 that was planned to last for a few months, but unfortunately and tragically for all concerned, lasted until 1934.

There is a clear history, I will say to my friend from Pennsylvania, from the beginning of the origins of this country where military force has been used by the Commander in Chief of the United States without congressional approval. If Congress did not choose to exercise its constitutional responsibility, I cannot blame the President of the United States for that.

Mr. SPECTER. I have a followup question. I would appreciate it if the Senator from Arizona would be willing to answer on his time because my time is whittling down, and he has a fair amount left.

Where you say the Congress does not have the authority to declare peace, the thought crosses my mind that the Congress has the sole authority to declare war. And if the President gets us involved in a war in Haiti where Congress has had a chance to speak, authorize the use of force or to declare war and there is no change in circumstance, but the President does not consider it necessary to come to Congress to get authorization to invade and, therefore, to undertake a war, is not the President really usurping the sole congressional authority to declare war?

Mr. McCAIN. I will say to my friend, if the President gets us into Haiti militarily—and if the Washington Post is to be believed and other information we have, it is increasingly likely—then the Congress of the United States has the right to act at that time, according to my reading of the Constitution of the United States.

But the Congress of the United States, in my view, does not have the authority to act prospectively. Never in the history of the United States has the Congress prohibited the President from carrying out his responsibilities as Commander in Chief of the Armed Forces.

The Senator from Pennsylvania talks about interpretations of the Constitution. I would tell him that the history of the United States indicates time after time, from our earliest history, that the President of the United States, as Commander in Chief of the Armed Forces, has engaged militarily. If Congress has not shown the guts, in the case of the Vietnam war—where at one point an overwhelming public opinion was for an immediate withdrawal—to force that withdrawal, which they had the power to do, I cannot blame the President of the United States.

We cannot do anything but open a veritable Pandora's box if we somehow establish the precept and the concept that the Congress of the United States has a right to prohibit military action anyplace in the world. I think we would then see resolutions that the President cannot engage militarily in Africa, the President cannot engage in Bosnia.

I would love to not see the United States of America involved in Bosnia. And if I were President of the United States, I absolutely would not go militarily into Bosnia, I promise you that. But I am not the President of the United States.

Where the Senator and I disagree is where the American people and the Constitution of the United States has placed the responsibilities of the Commander in Chief of U.S. Armed Forces.

Now, they have given the right and the authority of Congress to cut off funds—the powers of the purse—but if the Congress of the United States does not choose to use that, then that is not the President's responsibility. Mr. President, I would like to yield 4 minutes to Senator PELL, from Rhode Island, if that is all right.

Mr. SPECTER. Mr. President, if I may—

Mr. McCAIN. I am sorry, the Senator from Pennsylvania still has the floor.

Mr. SPECTER. Mr. President, just in response to what the Senator from Arizona has said. My interpretation is, from the thrust of our debate, that what he cited are circumstances totally different from what we have today in Haiti where Congress has expressed its view on the merits and has ample time.

The conclusion that I come to and submit to my colleagues is that if the conclusions of the Senator from Arizona are adopted and not mine, that there is nothing left of the congressional authority to declare war under the Constitution.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). Who yields time?

Mr. McCAIN. I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Let me say in response to the Senator from Pennsylvania, one, the Congress of the United States has the right to declare war. They can do that without any prompting from the President of the United States, although clearly that has not been the case at any time we have chosen to declare war in the past. I believe that the Senate of the United States has spoken as much and as strongly as it can given our constitutional responsibilities and that was the 100 to zero vote on the resolution by the Republican leader and Senator GREGG that the United Nations does not constitute Congressional authorization and other sense-of-the Congress resolutions that said we do not support an invasion of Haiti. And if the President invades Haiti and it turns out to be a debacle, I would be one of the first to come to the floor of this Senate, although I would not do so at the time when American lives are at risk, at least in the beginning, and seek a prohibition and a cutoff of funds for further military involvement in Haiti which I think is clearly within the responsibilities of the Congress.

I would like to yield 4 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 4 minutes.

Mr. PELL. I thank my colleague.

Mr. President, the gist of this amendment should be familiar to every Member of this body. The Senate has rejected similar amendments which would prohibit or restrict our Presidents' ability to deploy troops in Haiti three times. While I share the desire that the United States should not use force and have so advised our President, I do not believe we should be tying the hands of our President.

I very much hope and it is very much in the interest of the United States and the people of Haiti that the ruling junta leave voluntarily so that democracy can be restored. If that is to happen, however, the possibility of the use of force to remove the junta cannot be taken off the table or called into question. It is ironic, but true, that if military action is to be avoided, the threat of it is essential.

At this point, the President has decided that rather than using force, the United States should tighten sanctions and allow them time to work in the hope of avoiding military intervention. The United States and the United Nations are working to tighten the border along the Dominican and Haitian border. The United States is providing equipment and the United Nations will send observers to help the Dominican Government enforce the embargo. And, only a few days ago, the last commercial flight servicing Haiti left Port-au-Prince, heightening pressure on the coup leaders and their supporters.

If the pending amendment were to be enacted it would seriously undermine the administration's diplomacy which focused on persuading the illegal government in Haiti that it must go voluntarily. If the amendment were to pass, it would send the very damaging message that General Cedras and his cohorts would have nothing to fear from refusing to give up power, because the Congress would see to it that the threat of force is an empty one. Indeed, the rascal leaders in Port au Prince have interpreted similar amendments considered by this body as a sign that some in the Senate do not support democracy or human rights, but instead are on the side of the thugs who continue to rule through terror.

I am certain my colleagues would agree this is not the message that we ought to send either to the junta or the Haitian people who have suffered so much—too much in fact.

This is a very strong amendment, mandatory, and actually prohibits our President from taking the kinds of actions that Presidents have taken in the past.

I urge my colleagues to oppose this amendment.

Mr. SPECTER. The question I have for the distinguished chairman of the Foreign Relations Committee is the essential question. It is true that the President of the United States has engaged as Commander in Chief in many military operations historically, but there has never been an occasion like the one present where both bodies of the Congress have spoken as a matter of the sense-of-the-Senate, the sense-of-the House, in opposing on the merits the invasion of Haiti. If there is no change of circumstance, and there is ample time for the President to come to the Congress and get our authorization for the use of force or a declaration of war, and the President says that he does not feel mandated to do it, and all of this time has elapsed where we have been considering this for many months, what then is left of the congressional sole authority under the Constitution to declare war?

Mr. PELL. We have that right. As you know, we have not exercised it since 1941. And I think that we have that right, we can do that, but we see military actions taken without declaring war—Vietnam, Grenada, and so forth.

Mr. SPECTER. Well, my followup question would be where the Congress has the opportunity to declare war or authorize the use of force and withholds from doing so, does the President then have the authority to declare and to make war?

Mr. PELL. The President has the authority to make it de facto, not de jure, by his actions.

Mr. SPECTER. Well, I thank the chairman for that. If the Senator says that the President has the power to make it de facto, not de jure, I think that——

Mr. PELL. The Constitution gives it to the Congress de jure.

Mr. SPECTER. Right. But does the Senator think the President has the right to declare or make war de facto?

Mr. PELL. I do. He has waged war in the absence of a formal declaration several times.

Mr. SPECTER. Well, I think that underscores the necessity for this amendment to reassert the sole authority of the Congress of the United States to declare war.

I thank the Chair and yield. I thank my colleague from Rhode Island. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The time is under the control of the Senator from Arizona and the Senator from Pennsylvania.

Mr. DOLE. How much time does the Senator from Pennsylvania have?

The PRESIDING OFFICER. The Senator from Pennsylvania has 10 minutes 6 seconds.

Mr. DOLE. I yield myself 5 minutes of his time.

The PRESIDING OFFICER. The minority, leader, the Senator from Kansas.

Mr. DOLE. Mr. President, I first want to call attention to all my colleagues on both sides of this issue what I consider to be an excellent treatise by Louis Fisher, senior specialist in separation of powers, Congressional Research Service, Library of Congress dated August 1, 1994. I am going to put the entire document in the RECORD. For anybody on either side of this issue, I would certainly say this is recommended reading.

It will be presented to the American Political Science Association, New York Hilton, September 1 through 4, this coming month. Let me read just three short paragraphs.

THE KOREAN WAR: ON WHAT LEGAL BASIS DID TRUMAN ACT?

In June 1950, President Harry Truman ordered U.S. troops to Korea without first requesting congressional authority. For legal footing he cited resolutions passed by the United Nations Security Council, a beguiling but spurious source of authority. In 1990 the Bush administration tried the same tactic, relying on the Korean War as an acceptable precedent for taking offensive action against Iraq, again without seeking congressional approval. Like Truman, Bush claimed that UN resolutions were a sufficient base of authority. In Bosnia, President Clinton has relied on UN resolutions and NATO agreements as sufficient authority to military force without first seeking congressional approval.

UN machinery is not a legal substitute for congressional action. If that were possible, the President and the Senate, through treaty action, would strip from the House of Representative its constitutional role in deciding questions of war. Following that same logic, the President and the Senate, through the treaty process, could rely on the UN to determine trade and tariff matters, again bypassing the prerogatives of the House of Representatives. This history of the United Nations makes it very clear that all parties in the legislative and executive branches understood that the decision to use military force through the UN required prior approval from both Houses of Congress.

THE LEAGUE OF NATIONS

The Versailles Treaty was defeated by the Senate in 1919 and again in 1920. The treaty failed in large part because a number of Senators insisted that any commitments of U.S. troops to a world body (the League of Nations) had to be first approved by Congress. On that issue, and others, President Wilson refused to yield.

I ask unanimous consent this treatise by Louis Fisher be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, August 1, 1994.

Senator ROBERT DOLE,
Washington, DC.

DEAR SENATOR DOLE: UN Security Council Resolution 940 of July 31, 1994, authorizing military action against Haiti, raises the same issue that this country faced in 1950 when President Truman relied on a Security Council resolution to take military action against North Korea. The fundamental question: Is a Security Council resolution a legal substitute for explicit congressional approval?

In a paper to be presented next month at the American Political Science Association annual meeting, I conclude that Truman's action violated the Constitution and violated the UN Participation Act, which calls for congressional approval by bill or joint resolution. The UN Charter, entered into by a President and the Senate, was never a means of eliminating the constitutional role of the House of Representatives. In short, UN resolutions are not an appropriate or legal mechanism for circumventing Congress.

If I can be of any further assistance, please contact me at 707-8676.

Sincerely,

LOUIS FISHER,
Senior Specialist in
Separation of Powers.

THE KOREAN WAR: ON WHAT LEGAL BASIS DID TRUMAN ACT?

(By Louis Fisher, Congressional Research Service)

In June 1950, President Harry Truman ordered U.S. troops to Korea without first requesting congressional authority. For legal footing he cited resolutions passed by the United Nations Security Council, a beguiling but spurious source of authority. In 1990 the Bush administration tried the same tactic, relying on the Korean War as an acceptable precedent for taking offensive action against Iraq, again without seeking congressional approval. Like Truman, Bush claimed that UN resolutions were a sufficient base of authority. In Bosnia, President Clinton has relied on UN resolutions and NATO agreements as sufficient authority to use military force without first seeking congressional approval.

UN machinery is not a legal substitute for congressional action. If that were possible, the President and the Senate, through treaty action, could strip from the House of Representatives its constitutional role in deciding questions of war. Following that same logic, the President and the Senate, through the treaty process, could rely on the UN to determine trade and tariff matters, again bypassing the prerogatives of the House of Representatives. The history of the United Nations makes it very clear that all parties in the legislative and executive branches understand that the decision to use military force through the UN required prior approval from both Houses of Congress.

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President Wilson submitted the treaty to the Senate on July 10, 1919, attaching to it the Covenant of the League of Nations. The Covenant provided for an Assembly (giving each member nation an equal voice) and a Council (consisting of representatives from the United States, Great Britain, France, Italy, Japan, and four other nations elected by the Assembly). Members pledged to submit to the League all disputes threatening war and to use military and economic sanctions against nations that threatened war. In an emotional address to the Senate, Wilson called the League of Nations a "practical necessity" and "indeed indispensable." He said that statesmen saw it as "the hope of the world. . . . Shall we or any other free people hesitate to accept this great duty? Dare we reject it and break the heart of the world?"[1]

Senator Henry Cabot Lodge (R-Mass.) favored U.S. participation in the League but

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Footnotes at end of article.

proposed a number of "reservations" to protect American interests. The second of fourteen reservations concerned the congressional prerogative to decide questions of war:

"The United States assumes no obligation to preserve the territorial integrity or political independence of any other country or to interfere in controversies between nations—whether members of the league or not—under the provisions of article 10, or to employ the military or naval forces of the United States under any article of the treaty for any purpose, unless in any particular case the Congress, which, under the Constitution, has the sole power to declare war or authorize the employment of the military or naval forces of the United States, shall by act or joint resolution so provide."[2]

Wilson opposed the Lodge reservations, claiming that they "cut out the heart of this Covenant" and represented "nullification" of the treaty.[3] Wilson's theory of the treaty process was a simple one: the President proposes, the Senate acquiesces. There was no room in his philosophy of government for independent Senate thinking or the offering of legislative amendments and reservations.

Wilson's attitude toward the Senate and presidential power had been revealed crisply in two books. In Congressional Government (1883), he advocated unilateral presidential negotiation with complete exclusion of the Senate. These executive initiatives would supposedly set to the country "into such scrapes, so pledged in the view of the world to certain courses of action, that the Senate hesitates to bring about the appearance of dishonor which would follow its refusal to ratify the rash promises or to support the indiscreet threats of the Department of State."[4] In Constitutional Government in the United States (1908), he reiterated the same line of argument:

"One of the greatest of the President's powers I have not yet spoken of at all: his control, which is very absolute, of the foreign relations of the nation. The initiative in foreign affairs, which the President possesses without any restriction whatever, is virtually the power to control them absolutely. The President cannot conclude a treaty with a foreign power without the consent of the Senate, but he may guide every step of diplomacy, and to guide diplomacy is to determine what treaties must be made, if the faith and prestige of the government are to be maintained. He need disclose no step of negotiation until it is complete, and when in any critical matter it is completed the government is virtually committed. Whatever its disinclination, the Senate may feel itself committed also."[5]

This legislative strategy, fully articulated in Wilson's writings, failed abysmally with the Treaty of Versailles. After excluding the Senate from the negotiating sessions, he tried to present Senators with a fait accompli. The result: a resounding political defeat for Wilson. He had never cultivated sufficient support among Senators to have his handiwork approved. The treaty was rejected in November 1919 and again in March 1920. Wilson appealed to the public in an exhausting campaign across the country, leading to his physical and emotional collapse. The dismal experience of a President's "going it alone" would remain seared in the nation's memory, casting a shadow over future efforts to create the United Nations.

CREATING THE U.N. CHARTER

America's entry into a world organization was revived in 1943 through a series of methodical steps: the Ball Resolution, the Connally and Fulbright Resolutions, and the Moscow Declaration. Those actions were followed by meetings at Dumbarton Oaks in 1944 and in San Francisco in 1945. The issue of which branch takes the nation to war—Congress or the President—was ignored at some of these meetings and addressed at others. The predominant view required prior authorization by Congress (both Houses) of any commitment of U.S. forces to the United Nations.

On March 16, 1943, Senator Joseph Hurst Ball (R-Minn.) introduced a resolution calling for the formation of the United Nations. He was joined by Senators Lister Hill (D-Ala.), Harold Burton (R-Ohio), and Carl Hatch (D-N.M.). The bipartisan nature of this resolution commanded respectful attention. Senator Ball said that the "whole world, and our allies, know today that it is the United States Senate which will finally decide what will be the foreign policy of our country when the war ends." He noted that the Senate's constitutional power in the past had been used "negatively," reminding listeners of the rejection of the Treaty of Versailles. Senator Ball hoped that the decision on the United Nations would not become embroiled in partisan politics.[6] Senate debate on the Ball Resolution said nothing about which branch of government would commit U.S. troops.

On the day that Ball introduction his resolution, Walter Lippman wrote an article on the Senate's role in giving advice and consent to treaties. Lippman had long been identified as a defender of foreign policy by elites and executive officials. In an article published in the *Washington Post*, he now urged that President Wilson's mistake with the Treaty of Versailles not be repeated. Ways and means had to be found of "enabling the Senate to participate in the negotiations."[7]

On September 20, the House debated a resolution introduced by Senator J. William Fulbright (D-Ark.) to support the concept of a United Nations. The language was exceedingly brief:

"*Resolved by the House of Representatives (the Senate concurring)*, That the Congress hereby expresses itself as favoring the creation of appropriate international machinery with power adequate to establish and to maintain a just and lasting peace, among the nations of the world, and as favoring the participation by the United States therein."[8]

Congressman Hamilton Fish, Jr. (R-N.Y.) proposed that Fulbright's resolution end with the language "favoring participation by the United States therein through its constitutional processes."[9] He explained that the additional language meant that any commitment to join the United Nations, made either by agreement or by treaty "must go through in a constitutional way, either by a two-thirds vote of the Senate or by the approval of the entire Congress."[10] He warned that a number of Members of Congress were prepared to oppose the Fulbright Resolution because they "are afraid that some secret commitments will be entered into and that the Congress will be by-passed, and that the Constitution will be ignored."[11]

The House passed the Fulbright resolution, as introduced, 252 to 23.[12] The following day it voted again, after adding the language "through its constitutional processes," and this time the margin was 360 to 29.[13] The House action sharply challenged the Senate's presumed monopoly to define foreign policy for the legislative branch. The debate pointed out that both Houses acted on the declaration of war for World War II, voted funds to sustain it, and conscripted American soldiers to fight the battles.[14] Recalling the Senate's role in rejecting the Treaty of Versailles, Congressman Mike Monroney (D-Okla.) said he was "unwilling to surrender to 33 Members of the Senate, one-third of that body, the life or death veto over the security of future generations of Americans."[15]

The Senate ignored the Fulbright Resolution, which had been introduced as a concurrent resolution (H. Con. Res. 25) and therefore needed concurrence by the Senate. Instead, the Senate considered a resolution (S. Res. 192) requiring only its own action. Debate on this resolution, called the Connally Resolution, stretched from October 25 through November 5. Similar to the House, it included the phrase "through its constitutional processes" to prevent the President from joining the United Nations without explicit congressional support.[16] Congressional processes meant the "powers of Congress"—both Houses, not just the Senate.[17] A few Senators thought of congressional action solely through the treaty process, excluding the House[18] The majority recognized that international commitments (in this case joining the United Nations) could be made either by treaty or by a majority of each House voting on a bill or joint resolution.[19]

The final version of the Connally Resolution, approved 85 to 5, provides that the United States, "acting through its constitutional processes," joins in the establishment of an international authority with power to prevent aggression. The final paragraph states that any treaty made to effect the purposes of the resolution shall be made only with the concurrence of two-thirds of the Senate.[20] Senator Robert Taft (R-Ohio) said that the requirement for Senate action was added because of the fear that the President "has shown some indications of a desire to do by executive agreement things which certainly in my opinion ought to be the subject of a treaty."[21]

Little was said during this lengthy Senate debate about congressional controls over the use of American troops in a UN action. Senator Claude Pepper (D-Fla.) opposed any delegation of Congress' war-declaring power to an international body, but believed that it would be permissible for American troops to be used, without prior congressional approval, as a "police force" to combat aggression in small wars.[22] The notion of a "police action" would be later used by President Truman as a legal pretext for going to war in Korea without congressional approval. Truman was a member of the Senate at the time Pepper made that remark.

Senate action on the Connally Resolution occurred during a four-nation conference that endorsed an international peacekeeping organization. On October 30, 1943, the United States, the United Kingdom, the Soviet Union, and China issued the Moscow Declaration, setting forth a number of guiding principles. The declaration recognized "the necessity of establishing at the earliest practicable date a general international organization . . . . for the maintenance of international peace and security."

Those same nations met a year later at Dumbarton Oaks, in Washington, D.C., to give further definition to the international organization. Legal specialists who monitored these meetings speculated on the procedures for going to war. Edwin Borchard surmised: "Constitutionally, the plan seems to assume that the President, or his delegate, without consulting Congress, the war-making and declaring authority, can vote for the use of the American quota of armed forces, if that can be limited when the 'aggressor' resists."[23] Two weeks after the end of the conference at Dumbarton Oaks, President Roosevelt delivered an address in which he indicated the need for advance congressional approval:

"The Council of the United Nations must have the power to act quickly and decisively to keep the peace by force, if necessary. A policeman would not be a very effective policeman if, when he saw a felon break into a house, he had to go to the town hall and call a town meeting to issue a warrant before the felon could be arrested.

"It is clear that, if the world organization is to have any reality at all, our representatives must be endowed in advance by the people themselves, by constitutional means through their representatives in the Congress, with authority to act."[24]

After Roosevelt's death, Borchard learned that President Truman had sent a cable from Potsdam stating that all agreements involving U.S. troop commitments to the UN would first have to be approved by both Houses of Congress.[25] Borchard believed that the Constitution required approval by both Houses and not merely the Senate.[26]

Another perspective appeared in a letter to The New York Times. Six specialists of international law analyzed the President's authority to contribute troops to the UN. They recognized the risks for congressional prerogatives: "It is doubtless true that Congress feel a certain hesitancy in permitting the President, acting through the Security Council, to engage even a small policing force in international action because it will fear that this might commit the United States to further military action and thus might impair the discretion of Congress in respect to engagement in 'war.'" Yet they suggested that Presidents in the past had broad discretion in the use of military force, frequently acting without explicit congressional authority. The American constitutional system, they said, relied heavily on good-faith actions and sensitive political judgment by the President: "Congress has always been dependent upon the good faith of the President in calling upon it when the situation was so serious that a large-scale use of force may be necessary."[27]

The meetings at Dumbarton Oaks were followed by a conference in San Francisco in 1945, attended by fifty nations and lasting nine weeks. Unlike Wilson's futile strategy for the Versailles Treaty, half of the eight members of the U.S. delegation came from Congress: Senators Tom Connally (D-Tex.) and Arthur H. Vandenberg (R-Mich.) and Representatives Sol Bloom (D-N.Y.) and Charles A. Eaton (R-N.J.).[28] John Foster Dulles, later to be Secretary of State under President Eisenhower, told the Senate Foreign Relations Committee in 1945 that, in the past, he had "some doubts as to the wisdom of Senators participating in the negotiation of treaties." After his experience at the San Francisco conference, he said those doubts "were dispelled."[29]

Out of the San Francisco conference came the United Nations Charter, which was submitted to the Senate for its approval. The UN consisted of a General Assembly (representing all member states), a Security Council (eleven members, including China, France, the Soviet Union, the United Kingdom, and the United States as permanent members), a Secretariat, an International Court of Justice, and specialized councils. Chapter VII of the Charter dealt with UN responses to threats of peace, breaches of the peace, and acts of aggression. Procedures were established to permit the UN to employ military force to deal with these threats. All UN members would make available to the Security Council, "on its call and in accordance with a special agreement or agreements," armed forces and other assistance for the purpose of maintaining international peace and security. The agreements were to be concluded between the Security Council and members states and "shall be subject to ratification by the signatory states in accordance with their respective constitutional processes." Thus, the decision of who would grant that approval in the United States—Congress, the President, or the two branches acting jointly—was deliberately deferred. Each nation would determine for itself the "constitutional processes" to be followed.

From July 9 to July 13, 1945, the Senate Foreign Relations Committee held hearings on the Charter. Leo Pasvolsky, a Special Assistant to the Secretary of State, was asked whether Congress would have ultimate control over the special agreements to use armed force. Pasvolsky replied: "That is a domestic question which I am afraid I cannot answer."[30] Senator Vandenberg volunteered that, in his opinion, the President would not need "the consent of Congress to every use of our armed forces."[31]

John Foster Dulles, an adviser to the U.S. delegation at San Francisco, testified that the procedure for special agreements would need the approval of the Senate and could not be done unilaterally by the President.[32] Dulles elaborated: "It is clearly my view, and it was the view of the entire United States delegation, that the agreement which will provide for the United States military contingent will have to be negotiated and then submitted to the Senate for ratification in the same way as a treaty." Senator Connally agreed with that interpretation.[33] When Senator Walter F. George (D-Ga.) suggested that congressional approval could be by statute, involving both Houses, Dulles disagreed: "The procedure will be by treaty—agreements submitted to the Senate for ratification."[34] Senator Eugene Millikin (R-Colo.) tried to distinguish between "policing powers" (to be exercised exclusively by the President) and "real war problems" (reserved for congressional action).[35] Dulles agreed with that concept: "If we are talking about a little bit of force necessary to be used as a police demonstration, that is the sort of thing that the President of the United States has done without concurrence by Congress since this Nation was founded."[36]

During floor debate, Senator Scott Lucus (D-Ill.) took sharp exception to Dulles' contention that special agreements would come back to Congress as treaties to be disposed of solely by the Senate. Such agreements, Lucas said, required action by both Houses. He cited constitutional passages giving to the entire Congress powers to raise and support armies and to make rules for the government and regulation of the land and naval forces.[37] Of course action by both Houses is required to declare war and to appropriate funds for the military. A number of Senators agreed with Lucas in rejecting the proposition advanced by Dulles.[38]

As the debate continued, Senator Vandenberg called Dulles to clarify his position. Dulles explained that when the issue came up in the hearings, he thought the question was between unilateral action by the President (through executive agreements) or retaining congressional control (which Dulles took to mean action on treaties). The central point he tried to make, Dulles said, was that "the use of force cannot be made by exclusive Presidential authority through an executive agreement." He was positive about that. On the other issue—whether Congress should act by treaty or by joint resolution—he was less certain.[39]

At other points in the debate, Senator Harlan Bushfield (R-S.D.) said he had objected "and I still object, to a delegation of power to one man or to the Security Council, composed of 10 foreigners and 1 American, to declare war and to take American boys into war." Such a proposal "is in direct violation of the Constitution." Congress did not have the power, Bushfield said, "to make such a delegation even if we desired to do so."[40] Senator Burton Wheeler (D-Mont.) was also emphatic on that point:

"If it is to be contended that if we enter into this treaty we take the power away from the Congress, and the President can send troops all over the world to fight battles anywhere, if it is to be said that that is to be the policy of this country, I say that the American people will never support any Senator or any Representative who advocates such a policy; and make no mistake about it."[41]

President Truman, aware of the Senate debate on which branch controlled the sending of armed forces to the UN, wired a note to Senator McKellar on July 27, 1945, from Potsdam. Truman pledged: "When any such agreement or agreements are negotiated it will be my purpose to ask the Congress for appropriate legislation to approve them."[42] In asking "Congress" for legislation, Senators understood that Congress "consists not alone of the Senate but of the two Houses."[43] With that understanding, the Senate approved the UN Charter by a vote of 89 to 2.[44]

Having approved the Charter, Congress now had to pass additional legislation to implement it and to determine the precise mechanisms for the use of force. The specific procedures, brought into conformity with "constitutional processes," are included in the UN Participation Act of 1945.

THE UN PARTICIPATION ACT

Nothing in the passage of the Fulbright and Connally Resolutions or the history of the UN Charter supports the notion that Congress, by endorsing the structure of the United Nations as an international peacekeeping body, altered the Constitution by reading itself out of the war-making power. Congress did not—it could not—do that. That conclusion is driven home even more sharply by the legislative history of the UN Participation Act.

Under the provisions of the UN Charter, in the event of any threat to the peace, breach of the peace, or act of aggression, the UN Security Council may decide under Article 41 of the UN Charter to recommend "measures not involving the use of armed force." If those measures prove inadequate, Article 43 provides that all UN members shall make available to the Security Council—in accordance with special agreements—armed forces and other assistance. These agreements would spell out the numbers and types of forces, their degree of readiness and general location, and the nature of the facilities and assistance to be provided. It was anticipated that each nation would ratify these agreements "in accordance with their respective constitutional processes."

The meaning of constitutional processes is defined by Section 6 of the UN Participation Act of 1945. Without the slightest ambiguity, this statute requires that the agreements "shall be subject to the approval of the Congress by appropriate Act or joint resolution." Statutory language could not be more clear. The President must seek congressional approval in advance. Two qualifications are included in Section 6:

The President shall not be deemed to require the authorization of the Congress to make available to the Security Council on its call in order to take action under Article 42 of said Charter and pursuant to such special agreement or agreements the armed forces, facilities, or assistance provided therein: *Provided*, That nothing herein contained shall be construed as an authorization to the President by the Congress to make available to the Security Council for such purpose armed forces, facilities, or assistance in addition to the forces, facilities, and assistance provided for in such special agreements or agreements."[45]

The first qualification states that once the President receives the approval of Congress for a special agreement, he does not need subsequent approval from Congress to provide military assistance under Article 42 (under which the Security Council determines that peaceful means are inadequate and military action is necessary). Congressional approval is needed for the special agreement, not subsequent implementations of that agreement. The second qualification clarifies that nothing in the UN Participation Act is to be construed as congressional approval of other agreements entered into by the President.

Thus, the qualifications do not eliminate the need for congressional approval. Presidents could commit armed forces to the UN only after Congress gave its explicit consent. That point is crucial. The League of Nations Covenant foundered precisely on the issue of needing congressional approval before using armed force. The framers of the UN Charter knew of that history and very consciously included protections for congressional prerogatives.[46]

The legislative history of the UN Participation Act reinforces the need for advance congressional approval. In his appearance before the House Committee on Foreign Affairs, Under Secretary of State Dean Acheson explained that only after the President receives the approval of Congress is he "bound to furnish that contingent of troops to the Security Council; and the President is not authorized to furnish any more than you have approved of in that agreement."[47] When Congresswoman Edith Rogers remarked that Congress "can easily control the [Security] Council," Acheson agreed unequivocally: "It is entirely within the wisdom of Congress to approve or disapprove whatever special agreement the President negotiates."[48] Congressman John Kee wondered whether the qualifications in Section 6 of the UN Participation Act permitted the President to provide military assistance to the Security Council without consulting or submitting the matter to Congress. Acheson firmly rejected that possibility. No special agreement, Acheson said, could have any "force or effect" until Congress approved:

"This is an important question of Judge Kee, and may I state his question and my answer so that it will be quite clear here: The judge asks whether the language beginning on line 19 of page 5, which says the President shall not be deemed to require the authorization of Congress to make available to the Security Council on its call in order to take action under article 42 of the Charter, means that the President may provide these forces prior to the time when any special agreement has been approved by Congress.

"The answer to that question is "No," that the President may not do that, that such special agreements refer to the special agreement which shall be subject to the approval of the Congress, so that until the special agreement has been negotiated and approved by the Congress, it has no force and effect."[49]

Other parts of the legislative history support this understanding. In reporting the UN Participation Act, the Senate Foreign Relations Committee anticipated a shared, coequal relationship between the President and Congress:

"Although the ratification of the Charter resulted in the vesting in the executive branch of the power and obligation to fulfill the commitments assumed by the United States thereunder, the Congress must be taken into close partnership and must be fully advised of all phases of our participation in this enterprise. The Congress will be asked annually to appropriate funds to support the United Nations budget and for the expenses of our representation. It will be called upon to approve arrangements for the supply of armed forces to the Security Council and thereafter to make appropriations for the maintenance of such forces."[50]

The Senate Foreign Relations Committee further noted that "all were agreed on the basic proposition that the military agreements could not be entered into solely by executive action."[51] Nevertheless, during floor debate, Senators Connally and Taft agreed that in "certain emergencies" the President and the Security Council might be able to act without first obtaining authority from Congress.[52] These comments are interesting, but they do not change the statutory requirement that special agreements be approved in advance by "appropriate Act or joint resolution." Moreover, Connally and Taft seemed to be laboring under concepts left over from the San Francisco conference and the Senate debate over the UN Charter. They were endorsing the President's ability to become engaged in "police actions" without any congressional involvement.

Connally's confusion is evident a few pages later where he agrees with Senator Kenneth Wherry (R-Neb.) that special agreements could be made by treaty.[53] That misinterpretation, originally pushed by John Foster Dulles and others, was explicitly corrected by the language in Section 6 of the UN Participation Act. Later, an amendment was offered in the Senate to authorize the President to negotiate a special agreement with the Security Council solely with the support of two-thirds of the Senate.[54] Senator Vandenberg opposed the amendment on these grounds:

"If we go to war, a majority of the House and Senate puts us into war. . . . The House has equal responsibility with the Senate in respect of raising armies and supporting and sustaining them. The House has primary jurisdiction over the taxation necessities involved in supporting and sustaining armies and navies, and in maintaining national defense.

". . . [The Senate Foreign Relations Committee] chose to place the ratification of that contract in the hands of both Houses of Congress, inasmuch as the total Congress of the United States must deal with all the consequences which are involved either if we have a war or if we succeeded in preventing one. . . ."[55]

Vandenberg's reasoning prevailed. The great majority of Senators recognized that the decision to go to war must be made by both Houses of Congress. The amendment was defeated decisively, 57 to 14.[56]

The House of Representatives also designed the UN Participation Act to protect congressional prerogatives over war and peace. In reporting the bill, the House Foreign Affairs Committee drew attention to the vote in the Senate rejecting the idea that special agreements could be handled solely by the Senate through the treaty process. The Committee "believes that it is eminently appropriate that the Congress as a whole pass upon these agreements under the constitutional powers of the Congress."[57] During floor debate, Congressman Sol Bloom, one of the delegates at the San Francisco conference, underscored that point:

"The position of the Congress is fully protected by the requirement that the military agreement to preserve the peace must be passed upon by Congress before it becomes effective. Also, the obligation of the United States to make forces available to the Security Council does not become effective until the special agreement has been passed upon by Congress."[58]

The restrictions on the President's power under Section 6 to use armed force were clarified by amendments adopted in 1949, allowing the President on his own initiative to provide military forces to the United Nations for "cooperative action." However, presidential discretion to deploy these forces are subject to stringent conditions: they could serve only as observers and guards, could perform only in a noncombatant capacity, and could not exceed one thousand.[59] Moreover, in providing these troops in the UN the President shall assure that they not involve "the employment of armed forces contemplated by chapter VII of the United Nations Charter."[60] Clearly, there was no opportunity in the UN Participation Act or its amendments for unilateral military action by the President.

THE KOREAN WAR

With these safeguards supposedly in place to protect congressional prerogatives, on June 26, 1950, President Truman announced to the American public that he had conferred with the Secretaries of State and Defense, their senior advisers, and the Joint Chiefs of Staff "about the situation in the Far East created by unprovoked aggression against the Republic of Korea."[61] He said that the UN Security Council had acted to order a withdrawal of the invading forces to positions north of the 38th parallel, and that, "[i]n accordance with the resolution of the Security Council, the United States will vigorously support the effort of the Council to terminate this serious breach of the peace."[62] At that point, he made no commitment of U.S. military forces.

On the next day, however, President Truman announced that North Korea had failed to cease hostilities and to withdraw to the 38th parallel. He summarized the UN action in this manner:

"The Security Council called upon all members of the United Nations to render every assistance to the United Nations in the execution of this resolution. In these circumstance I have ordered United States air and sea forces to give the [South] Korean Government troops cover and support."[63]

In addition to this argument, Truman said that "the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area."[64] Finally, he advised that all members of the United Nations "will consider carefully" the consequences of Korea's aggression "in defiance of the Charter of the United Nations" and that a "return to the rule of force in international affairs" would have far-reaching effects. The United States, he said, "will continue to uphold the rule of law."[65]

In fact, Truman violated the unambiguous statutory language and legislative history of the UN Participation Act. How could he pretend to act militarily in Korea under the UN umbrella without any congressional approval? The short answer is that he ignored the special agreements that were the vehicle for assuring congressional approval in advance of any military action by the President. With the Soviet Union absent, the Security Council voted 9 to 0 to call upon North Korea to cease hostilities and to withdraw their forces. Two days later the Council requested military assistance from UN members to repel the attack, but by that time Truman had already ordered U.S. air and sea forces to assist South Korea.

Truman's legal authority was non-existent for two reasons. First, it cannot be argued that the President's constitutional powers vary with the presence or absence of Soviet delegates to the Security Council. As Robert Bork noted in 1971, "the approval of the United Nations was obtained only because the Soviet Union happened to be boycotting the Security Council at the time, and the President's Constitutional powers can hardly be said to ebb and flow with the veto of the Soviet Union in the Security Council."[66]

Second, the Truman administration did not act pursuant to UN authority, even though it strained to make that case. On June 29, 1950, Secretary of State Acheson claimed that all U.S. actions taken in Korea "have been under the aegis of the United Nations."[67] Aegis is a fudge word, meaning shield or protection. Acheson was using it to suggest that the United States was acting under the legal banner of the United Nations, which of course was not the case.

Acheson falsely claimed that Truman had done his "utmost to uphold the sanctity of the Charter of the United Nations and the rule of law," and that the administration was in "conformity with the resolutions of the Security Council of June 25 and 27 giving air and sea support to the troops of the Korean government."[68] Yet Truman committed U.S. forces before the Council called for military action. General MacArthur was immediately authorized to send supplies of ammunition to the South Korean defenders. On June 26, Truman ordered U.S. air and sea forces to give South Koreans cover and support.[69] After Acheson summarized the military situation for some members of Congress at noon on June 27, President Truman exclaimed: "But Dean, you didn't even mention the U.N.!"[70] Later that evening the Security Council passed the second resolution. In his memoirs, Acheson admitted that "some American action, said to be in support of the resolution of June 27, was in fact ordered, and possibly taken, prior to the resolution."[71] After he left the presidency, Truman was asked whether he was prepared to use military force in Korea without UN backing. He replied, with customary bluntness: "No question about it."[72]

On June 29, at a news conference, Truman was asked whether the United States was at war. His response: "We are not at war."[73] He was asked whether it would be more correct to call the conflict "a police action under the United Nations." He agreed with that language: "That is exactly what it amounts to."[74] The UN exercised no real authority over the conduct of the war. Other than token support from a few nations, it was an American war. The Security Council requested the United States to designate the commander of the forces and authorized the "unified command at its discretion to use the United Nations flag."[75] Truman designated Gen. Douglas MacArthur to serve as commander of this so-called unified command.[76] Measured by troops, money, casualties, and deaths, it remained an American war.

As to the distinction between police actions and wars, federal courts had no difficulty in defining the hostilities in Korea as war. A federal district court noted in 1953: "We doubt very much if there is any question in the minds of the majority of the people of this country that the conflict now raging in Korea can be anything but war."[77] During Senate hearings in June 1951, Secretary of State Acheson conceded the obvious by admitting "in the usual sense of the word there is a war."[78]

Truman violated constitutional and statutory requirements in part because of his mistaken reading of history. In deciding whether North Korean aggression could go unanswered, he looked, in his own lifetime, to Japan's invasion of Manchuria and Germany's reoccupation of the Rhineland. He did not consider other historical parallels where force is used, such as the American Civil War or with nineteenth-century efforts in Germany for unification. It did not occur to him that the situation in Korea resembled the latter more than it did Manchuria and the Rhineland.[79]

Even if a case could be made that the emergency facing Truman in June 1950 required him to act promptly without first seeking and obtaining legislative authority, nothing prevented him from returning to Congress and asking for a supporting statute or retroactive authority. John Norton Moore has made this point: "As to the suddenness of Korea, and conflicts like Korea, I would argue that the President should have the authority to meet the attack as necessary but should immediately seek congressional authorization."[80] I would put it a little differently. In a genuine emergency a President may act without congressional authority (and without express legal or constitutional authority), trusting that the circumstances are so urgent and compelling that Congress will endorse his actions and confer a legitimacy that only Congress, as the people's representatives, can provide.

POLITICAL REPERCUSSIONS

Congress was largely passive to Truman's usurpation of the war power. Some members offered the weak justification that "history will show that on more than 100 occasions in the life of this Republic the President as Commander in Chief has ordered the fleet or the troops to do certain things which involved the risk of war [without seeking congressional consent]."[81] This list of alleged precedents for unilateral presidential action contains not a single military adventure that even comes close to the magnitude of the Korean War. As Edward S. Corwin noted, the list consists largely of "fights with pirates, landings of small naval contingents on barbarous or semi-barbarous coasts, the dispatch of small bodies of troops to chase bandits or cattle rustlers across the Mexican border, and the life."[82]

A few legislators insisted that Truman should have gone to Congress for authority first.[83] Congressman Vito Marcantonio (ALP–N.Y.) delivered this indictment: "when we agreed to the United Nations Charter we never agreed to supplant our Constitution with the United Nations Charter. The power to declare and make war is vested in the representatives of the people, in the Congress of the United States."[84]

Senator Taft warned that if the President could intervene in Korea "without congressional approval, he can go to war in Malaya or Indonesia or Iran or South America." Taft conceded that U.S. entry into the United Nations created a new framework, "but I do not think it justifies the President's present action without approval by Congress." Taft referred to Section 6 of the UN Participation Act, noting that no special agreement had ever been negotiated by the Truman administration and submitted to Congress for its approval.[35]

Almost a year after the war began, a number of Senators participated in a lengthy debate that thoroughly shredded the administration's legal pretenses. Truman's commitment of troops to Korea violated the UN Charter, the UN Participation Act, and repeated assurances given to Congress by Acheson and other executive officials. Truman used military force before the second Security Council resolution. It was a war, not a police action. It was an American, not a UN, operation. On all those points the record is abundantly clear.[36]

Just as the Vietnam War spelled defeat for the Democrats in 1968, so did the Korean War help put an end to twenty years of Democratic control of the White House. "Korea, not crooks or Communists, was the major concern of the voters," writes Stephen Ambrose.[87] The high point of the 1952 campaign came on October 24, less than two weeks before the election, when Dwight D. Eisenhower announced that he would "go to Korea" to end the war.[88] Two authors of a study on Eisenhower described the crucial influence of the Korean War: "Dissatisfaction with the war destroyed Truman's popularity and had much to do with Eisenhower's emphatic victory in the election of 1952."[89]

Some leading academics, after rushing to Truman's support, later regretted their failure to give proper attention to constitutional principles. Henry Steele Commager, a prominent historian, was quick to defend Truman. Writing for The New York Times on January 14, 1951, Commager blithely remarked that the objections to Truman's unilateral actions "have no support in law or in history."[90] His own research into law and history, on this point, was superficial and misinformed. Consider this reasoning by Commager:

". . . it is an elementary fact that must never be lost sight of that treaties are laws and carry with them the same obligation as laws. When the Congress passed the United Nations Participation Act it made the obligations of the Charter of the United Nations law, binding on the President. When the Senate ratified the North Atlantic Treaty it made the obligations of that treaty law, binding on the President.

"Both of these famous documents require action by the United States which must, in the nature of the case, be left to a large extent to the discretion of the Executive. . . .[91]"

Commager not only overstated the President's power under mutual defense treaties but ignored, totally, the statutory text and legislative history of the UN Participation Act.

Arthur S. Schlesinger, Jr. was also an early defender of Truman's action in Korea. In a letter to *The New York Times* on January 9, 1951, he disputed the statement by Senator Taft that President Truman "had no authority whatever to commit American troops to Korea without consulting Congress and without Congressional approval" and that by sending troops to Korea he "simply usurped authority, in violation of the laws and the Constitution." Schlesinger said that Taft's statements "are demonstrably irresponsible." Harkening back to Jefferson's use of ships to repel the Barbary pirates, Schlesinger claimed that American Presidents "have repeatedly committed American armed forces abroad without prior Congressional consultation or approval."[92]

Schlesinger neglected to point out that Jefferson told Congress he was "[u]nauthorized by the Constitution, without the sanction of Congress, to go beyond the line of defense." It was the prerogative of Congress to authorize "measures of offense also."[93] Schlesinger did not cite, nor could he, a presidential initiative of the magnitude of the Korean War. Years later he expressed regret that, in calling Taft's statement "demonstrably irresponsible," he had responded with "a flourish of historical documentation and, alas, hyperbole."[94]

Edward S. Corwin took Commager and Schlesinger to task by labeling them the "high-flying prerogative men."[95] However, Corwin himself had been careless in earlier publications in describing the scope of presidential war power. Writing in 1949, he said that the original grant of authority to the President to "repel sudden attacks" had developed into an "undefined power—almost unchallenged from the first and occasionally sanctified judicially—to employ without Congressional authorization the armed forces in the protection of American rights and interests abroad whenever necessary."[96] He did note the significance of the UN Participation Act, which is said was based on the theory that American participation in the United Nations "is a matter for Congressional collaboration."[97]

By the late 1960s, with the nation mired in a bitter war in Vietnam, Commager and Schlesinger publicly apologized for their earlier unreserved endorsements of presidential war power. By 1966 Schlesinger was counseling that "something must be done to assure the Congress a more authoritative and continuing voice in fundamental decisions in foreign policy."[98] In 1973 Schlesinger stated that the "idea of prerogative was not part of presidential powers as defined by the Constitution," although it "remained in the back of [the framers'] mind."[99] Commager told the Senate in 1967 that there should be a reconsideration of executive-legislative relations in the conduct of foreign relations.[100] Testifying in 1971, Commager appealed for stronger legislative checks on presidential war powers.[101]

CONCLUSIONS

President Truman's unilateral use of armed force in Korea violated the U.S. Constitution and the UN Participation Act of 1945. It is not a valid precedent for what President Bush planned to do in 1990–91, against Iraq, nor is it a valid precedent for any military operations that President Clinton would want to launch in Bosnia or other UN "peacekeeping" operations. The decision to place U.S. troops in combat and to take the nation from a condition of peace to a state of war requires approval by Congress in advance. That was the constitutional principle in 1787. It has not changed today.

Presidents and their advisers point to more than 200 incidents in which Presidents have used force abroad without first obtaining congressional approval. Most of those actions were minor adventures done in the name of protecting American lives or property, taken at a time when U.S. intervention in neighboring countries was considered routine and proper. Is the bombardment of Greytown, Nicaragua, in 1854 an acceptable "precedent" for the current use of American military power? Are we comfortable with citing America's occupation of Haiti from 1915 to 1934 or the repeated interventions in Nicaragua from 1909 to 1933? Today, such invasions would violate international law and regional treaties. We should not speak nonchalantly about "more than 200 precedents," assuming that such numbers, by themselves, justify unilateral military action by the President. We need to examine the specific incidents. Are they attractive precedents for the use of force today? None of the two hundred incidents come close to justifying military actions of the magnitude and risk of Korea in 1950, Panama in 1989, Iraq in 1990, or Bosnia in 1994.

The Korean War stands as the most dangerous precedent because of its scope and the acquiescence of Congress. In recognizing the importance of the Korean War and its threat to constitutional democracy, we should not attempt to confer legitimacy to an illegitimate act. Illegal and unconstitutional actions, no matter how often repeated, do not build a lawful foundation. If Presidents withdrew funds from the Treasury without an appropriation from Congress, those actions would have no constitutional legitimacy, regardless of the number of infractions. As Gerhard Casper has remarked: "unconstitutional practices cannot become legitimate by the mere lapse of time."[102] Justice Frankfurter noted: "Illegality cannot attain legitimacy through practice."[103] Presidential acts of war, including Truman's initiative in Korea, can never be accepted as constitutional or as a legal substitute for congressional approval.

FOOTNOTES

[1] 17 Richardson 8735.

[2] 58 Cong. Rec. 8777 (1919).

[3] 63 The Papers of Woodrow Wilson 451 (Arthur S. Link ed. 1990); 64 The Papers of Woodrow Wilson 47, 51 (Link ed. 1991).

[4] Woodrow Wilson, Congressional Government 233–234 (1885).

[5] Woodrow Wilson, Constitutional Government in the United States 77–78 (1908).

[6] 89 Cong. Rec. 2031 (1943).

[7] Id. at 2032.

[8] Id. at 7623.

[9] Id. at 7646–47.

[10] Id. at 7647.

[11] Id.

[12] Id. at 7655.

[13] Id. at 7728–29.

[14] Id. at 7705 (Congressman Richards).

[15] Id. at 7706.

[16] Id. at 9187 (Senator Willis, first column).

[17] Id. at 8662 (reading by the legislative clerk).

[18] Id. at 9187 (Senator Willis, first column); id. at 9189 (Senator Brooks); id. at 9205 (Senator Wherry).

[19] Id. at 9207 (Senator Hayden).

[20] Id. at 9222.

[21] Id. at 9101.

[22] Id. at 8742–43.

[23] Edwin Borchard, "The Dumbarton Oaks Conference," 39 Am. J. Int'l L. 97, 101 (1945).

[24] 11 Dep't of State Bull. 447, 448 (1945).

[25] Edwin Borchard, "The Charter and the Constitution," 39 Am. J. Int'l L. 767, 767–768 (1945).

[26] Id. at 770–771.

[27] The New York Times, November 5, 1994, at 8E. Signers of the letter: John W. Davis, W.W. Grant, Philip C. Jessup, George Rublee, James T. Shotwell, and Quincy Wright.

[28] "The Charter of the United Nations," hearings before the Senate Committee on Foreign Relations, 79th Cong., 1st Sess. 197 (1945).

[29] Id. at 644.

[30] "The Charter of the United Nations," hearings before the Senate Committee on Foreign Relations, 79th Cong., 1st Sess. 298 (1945).

[31] Id. at 299.

[32] Id. at 645–646.

[33] Id. at 646.

[34] Id. at 652.

[35] Id. at 654.

[36] Id. at 655.

[37] 91 Cong. Rec. 8021 (1945).

[38] Id. at 8021–8024 (Senators McClellan, Hatch, Fulbright, Maybank, Overton, Hill, Ellender, and George).

[39] Id. at 8027–28.

[40] Id. at 7156.

[41] I. at 7988.

[42] Id. at 8185.

[43] Id. (Senator Donnell).

[44] Id. at 8190.

[45] 59 Stat. 621, §6 (1945).

[46] Michael J. Glennon, "The Constitution and Chapter VII of the United States Charter," 85 Am. J. Int'l L. 74, 75–77 (1991).

[47] "Participation by the United States in the United Nations Organization," hearings before the House Committee on Foreign Affairs, 79th Cong., 1st Sess. 23 (1945).

[48] Id.

[49] Id. at 25–26.

[50] S. Rept. No. 717, 79th Cong., 1st Sess. 5 (1945).

[51] Id. at 8.

[52] 91 Cong. Rec. 10965–66 (1945).

[53] Id. at 10974

[54] Id. at 11296.

[55] Id. at 11301.

[56] Id. at 11303.

[57] H. Rept. No. 1383, 79th Cong., 1st Sess. 7 (1945).

[58] 91 Cong. Rec. 12267 (1945).

[59] 63 Stat. 735–736, §5(1949).

[60] Id.

[61] Public Papers of the Presidents, 1950, at 491.

[62] Id.

[63] Id. at 492.

[64] Id.

[65] Id.

[66] Robert H. Bork, "Comments on the Articles on the Legality of the United States Action in Cambodia," 65 Am. J. Int'l L. 79, 81 (1971).

[67] 23 Dept. of State Bull. 43 (1950).

[68] Id. at 46.

[69] Public Papers of the Presidents, 1950, at 529.

[70] Glenn D. Paige, The Korean Decision 188 (1968).

[71] Dean Acheson, Present at the Creation 408 (1969). See also Edwin C. Hoyt, "The United States Reaction to the Korean Attack: A Study of the Principles of the United Nations Charter as a Factor in American Policy-Making," 55 Am. J. Int'l L. 45, 53 (1961).

[72] Merle Miller, Plain Speaking: An Oral Biography of Harry S. Truman 276n (1973).

[73] Public Papers of the Presidents, 1951, at 503.

[74] Id. at 504. On July 13, at a news conference, he again called the Korean war a police action." Id. at 522.

[75] Id. at 520.

[76] Id.

[77] Weissman v. Metropolitan Life Ins. Co., 112 F.Supp. 420, 425 (S.D. Cal. 1953). See also Gagliormella v. Metropolitan Life Ins. Co., 122 F.Supp. 246 (D. Mass. 1954); Carius v. New York Life Insurance Co., 124 F.Supp. 388 (D. Ill. 1954); and A. Kenneth Pye, "The Legal Status of the Korean Hostilities," 45 Geo. L. J. 45 (1956).

[78] "Military Situation in the Far East" (Part 3), hearings before the Senate Committees on Armed Services and Foreign Relations, 82d Cong., 1st Sess. 2014 (1951).

[79] Richard S. Kirkendall, Harry S Truman and the Imperial Presidency 11, 16 (1975).

[80] John N. Moore, "The National Executive and the Use of the Armed Forces Abroad," 21 Naval War College Rev. 28, 32 (1969).

[81] 96 Cong. Rec. 9229 (1950). Statement of Senator Scott Lucas (D-Ill.)

[82] Edward S. Corwin, "The President's Power," The New Republic, January 29, 1951, at 16.

[83] 96 Cong. Rec. 9233 (1950). Statement of Senator Arthur V. Watkins (R-Utah). See also Arthur V. Watkins, "War by Executive Order," 4 West. Pol. Q. 539 (1951).

[84] 96 Cong. Rec. 9268 (1951).

[85] Id. at 9323.

[86] 97 Cong. Rec. 5078–5103 (1951).

[87] 1 Stephen E. Ambrose, Eisenhower: Soldier, General of the Army, President-Elect 569 (1983).

[88] Id.

[89] Chester J. Pach, Jr. and Elmo Richardson, The Presidency of Dwight D. Eisenhower 46 (1991).

[90] Henry Steele Commager, "Presidential Power: The Issue Analyzed," The New York Times, January 14, 1951, p. 11.

[91] Id. at 24.

[92] Arthur Schlesinger, Jr., "Presidential Powers: Taft Statement on Troops Opposed, Actions of Past Presidents Cited," The New York Times, January 9, 1951, p. 28.

[93] 1 Richardson 315.

[94] Arthur M. Schlesinger, Jr., The Imperial Presidency 139 (1973).

[95] Edward S. Corwin, "The President's Power," The New Republic, January 29, 1951, at 15.

[96] Edward S. Corwin, "Who Has the Power to Make War?" The New York Times Magazine, July 31, 1949, at 14.

[97] Id.

[98] Arthur M. Schlesinger, Jr. and Alfred de Grazia, Congress and the Presidency 27–28 (1967).

[99] Schlesinger, The Imperial Presidency, at 9. Emphasis in original.

[100] "Changing American Attitudes towards Foreign Policy," hearings before the Senate Committee on Foreign Relations, 90th Cong., 1st Sess. 21 (1967).

[101] "War Powers Legislation," hearings before the Senate Committee on Foreign Relations, 92d Cong., 1st Sess. 7–74 (1971).

[102] Gerhard Casper, "Constitutional Constraints on the Conduct of Foreign and Defense Policy: A Nonjudicial Model," 43 U. Chi. L. Rev. 463, 479 (1976).

[103] Inland Waterways Corp. v. Young, 309 U.S. 517, 524 (1940).

Mr. DOLE. The treaty was never ratified.

Mr. President, having said that, this is essentially the same amendment that was defeated in the Senate by a vote of 65 to 34 on June 29, 1994. I am not certain that bringing up the issue again with the same outcome likely sends the right signal to the White House because we read in this morning's paper—at least it hints—that the President will wait until we are in recess before there is any action. We read that he may not have seriously engaged the question and has not really focused on it himself.

The President has indicated he does not want, nor needs, congressional authorization. He said that in his press conference the other night. I happen to believe that is a mistake. If President Clinton made his case for the use of force, and if Congress authorized the use of force, I believe President Clinton's hand would be strengthened just as President Bush's hand was strengthened when he in effect rolled the dice and came to Congress and asked for our support for offensive military action in Iraq.

The best way for the administration to show the United States is serious would be the affirmative Congress authorizing the use of force in Haiti. The Congress should have a role to play.

It is a little odd that the administration goes to the United Nations and ignores the Congress. There is the argument made the other day that the Senator from Arizona has already referred to in this amendment. It passed by a vote of 100 to 0. We indicated at that time, every Senator, that U.N. authorization certainly is not authorization by Congress or the American people.

It is a little odd that Argentina has decided not to participate in the invasion precisely because of opposition from the Argentine Congress. Their Congress said no. They are pulling out.

So apparently they are going to bypass our Congress. That seems the President's attitude at the White House.

There should be no mistake at the other end of Pennsylvania Avenue if this amendment is defeated. It does not mean the Congress does not have a role to play, and Congress should play a role. There is no emergency in Haiti.

The President has plenty of time to come up here right now and say, "OK. I want to get authorization from Congress." But he has to make his case to the American people first. If he cannot make it to the American people, he certainly is not going to make it effectively to the Congress of the United States So the President ought to come up here and try to make his case.

I think Roll Call, a little newspaper here on Capitol Hill, had a good editorial on August 4, which I also want to include in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HAITI VOTE NOW

White House officials tell us that President Clinton is undergoing an "excruciating" process of deciding whether to seek Congressional authorization for an invasion of Haiti. His aides are divided, the officials say, with some fearing Congress will deny permission and undercut Clinton's effort to scare the illegitimate military government into abdicating, others arguing that putting the issue to Congress will create a bad precedent narrowing the powers of the Commander-in-Chief, and still others (apparently a minority) advising that a Congressional vote is the right thing to do, politically and constitutionally.

We strongly urge the President to listen to this last group, and we strongly urge Congressional leaders to insist that Clinton seek proper authorization if he decides on an invasion. We render no opinion on the invasion idea itself, but we think it's vital that Congress be restored to its proper constitutional role in deciding whether the United States goes to war.

During the Cold War era, it came to be accepted practice that presidents would commit US troops abroad without a declaration of war or other formal authorization. In some cases where quick action is necessary, this will continue to be the case—as it was prior to the Cold War. But a Haiti invasion, if it occurs, will take place in the new post-Cold War era, and now is the right time to make certain that in this new world, Congress is no longer left out of the process.

The basic principle is simple: If the president decides that military action is required to secure some desired foreign policy purpose, and time is not of the essence, he ought to have to secure Congress' permission for it. This is what President Bush did with the Persian Gulf war, and it's generally agreed that the debate preceding the authorization vote was one of the US government's finest hours in recent history.

If President Clinton is worried that Congress will deny him authorization for an invasion of Haiti, this is all the more reason he needs to seek it. Congress usually supports a president when he takes decisive action overseas, so doubt about Congress's will in this case is strong evidence that the President has failed to make his case for an invasion. He needs to do that to win public support as well as Congressional support. Going to war without such approval leaves a president "on his own"—without a safety net if anything goes wrong.

Independent of the Haiti case, it's time for Congress to fulfill its oft-made—and oft-broken—resolve to rewrite the 1973 War Powers Resolution, which neither Congress nor the President finds workable. It permits a president to put troops in combat for up to 90 days, but then demands their removal if Congress has not approved their dispatch.

In the case of Haiti, President Clinton has sought and obtained the blessing of the United Nations Security Council for an invasion. If he plans to use US troops, however, he needs to secure the authorization of the US Congress. He is rumored to be thinking of mounting an invasion when Congress is in recess later this month, but that would be a mistake. Clinton needs to face, not duck, opponents of his Haiti policy. If he wins a vote in Congress, that might really induce the Haitian military to flee to France.

Mr. DOLE. It says, "Haiti Vote Now," and it points out a number of reasons why I think the President should come to Congress.

Let me just reiterate what my colleague has said.

Mr. President, I am not certain what rationale the administration may have in mind, if in fact there is intervention in Haiti. Certainly, if it is because the people are impoverished or the people are suffering, if that were a rationale that you could use, that might be enough. But that is not. There are not any Americans being threatened. There is no real American interests being threatened. There are a lot of poor people there. They deserve our help. But that is not enough to justify intervention, shedding Haitian blood, and perhaps American blood. And who knows how long the occupation would last thereafter? We all know the last one lasted about 19 years.

So it seems to me that the President of the United States has some obligation to come to Congress and make his case. In my view, if the President can persuade the Congress that he is right, we ought to do what he asked us to do, what he asked the American people to do, or asked the American soldier to do. Then I think his case will be strengthened with the American people.

I recall that after President Bush came to Congress, not one single member of the Democratic leadership, not a single Member in the House or the Senate of the Democratic leadership, supported President Bush's efforts to get Congress to authorize the use of offensive forces in Iraq. But there were 11 Democrats and a number of Republicans, and President Bush rolled the dice and prevailed.

As I recall it—I will go back to check to be certain—but once the Congress put its stamp of approval on what President Bush asked, then support for that operation climbed steadily. I think the same would be true, whether it is Haiti or anywhere else.

I do not see any reason for an intervention in Haiti. Others do. The Presiding Officer feels just as strongly the other way, and maybe for good reason. But I think we all should make the case that the President has an obligation to come to us, to come to Congress, to make his case. First, he has to make it to the American people.

It appears that the only country that is going to help us is now saying we cannot do it because our Congress objects. What about our Congress? If there are going to be American soldiers, why not Argentine soldiers? In our Congress, we reflect the views of the American people. We ought to be prepared to have some role.

So I support the amendment of the Senator from Pennsylvania because it is much like the Gregg-Dole amendment which was defeated. And I hope that maybe today Senator SPECTER may prevail. But if not, the White House should not misunderstand the vote, or misconstrue the vote.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Mr. President, I yield 3 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I thank you. I thank my colleague from Arizona.

Mr. President, on this particular question, I join with the Senator from Arizona and others who are concerned about the possible ramifications of potential action that we would be taking if we were to approve the amendment by our colleague from Pennsylvania.

I understand the intent of his amendment at this particular point. I do not agree, however, with the operative effect of it. I think that this would be a very serious and, indeed, dangerous precedent for the Congress of the United States to engage in.

I happen to be one, with all deference to the Republican leader, who was, at least temporarily, as the occupant of the chair is now, in the leadership 3 years ago, whatever the date was, when we were asked to consider the question of force authorization. I, as the occupant of the chair, supported force authorization with respect to the invasion of Kuwait by Iraq. But in this particular case, I differ with my friend from Arizona with respect to the advisability of some action and certainly with respect to the question of whether or not the President is engaged—I know for a fact that he is engaged and is considering this question very, very seriously.

But putting that aside for a moment, the far more serious question is whether or not we should attempt, given the responsibility under the Constitution to declare war, whether we should attempt to usurp the authority of the President of the United States under section 2, article II, in his role as Commander in Chief.

In this particular case, an attempt to engage in prior restraint would not only send the very difficult and mixed signal that has already been alluded to in some of the debate, it would set a precedent for future U.S. actions that would be, in my judgment, fundamentally wrong. Again, there is a wide difference within this body as to whether or not the President ought to engage in certain actions.

I supported the unanimous consent resolution recently because it was a sense-of-the-Senate resolution regarding whether or not U.N. Security Resolution 940, I think was the number, actually authorized the use of U.S. forces. Clearly on its face, it did not and could not.

This is a different question, however. I think it is very important that our colleagues understand the potential ramifications and the precedents that this would set, and I think as far as I am concerned certainly would be entirely a wrong precedent.

So with all deference to my friend from Pennsylvania, whose expertise in terms of the Constitution of the United States is not questioned or challenged by any Member of this body, and indeed there are very wide differences on this particular point, I nonetheless must respectfully urge my colleagues to vote against the Specter amendment.

With that, Mr. President, I yield the floor.

I thank my colleague from Arizona for yielding the time.

Mr. SPECTER. Will the Senator from Virginia yield for a question?

Mr. ROBB. The Senator would be delighted to yield for a question.

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes and thirty-nine seconds.

Mr. SPECTER. My question to the Senator from Virginia is that the chairman of the Foreign Relations Committee stated earlier in response to a question that the Congress has the de jure authority to declare war but the de facto authority to declare war has been overtaken by the President. Would you agree with that?

Mr. ROBB. Let me say, Mr. President, to the Senator from Pennsylvania that I am not as quick to defend constitutional role in war-making as some of my friends. I accept that. I accept the War Powers Resolution. I think it is important, however, to recognize that as Commander in Chief we expect certain responsibility to be vested in the President of the United States. I think that we severely inhibit his or potentially her ability to carry out that function if we engage in additional restraint, and particularly if the attempt is to engage in specific prior restraint with respect to activities that may or may not be undertaken or authorization that may or may not be requested.

Mr. SPECTER. I thank my colleague. I take that as a qualified yes.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Let me try to make myself clear on this issue. The question before this body is not whether we think that the President of the United States should invade Haiti. The Senate has spoken very clearly on that issue. In October 1993, on the Defense appropriations bill, there was a vote by the U.S. Senate to express the sense of the Senate. Just a few days ago, a short time ago, there was a 100-to-0 vote which was correctly interpreted as a message to the President that he must come to the Congress before initiating a military action in Haiti. And if there was a simple, again, sense-of-the-Senate resolution here as to whether we should invade Haiti, I do not have any doubt that the vote would be overwhelming in opposition to invasion.

But this is not about whether we should invade Haiti. I believe with every bone in my body that the President should consult with Congress, should come to Congress for authorization, and should receive approval of any military action in Haiti. According to the Washington Post this morning, "September also would have the virtue of coinciding with the end of the upcoming congressional recess, should Clinton be disposed to consult."

I say to my friend from Virginia, if he believes the President is fully engaged, I hope he will ask that "senior administration official," whoever it was, to correct his statement that the President has "not even entered this discussion seriously." Maybe a retraction could be issued by that senior administration official.

Mr. President, is the answer to the problem of a failure of the President to consult with Congress and receive authorization from Congress a prohibition, a prospective proscription of actions on the part of the President? I would say the answer is no. I believe that if any military action is initiated by the President, without congressional approval, it will fail. The Vietnam war, Somalia, and Beirut prove that you have to have support of the American people and the support of the Congress; otherwise, military actions are doomed to failure.

I believe that this President is very smart, and I believe that this President is going to realize that he has to come to the Congress and the American people—not necessarily in that order—if he is going to invade Haiti. For us to say we are so afraid that he will not that we have to prohibit him from becoming militarily involved in Haiti, I believe, creates an enormous constitutional crisis.

I will add one other thing from the Members' perspective on my side of the aisle; that is, I do not expect the other party to control the White House forever. I believe fervently, hopefully, prayerfully, that somebody from my party will be President of the United States. If that happens, I would hate for us to have set a precedence where we are prohibiting the President of the United States from carrying out his responsibilities as Commander in Chief. The fact is that at any time the President of the United States is engaged militarily, the Congress can debate a declaration of war and declare war or not. If the Congress chooses not to exercise their constitutional rights to do that, then that responsibility lies on the Congress, not on the President.

I repeat, Mr. President, I want the President of the United States to come and consult. I want him to get approval and authorization before we engage ourselves militarily in Haiti. I am afraid he may not. But for us to prohibit the President of the United States from taking actions, which I believe are clearly within his constitutional authority, I think is the wrong solution. How much time do I have remaining?

The PRESIDING OFFICER. The Senator controls 5 minutes 18 seconds.

Mr. MCCAIN. I yield 4 minutes to the Senator from Connecticut.

Mr. DODD. Thank you very much, Mr. President. I thank my colleague from Arizona.

I suppose I can say "amen" here to what he just said. This is not a debate about whether or not we ought to commit United States Forces to Haiti. That debate, hopefully, will never come and we will not have to engage in that question, and the issue will be resolved without ever getting to that point. But if it does, there will clearly be—if it comes to the Congress—a significant debate and discussion.

Ideally—the Senator from Arizona is absolutely correct—the proper way to proceed is that Presidents come to the Congress and ask for that kind of authority before engaging. As my colleague has pointed out—and I was not here for all of this debate—I count 14 or 15 occasions since 1903 when Presidents of all political persuasions have injected U.S. Forces into hostile environments without prior authority from the Congress. It began in Panama in 1903. Coincidentally, the last one also happens to be Panama. Many would have argued—and I think did—that they wish the President had come to this Congress beforehand.

But the point I think the Senator from Arizona is making, and the one I think we need to emphasize, is that under our Constitution, the Constitution divides war powers, in effect, between Congress and the Executive. That is why we have these debates, because it clearly is the power of the President to be Commander in Chief. It is also very clear that the power to declare war is vested in the Congress. So you have these two branches of Government, separate but equal, that are charged in the same Constitution with responsibilities in the conduct of war. And so we find ourselves in this situation. So I say to my friend from Pennsylvania, while I certainly respect his knowledge and ability and awareness in constitutional areas, I do not think at this juncture you want to be precommitting without the initiation being taken by the Executive.

President Bush, to his credit, came to this institution prior to the conflict in the Persian Gulf. He asked this body, and the other, to express its view on whether or not forces should be committed to hostilities in the Middle East. I point out that—I do not know the exact number; my colleague could probably tell me—there was a significant number of forces we sent over to the Middle East prior to the debate in this body. But President Bush deserves a great deal of credit for what he did then, the least of which was to come here and ask our view.

I generally say that this President should do the same, if he can, if he is confronted with that choice. There may be circumstances, as we have seen in other examples where that will not or cannot be the case. I do not want to tie the hands of a President when he feels as though he should take some action. He can inform and consult with the Congress, but not necessarily be able to come and seek that authority.

So I do not know what the proper motion is here, but whatever it is, I urge that this amendment be defeated. Again, we have had 5 amendments now, as I count them, in the last 2 weeks on Haiti. We have had a pretty good discussion around here about what the circumstances are and, I think, what we all hope happens. I think this is a premature debate. Hopefully, it is a debate that will never have to occur because we will not have to commit those United States Forces to Haiti. I join with my colleague from Arizona and the distinguished chairman of the Foreign Relations Committee in support of the proposition that this amendment be rejected.

I thank my colleague from Arizona, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 3 minutes 20 seconds; the Senator from Arizona 1 minute 6 seconds.

Mr. SPECTER. Mr. President, the key point was made by the distinguished chairman of the Foreign Relations Committee when he said, in response to my question, that de jure the Congress has the authority to declare war and de facto the President has the power to declare war. I think that is correct.

I think that is the way it has worked out, and it is high time, under circumstances as clear as those present now, that the Congress reassert its de jure and de facto authority to declare war. "De jure" means out of law; "de facto" means out of fact.

The fact is that he who asserts the fact of the matter controls what practically happens, and where you have a situation where the Senate of the United States has said, "Do not invade Haiti," and the House has said, "Do not invade Haiti," and the President says, "I am not mandated to get the authority of the Congress," that is a flat violation of the constitutional requirement that only the Congress has the power to declare war. There may well be a constitutional crisis if the President moves ahead to declare war and make war in violation of the Constitution.

Mr. President, this amendment is carefully crafted to leave the President his authority as Commander in Chief to have temporary deployment of U.S. Forces to protect U.S. citizens or to have the deployment of U.S. forces to protect vital U.S. national security interests where there is not time to come to the Congress. So his power as Commander in Chief is respected and protected.

What this amendment does is seek to reassert the de facto authority of the Congress as the sole authority to declare war.

It is ironic, Mr. President, that we articulate a desire to promote democracy in Haiti while we are ignoring democracy and the United States Constitution at home.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Pennsylvania controls 40 seconds.

Mr. SPECTER. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania yields the floor.

Who yields time?

Mr. MCCAIN. Mr. President, I yield myself the remaining time.

The PRESIDING OFFICER. The Senator has 1 minute 1 second.

Mr. MCCAIN. Mr. President, one of the great embarrassments to me as a Senator is the failure to abide by our own law, which is the War Powers Act.

I urge the participation of Senator SPECTER and others in this body to review this law and revise it in a fashion that we can obey. We should abide by the laws that we pass as we expect the people of the rest of the country to abide the laws we pass.

This amendment is not about whether we should invade Haiti. That issue has been ventilated and will be ventilated again many times on the floor. This amendment is not about whether the President should come to the Congress of the United States and consult and receive prior authorization before he invades Haiti, if he contemplates such action.

This amendment is about the Constitution of the United States and Senator SPECTER's view of it and mine.

I believe that history shows that the President of the United States should be clear to exercise his powers as Commander in Chief of the Armed Forces. I believe the Constitution of the United States does provides him with this authority. For us to prospectively prohibit that action, I think would set a very dangerous precedent for the future.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SPECTER. Mr. President, this amendment is about a de facto amendment to the Constitution of the United States. It was succinctly and accurately expressed by the chairman of the Foreign Relations Committee that the President takes on the de facto authority to declare war, and if, in the circumstances here where there has been ample time for the President to come to the Congress and he does not, the Congress says, "Do not make war in Haiti," and the President responds, "I am not mandated to come back to the Congress," if we allow that to stand and if we allow the President to assert and usurp the authority to make war, we are having a de facto amendment of the Constitution.

The PRESIDING OFFICER. The Senator's time has expired.

WRONG SIGNAL ON HAITI

Mr. BYRD. Mr. President, I oppose the amendment offered by the Senator from Pennsylvania on Haiti. The adoption of this amendment today would send the wrong message to the military leadership in Haiti. We should not take action today that gives the de facto Haitian Government any sense of security or complacency, and which might impede other diplomatic efforts to ensure their speedy departure.

I agree with the Senator from Pennsylvania in that I believe that the President should seek prior congressional approval for any military action in Haiti that does not stem from the urgent need to protect Americans living in Haiti or from some other immediate national security concern. Under the Constitution, the President has the freedom of action to respond to those emergency situations. Military actions to remove the military leadership of Haiti and return the legitimately elected civil authorities are actions for which he should want and should seek the approval and support of the Congress. I believe that the President understands that actions such as are contemplated for Haiti, involving risk for United States military personnel, are actions for which he would want and would seek congressional support and approval. That way, should any eventual military action result in casualties, that burden would not be borne by the President alone.

A prohibition on the use of military force in Haiti except in cases where the President already has the clear constitutional authority to act, is unwise at this time. It gives support for the military leadership in Haiti. The President needs flexibility to exercise his responsibilities as Commander in Chief and he should also have the good judgment to build a solid consensus in Congress and the American public for military action. The President, I believe, has that good judgment and I do not think we should be presuming that he does not. Therefore, I urge my colleagues to table this amendment.

Mr. LAUTENBERG. Mr. President, I do not support an invasion of Haiti at this time, but I will oppose the Specter amendment which appears to prohibit it.

As Senator MCCAIN, and others who oppose both an invasion and the amendment have argued, the Specter language would do nothing but undercut the ability of this or any future President to use the threat of force as a negotiating tool.

I want the President to seek congressional authorization prior to any action. I believe that President Bush's decision to seek such an authorization prior to the conflict with Iraq was extremely helpful. If President Clinton believes that an invasion of Haiti is necessary, he should explain that to the Congress and the country. He should explain the need for action and the strategy which will guide that action. While I am not now persuaded that an invasion is the best course to take, I intend to listen carefully to the President's arguments and explanations.

Mr. President, the Specter amendment involves issues of process and politics rather than policy. Defeat of this amendment does not mean that the Congress supports or wants an invasion of Haiti; adoption of this amendment would not prohibit an invasion since it spells out, as does existing law, situations in which the President may act unilaterally.

The Senate has cast a series of votes on Haiti over the past few weeks. My votes on those amendments make it clear that I want the President to consult with the Congress and that I am not persuaded that an invasion is justified or wise at this time. It was unfortunate, in my view, that this amendment was offered as the debate has made clear, Senators do not see this as a debate about policy. It is a debate about process and no one—in Haiti or in America—should read anything more than that into this vote. To interpret this as a vote for or against a given policy in Haiti would be a serious mistake and could lead to serious miscalculations.

Mr. WARNER. Mr. President, I rise today to join Senator MCCAIN in opposing the amendment of the senior Senator from Pennsylvania.

I have consistently voted against legislation, such as the amendment offered by Senator SPECTER, which would prohibit the president from exercising his constitutional authority as Commander in Chief. I last spoke to this issue on June 29, during consideration of a similar amendment offered by Senator GREGG.

I agree with the arguments of Senator MCCAIN that the Constitution grants the President, as Commander in Chief, the authority to deploy U.S. military forces abroad as he deems appropriate. I would hope that Presidents, absent situations where timing is so critical that consultations cannot precede execution of a military operation, would either consult with Congress or seek prior congressional authorization regarding the use of force. But I do not find constitutional authority to require such congressional involvement as a condition precedent.

Having said that, my vote against the specter amendment should not be broadly interpreted as an endorsement of a United States invasion of Haiti, given the facts existing today, August 5, 1994. I have serious misgivings about the policy being pursued by the administration regarding Haiti. I remain firm in my belief that the administration has not made a convincing case to justify the use of United States troops in Haiti.

We are all moved by the tragedies in Haiti—the human rights violations, the thousands of desperate refugees, the military leaders prospering while the poor are suffering. But our compassion alone is not sufficient reason for endangering the lives of the men and women of the U.S. Armed Forces, should they be ordered to invade. Compassion will not offset the injury to other nations in this hemisphere who constantly remind us of Yankee imperialism in years past.

The main question that I believe the administration has failed to answer is—what is the United States national interest in Haiti that would justify the use of United States military power? It appears at this point that there remains disagreement at the highest levels of the administration regarding this question. I refer my colleagues to Senator MCCAIN's floor statement of yesterday addressing the New York Times article of August 4 entitled, "Top U.S. Officials Divided in Debate on Invading Haiti."

During briefings to the Congress, administration officials have said that the United States has an interest in restoring democracy to Haiti. This is not, as some officials claim, a justification for the use of force. While we would like to see democracy restored in Haiti, we should not shed American blood to achieve that goal.

The administration has also stated that we have an interest in stability in the Caribbean. I agree. But I fail to see how the situation in Haiti is contributing to uncontrolled instability in the region. Several months ago, on May 16, the nation which adjoins Haiti, the Dominican Republic, held a Presidential election. The unrest in Haiti—just miles away—did not de-stabilize that free election.

We should not forget the history of United States military involvement in Haiti as we contemplate a possible invasion. The last time the United States intervened in Haiti it restored order, in 1915, we remained for 19 years. History has a way of repeating itself.

Mr. President, it is unfortunately true that the world today is a more dangerous and violent place than it was just 10 years ago. There are currently 64 areas of conflict in the world. The United States cannot be expected to solve all of the problems in the world today. We are not the world's policeman. We must be selective in the use of U.S. military power. Unless vital U.S. national interests are at stake, U.S. troops should not be sent into harm's way. At this point, Haiti does not meet that standard. A U.S. military solution to the problems in that country should be avoided.

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Arizona is recognized upon the expiration of time.

Mr. McCAIN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona to lay on the table the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. WALLOP. Mr. President, on this vote I have a pair with the distinguished Senator from Vermont [Mr. JEFFORDS]. Senator JEFFORDS is unavoidably absent. If he were present and voting, he would vote "yea," for the McCain motion to table. If I were at liberty to vote, I would vote "nay." And, therefore, I withhold my vote.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX], the Senator from Arizona [Mr. DECONCINI], the Senator from Alabama [Mr. HEFLIN], and the Senator from Tennessee [Mr. MATHEWS] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 63, nays 31, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—63

Akaka
Baucus
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Bryan
Bumpers
Byrd
Campbell
Chafee
Coats
Cochran
Conrad
Daschle
Dodd
Dorgan
Exon
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Harkin
Hatfield
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mack
McCain
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Stevens
Warner
Wofford

NAYS—31

Bennett
Brown
Burns
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Feingold
Grassley
Gregg
Hatch
Helms
Hutchison
Kempthorne
Lott
Lugar
McConnell
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Thurmond
Wellstone

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Wallop, against

NOT VOTING—5

Breaux
DeConcini
Heflin
Jeffords
Mathews

So the motion to lay on the table the amendment (No. 2460) was agreed to.

Mr. DOLE. Mr. President, I just wanted the RECORD to reflect that Senator JEFFORDS is regrettably absent today due to a family medical emergency.

VOTE ON EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 25, LINE 8, THROUGH LINE 13

The PRESIDING OFFICER. The question now occurs on the underlying committee amendment on page 25, line 8.

If there be no further debate, the question is on agreeing to the amendment.

So the excepted committee amendment beginning on page 25, line 8, through line 13, was agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. I move to reconsider also the vote on the Specter amendment.

The PRESIDING OFFICER. There is a motion to reconsider the vote to table the Specter amendment. Is there a motion to lay that upon the table?

Mr. SPECTER. So moved.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that pursuant to the previous agreement, the list of excepted amendments be modified to read as follows:

Page 25, lines 8 through 13;

Page 51, line 16, through page 52, line 17;

Page 78, line 16 through line 23;

Page 78, line 24, through page 79, line 15;

Page 80, line 1 through line 5;

Page 80, line 6, through page 81, line 8;

Page 63, line 5, through page 64, line 4.

Page 68, line 18, through page 69, line 5.

The PRESIDING OFFICER (Mr. DORGAN). Will the Senator modify his request to delete the committee amendment on page 25, lines 8 through 13?

Mr. HARKIN. That was the one just adopted. I delete the one excepted amendment on page 25, lines 8 through 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, now we are ready to move to an amendment that will be offered by the Senator from Arizona regarding the Corporation for Public Broadcasting. As soon as he is recognized to offer that, then perhaps we can enter into some time agreement on it.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, before I send an amendment to the desk, I would like to tell the distinguished managers that the Republican leader has asked for 10 minutes to speak on this amendment. So I only need 5 or 10 minutes. I will need a maximum of 20 minutes on this side on the issue. I will be glad to enter into a unanimous-consent agreement for a time limit.

Mr. HARKIN. Mr. President, if the Senator will yield, I ask unanimous consent that on the McCain amendment dealing with the Corporation for Public Broadcasting there be 40 minutes equally divided, 20 minutes controlled by the Senator from Arizona, or his designee, and 20 minutes controlled by Senator INOUYE, or his designee.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. I want to be sure, reserving the right to object, that Senator STEVENS has 10 minutes in that time.

Mr. BROWN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Is the distinguished chairman willing to include my Taiwan amendment in that unanimous-consent request? I will be happy to limit that to 10 minutes.

Mr. HARKIN. We have not cleared that.

Mr. BROWN. It has not been cleared. I thought it would be appropriate to do it in terms of a time limitation.

Mr. HARKIN. We will seek to get that agreement as soon as we finish the

Corporation for Public Broadcasting. I think we will be OK on it.

Mr. BROWN. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Iowa? Without objection, it is so ordered.

The Senator from Arizona.

AMENDMENT NO. 2461 TO EXCEPTED COMMITTEE AMENDMENT ON PAGE 68, LINE 18, THROUGH PAGE 69, LINE 5

(Purpose: To increase funding for AIDS programs)

Mr. McCAIN. Mr. President, I ask unanimous consent that the pending committee amendment be laid aside and that the committee amendment beginning on page 68, line 18, through page 69, line 5, be the pending business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I send a second-degree amendment to the pending committee amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes an amendment numbered 2461.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment on page 69, at the end of line 5, insert the following: *Provided further*, That $37,360,000 shall be transferred to Department of Health and Human Services to be used solely for AIDS research and prevention programs in Fiscal Year 1997."

The PRESIDING OFFICER. The Senator is recognized.

Mr. McCAIN. Mr. President, this amendment mandates that of the $330 million appropriated in the bill for the Corporation for Public Broadcasting, $37,360,000 should be transferred to the Department of Health and Human Services to be used for AIDS research and prevention programs.

The bill before the Senate appropriates $330 million to the CPB for fiscal year 1997. This amendment lowers that amount to $292,640,000000, the amount that was requested by the President and mandates the difference be used for AIDS research.

Mr. President, this is simply a matter of priorities. Each day Americans in every Member's State, in every congressional district will die from AIDS. According to the Centers for Disease Control, as of March 1994, 382,173 Americans were diagnosed as having AIDS and another 1 million were infected with the HIV virus.

Based on current information, those numbers will undoubtedly increase. The facts surrounding this killer are well known, and there is no need to repeat them all. But there exists no cure for AIDS, and we are in desperate need to do all we can to fund AIDS research and prevention programs.

At the same time, we are increasing the funding for the Corporation for Public Broadcasting. The President requested the Corporation for Public Broadcasting be funded at $292 million for 1997. I do not always agree with the President, but when I do—and when I recognize a concerted effort on his part to control spending—then we have an obligation, in my view, to support him.

Mr. President, I repeat, this is an issue of priorities. Do we increase funding for the CPB in excess of the President's request, or do we use the money for AIDS research?

Let me point out, this bill funds the CPB $37 million more than the President's request. It funds the Ryan White AIDS Program at $8 million below the President's request. The Ryan White AIDS Program, which funds AIDS early intervention programs, is funded at $14,400,000 below the President's request. And, Mr. President, title IV of the Ryan White program, which funds pediatric AIDS programs, is funded $1 million less than the administration's request.

Let me repeat, pediatrics AIDS programs in this bill are funded at a level $1 million less than requested, yet we are funding the Corporation for Public Broadcasting above requested levels.

The supporters of the CPB constantly state how important the CPB is for our Nation's young people. Let me emphasize, this is obviously very important to young people, but those young people have to be alive. The House has realized that we must make priorities, and the House Members and the Labor/HHS Appropriations Subcommittee cut the fiscal year 1995 budget by $20 million. The report that accompanies the House bill states:

> The committee's action to rescind a portion of the advanced appropriation for 1995 is consistent with funding recommendations for many other programs in the bill which are slightly reduced below the 1994 funding level due to the committee's tight budget allocation and the need to shift resources to the President's investment priorities in education, job training, health prevention and biomedical research.

The CPB may have served a need when it was created in 1969. It served many individuals who were not able to receive quality programming and does still in some areas. But times have changed, needs have changed, and our priorities must change with them.

Cable is now available to 97 percent of American homes and 63 percent of all households subscribe to cable television and subscription rates are rising. Additionally, direct broadcast service television, known as DBS, has begun direct satellite-to-home broadcast television. The popularity of that service is expected to skyrocket.

What kind of programming can someone watch on these venues? Stations such as Arts and Entertain, BRAVO, CNN, Nickelodeon, C-SPAN and Discovery—many stations that air programs as good as, if not better, than those which exist on PBS. Yet we continue to raise the spending levels for the CPB.

I am keenly aware that the Senator from Alaska and the Senator from Hawaii will point out the far-reaching areas of their States where cable is not available and public broadcasting is necessary. I would state to my colleagues, first, DBS will soon solve that problem; second, if my amendment is adopted, we in Congress can mandate during consideration of the reauthorization bill, which is currently pending in the Commerce Committee, that CPB use its funding to ensure that rural Alaska and rural Hawaii is not abandoned; and, third, we will still be funding the CPB at substantial levels.

I acknowledge that there is a need for public broadcasting stations to remote sections of our Nation. However, in areas such as metro Washington, DC, where three public broadcasting stations are available over the airwaves, at the very least, continued increases in Federal funding must be called into question.

I repeat, it is a matter of priorities.

Cutting the money from the CPB budget will not cause public broadcasting to cease. Public broadcasting can and will continue to exist, but the fact remains, using this $37 million to fund AIDS research may save lives. It may bring us one day closer to a cure for this deadly disease. And that, Mr. President, I believe is worth a small reduction in the CPB budget.

I reserve the remainder of my time.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii.

Mr. INOUYE. Mr. President, I rise in support of the funding level for the Corporation for Public Broadcasting which is included in this bill, $330 million for fiscal year 1997.

Mr. President, this amount is well below the proposed authorized level of $425 million provided for in S. 2120, the Public Broadcasting Act of 1994.

The funding contained in this appropriations bill would allow public broadcasting stations to simply maintain the present level of high quality programming. I think all of us have seen firsthand how public broadcasting has helped this country. Public broadcasting's effort in education, advanced technology, and program development continues to set the standard for commercial broadcasting.

For example, nationwide, public television is the largest contributor of video and televised instructional material for schools, for colleges, and home viewers in the country. Public TV reaches over 29 million students in nearly 70,000 schools from kindergarten to grade 12. Close to 2 million teachers use public educational services provided by public TV and nearly 2 million adults have earned college credit because of public broadcasting.

Last month, public television launched a new school readiness service designed to help children to start school ready to learn. The ready to learn service is being tested in 11 sites across the country, and this service will offer quality children's programming, community outreach, and increased support services for children.

Yesterday, public broadcasting announced that it will launch another new education initiative called Ready to Earn. This service is designed to enhance career and economic opportunity for millions of Americans. "Going the Distance," the first of the ready to earn programs, will allow students to earn associate of arts degrees in over 60 community colleges in PBS telecourses. The program will enable students who need to work, parents who need to take care of their children, and citizens who do not live near a college campus to earn a college degree.

Many of us do not realize this, but public television provides closed captioning for the hearing impaired, a descriptive video service which has an optional audio narration track for the sight impaired, and Spanish language tracks for Spanish-speaking students.

Innovative services like these are important as our society becomes more diverse.

Public broadcasting also allocates a large percentage of its funds to enhance programming by and for minorities in traditionally unserved areas. And through the Independent Television Service and five minority consortia, public broadcasting has enabled Americans to explore important social issues and experience a wide variety of opinions and ideas.

CPB coordinates statewide planning and conducts research to help public broadcasting systems keep up with the new technologies and fluctuating financial conditions. For instance, many public radio and television stations are exploring new ways to manage the administrative and technical processes to achieve greater efficiency, and I applaud the efforts of these stations to become more efficient and eliminate duplicate program coverage.

When one considers, Mr. President, that public broadcasting receives only $1 a year per person from the Federal Government, one can only conclude that public broadcasting is one of the wisest investments that Congress can make. The Communications Subcommittee of the Commerce Committee is committed to passing reauthorization legislation this year so that we can ensure a healthy public broadcasting system in this country. The subcommittee held a hearing just 2 months ago on legislation to reauthorize the CPB, and I expect the bill to be marked up before the next recess.

The House is also expected to introduce a similar measure and to hold hearings rather soon. And I believe any issues with regard to CPB programs and policies should more properly be considered in the context of an authorization bill.

Finally, Mr. President, I support the funding level contained in this bill and must commend Senator HARKIN and the Appropriations Committee for demonstrating such fiscal responsibility. The funding provided in the appropriations bill is a good investment in our country's future.

Mr. President, it is time once again for Congress to reaffirm its commitment to the public broadcasting system and to provide the financial stability and means needed for CPB to realize its full potential.

How much time do we have?

The PRESIDING OFFICER. The Senator from Hawaii has 14 minutes and 10 seconds remaining. The Senator from Arizona has 14 minutes and 26 seconds remaining.

Mr. INOUYE. I suggest the absence of a quorum with no time taken off from either side.

The PRESIDING OFFICER. The absence of a quorum is noted, with no time taken off the time agreement. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. How much time is remaining on both sides, Mr. President?

The PRESIDING OFFICER. There are 14 minutes remaining to the Senator from Iowa and 14 minutes and 26 seconds remaining to the Senator from Arizona.

Mr. McCAIN. Will the Senator yield?

Mr. HARKIN. Will the Senator from Hawaii yield to me a couple minutes on the subject?

Mr. INOUYE. I would be happy to. I promised 10 minutes to the Senator from Alaska.

Mr. HARKIN. How much time does the Senator from Hawaii have?

Mr. INOUYE. Fourteen minutes.

The PRESIDING OFFICER. Just under 14 minutes.

Mr. HARKIN. I ask the Senator to yield 2 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 minutes.

Mr. HARKIN. Mr. President, I urge Senators to vote against the McCain amendment. Few of the programs funded in this bill touch as many lives as public broadcasting does; 90 million people watch public television, more than half of American households in any given week. Many of them are children. For them, public television makes essential learning opportunities available regardless of their parents' education, income, or occupation. It exposes children to information about world politics, economic events, and career opportunities that will affect their lives.

Commercial broadcasting's primary goal is to deliver an audience to advertisers. Public broadcasting's primary goal is to produce quality programs that do not necessarily make money, and this difference makes public broadcasting unique. There is nothing like All Things Considered or Morning Edition anywhere on commercial radio. There is nothing like MacNeil/Lehrer or Sesame Street anywhere on commercial television.

Of the $330 million provided in the Senate bill for CPB, $218 million goes directly to the Nation's 700 radio stations and 350 public television stations in the form of community service grants. Stations use these grants to acquire or produce programming that serves the needs of their local communities. In spite of overall increases in CPB funding, many stations have had their grants cut in real and relative terms. Between 1989 and 1994, at least 15 new public television stations and 90 new public radio stations have become eligible for these grants. Grants to these new stations, although helping the system bring public broadcasting services to areas and audiences not previously served, have offset significantly the growth in Federal support for existing stations. Small rural stations are most reliant on these funds and would be most affected by cuts. For rural audiences, the money we appropriate is vital. Because television stations in rural areas do not have great fundraising capabilities, smaller rural stations will likely be forced to cut service to their communities. Public broadcasting works because it is a partnership between business, Government and the American people. If you weaken one leg, the whole enterprise is affected.

The PRESIDING OFFICER. The Senator has consumed 2 minutes.

Who yields time?

Mr. INOUYE. Mr. President, I suggest the absence of a quorum without taking time off either side.

The PRESIDING OFFICER. The absence of a quorum is noted without the time being taken from either side. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I want to use about 2 minutes of my time.

Then I would like to go ahead and move to lay the pending amendment aside so that Senator BROWN, the Senator from Colorado, can pose his amendment. I believe the Senator from Iowa is working on a time certain for this vote and also for the next vote.

Mr. ROBB. Mr. President, today as we consider the level of funding to be provided for the Corporation of Public Broadcasting, I believe it is important to reflect on the accomplishments and potential for public broadcasting.

During the last 27 years, public broadcasting has enabled Americans to take countless journeys, explore the heavens and Earth, participate in great events and arouse more dreams and address more issues of social importance.

Public broadcasting is no longer just "MacNeil/Lehrer," "All Things Considered," or Big Bird. Today it is public telecommunications encompassing all forms of technology from videodisc to interactive computers and high-definition television to other means of communication that will continue to allow us to dream, take journeys, experience great drama and music, and explore the heavens and beyond.

Today, communications technologies offer exciting opportunities to improve the quality and quantity of educational programming on television and radio. Education is the key to the future of our country. If we fail to provide quality education, we risk not only the minds of our children but also our Nation's place in an increasingly competitive world. But how do we, in times of budget deficits, make the most of our limited resources to ensure that Americans are able to function in the workplace? One way is to empower citizens and communities to work together to find solutions. And in order to do so, it is Congress' role to provide citizens and communities the means to work together.

One of the best means available to Congress to achieve this goal is public telecommunications. CPB is embarking on several new journeys which ensure its place in our changing world. It is exploring new ways to improve school readiness for very young children using the powerful medium of television as a positive influence rather than a harmful one. It is developing community-wide education and information services that will provide local capacity to utilize the national information infrastructure. And it is seeking ways to use its access into every community and every home to address such difficult problems as youth violence.

Preschool children have been exposed since the late 1960s to the early childhood educational values of "Sesame Street" and "Mr. Rogers' Neighborhood." Classroom television from kindergarten through high school reaches 29 million students across the country with science, math, and reading instruction. After school, public television programs like "Reading Rainbow", "Where in the World is Carmen SanDiego?", and the upcoming "Magic Schoolbus" series, encourage youngsters to pursue subjects such as reading, geography, and science.

College courses are available through the Annenberg/CPB Project, a 1981 initiative to promote adult education which has been a pioneer in interactive computer systems to improve teaching and learning. Nearly 1.5 million students used the audio and video material in their college classes in 1989. Approximately 150,000 students have completed Project courses for college credit, and an additional 7.5 million general interest viewers tune in to courses every week.

For these reasons, I fully support the Appropriations Committee recommendation to provide $330 million to the Corporation for Public Broadcasting for fiscal year 1997 and I oppose the McCain amendment to cut CPB funds.

Mr. President, I also ask your permission to submit for the record an article from yesterday's Washington Post which describes a new Public Broadcasting Service initiative, "Going the Distance." The program is a cooperative effort with 60 community colleges across the country, including Northern Virginia Community College, that will enable students for the first time to earn degrees entirely through PBS telecourses. I believe this is a sterling example of public TV's commitment to meet the lifelong educational needs of all Americans and to be a significant provider of quality programming for the so-called information superhighway.

Thank you, Mr. President. I yield the floor.

[From the Washington Post, Aug. 4, 1994]

PBS LAUNCHES COUCH COLLEGE—STUDENTS CAN EARN ASSOCIATE DEGREE

(By Ellen Edwards)

Public television has forged a partnership with 60 community colleges around the country that will enable students to earn degrees for the first time entirely through PBS "telecourses."

"It will bind PBS as never before to its original education mission," said PBS President Ervin Duggan. "Educational TV has come a long way since a single camera was trained on Mrs. Gundy holding a pointer at the blackboard.

"In a 500-channel universe we have to have a unique and differentiated mission. This is the first big strategic thing we are doing."

The program, called Going the Distance and scheduled to begin this fall, is to be announced at a news conference today. It will permit students who need to work, who take care of their children at home or who live too far from a campus to earn an associate of arts degree from any of the colleges paired with 20 PBS stations.

In the Washington area, only Maryland Public Television is participating in the program's initial phase, in conjunction with Prince Georges Community College in Largo, Catonsville Community College in Baltimore, Howard Community College in Columbia and Northern Virginia Community College in Annandale.

PBS has offered courses for credit since 1981—with nearly 350,000 enrolled last year—but students have never before been able to earn a degree with only those programs. The program comes under the umbrella of PBS's new "Ready to Earn" initiative, which is a parallel program with the network's elaborate preschool initiative called "Ready to Learn."

Reich said the increasing "structural unemployment" brought about by technology and downsizing is forcing more people to develop new job skills. "Our message loud and clear is that the future requires you to upgrade your skills and get ahead.".

In addition, it is a way for community colleges to increase their own enrollment.

PBS estimates that 90 percent of the students participating in "distance learning" are employed; 68 percent are women; and 70 percent are between the ages of 23 and 49.

Wanda Cromer, 29, is typical. She is married, lives in Prince George's County, works full time as an administrator for a computer company in College Park and is raising two children, ages 4 and 6. She now tapes her telecourses off the Prince George's cable channel, she said, and watches them when she can. She wants to get an associate degree in business management, which she estimates will take her about four years, and then transfer to the University of Maryland to complete requirements for a bachelor's degree. Right now she has had to go to the Prince George's campus to meet course requirements. The new program will give her increased flexibility in where and how she completes the courses.

PBS's Adult Learning Service has been self-supporting, according to Jinny Goldstein, who is in charge of educational project development, and Going the Distance should also pay for itself. PBS receives a $15 fee from the colleges for each student who takes the class as well as a license fee of between $400 and $500 from the college to air each course.

Some of the course materials come from programs that originally aired on PBS, such as "Eyes on the Prize," about the civil rights struggle in America, and "Art of the Western World." Other courses are created by outside educational producers specifically for the program. For the fall, about 60 courses will be offered.

Students must register and pay tuition at a participating community college, and then they receive the video portion of the course in a variety of ways—either through over-the-air broadcasts on the station, on videocassettes or on educational cable channels.

Each participating school sets its own requirements for successful completion of the course.

In each case the effort will be to reach students who could not otherwise attend college and work toward a degree.

"The information highway," said Reich, "is irrelevant if you don't know how to drive on it."

Because of its focus on job training and retraining, Labor Secretary Robert Reich is to join Duggan in announcing the program this morning. "This effort directly affects the work force of the future," Reich said yesterday. "Earnings are directly correlated to knowledge. Those who have some training beyond high school earn about 10 percent more than those with only a high school degree."

Mr. INOUYE. Mr. President, I rise in support of the funding level for the

Corporation For Public Broadcasting [CPB] included in the Labor, HHS and Education Appropriations bill. The Appropriations Committee approved $330 million for the CPB for fiscal year 1997. This amount is well below the proposed authorized level of $425 million provided for in S. 2120, the Public Broadcasting Act of 1994.

The funding contained in this appropriations bill would allow public broadcasting stations to simply maintain the level of high-quality programming they provide today while properly balancing the need of Congress to show fiscal responsibility.

We have all seen first hand how public broadcasting has helped our Nation. Public broadcasting's efforts in education, advanced technology, and program development continue to set the standard for commercial broadcasting. For instance, in the area of education, Public television has shown itself to be one of the most economical and efficient mechanisms for distributing educational information to our homes and schools. Public television stations are providing their local schools and State educational institutions with technical expertise and quality programs to supplement classroom instruction.

Nationwide, public television is the largest contributor of video and televised instructional materials for schools, colleges and home viewers in the country. Public TV reaches over 29 million students in nearly 70,000 schools, grades K through 12. Close to 2 million teachers use public educational services provided by Public TV and nearly 2 million adults have earned college credit because of public broadcasting.

Last month public television launched a new school readiness service designed to help children start school ready to learn. The ready-to-learn service is being tested in 11 sites across the country. The new service will offer quality children's programming, community outreach and increased support services for children, families, and child care providers.

Today, the Public Broadcasting Service announced that it will launch yet another new education initiation called "ready-to-earn." The ready-to-earn service is designed to enhance career and economic opportunities for millions of Americans. "Going the distance," the first of the ready-to-earn programs will allow students to obtain an associates arts degree from over 60 community colleges through PBS telecourses. The program will enable students who need to work, parents who need to take care of their children and citizens who do not live near a college campus to earn a college degree. Mr. President, continued Federal funding will enable public broadcasting to offer more programs like these—programs that will help millions of American citizens.

We should not forget how public broadcasting has helped broaden the reach of television to many of our Nation's citizens. Public television provides closed-captioning for the hearing-impaired, Descriptive Video Services [DVS]—an optional audio narration track for the sight-impaired, and Spanish language tracks for Spanish-speaking citizens. Innovative services like these are important as our society becomes more diverse.

The CPB also allocates a large percentage of its funds to enhance programming by and for minorities and traditionally unserved areas. Through the Independent Television Service [ITVS] and the five minority consortia, public broadcasting has enabled Americans to explore important social issues and experience a wide variety of opinions and ideas.

The CPB coordinates systemwide planning and conducts research to help the Public Broadcasting System keep up with new technologies and fluctuating financial conditions. For instance, many public radio and television stations are exploring new ways to manage their administrative and technical processes to achieve greater efficiencies. Some are discussing ways to consolidate their stations and share resources. I applaud the efforts of these stations to become more efficient and eliminate duplicate program coverage.

When one considers that public broadcasting receives only $1 a year per person from the Federal Government, one can only conclude that public broadcasting is one of the wisest investments that Congress can make.

Mr. President, the Communications Subcommittee of the Commerce Committee is committed to passing reauthorization legislation this year so that we can ensure a healthy public broadcasting system in this country. The subcommittee held a hearing just 2 months ago on legislation to reauthorize the CPB. I expect the bill to be marked up before the next recess. The House is also expected to introduce a similar measure and to hold a hearing relatively soon. I believe any issues with regard to CPB programs and policies should more properly be considered in the context of an authorization bill.

Finally, Mr. President, I support the funding level contained in this appropriations bill and must commend Senator HARKIN and the Appropriations Committee for demonstrating such fiscal responsibility. The funding provided in the appropriations bill is a good investment in our country's future.

It is time once again for Congress to reaffirm its commitment to the Public Broadcasting System and to provide the financial stability and means needed for the CPB to realize its full potential.

Mr. KENNEDY. Mr. President, I urge the Senate to support the Corporation for Public Broadcasting, and the funding levels provided by the committee for its important programs.

The Corporation for Public Broadcasting [CPB] has done an excellent job creating many worthwhile educational programs for young people, and a wide range of documentary and cultural programming for older viewers.

At a time when commercial programming is often saturated with violence, public broadcasting offers a realistic alternative for young viewers and families. Programs such as "Sesame Street" and "Shining Time Station" are widely watched, and they deserve our support.

The Federal investment in public broadcasting is approximately $1 per person. That investment must be matched by $2.50 in non-Federal support. More than twice that amount in matching funds is actually attained each year, demonstrating the enthusiasm and broad support that CPB has earned through its record of quality programming and community outreach.

In Massachusetts, WGBH and WGBY have been extraordinary leaders in their communities. I commend WGBH for its instrumental role in supporting the Ready to Learn Program. School readiness is the first of the Nation's education goals. Ready to Learn is using television and video broadcasting to develop important programming for preschool children to help them enter school ready to learn.

The Ready to Learn activities are under the jurisdiction of the Department of Education, to insure that educational priorities are included in the programming. Public broadcasting has been an early advocate and innovator in this effort, and I am pleased that the Department of Education will be working closely with CPB in this effort to improve readiness skills for the Nation's preschoolers.

Some critics claim that because so many alternatives now exist, public broadcasting is no longer needed. It is true that some cable signals provide similar educational programming. But nationally, only a little over half of all households subscribe to cable. By contrast, public broadcasting is available in any home with a television set, and we ought to take advantage of this access.

No other alternative can match the commitment of public broadcasting to educational, informative, and cultural programming. Our national system of community-based and viewer-supported public broadcasting is an extraordinary achievement.

Support for public broadcasting is good public policy and a sound Federal investment. I urge the Senate not to undermine it.

NATO AIR STRIKES IN BOSNIA

Mr. McCAIN. Mr. President, I have just been informed that NATO airplanes are getting ready to conduct strikes in Bosnia. I have long opposed this action. I am very concerned about the ultimate outcome of the use of air power without a full commitment of the U.S. forces because I do not believe it is a viable military option. I think we may be on the verge of a very dangerous move on the part of the United States of America without the American people being properly consulted as to what we are getting into.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. McCAIN. Mr. President, I ask unanimous consent, if it is agreeable to the Senator from Iowa, at this time to set aside the pending amendment in order that Senator BROWN may offer his amendment.

Mr. HARKIN. I have no objection. I hope we can get a time agreement.

Mr. McCAIN. Mr. President, I am prepared to yield back the remaining time. The Republican leader said he wanted to speak. He is unable to. I understand from the Senator from Hawaii that the same is true in his case.

Mr. HARKIN. Mr. President, I agree to the unanimous-consent request that we set the pending amendment aside; that we recognize the Senator from Colorado [Mr. BROWN] for his Taiwan amendment, and that the Senator from Colorado have 10 minutes; then at the end of his 10 minutes, we will return to the amendment offered by the Senator from Arizona.

The PRESIDING OFFICER. Is there objection?

The Chair inquires of the Senator from Iowa, is it his intention that his request be that the pending amendment and the underlying amendment be set aside?

Mr. HARKIN. Yes, exactly, that both be set aside.

Mr. McCAIN. Reserving the right to object, is it also the view of the Senator from Iowa that we have both votes, on both the Brown and the McCain amendments, at approximately 1:15?

Mr. HARKIN. I am hopeful that we can do that. That will have to be checked further. I hope we just go ahead and go to the Brown amendment. Let us take that up. We will try to get this time worked out.

Mr. McCAIN. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Colorado.

Mr. BROWN. Mr. President, I rise to offer an amendment to the committee amendment on behalf of myself, Senators SIMON, MURKOWSKI, and LIEBERMAN.

AMENDMENT NO. 2462 TO THE EXCEPTED COMMITTEE AMENDMENT ON PAGE 51

(Purpose: To ensure that the President of the Republic of China on Taiwan can enter the United States on certain occasions)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN], for himself, Mr. SIMON, Mr. MURKOWSKI, and Mr. LIEBERMAN, proposes an amendment numbered 2462.

The amendment is as follows:

At the appropriate place in the committee amendment, add the following new section—

"SEC. . VISAS FOR OFFICIALS OF TAIWAN.

Section 4(b)(6) of the Taiwan Relations Act (22 U.S.C. 3302(b)(6) is amended—

(1) by inserting "(A)" immediately after "(6)"; and

(2) by adding at the end the following:

"(B) Whenever the president of Taiwan or any other high-level official of Taiwan shall apply to visit the United States for the purposes of discussions with United States federal or state government officials concerning:

(i) Trade or business with Taiwan that will reduce the U.S.-Taiwan trade deficit;

(ii) Prevention of nuclear proliferation;

(iii) Threats to the national security of the United States;

(iv) The protection of the global environment;

(v) The protection of endangered species; or

(vi) Regional humanitarian disasters.

The official shall be admitted to the United States, unless the official is otherwise excludable under the immigration laws of the United States.".

Mr. BROWN. Mr. President, I asked that the amendment be read in full to the body because it is very brief and to the point. The point is simply this:

This country has had a policy of excluding or denying visas to officials from Taiwan to visit this country. Members may have varied and differing feelings on that subject. I, for my own part, believe it is a great mistake to refuse to talk with our friends in Taiwan, or to refuse to permit them to visit.

The purpose of this amendment is self-evident. It pinpoints some specific instances in which the Congress can go on record as favoring visits by Taiwanese officials.

Back on May 4, the President of Taiwan stopped overnight in Hawaii. He was on his way to Costa Rica. He had asked for an opportunity to spend the night in Hawaii during his trip. This democratically elected leader of a foreign country, who is our fifth largest trading partner, who has stood side-by-side with us in conflicts around the world, was denied even the opportunity to stay overnight in Hawaii. It is almost unbelievable. Taiwan is a country that wants to be our friend—one of our bigger trading partners—and this administration will not even permit the democratically elected leader of Taiwan to stay overnight. The administration's unbelievable treatment of our distinguished Taiwanese guest prompted this amendment.

It is in this Nation's interest to at least allow contacts with Taiwanese officials on specific matters. What is included in this amendment are matters that I suspect no Member of this body will find objectionable. It requires that in discussions with regard to United States-Taiwan trade matters, and the trade deficit, we will permit them to talk with us. It also requires that for discussions of efforts to prevent nuclear proliferation, Taiwanese officials should be admitted; for threats to the national security of the United States, Taiwanese officials should be admitted; for discussions involving protection of the global environment; protection of endangered species; and regional humanitarian disasters—for discussions in these narrow, specific areas, the Taiwanese leadership will be admitted. All of these are areas I believe every Member of this body feels are appropriate and necessary, and it would be unreasonable to exclude Taiwanese officials from the United States to discuss these matters.

I am going to ask for a recorded vote on this amendment, because it is important that we go on record to let the Nation and the world know that we believe this kind of discussion and debate is important and helpful.

Mr. President, it is incredible at a time when we are facing potential problems—conflicts around the world—that we would be unwilling to even allow officials of the Taiwanese Government, who are our friends, major trading partners, who believe in democracy, who have stood side-by-side with us in a variety of conflicts, that we would prohibit them from even visiting this country. Thus, Mr. President, this amendment is offered. It is one I think would be helpful to set forth the opinions and the views of the American people. I hope it will result in a change in our policy toward Taiwan.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I ask unanimous consent at this time to have printed in the RECORD a letter from Senator PAUL SIMON to his colleagues on this subject, dated May 5, and also a letter from the chairman of the Senate Foreign Relations Committee and six of its members regarding this subject, as well.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 5, 1994.

DEAR COLLEAGUE: Yesterday, the United States slighted President Li of Taiwan when he was in our country. The Taiwan government had asked for an overnight stop for President Li in Honolulu, en route from Taiwan to Costa Rica. The ambassador of the People's Republic made a strong protest; the administration considered not allowing any stop at all; the compromise was a 90-minute refueling stop.

President Li was not allowed to disembark in Honolulu. No ranking official of our government was on hand to welcome the freely-elected leader of a friendly and prosperous democracy which has, in contrast to the People's Republic, an exemplary human rights record. Yesterday I expressed my dismay to Secretary Christopher in the attached letter.

Increased focus this spring, both here and in the administration, on China's deplorable human rights record and the President's upcoming determination on its MFN status should not mean U.S. neglect of its important relationship with Taiwan (the Republic of China). That view was widely shared when we adopted Section 508 of the Foreign Relations Authorization Act, signed by the President on April 30, expressing the sense of the Congress that:

"in addition to Cabinet-level visits, the President should take steps to show clear United States support for Taiwan. . ."

Is President Li's treatment "clear U.S. support for Taiwan"?

Since last year, the administration has held off completing a review of U.S. policy toward Taiwan. It has sought to delay Senate hearings on policy toward Taiwan. Now, we are given to understand that the policy review will be completed after the President's decision on China's MFN status is announced.

Before June 3, I will seek passage of my Taiwan resolution, S. Res. 148, which encourages full participation by representatives of Taiwan in the U.N. as well as Cabinet-level exchanges between the U.S. and Taiwan. S. Res. 148, which is attached, now has 22 cosponsors.

I hope you will consider joining us in supporting S. Res. 148.

PAUL SIMON,
U.S. Senator.

U.S. SENATE,
Washington, DC, July 25, 1994.

Hon. RONALD V. DELLUMS,
Chairman, House Armed Services Committee, Washington, DC.
Hon. FLOYD SPENCE,
Ranking Member, House Armed Services Committee, Washington, DC.

DEAR CHAIRMAN DELLUMS AND MR. SPENCE: In May, the United States turned down a request by President Lee of Taiwan to overnight in Hawaii en route to Costa Rica. Instead, we only permitted him to land for 90 minutes to refuel.

Taiwan is the United States' fifth largest trading partner, one of our closest allies in the Pacific and a functioning democracy. In our view, the Administration's policy of refusing entry to Taiwan's president does not make sense.

Consequently, during consideration of the Defense Authorization Bill for FY1995, the Senate included a provision to ensure that the President of Taiwan and other high-level Taiwanese will be admitted to the United States for discussions of matters directly related to U.S. interests, including:

(a) Trade or business with Taiwan that will reduce the U.S.-Taiwan trade deficit;

(b) Prevention of nuclear proliferation;

(c) Threats to the national security of the United States;

(d) The protection of the global environment;

(e) The protection of endangered species; or

(f) Regional humanitarian disasters.

We strongly urge you to include the Brown-Simon amendment concerning "Visas for Officials of Taiwan" in the final version of the conference report.

Sincerely,
CLAIBORNE PELL,
CHARLES S. ROBB,
PAUL SIMON,
JESSE HELMS,
FRANK MURKOWSKI,
HANK BROWN,
U.S. Senators.

VISAS FOR HIGH-LEVEL TAIWANESE OFFICIALS

Mr. MURKOWSKI. Mr. President, I am pleased to join my good friend from Colorado, Senator BROWN, in offering this amendment to ensure that high-level officials from the Taiwanese Government will be issued visas to visit the United States to discuss issues of mutual interest to our two governments.

I find it shocking that this amendment is even necessary. The Taiwan Relations Act was passed "to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan," 22 U.S.C. 3301. This policy has been impeded because of the U.S. Government's restrictive policies on high-level visits.

I remind my colleagues that Taiwan is the world's 13th largest trading partner and the United States 5th largest trading partner. With $16.2 billion in United States exports to Taiwan in 1993, it was the United States' second largest export market in the Asia-Pacific region, after Japan. It holds the world's largest foreign reserves. Taiwan is friendly, democratic, stable and prosperous. Its human rights record has steadily improved.

And how do we treat this democratic country that plays such an important part in our economic and security interests in East Asia? I believe we wrongly treat them like an international pariah. In May of this year, I was embarrassed to learn that the Department of State refused the request of the Honorable Lee Teng-hui, the freely elected leader of the democratic Republic of China on Taiwan, to overnight in Hawaii en route to Costa Rica. I believe this decision was extremely ill-advised. Similar snubs have met other high-ranking Taiwanese officials. For instance, Taiwanese officials are forced to meet with U.S. Government officials in hotels, rather than Government buildings, even though they are discussing issues that are of mutual interest to the people of both countries.

The U.S. Government has the opportunity to make long overdue changes to its policy. For well over a year, the United States Government has been engaged in an interagency review of its policy toward Taiwan. President Clinton could take important steps to show clear United States support for Taiwan as part of this policy review. He could begin by welcoming President Lee Teng-hui on U.S. soil for a visit. There is ample precedent for such a visit by the leader of a country with which we don't maintain formal diplomatic ties. Senator BROWN and I also would like the State Department to allow President Lee to visit our home States of Alaska and Colorado as part of our efforts to expand and strengthen ties between the people of the United States and the people of Taiwan.

President Clinton could also incorporate high-level exchanges into its new policy. I encourage President Clinton to send one of his Cabinet officers to Taiwan this fall. Fifty three of my colleagues joined me in letter to the President inviting him to do just that. Such visits will promote American interests in Taiwan and ensure the continued success of American business projects.

Even small, but symbolic changes, such as allowing the Coordination Council on North American Affairs to change its name to the Taipei Representative Office will show that the United States is prepared to treat the people of Taiwan with the respect they deserve.

Mr. President, I know my colleagues have supported many amendments over the past year that have had the intent of sending a signal both to the United States Government and to the people of Taiwan that the United States Senate supports positive changes in United States policy toward Taiwan. I am confident that this amendment will be added to that list. I hope the administration is listening.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that beginning at 1:15, the vote on or in relation to the amendment offered by the Senator from Arizona [Mr. MCCAIN], commence; that upon the disposition of that vote, without any intervening business, the Senate proceed to the vote on or in relation to the amendment offered by the Senator from Colorado [Mr. BROWN].

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, for the benefit of Senators, there will be two back-to-back votes beginning at 1:15 then.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time? The Chair advises the Senator from Iowa that he controls 9 minutes. The Senator from Colorado controls 5½ minutes.

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Had a time specific been set for the vote on this amendment?

The PRESIDING OFFICER. The Senator from Vermont should be advised there are two votes that will occur starting at 1:15. On the Brown amendment, as the Chair indicated, there are 8½ minutes remaining for the Senator from Iowa, and 5 minutes remaining for the Senator from Colorado.

The Chair will further advise that on the McCain amendment, each side has approximately 12 minutes remaining.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, pursuant to prior agreement, I am pleased to yield 10 minutes to the Senator from Alaska.

The PRESIDING OFFICER. Without objection, the Senator from Alaska [Mr. STEVENS] is recognized for 10 minutes.

Mr. STEVENS. I thank the President and I thank the Senator from Hawaii.

AMENDMENT NO. 2461

Mr. STEVENS. Mr. President. I am opposed to this amendment which attacks the forward funding concept that was developed in the Public Broadcasting Financing Act of 1975.

I worked on that measure, as did our former colleague, Senator Barry Goldwater.

The purpose of forward funding is to help public broadcasting raise non-Federal funds. Each year, Congress directs public broadcasting to raise $2.50 in non-Federal support for every Federal dollar received. In recent years, CPB has attracted more than $6 in matching funds for every Federal dollar invested.

Thus, public broadcasting is more than doubling its statutory match, making it one of the most successful public-private partnerships in the Federal budget.

Forward funding was also developed to protect public broadcasting from politically motivated interference in its programming.

I know public broadcasting is not perfect. Many of my constituents have complained about programs they felt were biased against reasonable development in the Arctic National Wildlife Refuge—I shared their concerns. Many, including me, felt a recent Frontline piece of the 1872 mining law was biased against miners.

But we should not destroy the system to address an issue. Senator INOYUE and I are members of the authorizing committee, as is the Senator from Arizona—that is the appropriate forum for complaints about objectivity or balance.

I for one am not going to set myself up as the censor of public broadcasting. The law establishing CPB calls for balance in programming. I frankly believe CPB should go farther to achieve that goal and I stand ready to work with public broadcasting toward that end.

Congress has mandated that public broadcasting expand its signal to reach rural and underserved areas. By 1997 we will have more stations on-line to achieve that goal. A return to 1995 levels will produce an across-the-board reduction in funding. That 5-percent cut does not account for inflation.

Mr. President, the small rural radio stations of my State cannot afford such a cut. Some of them have already reduced services because of tough economic times in many rural areas of Alaska.

In Alaska, we have what are called sole service stations. Stations in Galena, Unalaska, Chevak, St. Paul, Sand Point, Ft. Yukon, Unalakleet, and Talkeetna all provide the only local broadcast service. In most instances they are the only daily news service. Public broadcasting is the only source of news and official information in these communities.

Unlike large urban stations, where CPB is a small part of the overall economic picture, some of the sole service stations I am talking about, whether on St. Paul Island or Zuni, New Mexico, depend on CPB grants for up to 50 percent of their total support.

For rural Alaskans, public broadcasting is not a luxury, it is a necessity.

In the spring of 1991, when the Kuskokwim River overflowed its banks and threatened the lives of many people in the western interior of Alaska, it was KSKO public radio in McGrath that literally came to the rescue.

Over KSKO, State officials told residents which local roads were safe to travel and when emergency supplies would be available.

KSKO became the 911 service for that portion of my State. I urge the Senate not to cut funds to that life-line; a cut in those funds will threaten public safety in large portions of Alaska.

Again, not too long ago, several subsistence walrus hunters from the Arctic community of Gambell were lost in a violent storm in the Bering Sea. Alaska's Governor was conducting his monthly call-in program on the public radio network when the Gambell mayor called-in to alert the Governor to the situation of the walrus hunters. Within minutes, the Governor dispatched the National Guard to that area and those hunters were saved.

People do not understand the relationship between public broadcasting and public service in an area such as ours, one-fifth of the United States in areas where there is no other means of communication other than public broadcasting.

Public broadcasting in Alaska also helps preserve a way of life. In Bethel, AK, through KYUK the only television station, newsbreaks are provided in their Yupik Eskimo language. To do this the station maintains two news staff—one English-speaking, one Yupik-speaking. That costs money.

The effect of the proposed CPB reduction would be the almost certain loss of Native language news broadcasts in Bethel and elsewhere, in places where bilingual programs are absolutely necessary. Those cuts cannot be sustained.

The unintended consequences of cutting CPB further will reduce services to rural Americans who are already underserved and some that are unserved that the increased financing would provide. These people are already denied full access to news and information. The only solution is that that CBP provides to these underserved and unserved areas.

So I oppose the McCain amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I ask if the Senator from Iowa will yield me time.

Mr. HARKIN. Mr. President, again, what is the time situation so I can know what to yield to the Senator?

The PRESIDING OFFICER. Under the McCain amendment, the Senator from Hawaii controls 7 additional minutes.

Mr. HARKIN. On behalf of the Senator from Hawaii, I yield 7 minutes of that time to the Senator from Vermont. How much time is left on the Brown amendment?

The PRESIDING OFFICER. The Senator from Iowa has 8 minutes remaining on the Brown amendment.

Mr. HARKIN. I yield 5 of those 8 minutes at the beginning also to the Senator from Vermont, to give the Senator from Vermont at least 12 minutes. If he needs more, I will yield more.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 12 minutes.

Mr. LEAHY. Mr. President, I ask unanimous consent that my remarks appear at a different place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

LANDMINES

Mr. LEAHY. Mr. President, 2 years ago when the U.S. Senate passed the moratorium on exports of antipersonnel landmines, many people were skeptical. They said we were naive to think that other landmine exporting nations would follow our lead. In fact, over and over again, the naysayers would mention Italy. They mentioned Italy because Italy produces and exports more landmines than practically anybody else. They said the Italians would simply take over the markets for landmines that the American companies lost.

I heard the same thing when I introduced legislation last month to impose a 1-year moratorium on the production of antipersonnel mines. Some in the Pentagon called it unilateral disarmament, as if somehow antipersonnel landmines is the key to American military superiority. Others said that Italy and other countries would simply expand their production.

Often around here, the pessimists win out. But interestingly enough, that has not happened with landmines. Time and again in the past 2 years, the naysayers have been proven wrong. Our export moratorium was like a shot heard around the world. What started as nothing more than a whisper, suddenly became a deafening cry for global action to ban landmines altogether. A lot of countries took heart in what the U.S. Senate did.

Since the United States stopped exporting antipersonnel landmines, at least eight countries have adopted their own moratoria. Six other countries have not enacted formal moratoria, but in practice they have done it because they have stopped issuing export licenses. A number of other countries are expected to soon. It is one of those instances where what we did on the floor of this body actually counted worldwide.

And for the naysayers who kept pointing to Italy, I want them to know what is happening there today.

Italian Senator Caro Ronchi introduced a resolution in the Upper House to ban landmines. It is cosponsored by almost half of that body. Parliamentarian Emma Bonino sponsored identical legislation in the Lower House. And the Italian Minister of Defense announced that he supports a moratorium on both exports and production of antipersonnel landmines.

We started something here in the U.S. Senate.

I think of the times when Tim Rieser, from my office, would talk with people not only in this country but in other parts of the world and felt like a voice in the wilderness. Now Tim gets calls and faxes from around the world from people who want to join with him. And I would note, Mr. President, my personal congratulations to Mr. Rieser for what he has done tirelessly.

In the debate on Mr. Ronchi's resolution earlier this week, the Italian Government pledged to observe a moratorium on the exports of antipersonnel landmines. It further pledged to end production of antipersonnel mines which pose grave dangers to civilians and to work collectively with other countries to support landmine clearing efforts.

I mention this because I want to commend both these legislators for their initiative, and the Italian Defense Minister for his support for this effort.

According to my information, Italy produces over 30 varieties of antipersonnel landmines. Fiat, the automobile manufacturer, is Italy's largest producer of mines. One of its deadlier models is the Valmara 69. If you trip it, it leaps up and then explodes at waist height, spewing shrapnel over a 60-foot kill zone. It can pulverize a child, and blind or blow the arms or legs off of anyone standing within 300 feet.

Thousands of Italian mines were discovered in Iraqi arsenals after the gulf war. Now we know these mines were used against the Kurds in northern Iraq.

Mr. President, we can talk in the abstract. This is what actually happened. This is a photograph of a Kurdish child in northern Iraq who lost a leg from a mine. Look at the face of this child. Can anybody think of this child as an enemy? Can you imagine the tragedy he feels?

Look at the face of his father. You can see the despair and grief he feels for his own child. It is obscene, what is happening. These mines have become a terrorist weapon against civilian populations all over the world.

Mr. President, if Italy lives up to its pledge, it deserves the strong support of the United States. It reflects the views of over half the Senate, Democrats and Republicans, liberals and conservatives, who are original cosponsors of my legislation for a 1-year moratorium on the production of antipersonnel landmines.

Mr. President, in March and May of this year, government experts met in Geneva to begin to prepare for a U.N. conference on landmines next September. The third experts meeting will take place next week. It is absolutely essential that the August meeting achieve significant progress.

How much is achieved in Geneva will depend completely on whether the participants, including the United States and our allies, want this to be an exercise in posturing or one that produces real results.

In 1981, the United States was one of over 50 countries that signed the Conventional Weapons Convention, including the landmine protocol. There was great fanfare and congratulations, and during the next decade somewhere between 50 and 100 million landmines were strewn around the world.

Vast areas of land in dozens of countries became virtual death traps for the people who live there. Landmines became the weapon of choice in the Third World, from Cambodia to Bosnia, and it is civilians who have suffered the most. Well over 100,000, and probably more than 200,000 people have been killed and maimed. Another 1,200 casualties are added each month.

So much for rhetoric. So much for an agreement that was so riddled with loopholes and exceptions that it was worth little more than the paper it was written on. I have to wonder if the diplomats who signed that flawed agreement ever really believed it could accomplish its lofty goals.

Today, 13 years since the landmine protocol was signed, we have the opportunity to show that we have learned something from all the misery that has been caused by landmines since then.

Several countries including the United States, France, and Germany have proposed modifications to the protocol. In France and Germany today, innocent people are still being blown up by mines left from World War II. These proposals contain some good ideas, but none goes nearly far enough. Even if every recommendation was adopted it would fall far short of what is needed to stop this senseless slaughter.

I am pleased that the United States is pushing hard for the extension of the protocol to internal, as well as international conflicts. The vast majority of mine casualties are a result of civil wars.

But far more must be achieved, and frankly I am very concerned that we may see something of a repeat of what happened in 1981. I am afraid that we may see an elaborate and wholly unenforceable control regime that permits the industrialized countries to continue to produce, use, and export to each other their high technology mines, but which does not stand a glimmer of a chance of changing the behavior of the Third World countries where the problem is most severe. That would be a traffic failure of governments to address an urgent humanitarian crisis that afflicts over 60 countries.

I will have a number of recommendations for our negotiators during the coming months. I will also be urging other governments, both those who produce landmines and those whose citizens have experienced the horrors mines cause, to support these recommendations.

Mr. President, we have all watched in horror as hundreds of thousands of innocent people were killed and mutilated in Rwanda. I cannot imagine there is a Member of the Senate who has not been sickened by the news accounts of children, thousands of children, mutilated or hacked to death by people wielding machetes in Rwanda. Our skin crawls at the idea. We are repulsed, as civilized people.

But, Mr. President, that is happening year-round to thousands of children, not being mutilated and killed by machetes, but mutilated and killed by landmines. Some of those mines have been there for years, placed by governments no longer in power or by combatants who are no longer even remembered, but they have left this deadly legacy; and sometimes it has been combatants who placed the landmines there before these children were even born.

And now those children see a metal object that might even resemble a toy, and they go eagerly to pick it up. And it is the last thing they will ever see, because even if they live, they have probably lost their eyes and half their face.

Mr. President, so many people stood by for months during the genocide in Rwanda. We do not have to do that with landmines. We can stop the landmine scourge if we challenge other countries and give support to those who share our goals.

As part of that effort, 3 weeks ago, U.S. Army personnel went to Cambodia to train Cambodian troops to clear some of the 5 to 10 million landmines strewn there. This mission is a result of funding approved by the Congress last year to support humanitarian mine clearing overseas. Additional funds are going to be in the 1995 Defense appropriations bill, as well as funds for research and development of new technology for detecting and destroying mines. It is not too late. There are 100 million unexploded landmines strewn around the world.

Mr. President, one of the things I look forward to when we are not in session is to be back at my home in Vermont, to walk around the fields and woods on my tree farm there. It is one of the prettiest places I know. I have been walking those same trails and fields as I did when I was a child. I do it with a sense of safety and security and peace.

As many as 100 million landmines are in countries where you cannot walk in the fields or the woods, or let your cattle graze, or your children play, or reap your crops, because you know you may die from it by stepping on a mine.

Mr. President, I ask unanimous consent that the transcript of a television film on landmines, produced by the Center for Defense Information, entitled "Killing Fields: The Deadly Legacy of Landmines," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Center for Defense Information]

KILLING FIELDS: THE DEADLY LEGACY OF LANDMINES

Steve Goose: The human costs of landmines are appalling. The Red Cross estimates that probably some 15,000 people a year are either killed or injured by landmines around the world. That means that while your viewers are watching this program, probably one or two people are going to be killed or maimed by landmines.

Senator Patrick Leahy (D-VT): Time after time, when I've talked with landmine victims in Africa, in Central America, in every part of the world where I've talked to them, and I've said, "What side were you on in the conflict?" Time and time again, they say, "I'm just trying to raise food for my family. I didn't have a side."

Narrator: They are known as "hidden killers" and "weapons of mass destruction in slow motion." They have killed or maimed more people than have been killed by nuclear, biological and chemical weapons combined. They have been called the perfect soldier, never sleeping and never missing. Unlike other weapons, many of them are designed to maim, but not kill. They are landmines.

["America's Defense Monitor" program introduction.]

Admiral Eugene Carroll, Jr. (USN, Ret.): One-hundred and thirty years ago, General Sherman said that "war is hell." Today, in some respects, war is even worse. For example, there are modern weapons which go on wrecking havoc, destroying lives, maiming innocent children, killing farmers in their fields long after the battles are over. This program will show you graphic evidence of this in images which are grim and disturbing, but you will see firsthand evidence of the deadly legacy of landmines.

Kenneth Rutherford: About ten minutes into our excursion, the Land Rover filled up with dust and lurched forward. I looked at my Somali colleague. His face was covered with dust, and then down to my legs. My right foot was gone. At first, I wondered if the bone that I saw was mine or Duali, my IRC colleague. It was mine.

Several times I tried to put my right foot back on. It was hanging by stretched skin towards my knee. I would attempt to do a partial sit-up so I could reach up and touch my foot, and the foot kept on falling off.

Narrator: The International Committee of the Red Cross says landmines kill or injure more than 1200 people per month world-wide, most of them unarmed civilians.

General Patrick Blagden: Every 15 minutes of the daylight hours of every day, of every week, of every month, of every year, I hit my desk and I say, "That's another one gone."

Jody Williams: A report by the US State Department released last year estimates 100 million uncleared landmines in the world today.

Narrator: Jody Williams is coordinator of the Landmines Campaign of the Vietnam Veterans of America Foundation, which is part of an international effort to ban the production, stockpiling, sale and use of landmines.

Ms. Williams: There are also estimated to be an additional 100 million in stockpiles around the world.

Narrator: Many landmines are designed specifically to main rather than kill, in order to make the victims an ongoing burden.

Mr. Goose: Landmine injuries are particularly gruesome.

Narrator: Steve Goose is the Washington Director of the Human Rights Watch Arms Project, which co-authored the authoritative report, Landmines: A Deadly Legacy.

Mr. Goose: Doctors who have to deal with these things in the field say that they are amongst the worst things to try and treat. The blast blows up bits of shoe, and plastic, and metal tear up into a leg. Almost always it results in either traumatic amputation by the mine itself or by surgical amputation later.

General Blagden: Many people won't even make it out of the minefield; they'll die in agony where they are. Over half will be women and children. And those that survive will be physically, mentally, socially, and economically crippled for life.

Narrator: The loss of a limb is just the beginning of a landmine victim's problems. A victim will typically have to undergo as many as six to eight operations. He or she might have to have a prosthesis fitted and then learn to walk again.

Prosthetic techniques struggle to keep up with the gruesome effects of landmine technology and the cost of rehabilitation is hundreds the times the cost of the mine itself.

And yet deaths and maimings are only part of the legacy of landmines.

Ms. Williams: Think of a national territory with 10 million landmines in it. What does that mean to returning refugee populations when they come back into areas where they used to live which are now mined? How do they know where to resettle? Where do they plant their crops? Where do they graze their animals? Where do they build their huts? It obviously has to have a long term impact on the rebuilding of a society in a post-conflict setting.

Mr. Goose: There are more than 60 countries that have reported landmine incidents. There are probably about two dozen countries that have very serious landmine problems, where it's affecting the way that the country can operate.

Narrator: The State Department estimates there are more than 10 million landmines in Afghanistan, nine million in Angola, three million in Iraqi Kurdistan, and two million each in Somalia, Mozambique and the former Yugoslavia, to name just a few countries.

Ms. Williams: The only parts of the world today that are not infested with landmines are North America, Antarctica, New Zealand and Austrialia. Practically every other region of the world has a serious landmine problem. It has to be addressed.

Narrator: Cambodia has four to seven million mines on its territory. Most were laid between 1979 and 1991. According to the Pentagon, 600,000 US-produced antipersonnel mines were shipped to Cambodia between 1971 and 1975.

Landmine explosions since then have resulted in more than 30,000 amputees. Between 300 to 700 Cambodians still lose limbs each month. It is thought that for every mine victim who makes it to a hospital, another dies in the field. The Cambodian conflict may be the first war in history in which mines claimed more victims, both combatant and civilian, than any other weapon.

Since the end of the Gulf War, landmines laid by Iraq have killed more than 1700 Kuwaiti civilians. Eighty-three mine cleaners have died while clearing the Kuwaiti desert of mines.

It is not only recently laid mines that are a problem.

Mr. Goose: There are certainly still plenty of landmines out there from World War II. Some people would say that there are explosive devices that work like landmines that are still left from World War I. But there are still people who are being injured from landmines in Libya, and Poland, and France every year from World War II vintage mines.

Narrator: The tragic cost in life and limb is matched by the cost of defusing the danger. The UN estimates that the average cost for removing a landmine can range up to $1000. The average yearly per capita income in Cambodia is about $280. To completely demine Cambodia would require every one of Cambodia's 10 million people devoting every single penny earned to demining for the next three-and-a-half years. While this is clearly impossible, it highlights the fact that landmines cripple economic development long after the fighting stops.

The huge number of mines scattered around the world is testimony to the wide variety of producers and exporters. The Arms Project has identified more than 340 types of antipersonnel mines alone.

Mr. Goose: We've identified at least 56 nations that have produced landmines. Some of those have stopped producing now; maybe about a half-a-dozen or so have stopped producing. There are probably other nations that we've not yet identified that do make landmines. About 36 countries are exporters or have been exporters.

Narrator: In recent years, China, Italy and the former Soviet Union have been the world's biggest exporters of landmines.

It is estimated that five to ten million landmines are produced annually. It is difficult to track where a landmine is manufactured. Some are the product of multiple manufacturers, often in different countries. And the most destructive, such as the US Claymore mine, are regularly copied and produced by other nations.

Senator Leahy: A landmine can be very inexpensive or very sophisticated.

Narrator: Senator Patrick Leahy is the senior senator from Vermont and the originator, along with Representative Lane Evans of Illinois in the House, of a landmine moratorium, banning the export of US anti-personnel landmines. Originally enacted in 1992, the moratorium was recently extended for another three years.

Senator Leahy: Whether inexpensive or sophisticated, they can tear your limbs off or kill you. Even the simplest ones can maim a person for life. And I'm talking about landmines that only cost three or four dollars to make and to deploy.

Col. Richard Johnson (USA, Ret.): I am convinced though that a ban on anti-personnel mines is not a way to solve the problem.

Narrator: Before his recent retirement, Colonel Richard Johnson was project manager for Mines, CounterMine and Demolitions at Picatinny Arsenal in New Jersey, where landmines for the US military are developed.

Col. Johnson: If manufactured anti-personnel mines are banned, an insurgent who wants to still do that same job will find the assets to manufacture his own. He'll either do it from dud-fired ordinance or make his own. It's not that hard to do.

Narrator: Many other countries, however, now support Senator Leahy's view. Since the United States decided to stop exporting landmines in 1992, others have done the same.

Senator Leahy: The Netherlands banned it. France, Greece, South Africa. Cambodia said that they—announced that they will not use them. Others are going to follow suit.

Narrator: Landmine opponents point to the weapon's inability to discriminate between combatants and civilians.

Ms. Williams: What makes the landmine different from the rifle, for example, is the soldier. The soldier can point the rifle, he shoots the rifle; when the battle's over, he takes it home. That is not the case with the landmine. He puts it in the ground, he walks away; the landmine is there, it remains there for literally decades.

Col. Johnson: First of all, I don't think mines are indiscriminate if used responsibly and controlled responsibly.

Senator Leahy: Time and time again, I asked them of the two sides, or three sides that might have been fighting in your country, who put the landmine there that tore off your leg, or killed your children, or killed your spouse. And time and time again, the answer's the same: "I don't know. All I know is my life has changed forever as a result of it."

Mr. Goose: We believe that landmines have been used indiscriminately by most people who have, in fact, deployed landmines over the course of the past several decades. But we further believe that landmines are inherently indiscriminate because of their time-delay function. And we think that because of that, they should already be considered as illegal and inhumane weapons of war under customary international humanitarian law.

Col. Burrus Carnahan (USAF, Ret.): The same criticism can be made of virtually any weapon. Any weapon can be used in an indiscriminate manner.

Narrator: Burrus Carnahan is a retired Air Force lieutenant colonel. He was a United States delegate to an international working group which drafted a Landmine Protocol to regulate their use. The protocol prohibits direct use of mines against civilians. It also calls for recording and publishing minefield locations.

Col. Carnahan: Certainly the protocol on landmines that was drafted in '79 and '80 has not been as successful as we had hoped.

Narrator: Unfortunately, the United States is in the embarrassing position of having signed, but not yet ratified the 1980 UN Convention and accompanying protocols. To this day, both languish in "ratification limbo."

Another problem with the protocol is that it did not really take into account the changes in the way landmines are being used.

Col. Johnson: You can use mines to interdict or interrupt his resupply forces coming forward. But essentially what you're trying to do with mines is at a minimum expense to yourself, in terms of commitment of people—what can be referred to as "economy of force." You're trying to mould the battlefield, shape the terrain, make the enemy do something you want him to do, so you can fight on your terms at least cost to yourself.

Ms. Williams: When one thinks of landmines, one generally has heroic visions of World War II. When I talk to people today about landmines, that is what they think of. They think of barrier defense. They think of huge fields of antitank mines blocking the invasion forces of the evil enemy, correct? Unfortunately, since World War II, mines have not been used that way.

Mr. Goose: What we have seen increasingly over the past several decades is that landmines have changed from being primarily a defensive, limited theater weapon to a weapon that is used offensively in a strategic sense, where it's used to create refugee flows, or to empty vast stretches of territory, or to deny a population its food supply. These offensive uses that are directed primarily against civilians are, of course, outlawed under the laws of war.

Narrator: Landmine technology has also been changing. Landmines have come a long way from the relatively large plate-shaped devices that were buried by hand. Today, many mines are so-called plastic mines, making detection extraordinarily difficult.

Col. Carnahan: The minimum metal content mines are—I think most experts recognize now, are going to create even more humanitarian problems. These mines have such a small metal content that it is very, very difficult to detect them with any type of mine-clearing—mine-detecting technology.

Narrator: Mines are also becoming increasingly difficult to disarm.

Ms. Williams: They have now been fitted with anti-handling devices, which are little micro chips, and they can detect even a five degree tilt in the mine. And if you tilt it that much, it'll blow up in your face.

Narrator: Even more deadly is the way in which massive numbers of landmines can be delivered in extremely short periods of time.

Ms. Williams: You have airborne systems that can scatter thousands of mines within a minute. There's an Italian system that can scatter upwards to 2000 mines in a minute. How can you possibly map where those mines have gone, so that in the post-conflict situation, you can go and find those mines and remove them, so the civilian population can go back and use the soil.

Mr. Goose: You can't accurately mark and record a scatterable minefield. You may have some general notion of the perimeters of the minefield, but there's no way you can accurately indicate where mines are or even really what the borders of the minefield are.

Narrator: Some, however, think technology is the solution rather than the problem. In their view, smart mines are better than no mines.

Col. Johnson: The scatterable mines used by the United States I think can best be categorized as a responsible use of explosive ordinance. They are all—the ones produced today are all electronic refused. They all have a reserve cell or a battery inside them which is activated when the mine is dispensed. The mine has a time set to self-destroy or self-destruct anywhere from four hours to 15 days after the mine has been employed. If during that time, the power in the reserve cell reaches a lower limit, the mine will also self-destruct.

Narrator: There is, however, disagreement about the reliability of such mines. But even with the very low failure rate, humanitarian issues arise.

Senator Leahy: Let's say those were the only ones, and let's say they work perfectly, or as perfectly as most such things would work, and so you scatter 2000 of them and 90 percent work. Do you want to take a chance where those other 200 are that didn't work? Because they're going to kill you, or they're going to tear your legs off, or your arms off, or blind you.

Narrator: The advances in mine-making technology have far outstripped those of mine clearance. Contrary to the systems used by the military to clear a path through a minefield, the ability to disarm all the mines in a field is distinctly low-tech.

Ms. Williams: I spent several weeks in Cambodia in November with the demining teams of CMAC, Cambodian Mine Action Center. They're literally on their hands and knees with something that looks like a large, fat knitting needle, a prod, and they literally prod the ground centimeter by centimeter.

Now can you imagine—Even take a state the size of Massachusetts, which is relatively small. Can you imagine having to start at one end of Massachusetts and prodding the ground of Massachusetts centimeter by centimeter to find 10 million landmines? Figure it out. How long's it going to take?

Multiply that by Cambodia, Afghanistan, Yugoslavia, Mozambique, Somalia, Rwanda, Angola, Nicaragua, El Salvador, Peru, Colombia. You don't have to be a rocket scientist to figure out it's going to take a long time to clean up the mess.

Narrator: Because of the horrific consequences of a mistake, if deminers are not absolutely sure that an area is completely clear, they must treat it as a live area and demine it again. The United Nations standard for successful mine clearance is 99.9 percent.

Jody Williams believes that part of the problem is that military forces do not take the long term view.

Ms. Williams: When they talk about the landmine, they talk about it only in the context of the engagement, of the battle. They do not feel any responsibility toward cleanup after the battle. They think they have the right to go in and do whatever is necessary to get the job done, and then walk away and leave it for the civilians to deal with.

Narrator: But landmines are not just a problem for civilians.

Senator Leahy: More and more, I've talked with those who've been in combat who tell me they wish there were no such things. General Gray, the former commandant of the US Marine Corps, a combat veteran, said he's seen more Americans killed by American landmines than the American landmines being used to destroy any enemy.

Narrator: The UN estimates that 105 million mines, or more, may be deployed in 62 nations. That's one mine in the ground for every 50 people on earth. Disarming them all would cost from $200 to $300 billion.

In some respects, the position of those supporting the use of landmines is analogous to the position of the National Rifle Association on guns. In other words, mines don't kill people, people kill people.

Col. Carahan: If landmines are used responsibly, if they are laid on an area of land that is itself a military objective, if there are military forces around that know where those mines are and can warn civilians away, if the location of that minefield is marked so that they can be cleared later after the conflict is over, then I don't think the use of landmines violates any existing rule of war.

Narrator: While even those who support banning landmines acknowledge they have a military benefit, they question the long term cost.

Mr. Goose: You have to balance off the military utility versus the humanitarian disaster that landmines are causing around the world. And it's our strong belief that, in fact, the humanitarian and economic and social consequences of the use of landmines far outweigh the military utility.

The only way to really come to grips with the landmines disaster on a global scale is to have a comprehensive ban: No production, no possession, no stockpiling, no use and no transfer.

Narrator: Following his call to ban mine exports, Senator Leahy recently announced a new piece of legislation calling for a one-year moratorium on the procurement and production of anti-personnel landmines by the United States. The legislation also urges the president to encourage other major producers of anti-personnel landmines to adopt similar moratoriums.

The landmine issue raises a compelling question: Should short term considerations of military expedience override long term humanitarian and economic costs?

One thing is certain: As long as landmines are seen as an acceptable weapon of war, the world will continue to pay the consequences—an arm, a leg, and a life at a time.

Red Cross Worker: These improvised buggies and trolleys the children behind me have are made out of mines, parts of a VS–2.2 Italian mine. We have also the integral parts of the V–69. The mines are collected from the minefield by the children. Are then taken apart, having done the dangerous bit retrieving the mines from the minefield. They're then dismantled and used as components for the go-carts or buggies.

[End of broadcast.]

Mr. LEAHY. Mr. President, I yield back the remainder of whatever time I have to the Senator from Iowa.

The PRESIDING OFFICER. The Senator yields back 30 seconds to the Sentor from Iowa.

Mr. REID. Mr. President, before my friend from Vermont leaves the floor, I would like to extend my appreciation for his statement and his advocacy to bring to the attention of the world, and the United States, the problem of landmines. Senators SIMON, FEINGOLD, and I were in Angola this past few months. It is a beautiful country, one of the most potentially viable countries in Africa, with 10 million people—20 million landmines.

We went to a prosthetic center and saw men, women, and children with their legs blown off. They have trouble farming anymore in Angola because of the landmines. And who gets hurt the most trying to farm in Angola? Women and children. The men are out in the civil war.

So I join with my colleague. I join in spirit in the statement he gave today and extend my appreciation for the great work done on this issue.

Mr. LEAHY. Mr. President, if my colleague will yield one moment, I thank the Senator from Nevada. I should note for the RECORD the Senator from Nevada and the manager of the bill, the Senator from Iowa [Mr. HARKIN] have been original cosponsors of our attempts to ban these landmines. They have both been in the forefront of that. I thank them very much.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I ask unanimous consent that all time remaining on the Brown amendment and on the McCain amendment be yielded back, at which time then the Senator from Nevada be recognized on his own time to speak until the time for the vote set at 1:15.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection. It is so ordered.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Chair now recognizes the Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, if I could ask through the Chair to my friend from Iowa, would it be possible to extend the vote for 5 minutes? The reason for that is I have two amendments I have on the list, proposed list. I think we can get rid of both of those with that extra 5 minutes.

Mr. HARKIN. Mr. President, I ask unanimous consent the vote on the McCain amendment previously scheduled for 1:15 now occur at 1:20; the remainder of the unanimous-consent request remain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, a few months ago in my office here in Washington I met with a young girl by the name of Hydeia. She is a beautiful, bright-eyed young girl, 6 years old. During the course of the time I met with her she sat next to me and she read to me and she recited some of the poems that she had written. She also sang a song for me that she had written for me and my staff. It was very touching, this nice little girl singing and reciting poetry to me.

But it was very sad because her poetry was based around her life experiences, and all of her life experiences centered around the disease that she had. She was HIV infected. Her songs and poetry spoke of the fear and discrimination that this little girl felt and experienced with AIDS, as well as her triumph over this fatal disease to this point in her life.

Hydeia was in Washington to give a speech to a local high school. She was talking to the high school about the problem of AIDS. This young girl spoke for over 30 minutes to these high school students about HIV and AIDS. When she spoke, a physician was sitting behind her on the stage and remarked in admiration he had never seen someone speak so intelligently and thoroughly about the subject of AIDS, and remember, Mr. President, we are talking about a 6-year-old girl.

I bring to the attention of the Senate my friend Hydeia because this young Nevada resident, like many people across the country who suffer from AIDS—it is people like her who have caused me to focus my attention in our investment as a Federal Government in providing treatment and intervention services to our States and communities impacted by AIDS.

You see the people who suffer from AIDS are married women, they are single women, they are children of all ages, they are married men, they are single men, they are heterosexual, they are homosexual, and drug abusers. But they are all human beings with a story to tell.

These people who suffer from AIDS have husbands and wives and mothers and fathers and sisters and brothers and children.

(Mr. LIEBERMAN assumed the chair.)

Mr. REID. What I have found is a very serious situation regarding AIDS funding. The State of Nevada has consistently ranked among the top 10 States in the country for AIDS incidence per 100,000 people and leads rural States in HIV morbidity.

The Presiding Officer—until just a second ago—was from a very rural State. And on public radio this week they had a series on AIDS in rural America.

You see most people contract AIDS in urban centers, but many times they go home after they have contracted the disease. But the statistics all originate in the cities. So if someone gets AIDS in a city, that is where they are always counted as being, even though they may be out in rural America where they need help.

So, rural AIDS incidence, even though it may not appear as high as in urban America—and it is not—it still is something that needs our attention. My State, even though we lead, we are in the top 10 States in the country for incidence per 100,000 people and we lead rural States in HIV morbidity, yet we receive little Federal funding. The city of Las Vegas does not qualify for title I funding under the Ryan White Care Act as it is currently written and has obtained no funds under title III(b), even though it ranks fifth in Public Health Region No. 9 for AIDS incidence.

Unfortunately, title I and other Federal programs look at absolute numbers of AIDS cases rather than incidence per 100,000 people. Although Las Vegas is not as populous as other regions, it is the fastest growing city in the Nation and the burden AIDS places on the health care system is greater than that of Phoenix, the whole of Riverside-San Bernadino, or Orange County in its entirety. Yet, these communities received Federal support under Ryan White and Las Vegas does not.

Clearly the formula as it is currently written is not fair, it is not equitable. States receiving both title I and title II funds receive almost $4,000 per AIDS case, while States like Nevada receive only title II funds and receive only about $1,100 per case.

Although the State of Nevada ranks in the top 10 it receives less money in the CARE Act than States with a lower incidence of AIDS. Nevada is not the only state affected by the current formula. In fact, there are 33 States which do not receive funding under title I. This is not fair.

The CARE Act is not the only program, however, that distributes AIDS funding unfairly. It was recently brought to my attention that Nevada was receiving significantly fewer Federal dollars from programs administered by the Centers For Disease Control than States with lesser rates of AIDS incidence. As these charts clearly indicate, despite the impact of AIDS in the State of Nevada it is receiving less money from CDC than States with fewer cases of AIDS.

Let us look, for example, at this chart. We have here the cumulative cases, and it is very, very high in Nevada. It is higher than any other case incidence, but look at the funding per case. Nevada, you can hardly see it on the chart. Nevada's is about a third of what Rhode Island gets. Look at Alaska per AIDS case, it almost goes out of the chart. And on through the rest of the States. It simply is not fair and that can be shown graphically.

The chart I just showed, 20 States with an incidence rate lower than Nevada received more prevention dollars. There are 12 States with lower incidence, lower total cumulative cases, and fewer 1993 cases than Nevada. All 12 of these States received larger 1994 prevention awards. These larger awards are very hard to understand. In fact I defy anyone to give any logic to why that is.

With this next chart it is easy to see. I will take just a few States. Let us take New Mexico as an example. It is almost the same size as Nevada, a little bit smaller. Incidence, 18.2; cumulative cases, a total of 862; but look at the funding they receive compared to Nevada. They receive twice as much money and have less than half the cases. Alaska—we have 46.5 incidence rate; Alaska has 11.7. They have a total of only 200 cases, yet they receive almost a third more money than the State of Nevada.

New Hampshire, a State smaller than the State of Nevada, has an incidence rate of 11; ours is 46½. Yet they have 420 total cases and receive more money than the State of Nevada, even though we have almost 1,800 cases. It simply is not fair.

Although the agency is working with the State of Nevada in an attempt to rectify this situation, I think it is important that I display in the RECORD what the AIDS impact is having on the State of Nevada and other States.

My constituents are seeing their tax dollars going to other States to provide AIDS care and not to their own community. Because of this situation, Mr. President, they are essentially double taxed since the county must pick up the tab for providing needed HIV and AIDS care, which inequitable Federal funding formulas have put out of reach.

I urge the Department of Health and Human Services and the Members of this body to begin to pay careful attention to how we have been distributing funds to address the significant impact AIDS is having on our communities. AIDS is a tragic disease and we should not be shortchanging AIDS patients in one State as opposed to another. There should be equitable distribution of moneys.

All Americans suffering from AIDS deserve receiving equitable access to medical care—sometimes Medicare—and intervention services and should not be faced with the possibility of not receiving care just because they happen to live in one of the States that is being funded unfairly.

I was prepared at this time to offer an amendment to rectify this inequity and provide more Federal money to the Ryan White Care Act. I have chosen not to do that because, as a member of the Appropriations Committee, and as a member of the Labor-HHS Subcommittee in particular, I understand the difficult job laid before Chairman HARKIN and Ranking Member SPECTER. I do not want to disrupt the delicate balance they have achieved in this legislation.

I will, however, signal the warning that I will revisit this issue. I am drafting legislation to correct the inequity in the current title I formula. I look forward to working with my colleagues in passing this legislation, or in working with the formulas, with the agencies, with the subcommittees, with the committees during the reauthorization of the Ryan White Act to make funding allocations to the State and our Nation's communities more equitable.

We cannot allow this funding disparity to continue, and I will work aggressively for equitable and significant change.

I have an obligation to Hydeia, this beautiful little girl who recited poetry and sang to me in my office.

ILLEGAL IMMIGRATION

Mr. REID. Mr. President, on another issue, as some of the Members will recognize, on the bills that have been coming through here, I have been concerned about the impact of people who are not lawfully within the country. I have offered amendments which have been accepted by the Senate on three separate occasions.

Mr. President, I am not going to offer an amendment to this bill. Instead, I rise to commend the managers of this bill for their inclusion of a provision that will help ensure that Government authorities do more. I am satisfied that the committee has done everything within its power to ensure that the funds and benefits provided do not go to those who are not lawfully within this country.

I believe that we ought to be doing more in terms of verification of lawful immigration status. As I indicated, I have offered amendments to other appropriations bills that would do just that. By imposing a fair, tough burden on those who distribute the benefits and assistance, we will provide better integrity to the system by protecting against misappropriation of funds.

We are beginning to do more in this area, and, in so doing, we are rewarding those who play by the rules and punishing those who do not play by the rules. I believe that one of the reasons we have a continuing problem with illegal immigration is because we have an entitlement system that offers incentives to enter the country unlawfully. Whether it is undermanned border security or lax enforcement of laws prohibiting the distribution of funds to illegal immigrants, there just seems to be too many incentives.

There are some incredibly generous programs provided in this bill, programs that will improve and benefit the lives of many. I support our Nation's social programs because I believe that Government can play an important role in improving the lives of Americans. However, if we want to continue those programs, we have to ensure that those who are the legitimate intended beneficiaries receive what they are entitled to. Without greater verification, we will not achieve this. Indeed, without greater verification, we will continue to provide incentives to come to this country unlawfully. Ultimately, that may jeopardize the continued existence of these programs and this, I think, would be tragic.

So, Mr. President, I will continue to review legislation with an eye toward ensuring that more is done to verify the lawful immigration status of those who apply for benefits and assistance. I think this is only common sense, and I believe that those who elected us expect nothing less. This is a difficult and complicated issue, but we all must be willing to do more if we are going to resolve it in a fair and equitable manner.

I say to the managers of this bill, I appreciate the work they have done in this regard. This is an area in which we have to be very careful, because we are dealing with women who are pregnant, children who need all the support and maintenance they can get—and I have no desire to punish children. Many of the programs within this bill deal with the infirm and children generally.

I also say to the managers of this bill, in relation to the AIDS situation which I pointed out, I hope it is not going to be necessary next year that we have to offer an amendment, either at the subcommittee or committee level or certainly on the floor. I hope that the issue relating to fair funding for people who suffer from the AIDS virus can be resolved.

The PRESIDING OFFICER. Who seeks recognition?

The Republican leader.

Mr. DOLE. Mr. President, I understand there is a vote at 11:20?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I request 2 minutes.

The PRESIDING OFFICER. The Senator is recognized.

AMENDMENT NO. 2461

Mr. DOLE. Mr. President, I have been the target of a lot of attacks from the White House lately, but here is an issue on which President Clinton and I agree. We both support providing a responsible level of funding for the Corporation for Public Broadcasting.

When candidate Clinton was asked in a C-SPAN interview if the American taxpayer should spend more money on public television, his answer was, "Oh I support public television. I do not know that we have to spend more money on it now, we have a pretty vital network of public television." Consistent with that view, President Clinton asked the Corporation for Public Broadcasting to tighten its belt a bit by requesting a funding level of $292.6 million for fiscal year 1997.

We talk a lot about deficit reduction in the Senate, and here is an opportunity to back up a modest reduction proposed by the President.

Nevertheless, the Senate Appropriations Committee has given public broadcasting a hefty $18 million raise over the fiscal year 1996 level, and a $37.3 million increase over the level requested by President Clinton. At the same time, the Senate committee has underfunded the President's investments in programs such as job training, Head Start, Education Goals 2000, and the list goes on.

No doubt about it, scarce Federal dollars are hard to come by. A recent study by the 20th Century Fund found that of every dollar spent on public broadcasting, 75 cents goes to overhead. This has been my complaint over the past several years—75 cents for every dollar goes for overhead.

Public broadcasting is a complex institution, and while there is new leadership at CPB, at the public broadcasting system and at national public radio, there are a lot of issues that need to be examined, especially as we approach the next reauthorization for the Corporation for Public Broadcasting. These issues include the considerable duplication of services, objectivity and balance requirements, the distribution of production dollars, and the merchandise licensing fees some public broadcasting figures rake in while performing on taxpayer-subsidized airwaves. I look forward to hearing more about CPB's efforts to address these concerns.

Make no mistake about it, I support public broadcasting, and I have been a longtime supporter of local stations. I wish that the amendment can be configured differently so we do not cut back on local stations. I understand that could not be done. We want to fight to bring a fair share of available Federal dollars to public stations, of course, in my State and every other State in the country.

We have a dynamic system of public broadcasting in this country, and there are many quality programs on its airwaves. But, we also have a responsibility to the American taxpayer. While so many worthwhile Government initiatives face the budget axe, does public broadcasting deserve a big raise? The President does not think so. The Senate should agree with him.

VOTE ON AMENDMENT NO. 2461

The PRESIDING OFFICER. The hour of 1:20 having arrived, the question occurs on agreeing to amendment No. 2461, offered by the Senator from Arizona [Mr. McCAIN], to the committee amendment on page 68, line 18 of the bill.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alabama [Mr. HEFLIN], the Senator from Tennessee [Mr. MATHEWS], and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 26, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—68

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Daschle
Dodd
Domenici
Dorgan
Durenberger
Exon
Feinstein
Ford
Glenn
Gorton
Graham
Gregg
Harkin
Hatch
Hatfield
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Lieberman
Lugar
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Stevens
Thurmond
Warner
Wellstone
Wofford

NAYS—26

Bradley
Brown
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Faircloth
Feingold
Gramm
Grassley
Helms
Hutchison
Kassebaum
Kempthorne
Lautenberg
Lott
Mack
McCain
McConnell
Nickles
Pressler
Roth
Specter
Wallop

NOT VOTING—6

Breaux
Bumpers
Heflin
Jeffords
Mathews
Pryor

So the motion to table the amendment (No. 2461) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2462

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 2462 offered by the Senator from Colorado [Mr. BROWN] to the committee amendment on page 51 line 16.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX], the Senator from Arizona [Mr. BUMPERS], the Senator from Alabama [Mr. HEFLIN], the Senator from Tennessee [Mr. MATHEWS], and the Senator from Arizona [Mr. PRYOR] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Vermont [Mr. JEFFORDS] is necessarily absent.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—94

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—6

Breaux
Bumpers
Heflin
Jeffords
Mathews
Pryor

So the amendment (No. 2462) was agreed to.

COMMITTEE AMENDMENT ON PAGE 51, LINE 16

The PRESIDING OFFICER. The question now occurs on the underlining committee amendment on page 51, line 16.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 51, LINE 16, THROUGH PAGE 52, LINE 17

Mr. HARKIN. Mr. President, what is the pending matter before the Senate?

The PRESIDING OFFICER. The committee amendment on page 51, line 16. Is there further debate on the committee amendment?

If not, the question is on agreeing to the committee amendment.

The committee amendment on page 51, line 16, through page 52, line 17, was agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 68, LINE 18, THROUGH PAGE 69, LINE 5

Mr. HARKIN. Mr. President, I ask that the other excepted committee amendments remain excepted, except for the excepted committee amendment on page 68, line 18, through page 69, line 5.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Without objection, the committee amendment beginning on page 68 is agreed to.

So the committee amendment on page 68, line 18, through page 69, line 5, was agreed to.

Mr. HARKIN. Do I understand, Mr. President, that the amendment on page 68, line 18, through page 69, line 5, has been agreed to?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. And the excepted amendment on page 51, line 16, through page 52, line 17, has also been agreed to, Mr. President?

The PRESIDING OFFICER. The Senator is correct. That amendment has been agreed to.

Mr. HARKIN. Mr. President, basically, we are at a point here where I know of no other amendments that are to be offered. We are waiting here for amendments. I hope, if any Senators have any amendments to the bill, that they will come over so that Senators can get out of here at a reasonable hour.

We have no other amendments pending right now. We are open for business. Otherwise, we are just going to be here later this afternoon, probably with some procedural votes. So I hope we can get some amendments out here.

Mr. INOUYE. Mr. President, if I may be so bold as to suggest to the leadership, if this matter can be set aside temporarily, the Defense Subcommittee would like to at least lay down our bill, and you can resume whenever you want to.

Mr. HARKIN. If I might respond to the Senator, I would like to consult with the leader in that regard. But I hope that we would at least see some finite end to this bill before we do that. Perhaps we could discuss that.

Mr. INOUYE. I thank the Senator.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair informs the Senator the Senate is now considering the amendment on page 63, line 5.

Mr. HELMS. I understand. I ask unanimous consent that it be in order for the amendment I am sending to the desk to be keyed to page 78, line 24.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized.

AMENDMENT NO. 2463 TO EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 78, LINES 16 THROUGH 23

(Purpose: To protect the Nation's blood supply)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2463.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . PROTECTION AGAINST THE HUMAN IMMUNODEFICIENCY VIRUS.

Chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1118. Protection against the Human Immunodeficiency Virus

"(a) IN GENERAL.—Whoever, after testing positive for the Human Immunodeficiency Virus (HIV) and receiving actual notice of that fact, knowingly donates or sells, or knowingly attempts to donate or sell, blood, semen, tissues, organs, or other bodily fluids, except as determined necessary for medical research, shall be fined or imprisoned in accordance with subsection (c).

"(b) TRANSMISSION NOT REQUIRED.—Transmission of the Human Immunodeficiency Virus does not have to occur for a person to be convicted of a violation of this section.

"(c) PENALTY.—Any person convicted of violating the provisions of subsection (a) shall be subject to a fine of not less than $10,000 nor more than $20,000 and imprisoned for not less than 1 year nor more than 10 years, or both.".

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, let me pose a question that is far more than just an idle thought. Should anybody who is HIV positive and who knows it, be able to escape criminal prosecution if he or she donates their tainted blood, tissue, or other bodily fluids? It does not matter whether that blood is actually used or not. The issue is, should someone who knows that he or she is HIV positive and he or she donates blood or body tissue, be able to escape prosecution?

I hope and believe the Senate is going to say, overwhelmingly: No, sir. They should not be in a position to escape prosecution.

Today, 12 States have enacted laws holding such individuals criminally responsible. And with this amendment, the American people will see how many Senators and which Senators are willing to do, on a Federal level, what a dozen States have already done.

Specifically, this amendment will make it a felony for any individual, knowing that he or she is HIV positive, to donate blood or semen or tissues or organs or other bodily fluids, and anybody violating this provision will be subject to a fine of up to $20,000 or imprisonment for up to 10 years, or both.

I believe this amendment is just plain common sense. The 12 States that already have similar statutes are as follows: California, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, South Carolina, and Virginia.

I am not going to take up the Senate's time with a lengthy discussion of this amendment. I think, as the lawyers say, it is res ipsa loquitur: The thing speaks for itself. But I doubt that any Senator can express the need for this amendment as eloquently as a fine citizen of North Carolina, Mr. Burt Brummet, who lives in Pinehurst. Mr. Brummet, with whom I talked at length one evening, is responsible for my offering this amendment.

Let me tell you about Mr. Brummet. Let me tell you why I want to title this amendment, "The Brummet Blood Supply Protection Act of 1994."

Mr. Brummet contracted the AIDS virus from a blood transfusion he received in 1991 during surgery to replace a heart valve. And that sort of hit home with me because I had a heart valve replaced a year later. I suspect Mr. Brummet's story will hit close to home with a lot of Senators, either Senators who had similar surgery or had surgery in their families.

I do know this, that millions of Americans who have received tainted blood transfusions, or have run the risk of it, will understand the need for this amendment.

But back to Mr. Brummet. He is a fine gentleman. He is retired there from another State. I forget where he moved from, but Pinehurst is a retirement community and the fine folks there are gentle and decent, and most of them are getting up in years, like the Senator from North Carolina.

Anyway, Mr. Brummet contacted me in December—December 6, I think the date was. He talked to me on the telephone about a letter he had sent me explaining exactly what happened to him. He said:

> Dear Senator HELMS, approximately 3 years ago during heart surgery I was transfused HIV infected blood at the Moore Regional Hospital, in Pinehurst, NC.

That is Moore County Regional Hospital. Continuing in his letter, he said:

> As is frequently the case, the hospital and the doctors have kept this a secret, even though we have urged them to go public with this information.
>
> For many reasons, I am convinced that there is much bad blood in the Red Cross blood bank system. The American public is not aware of this danger, and most doctors seem hesitant to discuss this prior to surgery.

He continues:

> Because I believe there are measures that can be taken to improve the availability of clean blood, I feel it is my Christian duty to do what I can to prevent this from happening to others * * *
>
> In May, 1991, I entered Moore Regional Hospital, Pinehurst, N.C., for heart surgery. The details of this are not important to the message I wish to convey other than to say that the aortic heart valve was replaced. The surgery appeared to be successful and the recovery was slow but perhaps normal for this type of surgery.
>
> Slightly more than one year after this surgery, our family doctor, Dr. Donald Wallace, called us to say that the American Red Cross had advised the hospital that I had been transfused with HIV infected blood.

The letter continues:

> Because my wife, Ellen, had been exposed by me during that past year, it was his opinion [meaning Dr. Wallace] that we should both be tested for the AIDs virus. Our blood tests showed that I was positive and Ellen was negative. We were advised by our doctor that we should keep this a secret from our friends and the community.
>
> After digesting this tragic news for a couple weeks, we decided it was our Christian duty to go public with this in the hope that we might be able to do something to prevent this from happening to someone else.
>
> Although we have gone public with my HIV condition for several months, the doctors and the hospital personnel continue to keep this a big secret event to the point of denial, still claiming that the blood is safe.
>
> The American Red Cross obviously wants this to remain a secret because the blood bank business is the most profitable enterprise they have had for a long time. The hospital and the doctors want it to remain a secret for fear it might affect the availability of blood.
>
> In my opinion, there is only one reason that so little is being done to assure that clean blood is available for transfusion. Only a relatively few people are infected as I have been. Our country's actions respond to public opinion. Not enough people are in my group to bring sufficient pressure to initiate action.
>
> As I'm sure you understand, when a person is infected by whatever means, promiscuous sex, homosexual activities, dirty needles, etc., there is a period of a few months, or in some cases years, before sufficient anti-bodies are generated to result in a positive test for the virus. As a result, there is a period * * * during which an infected donor can infect others even though that person tests negative for the virus. Understanding this fact, it is obvious that there is blood in the blood blanks that will infect persons having transfusions. The American Red Cross has admitted that is what happened to me.

Mr. Brummet continues:

> How many people are infected by AIDs virus from blood transfusions is unknown. I'm excluding the hemophiliacs. The American Red Cross says the number is very small. In fact they have gone so far as to say publicly that no one has been infected by transfusion from their blood bank in recent years.
>
> Others have said that as many as one thousand people are infected each year by transfusion from infected blood. From the studies I have done, the number may be greater than one thousand, because there are many people infected who are not yet aware of it, and many cases are never reported. The effect is not obvious for some time. With the number of infected people being suppressed by doctors and by the blood banks, it is impossible to get an accurate reading on this * * *

And then he concludes:

> This whole subject is generally swept under the rug and the majority go along with very little concern about the hazards of blood transfusions. I wish to do something about this and I believe you will help me. In some manner I wish to be a spokesman for the people infected by the AIDs virus because of transfused blood, if that is what it takes * * * Very truly yours, Bert Brummet.

The point, Mr. President, is this, and this is perfectly obvious: Mr. Brummet is a citizen who did nothing wrong. He did nothing to cause the HIV infection in his body. Just the same, he believes, and I think justifiably, that his life is now ruined because some irresponsible individual donated AIDS-tainted blood. I admire him for his efforts to ensure that others are not also unsuspectingly infected.

Of course, I do not suggest, nor imply, that the pending amendment will stop all donations of AIDS-tainted blood and tissue. Of course, this amendment can do no such thing, but it is a step in the right direction.

As I have stated, there are 12 States which already have taken the step of making it a crime to knowingly donate AIDS-tainted blood or tissue. Moreover, 27 States have made it a crime for someone to intentionally transmit HIV to another individual. I listed the 27 States earlier:

Alabama, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, Ohio, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington.

Despite these commendable efforts by States to protect their citizens from those who intentionally transmit the AIDS virus, their ability to do so is limited inasmuch as donated blood travels in interstate commerce. The only way to protect innocent transfusion recipients in these—and other States—is by enacting a Federal statute applicable to every individual who knowingly donates AIDS-tainted blood in this country no matter where he or she donates blood.

The States need a Federal statute to support their efforts. Donated blood travels in interstate commerce. Tainted blood donated in New York City, as matters now stand, can easily find its way transfused into a patient in North Carolina. If carjacking is a Federal crime, and Congress has voted to make it so, Congress should do the same for those irresponsible, mean-spirited people who knowingly donate infected blood or other bodily fluids.

Mr. President, I reiterate that the proposal contained in this amendment is merely a good step in the right direction. It will not entirely eliminate the donation of AIDS-tainted blood. But if this amendment prevents even one innocent American from living through the kind of torment which has been imposed on Mr. Brummet and his family, then Congress will have taken a giant step in the right direction—certainly for those who otherwise will run the risk of having AIDS-tainted blood pumped into their veins.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HARKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I would be willing to delay this vote until next week, if the manager of the bill wishes to do so.

Mr. HARKIN. We are trying to get 1 minute.

Mr. HELMS. I am just thinking about the Senators who have schedules. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question occurs on agreeing to amendment No. 2463. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mrs. BOXER], the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alabama [Mr. HEFLIN], the Senator from Tennessee [Mr. MATHEWS], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. GREGG], the Senator from Utah [Mr. HATCH], and the Senator from Vermont [Mr. JEFFORDS] are necessarily absent.

I further announce that, if present and voting, the Senator from Utah [Mr. HATCH] would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—91

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Bradley
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Harkin
Hatfield
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—9

Boxer
Breaux
Bumpers
Gregg
Hatch
Heflin
Jeffords
Mathews
Pryor

So the amendment (No. 2463) was agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, last night, Dee Dee Myers at the White House challenged the Republican leader and me to show the administration where the 17 taxes were in the Mitchell health care plan. So I immediately went home and got a copy of the plan that was available. What I wanted to do, very briefly, is to show the administration, in yet another gesture of bipartisanship, where these 17 taxes are. And what I have here, now, is the bill in the form it was available last night. So what I am going to do is to go through this very thick bill and give the people at the White House a way to find these 17 taxes.

The bill that was available for me to use in response to the White House had unnumbered pages. Normally, that means that you have thrown something together real quickly, or maybe you are trying to hide something, or maybe numbers do not go that high; I will let people judge what the case may be. But here is a simple way, I think, of finding the 17 taxes.

First of all you need to get a scale like this one. So you get the scale and you put the bill on the scale like this, and you will find that the bill weighs almost exactly 14 pounds.

To find the taxes, what you do is you take off the first 11.1 pounds. After you take off the first 11.1 pounds, if your scales are right, you should be on subtitle (a), entitled "financial provisions." The next 2.9 pounds of the bill contains 16 of the taxes. Then to find the 17th tax—I have tried to find a simple way to do that—put the entire bill back on the scale. Next, take off 2.1 pounds from the top, and that gets you to a section that is titled "distribution," which is where you will find the 17th tax.

I do not have the time now, and I do not want to disrupt debate on the pending bill to go through all of the taxes. But let me just go through three taxes, I submit, that nobody understands.

The first tax is a 1.75 percent tax that every American will pay on their health insurance premiums. The second tax is a 25-percent tax that you will pay on your health insurance premiums if your premiums go up by more than 2 percent above the general rate of inflation in a year.

So imagine this: You get your bill for your insurance next year, and your premiums have gone up by more than 2 percent above inflation, as premiums did for 75 percent of Americans who had health insurance last year. You are already unhappy because your premiums went up by more than 2 percent above the general price index. And so the Government sends a bill saying that because your insurance premiums went up, you now have to pay a 25-percent tax on the increase.

Finally, there is a provision in this bill that says that at an effective date in the future, if you have insurance that costs more than the Clinton administration says that insurance ought to cost—for their so-called standard benefit package—then you are going to be taxed on the amount of those insurance premiums above the amount that the President claims you should be paying. And you are going to be taxed at your effective tax rate.

My point in all this is twofold. No. 1, if you have a good scale like this one, you can take the bill that was available yesterday at the time the White House asked Senator DOLE and me to find the 17 taxes, and if you remember these prescriptions—with the bill on the scale, take off the first 11.1 pounds to find 16 of the 17 taxes; put the entire bill back together on the scale, take off 2.1 pounds, and you find the 17th tax. It is interesting—and I will conclude on this point—that there are three pounds of taxes in the Mitchell bill. There are 0.2 pounds of insurance reform and portability and permanence reform, and there are 10.8 pounds dead weight Government.

I submit that if we took out the 3 pounds of taxes, took out the 10.8 pounds of dead weight Government, that would leave us 0.2 pounds where we are reforming insurance, making it portable and permanent, and making it easier to get and keep. We could then supplement that with about one-third of a pound to reform medical liability. Then, we could sit down and see what we could do to help people get health insurance, and we could adopt a good bill.

I yield the floor.

Mr. MITCHELL. I wonder if the Senator will permit me to borrow his scale?

Mr. GRAMM. I will.

Mr. GRAMM. Mr. President, would the majority leader like the bill as well?

Mr. MITCHELL. No thanks.

Mr. President, I thank the Senator for permitting me to borrow his scale. I now place it on my desk. I ask everyone to look at it. And there is the Republican bill.

Mr. GRAMM. That is not true.

Mr. COATS. That is not true.

Mr. MITCHELL. Of course, it registers zero on the weight scale because there is no bill. It registers zero in its provisions because there are no provisions.

I introduced a bill 1 day after I announced that I had one. Our Republican colleagues announced in June that they had a bill, and we still have not seen it.

I do not think anyone here should be surprised about that, but I say to my colleagues, and I invite any of my colleagues who wish to come over during this day while we are in session to inspect the Republican bill. You have to look hard. Perhaps from this angle you might see something. No. Not from here either.

It is the stealth bill. We spent a lot of money developing a stealth aircraft that no one could see, no one could feel, no one could weigh, no one could track on radar. I think our Republican colleagues have finally succeeded in getting it done. No one can see this bill. It has no weight. It cannot be observed. It cannot even be tracked on radar.

I thank my colleague.

Mr. President, early this morning I asked, on the Senate floor, if it would be possible for the Senate to engage in this serious debate in a serious manner. The Senator from Texas yesterday used the word "Gestapo" to refer to my bill.

Mr. GRAMM. If the Senator will yield, if he will go back and read that newspaper story, he will see that that was not my quote. What I said was printed in the second half of the paragraph.

Mr. MITCHELL. I see.

Mr. GRAMM. I do not doubt the person who used that quote had a reason for using it.

But what I said is that the majority leader's health care plan would, in all probability, bankrupt the country and destroy the greatest health care system in history, which was a strong statement. But the other statement was not my statement.

Mr. MITCHELL. Does the Senator disavow the statement by his colleague that my bill would create a Gestapo police in the United States?

Mr. GRAMM. I certainly would not use that word, but the bill would have health care police telling us that we had to buy the majority leader's benefits plan, not the one we chose.

So I can see where people with flowery imaginations and effective vocabularies might conjure up all kinds of images. But lacking both the vocabulary and imagination, I did not conjure up any such images.

Mr. MITCHELL. Mr. President, I might say that response is as substantive as the Republican bill that is on this scale here.

If I could just briefly—I do not think any of this kind of discussion, gimmicks with scales and pejorative words like "Gestapo" and attacks on others serves any useful purpose and surely does not enhance the stature of the Senate.

I asked for this scale only because I thought the Senator from Texas was trivializing a serious issue.

I renew the appeal I made this morning. This is a very serious matter. It affects every American family. There is ample room for principled disagreement. There is ample room for substantive, reasoned debate.

There is no need for gimmicks. There is no need for pejorative words like "Gestapo," and others, on either side.

We are elected to serve all of the people. I hope that in the next few weeks we can concentrate on the fact that we represent the American people, not on which party we belong to, not on which State we represent, and certainly not to continue to lower ourselves with this kind of gimmick. We can disagree on this bill without this kind of disagreeable action.

I thank my colleagues, and I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. GRAMM. Mr. President, will the distinguished Republican leader yield 1 minute?

Mr. DOLE. I am happy to yield.

Mr. GRAMM. Mr. President, I appreciate the good words of the majority leader.

The point I wanted to make was that last night the Republican leader and I were asked to show where these 17 taxes were. The problem is, with what was available last night, it was difficult for me to say where these 17 taxes were because the bill had no page numbers.

So, I asked my staff to try to dig out the taxes so that we could respond to what was a very serious and a very legitimate question that was posed by the White House.

In trying to identify where the taxes were, they came up with a scale, which at that point was the effective way to find the taxes.

What is the point of all of this? The point of all of this is that we need a serious debate. We need a lengthy debate. We need to go through the bill in detail to see that we all know what is there.

But when you get underneath it all, there are 17 taxes here. People need to know what they are so they can decide whether they are trivial, whether they are important, and whether they are burdensome, whether or not what they get from this bill is worth what is they will have to pay. That is a legitimate issue and an issue that must be debated so that we understand it.

I believe in the old biblical admonition: Ye shall know the truth and the truth will make you free.

I believe if we fully understand this bill, we will decide to reject it. And since that is what I believe is in the public interest, I look forward to debating health care legislation when we have the new bill with page numbers, which I understand is now available. At that point, I will not need my scale. I was delighted to lend my scale to the majority leader, but I have reminded him that I have written—and we have copies of—two bills. We have had four other Republicans write health care bills. The Republican leader has written a health care bill which is in line behind the majority leader's bill to be drafted in legislative language. It is not as if there is no alternative.

What is not offered as an alternative is a Government-run system, because we do not want it and the American people do not want it.

Mr. MITCHELL. Mr. President, if I could respond, I wish to point out 18 Republican Senators signed their names on a bill introduced last November, all of whom have repudiated the bill now. To say they have introduced the bill, I think, does not mean anything in that context.

So, we are going to have this debate next week. I have been trying to get the health care bill up. It is our colleagues who have asked to delay bringing up the bill. So I do not want any implication left by the Senator that somehow we have been causing this delay. We are going to get to it next Tuesday, if our colleagues do not object, and there will be ample time for everyone to debate it then, and I hope we will do so in a serious and responsible way.

The PRESIDING OFFICER. the Senator from Kansas has the floor.

Mr. DOLE. Mr. President, let me just set the record straight. I guess I can quote the Governor of New York this morning, who said no bill was better than the Mitchell bill. That is after weighing, I guess, Governor Cuomo trying to satisfy himself today on our side.

I think the facts are that at least at this time we are not in the majority and our bills are drafted last. I would not want to leave the impression that is the only reason our bill is not drafted. We have been told that after they draft the majority leader's bill and after they draft modifications, then they will complete drafting our bill. That is the way it works. We understand that. We are the minority. The Democrats have the majority, and that is why our bill is not here.

And as the majority leader knows, all these things slip from time to time. We thought we would get his earlier. We got it later. That is no problem. But I think the facts are that we have had our material in the drafter's office, but there is only so much they can do.

So I want the RECORD to reflect the reason our bill is not here. And there may be a lot of flaws in our bill, too. I am not suggesting that. I said from the outset this is a very complicated issue, and there are big, big differences in all these bills. I know Members on the other side repudiated the Clinton bill after they cosponsored it. They jumped off the Clinton bill.

We all had changes of positions from certain facts without listening to the American people. The funny thing is when we listen to people who send us here sometime we change our mind. If we do not listen, we put on the narrow glasses right down the beltway and are going to stick with the ideas we had initially.

My view is we are going to have a lot of time for the American people to try to understand what may be in the majority leader's bill and what we call the American option plan and other plans, and I hope and I know that debate will start sometime next week and we are looking forward to it. I think it is going to be a good debate. It does not mean we are not going to have differences. And we are going to spell out those differences, and I hope that we can do that and reach the right conclusion.

But the American people should not be shut out of this process and the American people are not going to be shut out of this process. They have every right to know what is in the majority leader's bill, what may be in the bill I am sponsoring along with 39 of my colleagues, or any other bill that may be offered here as a substitute, or any amendment that may be offered.

This is affecting everybody in America. You cannot shut out the American public. I do not think that is anybody's intent. But when you get a 1,410-page bill—and when you get our bill, I suppose our bill is going to be several hundred pages—you have to wonder how do we have time, unless we are on the Finance Committee, to really understand what may be in that bill.

And I think that is all we are suggesting, let us give the American people a look. Let us let the American people look through our eyes and our reflection, at least, on what may be in a bill that may affect their lives or the lives of their families.

So I just say that we are prepared to do that. I hope we can do it in the spirit the majority leader suggested early this morning.

DEPARTMENT OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

PROPOSED AMENDMENT NO. 2464

Mr. DOLE. Mr. President, I really did not rise for that purpose.

I intend to offer an amendment on behalf of myself and Senator LIEBERMAN, and others. This amendment should come at no surprise. This amendment provides for the termination of the United States arms embargo on the Government of Bosnia and Herzegovina no later than November 15, 1994.

Mr. President, this amendment is intended to set a definitive ending date for the United States arms embargo on Bosnia and Herzegovina. The sponsors of this amendment understand that the United States and the so-called contact group have agreed to a phased approach which may lead to the multilateral lifting of the arms embargo. However, we have no guarantees when this will happen, or, more importantly, if it will happen. And we could be here next year, in the next Congress debating this issue once again—the only difference being it will be year No. 3 and tens of thousands of more Bosnians will have died.

The reality is that only by lifting this illegal and unjust arms embargo on the Bosnians can we hope to eventually have a just resolution of this conflict and avoid sending United States forces to implement a partition of Bosnia.

Today, we learned that the United Nations finally called for limited air strikes against Bosnian Serb military targets—in response to the Bosnian Serbs taking back heavy weapons from a U.N. protected facility in the Sarajevo exclusion zone—and that these strikes took place. While this action is welcome—especially from the perspective of slowing the downward slide of United States and NATO credibility—I am skeptical that this action alone will pressure the Bosnian Serbs into a settlement.

In my view the U.S. Congress can make a critical difference—in letting the Bosnian Serbs know that there is a real deadline—that there is something more definite than continuing meetings of the contact group.

I am aware that House and Senate conferees on the Defense authorize bill are negotiating on language regarding the lifting of the arms embargo. The administration sent its representatives up, including the United States Envoy Ambassador Charles Redman, to persuade the conferees against taking definite action to terminate this illegal and unjust embargo on Bosnia, arguing that a diplomatic process was underway.

With all due respect to the efforts of Ambassador Redman and the others who have participated in the seemingly endless rounds of diplomatic negotiation, I hope that the conferees will put more weight on the administration's track record in influencing the allies, and on the events in Bosnia right now—rather than, once again, placing their hopes in a diplomatic process that is not backed by anything more than promises of action some time in the undefined future.

We need to take real action—to take action beyond issuing statements and communiques. By adopting a provision to definitively end the United States arms embargo on Bosnia—even if it is several months away; I said November 15—we can truly change the dynamic of the process and put some real pressure on the Bosnian Serbs. We can also give the administration some real leverage in its attempt to get the allies to forsake their failed policies.

Mr. President, I know that my friend from Connecticut, Senator LIEBERMAN wanted to speak on this. What I would suggest is that I send the amendment to the desk and ask to have it printed. I may not offer it on this bill, I say to my friend from Iowa. If there is some chance that we may get to the DOD authorization bill on Monday, then I would wait and offer the amendment on that. I think it more properly belongs on that appropriations bill.

I ask unanimous consent that the amendment be printed in the RECORD. I am offering the amendment for myself, Senator LIBERMAN, Senator MCCAIN, Senator MOYNIHAN, and Senator DECONCINI.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2464

At the appropriate place, add the following:

SEC. . TERMINATION OF ARMS EMBARGO.

(1) TERMINATION.—The President shall terminate the United States arms embargo on the Government of Bosnia and Herzegovina no later than November 15, 1994 so that Government may exercise its right of self-defense under Article 51 of the United Nations Charter.

(2) DEFINITION.—As used in this section, the term 'United States arms embargo of the Government of Bosnia and Herzegovina' means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 F.R. 33322) under the heading 'Suspension of Munitions Export Licenses to Yugoslavia'; and

(B) any similar policy being applied by the United States Government as of the date of receipt of the request described in paragraph (1) pursuant to request described in paragraph (1) pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

Mr. MITCHELL. Mr. President, we are trying to make progress on this bill. As I previously indicated to the distinguished Republican leader, if we can get a list that will give us a finite time for finishing, we will do so.

But I want to make clear to colleagues who are considering their schedules, if we cannot get such a list, then we will have to remain in session today and there will then be further votes today, including procedural votes, to move this measure forward.

We want to try to make progress on the bill. We are working on trying to get a list now, I understand.

I want to make clear, before any Senators leave, that we will proceed and have votes unless we can make some determination as to when the bill will be completed and what amendments will be remaining on it.

This is to answer several questions which Senators have asked me on the subject.

Mr. DOLE. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. DOLE. As I understand it, we have just now cleared the list we have been talking about back and forth with the Senator from Iowa and the Senator from Pennsylvania. We think we now have a list that we can provide to both managers. I think it is in accordance with what we discussed this morning.

Mr. MITCHELL. I thank my colleague.

Why do we not review that and then, as soon as possible, I will make an announcement with respect to the rest of the schedule.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I would like to comment briefly on what the majority leader has said—if I might have the attention of the majority leader—on the health issue.

Mr. MITCHELL. I have to review the list that was given us so I can make an announcement with respect to our schedule. I ask the Senator if he would not mind withholding for a minute until I get that done.

Mr. SPECTER. I will gladly withhold until I can get the attention of the majority leader on the issue of health reform legislation.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I join the distinguished Republican leader and the Senator from Connecticut in the amendment that they have sent to the desk. Where it appears really does not make much difference to this Senator.

It is encouraging, I think, the early report that there have been limited air strikes by NATO against some Bosnia Serbian positions today. I think that is significant.

All of the details are not available yet of what provoked that, except reports that the Bosnian Serbian militia or military took some foreign military equipment—I believe a tank—and as retaliation, NATO responded.

I am pleased to see NATO and the allies demonstrate some courage, some determination, some leadership, some desire or some demonstration to stand behind what they have said they have been going to do for about 10 months now.

I think it is necessary for us to move unilaterally, if there is no other way, to let the Bosnian people protect themselves and arm and participate in a genocidal civil war that is going on and has been going on for almost 3 years now.

We have seen time and time again the failure of the Serbs and the Bosnian Serbs to respond to any kind of threat or potential threat from the allies.

I understand our President's problem; that he wants to deal in the international area with a multilateral effort toward the Serbs, both the Bosnian Serbs and the Serbs, perhaps, and he wants to maintain the multinational effort. But the reality here is that the multinational effort is a failure. It has not brought about peace. It has not stopped the genocide, the murder, and the rape. It has not curtailed the violence.

What it has done is it has captured and put into a box the Moslems, the Bosnian Moslem people. They cannot even defend themselves with the least bit of dignity of an attempt to demonstrate that they are fighting for their sovereign country.

This peace accord that has been offered is no great shape. After all, the Serbian efforts will end up with 50 percent of the country. And the reason they have not gone along with it is because they now have 71 percent of the country.

So this is no great victory for the Bosnians. It is a huge defeat for the Bosnians and a huge defeat for the world.

But it is the last effort that has been presented to the parties involved there. And now for the Serbian Bosnians to refuse to participate, it is time that we lift that embargo and do it unilaterally, if necessary.

I am glad to join the distinguished Republican leader.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, this is the fourth or fifth time that a bipartisan group of Members of the Chamber have joined together.

Mr. GRASSLEY addressed the Chair.

Mr. LIEBERMAN. Mr. President, I yield at this time for a brief statement from the Senator from Iowa, retaining my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from Iowa is recognized, with the Senator from Connecticut retaining his right to the floor.

GRASSLEY-HARKIN AMENDMENT REGARDING PERSONAL PROTECTION FOR CABINET AND SUBCABINET OFFICIALS

Mr. GRASSLEY. Mr. President, I just wanted to say a few brief words regarding an amendment that my good friend Senator HARKIN and I have drafted regarding personal protection for cabinet and subcabinet officials. It is my understanding that the amendment will be part of the committee's amendments.

The amendment does two things: First, it asks the General Accounting Office to review the need for personal protection for cabinet and subcabinet officials.

There are certainly cabinet officials who need personal protection. However, I am concerned that for some it may just be an expensive perk. These personal security details cost the American taxpayer up to $500,000 per year for each individual who receives protection. GAO will help Congress determine whether this is money well spent.

The second part of the amendment ensures that the Office of the Inspector General at HHS does not have to foot the bill for the personal protection of the Secretary at HHS. I am concerned that the limited resources of the Inspector General should not be further reduced due to the additional responsibility of providing security protection for the Secretary.

I am pleased that Senator HARKIN has joined me in offering this amendment, and thank him for his support.

I yield the floor.

Mr. LIEBERMAN. Mr. President, retaining my right to the floor, I yield to the Senator from Illinois.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Illinois.

Mr. SIMON. Mr. President, in the past, I voted against the Dole-Lieberman-DeConcini amendment. I voted against it because I believed we ought to be acting with other nations on this and should not be unilaterally pulling back on this arms embargo.

But, frankly, the last time I had a very difficult time making a decision. Warren Christopher called me and assured me that since the Russians were involved, we were very close to working out a peace agreement. I agreed I would, one more time, vote with the administration on this.

But, frankly, now with the rejection by the Bosnian Serbs of that peace agreement and the shooting down of the U.N. helicopter, I think our choice is clear. I think we have to send a strong message to the Bosnian Serbs that they had better get their house in order and sit down and agree to the peace agreement.

I will be voting for the Dole-Lieberman amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from Illinois for that strong statement of principle. I am sure it will echo not only throughout our Government here in Washington, but I hope throughout the councils of governments in the Balkans.

This is the fourth or fifth time that a group of us, working on a bipartisan basis, has brought an amendment onto the floor in one form or another to direct our Government to unilaterally lift the arms embargo against the Bosnian Government—a duly constituted Government, a member of the United Nations—imposed in 1991 actually against the former Yugoslavia, as an attempt to keep the United States from being part of, and the world from being part of the pouring of weapons into that region with the hope we could diminish the conflict there.

Obviously, those hopes were never realized. Perhaps they were naive. I know they were well intended. In any case, they were not successful.

Nonetheless, we have continued to impose an embargo, which is to say a prohibition against supplying arms to the Bosnian Moslems, while it is very clear that the Bosnian Serbs, through supplies from Serbia and with their own capacity—a historic capacity to build arms—have had the weapons they have needed.

We have now had several votes on this issue. One was 50 to 49 against lifting the arms embargo unilaterally. The last one was a 50-50 tie—it failed on a tied vote—while another amendment, which was a sense-of-the-Senate resolution, passed 52 to 48.

So now we come again at a particularly pressing and important moment because, as has been said by the Senator from Illinois, the Senate Republican leader, and my colleague and friend from Arizona, Mr. DECONCINI, the peace plan agreed to by the contact group which we are part of and to which we were deferring was accepted by the Bosnian Moslems even though it yields a substantial part of their territory taken by force by the Bosnian Serbs. But they have accepted it.

The Bosnian Serbs have rejected it, essentially thumbing their noses once again at the world community, finding excuses—the latest being a referendum they would hold at the end of the month of August. But the message is clear, and particularly clear when combined with their reviving—poor choice of word, really, to use, revive—but beginning again the siege of Sarajevo, attacks, ethnic cleansing in villages, the whole series of acts of aggression by the Bosnian Serbs; showing again, as has been clear throughout, that the only way the Bosnian Serbs will respond and play by the rules of civilized international relations is at the point of a gun in response to the actual use of force or the threat of force.

That is why we are back with this amendment. That is why I so greatly appreciate the support of the Senator from Illinois. It gives me confidence this may pass on this occasion.

Mr. WARNER. Will the Senator yield for a question?

Mr. LIEBERMAN. I will, of course.

The PRESIDING OFFICER (Mr. SIMON). The Senator yields for a question.

Mr. WARNER. Mr. President, it appears to me the Senator, in fairness to our colleagues, should indicate that he and I, Senator GRAMM, Senator NUNN, Senator LEVIN, and Senator KEMPTHORNE, are representing the Senate conferees in a House-Senate conference on the DOD authorization bill. We made considerable progress here in the last several days in our efforts to reach a compromise between the two Chambers, and to have an expression, hopefully, to be accepted by the Congress as a whole and pass to a policy.

The distinguished Republican leader, in his remarks, indicated that Ambassador Redman had been down several times. Indeed, he has, together with representatives of the Department of Defense. And we are making progress.

It seems to me, in fairness, the Senator from Connecticut should make reference to that; and that the President is going to be forthcoming, I am hopeful today, in a letter to the leadership of the Congress, expressing his commitment to take certain steps with respect to approaching the United Nations on a multinational lifting of the embargo, if such steps as the diplomats are now taking with the contact group prove not to be fruitful.

So I think in fairness to the Senate, we should be informed that there is a good deal going on, on a parallel track to the amendment being offered now by the distinguished Republican leader and others.

I must say the sentiment in the Chamber is moving towards that espoused by the distinguished Republican leader. But the bottom line is we must be very careful in such legislative action as we may take not to indicate that the United States is moving in and taking over responsibility for this conflict.

Time and time again, I say to my good friend from Connecticut, we have received communications from Great Britain and France and other nations regarding their desire to continue to pursue the diplomatic process, and certainly to allow sufficient time to reach a plan, if necessary, for the extraction of the UNPROFOR forces, which are imperiled in terms of their own personal individual safety, along with organizations from many other nations there trying to help in this tragic situation.

So this is a very important step that the Congress must contemplate with regard to the Republican leader's amendment, as well as the recommendations I anticipate will be forthcoming from the group on which the Senator and I are working on the Armed Forces conference.

So I ask the Senator, is it not fair that we should mention that here?

Mr. LIEBERMAN. The Senator from Virginia is quite correct. That was the next point I was going to make in my remarks, to explain what is not only happening, but why the Senate Republican leader and others are offering this amendment.

On the defense authorization bill, the House of Representatives passed an amendment directing that the arms embargo against Bosnia be lifted. It passed by 66 votes. In this Chamber a similar amendment failed, and on a 52-48 vote, a sense-of-the-Senate amendment, cosponsored by the chairman of the Senate Armed Services Committee and the Senator from Virginia was adopted urging steps be taken multilaterally and, if not, perhaps consulting as to unilateral steps.

Mr. President, it appears clear to me, and I believe others who are involved in the House-Senate conference on the Department of Defense authorization bill that progress is being made. And yet, it is highly unlikely that the conferees will agree on a section of this amendment that would deal with the ultimate unilateral lifting of the arms embargo.

In fact, as the Senator from Virginia has said, and I am encouraged to join him in reporting, there are some forward steps that are part of this amendment, authored substantially by the Senator from Georgia, the chairman of the Senate Armed Services Committee, which would urge the administration to go to the United Nations to seek multilateral support which would offer some other interim steps, short of lifting the arms embargo, but which would move us toward providing some assistance to the Bosnian Moslems who have been the victims of this aggression and, as a result of the embargo, have had one arm tied behind their backs.

The last step which we had hoped for from the Armed Services conference appears to be out of reach of consensus, and that is, if all other steps fail, then in the final analysis, there ought to be a unilateral lifting of the arms embargo by the United States.

Why? In the first instance, the embargo is not just a policy or something that is written on a piece of paper. It has real effect. There are at this moment military personnel of the United States in the waters off the former Yugoslavia that are enforcing the arms embargo. Our arms, our hands, our fingerprints are on the enforcement of that embargo. In that sense, we are not, unfortunately, neutral in this conflict. Though the embargo was originally adopted as an act of presumed neutrality, it is affecting only one side in this war, and that is the Bosnian Moslem side.

The second point is this, Mr. President. It appears from what we hear from the former Yugoslavia, beginning with a statement by Secretary General Boutros-Ghali, that the U.N. forces in Bosnia, the UNPROFOR forces may, indeed, be seriously considering leaving the ground. In fact, the Secretary General has raised the question about whether the U.N. forces can handle the next stage and should there not be a joint military force put together by the member nations of the contact group.

What troubles a lot of us here, and in part it has motivated the interim steps that are going to be part of, I hope, the Armed Services conference committee, is that we run the risk of the U.N. forces withdrawing and the arms embargo against Bosnian Moslems will still be in effect inviting the Bosnian Serbs to move aggressively and quickly against their opponents, who will still not have adequate arms to defend themselves. Essentially, the Bosnian Moslems will be left without arms in a very vulnerable situation.

Those are the two reasons, combined with the fact that the history of this conflict shows that the only time the Bosnian Serbs have acted with a hint of responsibility has been when they feared they would suffer genuine consequences at the point of a gun.

So this amendment is actually meant to complement and be the final step in the process that I believe and hope will be set in motion by the Armed Services Committee conference report.

Incidentally, responding to the concern of the Senator from Virginia about our allies and assuring that they have time to leave, this amendment intentionally states that the embargo should not be lifted until November 15, 1994, which leaves a good 90 days, which was the outer limit, as I have heard in testimony from representatives of our allies in Britain and France, of what they needed for them to leave and for others to leave.

For all these reasons, I am pleased to join with the Senate Republican leader and my other colleagues—I see my friend from Delaware who has been a leader, a tremendous leader, in this effort—to finally seize the moment, send a message. And in the war that I fear is coming to the Balkans, that we not inadvertently put ourselves on the side of the aggressors by continuing to tie the hands of the victims, the Bosnian Moslems, behind their backs because they do not have the arms with which to satisfy the fundamental, moral right they have to defend themselves, their country, and their families.

I thank the Chair, and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, the Senator from Connecticut is right. This has been going on a long time. It will be 2 years ago next month that this Chamber passed an amendment, it became law—urging then President Bush to lift the ill-advised embargo that his administration had signed us on to, and to point out and give him the authority to transfer up to $50 million in arms to the Bosnian Government.

Since that day, I have heard repeatedly on this floor at various intervals everything from "air strikes do not work, they are all bad, it is a civil war, they are all doing it, the United States should not offend its allies, the allies are about to move, air strikes are about to take place"—and it went on, and on, ad nauseam.

Now 200,000 Bosnian civilian dead later, we are told, "let it go on and on and on" by the diplomats who have shown no courage whatsoever in terms of committing to principle that they will somehow find a way in the next weeks or months.

Mr. President, I hope nobody any longer argues who the aggressor is here. I hope we have stopped that malarkey. I hope the clear showing, undisputed showing, which I pointed out over 2 years ago on this floor, that the Serbs in Bosnia were running concentration camps, extermination camps, rape camps, and death camps, is no longer disputed. I challenge anyone in the U.S. Senate or the U.S. Congress to debate me on that subject. Give me one shred of evidence that genocide is not a policy, that it is merely a dream of the Bosnian Serbs. In fact, it is a reality.

I refer to yesterday—a presumptuous thing to do—to a speech I made in the RECORD outlining in great detail the proof of the existence of these extermination camps that are no different, other than in volume, than camps that existed in Central Europe in the early forties.

I hope nobody any longer is going to wonder whether or not the Bosnian Serbs want peace. The contact group, having entered into what I consider to be a 1994 version of Munich, carved up the Nation of Bosnia and Herzegovina and said, "Here, Serbia, Serbians, take 49 percent." In principle, that is outrageous, just to have done that, like we did to Czechoslovakia in the thirties.

But even with that, the Serbs in Bosnia said, "No dice," and voted unanimously. Now enters Milosevic, that great leader, patriotic leader, the butcher of Belgrade who now says he is angry with the Bosnian Serbs and he is going to, as evidence of his desire for peace, tell them since they did not accept the agreement, he is out.

Well, let me remind my colleagues. He said that a year ago. He agreed a year ago that he would allow U.N. observers to be at the head of the bridges crossing the Drina River from Serbia into Bosnia. So we all said, "Oh, no"—not all of us, LIEBERMAN, DECONCINI, BIDEN, the Republican leader, and others said we did not believe it. But everybody else said, "Oh, no. Reason is on the horizon."

As soon as everything settled down, he said, "No. Did I really say I would let observers be here? I didn't really mean that." And the whole world stood by and went, "Oh, well, I guess it is not a big deal. He doesn't have to do it."

And now we are told, I am told by administration officials and others, "Lay off. We're almost there. Look at what Milosevic has done." I have never on the floor of the Senate said anything like this about anyone at all. Milosevic is a liar. Milosevic's record is replete with lies. He has done nothing but lie. I will be delighted, and I pray for the body and soul of innocent people in Bosnia, that I can come back on the floor a month from now and say, "I apologize this time to Milosevic. He did not lie." It will be the happiest recantation I have ever engaged in, and like most mortals I have had to recant.

But he is a liar. There is nothing, nothing in his public actions of the last 2 years that would lead any reasonable man or woman anywhere in the world to conclude that he knows how to tell the truth. But we are now told, "Milosevic says this time he means it."

We just spent a year passing a bill that many on this floor helped me work on, the Violence Against Women Act. We heard repeated testimony from women who were beaten, but they would say, "This time it won't happen again." That is what Milosevic reminds me of this time. I have a friend who happens to be my administrative assistant, Ted Kaufman, a man of great wisdom, in my view. He says, "The ability of human beings to rationalize defies reason." We are defying reason because we are continuing to rationalize now that Milosevic has seen the Lord.

The second point that I would make—and I see others ready to speak so I will stop within the next 3 minutes—the second point I would make is to compliment my friends on the resolution, and to hope that subparagraph 3 means what I think it means. It reads:

> Rule of construction. Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose including training, support, or delivery of military equipment.

I am told by the authors—to be more precise, the staff of the authors—that

that does not preclude the participation of United States aircraft in NATO air strikes, because my friend from Connecticut is correct. We are going to go through an interim period here where the Bosnian Serbs are going to go for broke with the blessing of Serbia, and if it is done at a time before the arms embargo is lifted, but without United States-aided NATO air cover, we will see carnage beyond what we now have.

The last point, and I will cease and desist, this is not Vietnam. I came here at the end of the Vietnam war as a 30-year-old United States Senator. I had heard for 6 years as a young man in college and law school about the Vietnamization program. That was the program whereby my generation was told if we just stick in with 500,000 troops long enough the Vietnamese will begin to fight their own battles.

They never were able to do that. Make no mistake about it. I have been to Bosnia twice. I have met with all of the leaders that I am aware of, including the Bosnian Government's military forces as well. These folks are willing and able to fight. They outnumber the Serbs about 3 or 5 to 1 in terms of the army, depending on what number you pick. But they are the equivalent of fighting a smaller force with heavy artillery against a larger force with Remington rifles. They have no equipment. Give them the equipment and they will take care of themselves without a single solitary U.S. soldier needed. Let them retrieve their country. Let them defend themselves. Let us get on with it.

I compliment Senator DOLE and Senator LIEBERMAN and others. This, if anything, is an incredible compromise which I am prepared to support beyond what any of us want here. We are giving these folks until November 15. I love Secretary Christopher. There is no bigger ally of the President of the United States on this floor than me, save possibly the majority leader. But they have been wrong on this issue. It is time they move on this issue. We give them every possibility.

When I asked Mr. Izetbegovic, the President of Bosnia, and Mr. Silajdzic, the Prime Minister, a year ago and again asked them a couple months ago when Senator DOLE and I were in Sarajevo, "What do you want? If the embargo is lifted and that causes UNPROFOR to leave, what do you want?" They said, "Send UNPROFOR home." I have another way of saying it. If UNPROFOR cannot be part of the solution, they are part of the problem. Now they are part of the problem. They should go home. Our European friends would no longer be able to continue to hide behind them as a rationale for lifting the embargo. Lift the embargo. Engage in air strikes. Let the Bosnian Moslems fight for their survival.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank the Chair.

I have a question I would like to pose for clarification purposes to some of the introducers of the resolution. Senator LIEBERMAN was on the floor a moment ago. And he is here now.

Will the Senator answer this question for me, a question or two. As the Senator from Connecticut knows, the Senator from Nebraska did not support, for reasons that I stated clearly on this floor, the previous motions that have been advanced principally by the Senator from Connecticut and the Senator from Kansas. As I understand the amendment that Senators are going to offer at this juncture, it is significantly different from the preceding amendments that were offered by Senator LIEBERMAN and Senator DOLE because I believe, and do I believe correctly, that previously the amendments or motions or sense of the Senate alluded to or directed or suggested an immediate unilateral lifting of the embargo?

As I read the motion, it is significantly different since it is not immediate; it says no later than November 15. Is that not a significant difference from what you offered previously?

Mr. LIEBERMAN. Mr. President, responding to my friend from Nebraska, the Senator from Nebraska is absolutely right. The previous amendments on this subject either called for or directed the immediate or almost immediate lifting of the embargo, say, 30 days forward.

This version, this amendment today, puts it off until November 15. It does so for two reasons. One is that the allies involved in the U.N. forces, who appear to be heading toward exiting from Bosnia, pursuant to statements that have been made by the Secretary General of the United Nations, have said that they and all others there as part of the UNPROFOR forces could be out within 90 days. So the sponsors of the amendment wanted not to impede that process. This is a result of conversations with European allies and also with the representatives of the administration who have stressed this point.

Second, the Senator from Nebraska is a leading member of the Senate Armed Services Committee and knows that the conference is going on with the DOD authorization bill. The conferees are working on a section on Bosnia. That section, in my opinion, will not end with the unilateral lifting of the embargo. It will have a series of steps toward assisting the Bosnian Moslems, but these steps will not end with the unilateral lifting of the embargo.

So the intent of this amendment is to be the final step if all other attempts to arrive at a multilateral agreement are unsuccessful. It is a way to say both to our allies and to those who are the aggressors there that the United States means business and this cannot go on in a twilight zone with a lot of uncertainty; that we want to, in the words of the Bible, sound a certain trumpet that on November 15, all else failing—and by that I mean the failure of the Bosnian Serbs to accept the peace plan as the Bosnian Moslems have, or the failure of the United Nations to multilaterally lift the embargo—then the United States would go ahead and do it.

Mr. EXON. I appreciate the explanation of what I thought was the basic thrust or change in position. Basically, this amendment is a recognition, I believe directly or indirectly, by intent or by happenstance, this amendment takes into consideration the concerns that this Senator and members of the Armed Services Committee—including this one who is working right now on the wording—have on the Bosnian problem that appeared in both the House authorization bill and the Senate authorization bill.

The concern that I and others have expressed on many occasions is that the Senator from Connecticut is saying—with the hope, I take it, that we will not lift this unilaterally, which has been the position of France and Great Britain. Many of our allies who are there with troops on the ground under the auspices of the United Nations have been steadfastly against unilateral action immediately because they felt that would put the troops that they have there in harm's way. And it was demonstrated that they are in harm's way with two more warlike actions by the Serbs that we all recognize cannot be tolerated.

Is it fair for me to assume that the concept of this new amendment is that the Senator from Connecticut and Senator DOLE and others sponsoring this hope and believe that the amendment offered in the new fashion will give us, the United Nations, our NATO allies, and others a chance to get the troops out, to get the forces out? Then we would have eliminated that problem that was reiterated to the members of the Armed Services Committee within the week by the Defense Minister from France: "Please don't take unilateral action."

What the Senator from Connecticut is really saying, if I understand this correctly, is that, all right, you are giving a significant amount of time for all of that to take place, but you are in essence saying, but if it does not take place—and we have been legitimately upset, as outlined by the Senator from Delaware, about all of the delays—that unless all of this works out notwithstanding anything else, we are giving sufficient notice and, on November 15, if all else fails, we take the unilateral action of lifting the embargo. Is that a fair summation of what this says?

Mr. LIEBERMAN. Mr. President, the Senator from Nebraska has stated it exactly as is the intention of the sponsors, that we want to see the embargo, the prohibition against selling arms, transferring arms to the Bosnian Moslems, lifted multilaterally if at all possible, but unilaterally if necessary. And the timing here is meant to respond to the concerns of our allies, who seem ever more inclined to withdraw from Bosnia, to have the time to do so.

I say to my friend from Nebraska that this amendment is also in response to concerns of the Armed Services Committee leadership that it would be impossible to include the unilateral lifting of the embargo in the conference report on the Department of Defense authorization bill and, in fact, that it could jeopardize the bill in some way. So, let us take the steps we are taking and go separately on the question of ultimately lifting the arms embargo.

I say, finally, that there was a very telling and significant statement today on the wires from the Foreign Secretary of the United Kingdom, who said, though he has opposed lifting the arms embargo, that he now feels it may be unavoidable to lift it.

So I think that, in response to the intransigence of the Bosnian Serbs, their refusal to accept the peace plan, the aggression by the Bosnian Serbs, our allies in Europe, our closest allies, are coming to the conclusion that lifting the arms embargo may, in fact, be unavoidable.

Mr. EXON. Mr. President, the Senator from Minnesota has asked if he could have 30 seconds to ask a question. Could I yield to him for that purpose without losing my right to the floor?

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Nebraska has that right.

Mr. WELLSTONE. I say to my colleague from Washington, I am not about to give a speech. I have to leave town. I just wanted to have one clarification.

I assumed that this course, if by some chance the Serbs were to accept the contact group proposal, then this resolution would no longer apply. Is that correct? It is probably an obvious question. I want to be clear about it.

Mr. LIEBERMAN. The Senator from Minnesota is correct. That is the intention of the sponsors. It builds on what we expect to be the report of the conference committee on the Department of Defense authorization bill.

Mr. WELLSTONE. I thank the Senator from Nebraska. I say to my good friend from Connecticut, as he well knows, this has been a very central issue to me. I have agonized over this for all sorts of different reasons.

I would very much like to be included as a cosponsor of this resolution.

I thank the Senator.

Mr. LIEBERMAN. I thank the Senator from Minnesota. He has approached this issue with thoughtfulness and real sincerity. I very much appreciate his support, and will be proud to add him as a cosponsor.

Mr. EXON. Mr. President, I simply would like to say to my colleague from the great State of Connecticut that, given the explanation that he has provided me with in this instance—and I think that has overcome reasons that I have previously stated on the floor in opposing the amendments by Senator LIEBERMAN and Senator DOLE and others—I think he has a good amendment that addresses my concerns and the reasons that I opposed it in the past.

Therefore, I ask at this time without objection that I be added as a cosponsor of the amendment. Is there objection?

Mr. DOLE. We are happy to have the Senator from Nebraska as a cosponsor.

Mr. EXON. Let me try and clarify one other thing here that I have questioned regarding No. 3:

> Rule of construction. Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

Does that mean that if everything works between now and November 15, or if no later than November 15, on November 16, that the United States is sending a signal here, loud and clear, to the forces that are being devastated by Serbians, their aggression, their refusal to enter into a peace agreement that I thought was fair and reasonable under the circumstances—and the deadline was last Saturday and they failed—does that section (3) indicate that the United States of America is sending a signal to the forces that we are trying to be helpful to, namely, the Bosnian Moslems, that we are not going to assist them, that they will have to get arms and equipment from other sources if the embargo is lifted? What is the reason for that part (3), and does it not send a signal, intentionally or otherwise, to the Bosnian Moslems that we are not going to help?

Mr. PELL. Mr. President, for the third time in 4 months, we are being asked to vote to lift the arms embargo against Bosnia unilaterally. On two previous occasions—in May and in July—the Senate voted on messages which would have required the President to lift the embargo unilaterally. I ask my colleagues: how much time should we spend once again debating and voting on this same issue?

As my colleagues are aware, the last time we considered this issue, we defeated an amendment to the Defense Department authorization bill that would have instructed the President to go it alone in lifting the embargo. That bill is currently in conference, and it is my understanding that compromise language is being worked out to reconcile the different House and Senate language related to the arms embargo. Those who feel strongly about the arms embargo and who wish to press another vote on this issue have the opportunity, in considering the Department of Defense conference report, to cast their vote based on the arms embargo language.

Accordingly, I do not see why we should move ahead with this vote today, particularly on a day when the international community has demonstrated its resolve to enforce the U.N. ultimatum against the Bosnian Serbs. Earlier today, we learned that NATO planes struck Bosnian Serb targets near Sarajevo. Press reports indicate that the airstrikes occurred in response to blatant Bosnian Serb defiance of the U.N.-imposed exclusion zone around Sarajevo. On a day of demonstrated cohesion among our NATO allies, why on earth would we want to pass legislation instructing our President to go it alone in Bosnia?

Today's action follows last weekend's meeting of the foreign ministers of the contact group countries in which the ministers agreed on a series of steps to take in response to the continued Bosnian Serb rejection of their July 6 settlement plan. While I must say that I remain quite skeptical of his sincerity, I do nonetheless, welcome Serbian President Slobodan Milosevic's apparent attempts to distance himself from the Bosnian Serbs. If Milosevic does follow through on his promises to break off relations with his cohorts in Bosnia, it is in no small measure due to the unified efforts of the contact group. Milosevic's pressure on the Bosnian Serbs, if genuine, could in turn, help pressure the Bosnian Serbs to accept the contact group plan.

The points for and against lifting the arms embargo unilaterally have been made on previous occasions. I would simply say at this juncture, urging unilateral action would be a reckless step that would undermine the very actions that NATO took today and that the contact group continues to take. I would urge my colleagues to oppose the amendment.

Mr. BIDEN. Mr. President, I will oppose the amendment offered by the Senator from Pennsylvania.

At the outset, let me state that I completely agree with the general principle asserted by my friend from Pennsylvania—that in the absence of an affirmative congressional vote, the President does not now possess the power to authorize the use of force in Haiti.

On this point, the U.S. Constitution is as clear as it is plain. Article one, section eight, grants to Congress the power to "Declare war [and] grant letters of marque and reprisal." Article two, section two provides that the President shall be the "Commander-in-

Chief of the Army and Navy of the United States."

To be sure, the Commander in Chief power ensures that the President has the sole power to direct American military forces in combat. But that power has effect only after the proper authorization has been provided by Congress. Until that authority is granted, the President has no inherent power to send forces to war—except in certain situations, such as to repel sudden attacks or to protect the safety and security of Americans abroad.

On this point, the words of Alexander Hamilton, a strong defender of presidential power, are instructive. Writing in Federalist No. 69, Hamilton emphasized that the President's power as Commander in Chief would be "much inferior" to that of the British King, amounting to "nothing more than the supreme command and direction of the military and naval forces."

Moreover, the U.N. Security Council resolution authorizing the use of all necessary means to facilitate the return of the legitimate government in Haiti does not provide the President any legal authority under the Constitution—as the Senate stated in a unanimous vote on Wednesday.

The amendment proposed by the Senator from Pennsylvania is axiomatic—it states that the President does not have the authority to use force in Haiti unless it is authorized by Congress in advance. That goes without saying—because it is precisely what the war power clause of the Constitution states.

But there is a danger in stating that proposition by means of this amendment. The danger is this: By using a statute to prevent the President from using force in Haiti, the Senate would be implying that the President does have the authority to use force elsewhere in the world. Taken to its logical conclusion, the Specter amendment issues a blanket invitation to the President to use force anywhere, at anytime—unless Congress makes a statement to the contrary.

I believe the Constitution already makes such a statement. The President has no inherent authority to use force, except in certain limited circumstances, unless Congress provides it.

Mr. President, based on a similar vote that this body conducted on June 29, I expect that the Specter amendment will not be accepted. If that does occur, I urge the President and his advisers not to misinterpret the vote. It does not mean that Congress has given him a blank check to use force in Haiti. I believe strongly that the President has no such authority—and that he must come to Congress to seek it.

Mr. LIEBERMAN. Mr. President, I see the manager of the bill standing, and I will speak briefly. Responding to the Senator from Nebraska, the intention of the section (3) of this amendment is to make clear that what is being directed here is a lifting of the embargo. It would depend on later action as to whether the United States itself would transfer arms, but the intention of section (3) is to make clear that in no event are personnel of the United States military to become involved on the ground in Bosnia. This is not a war that the United States intends to, or should, fight.

The fact is that the Bosnian Moslems themselves, in appealing to us to lift the embargo and send them arms, have said we do not want your soldiers. They want the arms with which to defend themselves. Section (3) is meant to make this clear.

If, pursuant to other legislation or by act of the President as Commander in Chief, we decided to transfer arms to the Bosnians and train them, that would be done away from the battlefields—perhaps in Croatia, which is now aligned with Bosnia. We are talking about weapons, and we are specifically saying we are not talking about American soldiers fighting in the Balkans. It is not our fight in that sense. This section would prohibit the disposition and movement of American personnel to that battleground.

Mr. EXON. I Thank the Senator for that explanation. I will address that a little further, if I might.

It seems to me that we should be very careful. What I like about that part (3) is that it emphasizes, once again, what this Senator has always maintained—that under no circumstances should we be involved on the ground with troops in Bosnia, save some kind of a universal breakout of peace that we could be there for humanitarian assistance under United Nation's auspices. But I have always been against any kind of ground activity or involvement by the United States. So that is why I have been somewhat protective of the British, French, and others, who do have people in harm's way there.

I have often said to people who want to rush in there: Supposing we had troops under the auspices of the United Nations in Bosnia today and the Brits and French had none there, and the Brits and French were saying, "Lift the embargo" and we would be saying, "What are you talking about? Lifting the embargo would further expand the dangers to our people in harm's way." I guess, therefore, I have come to the realization that this is a reasonable proposal. That is why I am going on it.

In closing, let me say one other thing. I think this is a pretty historic time in history. The Senator from Delaware—and I do not know whether he was old enough to remember it or not—referenced Neville Chamberlain coming back after his historic meeting with Adolf Hitler, and he said that he had arranged peace in our time by the sellout of Czechoslovakia. I was a very young lad at that time, but I remember that very vividly. History has taught us that, if anything else, that was the forerunner to the certainty of World War II, which was a tragedy for mankind under any measurement.

I simply say that I think this is a time when the United Nations, the United States of America, our allies, including our new understandings with the former Soviet Union, and other peoples, had better recognize that unless some punishment is dealt, and dealt rather decisively, not with ground troops but with sustained bombings of Bosnian Serb positions, not just on the battlefield, but if we are going to pull out of there with lifting the embargo, then I suspect that we should be prepared to maybe try to teach the Bosnian Serbs a lesson with air power and air bombardment, not just on the front line, but on their military installations, their rail centers, their communication centers, their military depots, to try to do what we can, at some risk to our airmen, to destroy the war machine that I am very fearful will cut a bloody path—more bloody than in the past—against the Bosnian Moslems, unless we are prepared to take action.

If that happens and if, because of our action, or lack thereof, the world will see the United Nations, the NATO alliance, and everyone standing by while an evil nation like the Bosnian Serbs grab off and kill and destroy further, I think it might send a very unfortunate signal to the people of the world in other spots in the world today—for pointed reasons I will not mention—but I think are known to all, that the United Nations, the NATO allies, and the United States is not a paper tiger, and we can do anything we want and we can get by with it, as evidenced by their failure in Bosnia. I think we are doing historic things here, and I hope that everyone realizes and recognizes that just by unilaterally lifting the embargo, we have not washed our hands of the situation, and say look we won and go home.

With that, I am pleased to be a cosponsor of the amendment, and I thank the Senator from Connecticut and the Senator from Kansas, and others, for crafting this which I think, given the circumstances that we face now, is a good amendment.

The PRESIDING OFFICER. The manager of the bill is recognized.

Mr. HARKIN. Mr. President, I have a colloquy I am going to enter into with the very patient Senator from Idaho, who has been waiting a long time, after which I will propound a unanimous-consent request dealing with the amendments as remain on the Labor-HHS bill.

So, Mr. President, I will now at least enter the colloquy with my colleague from Idaho.

LABOR DEPARTMENT REGULATIONS

Mr. HARKIN. Mr. President, during committee consideration of this legislation an issue came to my attention regarding a Department of Labor safety regulation—Hazardous Occupation Order No. 12. It was adopted in 1954 and prohibits 16- and 17-year-olds from loading or operating balers—the machines used to compress and bundle waste paper or cardboard destined for recycling.

It has been suggested that the safety of certain balers has increased greatly because safety design standards have been developed since HO 12 was adopted 40 years ago. It has been suggested that HO 12 should be modified to allow teenagers to load balers that meet American National Standards Institute Safety standards. It has also been suggested that these new balers cannot be operated during the loading process. But there has never been a review of baler safety along with an analysis of accident data to see if the regulation can be updated to reflect the design improvements.

The safety of young workers is very important to all of us and their welfare should not be compromised. But ongoing enforcement of HO 12 has led to very heavy levels of fines in the grocery industry, to the point of where they say they are reluctant to hire teenagers. This concerns me. We all know how job opportunities for young Americans are badly needed. I want to get to the bottom of this issue to see whether modern balers still pose risks.

The Department does have underway an advance notice of proposed rulemaking covering all the hazardous occupation orders. The report accompanying our bill contains the committee's request that the Department let us know within 90 days whether or not it intends to move ahead with a formal review of HO 12. We look forward to that report. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I wish to commend Chairman HARKIN for the inclusion of the committee report language on Hazardous Occupation Order No. 12. This is an important issue for me because I have been hearing about this issue from grocery store owners from my State of Idaho for several years.

A thorough review and revision of this regulation is long overdue. However, I am concerned that we are likely to see more fines being assessed against employers who earnestly are doing everything possible to provide a safe working environment. This is going on right now in Georgia, Tennessee, and elsewhere, and I am concerned about the unfairness of questionable enforcement continuing during the entire regulatory review process.

If we are serious about trying to encourage job opportunities for young people in the supermarket and other industries, I suggest that DOL should not impose fines, with respect to minor employees who are loading paper and cardboard into balers or compactors which meet current safety standards.

Under the most current industry safety standards issued by the American National Standards Institute, modern balers and compactors work just like the microwave ovens or trash compactor in the kitchen of the typical American home. If the door is open, and items are being loaded or removed, a lockout-interlock system prevents the machine from operating. You can not turn it on unless the door is closed.

Obviously, workplace safety is of the utmost importance. But safety is not promoted by imposing fines in circumstances where there is no risk of injury.

It is true that DOL has solicited public input about possible changes to the entire, broad range of child labor regulations. This, however, is no guarantee that DOL will focus specifically on HO 12.

Back in 1992, I contacted both DOL and the White House and had received assurances from the previous administration that HO 12 would be reviewed and revised. Nothing happened. I do not want history to repeat itself.

I was prepared to come to the floor today and offer an amendment barring DOL from using appropriated funds to impose fines under the limited circumstances we have been discussing, until DOL has completed rulemaking to revise HO 12.

However, the language in the committee's report is a step in the right direction. Both the House and Senate committee reports on this bill include time-certain expectations for action by DOL in addressing this issue and appear to promise aggressive followup. This seems reasonable and fair, and I look forward to working with the chairman as this matter progresses.

HEALTH CARE

Mr. CRAIG. Mr. President, very briefly on another matter in a colloquy moment or two ago by the majority leader and the Republican leader about health care, there was a mention that the Senator from Texas had used the term "Gestapo tactics." He did not. And he spoke to that issue.

In a press interview yesterday afternoon, I questioned with great concern a terminology and a proposal inside the Clinton-Mitchell health care bill that spoke to fraud squads. I said if these were not properly regulated clearly Gestapo-like tactics that had been used by other Federal agencies over time to break into private property and to demand the opening of books for certain purposes that once appeared to be legitimate could occur.

I did use that term and I meant it out of real concerns as we discuss these tactics and these bills and these very critical pieces of legislation that we are extremely cautious we do not give Federal agencies priority and responsibility in enforcement well beyond what they should have. That is where that term may have appeared in certain press releases.

I thank the chairman for yielding.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The manager of the bill is recognized.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HARKIN. I yield.

Mr. DOLE. I wonder if following the unanimous-consent request the Senator from Washington may be recognized on another matter for 5 minutes.

Mr. HARKIN. It is my intention after asking unanimous consent for this to ask that the Senate proceed in this morning business.

Mr. SPECTER. Mr. President, I had intended to make a brief comment about the health care issue. I understand my colleague from Washington has a plane to catch. I will defer to him. In fact, if he has a plane to catch let him speak now.

Mr. HARKIN. Let me complete this. It will not take 3 minutes.

Mr. GORTON. I am happy to wait.

Mr. DOLE. Could I say further I wanted to add Senator HATCH as a cosponsor of the Dole-Lieberman amendment? I say to colleagues we were prepared to vote today. We were informed there would be no more votes after 4 o'clock. We are prepared to take this up. If the DOD bill is coming up it may be offered on that bill rather than Labor-HHS.

The PRESIDING OFFICER. The manager of the bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that the following amendments be the only floor amendments remaining in order to H.R. 4606, the Labor, HHS appropriations bill; that they may be offered in the first or second degree, if offered to an excepted committee amendment; that other second-degree amendments be in order provided they are relevant to the first degree to which offered; provided further that upon disposition of the amendments, any remaining excepted committee amendments be agreed to, the bill be read a third time and the Senate then vote on passage of the bill; that upon disposition of H.R. 4606, the Senate insist upon its amendments, request a conference with the House on the disagreeing votes of the two

Houses, and that the Chair be authorized to appoint conferees, with the above occurring without intervening action or debate; that all floor amendments must be offered by 12 noon on Monday, August 8; that 10 minutes prior to that time Senator SPECTER be recognized to offer amendments to Republican Senators who are on the list and have not had a chance to offer; and that 5 minutes prior to that time Senator HARKIN be recognized to offer amendments of Democratic Senators who have not had a chance to offer.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

Mr. SPECTER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I ask unanimous consent that the list be amended by adding an amendment by Senator BOND.

Mr. HARKIN. No objection.

Mr. SPECTER. Mr. President, I had started to engage the majority leader in a discussion when he said he had to check the list and would be back. The unanimous-consent request is being propounded by the chairman. So I will not make my comments now in light of the fact that the Senator from Washington and the Senator from Texas are to catch planes, but I will seek recognition at the conclusion of their statements to make the comments that I had intended to make in the presence of the majority leader.

The PRESIDING OFFICER. Is there any objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I send a list to the desk.

The list is as follows:

LABOR/HHS REPUBLICAN AMENDMENTS

Nickles—Relevant.
Hatch—Vitamins.
Bond—Relevent.
Coats—(1) relevant, (2) relevant, (3) relevant.
Gregg—Labor, Education, relevant.
Grassley—refugees, HHS IG.
Jeffords—(1) relevant, (2) relevant, (3) relevant.
Gorton—relevant.
Specter—(1) relevant, (2) relevant, (3) relevant.
Kassebaum—(1) relevant, (2) relevant, (3) relevant.
Domenici—character counts.
Stevens—(1) relevant.
Hatfield—relevant, waivers.
Kempthorne—(1) relevant, (2) relevant.
Cohen—relevant.
Gramm—(1) relevant, (2) relevant.
Wallop—relevant.
Packwood—waivers.
Helms—(1) relevant, (2) relevant.
Dole—Bosnia.
Dole or designee—(1) relevant, (2) relevant.
Warner—PBS.
Bond—relevant.

DEMOCRATIC AMENDMENTS TO H.R. 4606

Bumpers—relevant.
Byrd—(1) relevant, (2) relevant.
Dodd—relevant.
Glenn—HHS IG.
Harkin—(1) relevant, (2) relevant, (3) relevant, (4) relevant, (5) managers package.
Kennedy—refugee.
Kohl—relevant.
Metzenbaum—(1) relevant, (2) relevant, (3) pensions.
Mitchell—(1) relevant, (2) relevant, (3) Bosnia.
Graham—immigrant education.
Nunn—(1) floods, (2) floods.
Pell/Nunn—relevant.
Riegle—relevant.
Wellstone—(1) relevant, (2) relevant.

FISCAL YEAR 1994 LABOR/HHS/EDUCATION BILL

Mr. HATFIELD. Mr. President, I join the chairman and ranking member of the subcommittee in supporting H.R. 4606, the Labor, HHS, and Education appropriations bill for fiscal year 1995 that is before the Senate today. I want to take this opportunity to thank Senators HARKIN and SPECTER, as well as the other members of the subcommittee, for once again bringing before the Senate such a well-balanced bill under very tight budget constraints.

H.R. 4606 contains $252.8 billion, including $69.9 billion for discretionary programs, and encompasses a wide range of services which will benefit the people of this Nation through improving job opportunities, enhancing educational excellence, advancing medical research, and expanding health services. It is no easy task to reconcile the competing human service needs facing the chairman and ranking member, but they have done an admirable job. Let me take this opportunity to highlight some of the critical program recommendations of the bill.

DISLOCATED WORKERS

Dislocated workers in Oregon and the Pacific Northwest will benefit from a needed increase in Federal assistance for job retraining. The bill recommends $1.3 billion for title III of the Job Training Partnership Act to assist States and localities in providing retraining assistance to dislocated workers. This is an increase of nearly $178 million over last year. These funds are essential for the Pacific Northwest, which has so many communities facing an uncertain economic future due to changes in Federal environmental policies.

On May 31, 1994, I chaired a special hearing of the Appropriations Committee in Portland, OR. The hearing examined issues surrounding the dislocated worker retraining programs and the administration's proposed Reemployment Act. Every witness reiterated the message that greater flexibility in the Economic Dislocation and Worker Adjustment Act [EDWAA] is needed in order for States and communities to deliver efficient and effective readjustment services under the act. Greater flexibility in the provision of needs-based payments was particularly emphasized.

Clearly, issues of flexibility will be addressed during consideration of the proposed Reemployment Act later this year, or during the next session of Congress. However, as an interim step, the committee included language in the bill at my request which amends provisions in EDWAA to make it easier for States to provide needs-based payments to workers involved in long-term training programs. These changes are effective during fiscal year 1995 only. Coupled with the funding increase, the language in the bill will help promote the expansion of services for dislocated timber workers throughout the Northwest.

BIOMEDICAL RESEARCH

The bill before us today contains $11.3 billion to support the National Institutes of Health. The funds will support research into the causes, treatment, and cures of the vast array of diseases and illnesses, many of which are only beginning to be understood. These funds are the best medicine for fighting the fiscal and medical diseases which plague our health care system.

H.R. 4606 includes increases of at least 3 percent for all the NIH institutes and centers to enable medical research in all the disease areas to move forward. As the Congress moves toward enactment of comprehensive health care reform legislation, I believe it is essential that an aggressive medical research program be maintained as a central mechanism for controlling the costs of health care. A cure is the ultimate in cost control, and the NIH is the Federal entity which supports research.

ALZHEIMER'S DISEASE

For several years now, I have urged the Senate to embark on a national program to rid this country of the scourge of Alzheimer's disease, a disease that affects 4 million Americans and costs $90 billion annually. I have set an annual goal of $500 million, the amount scientists say is needed for a full scale attack on this dread disease. Funding for research on Alzheimer's disease has nearly doubled since 1990, rising from $146.1 million in 1990 to $302 million in 1994. I am pleased to report that this investment is beginning to pay off. Earlier this year, startling developments were announced regarding a potential genetic link to Alzheimer's disease. If confirmed in subsequent studies, this opens up enormous opportunities for advancing understanding and treatment of this disease.

RARE DISEASE RESEARCH

Mr. President, cancer, diabetes, AIDS, and heart disease are well known to most Americans as threats to a healthy society. But what about terms such as Marfan's syndrome, epidermolysis bullosa, Fanconi anemia, and ectrodactly-ectodermal dysplasia-clefting syndrome [EEC]. These are rare diseases, unknown to the vast majority of us, unless we suffer from them or know someone who suffers from them. A rare, or orphan, disease affects fewer than 200,000 Americans. Rare diseases are equally as devastating as the more common disorders. But there is a greater lack of hope for those who suffer from the 5,000 different rare diseases because little or no research is being undertaken into their causes, treatments, and cures.

With the establishment of the Office of Rare Disease Research at the NIH, a small step has been taken to begin to develop a strategy and coordinated research effort to tackle the enormous task of rare disease research. H.R. 4606 builds upon this step by appropriating $1 million over the level requested in the budget for the NIH Office. These funds will enable the Office to move ahead with implementation of the clinical data base, to support scientific workshops and symposia to stimulate rare disease research, and to support the planning and operational activities of the Office. I believe much more needs to be done, and therefore I have introduced legislation, S. 1203, to establish a Center for Rare Disease Research at the National Institutes of Health. But, the additional funding in this bill will help further the goal of expanding and better coordinating research on rare disorders until my legislation can be enacted.

RURAL HEALTH

Rural health care systems face a number of unique barriers in their struggle to provide quality health care to their communities. Geographic isolation, a shortage of care providers, and an unusually large number of elderly and uninsured patients, are particular problems of rural communities.

On two occasions over the past 18 months I have examined the problems of rural health care when I chaired special hearings of the Appropriations Committee in Oregon on rural health care. The hearings examined the existing Federal public health programs serving rural residents and explored how our national investment in health care reform might most effectively meet the needs of rural America. Nearly all of the testimony received stressed the importance to rural communities of Community and Migrant Health Centers, Rural Health Outreach Grants, the National Health Service Corps, and Area Health Education Centers Program. The bill before the Senate today recognizes the importance of these programs and recommends $207 million for fiscal year 1995.

AIDS

Mr. President, few could argue with the fact that AIDS, a disease that was virtually unheard of a dozen years ago, continues to plague our society. The bill includes $2.58 billion to continue the strong commitment to research, prevention, and treatment programs to fight this dread disease. Included is an increase of $54.3 million for the AIDS services programs authorized by the Ryan White CARE Act, including a $31 million increase for title I. These funds are particularly important to Oregon, since it is expected that Portland will become eligible in fiscal year 1995 for funding under title I of the act.

WOMEN AND CHILDREN

One of the most important aspects of the bill before the Senate is the extent to which it enhances our investment in programs serving women, children, and families. Included in the bill is $3.5 billion, an increase of $220 million for Head Start. This is another step towards expanding the program in order to provide Head Start to all eligible children.

To build upon recent improvements in our Nation's immunization record, the bill includes $888.4 million for the National Immunization Program of the Centers for Disease Control and Prevention. These funds will be used, not only to purchase the necessary vaccines, but to improve local vaccine delivery infrastructures and to implement essential immunization outreach and tracking programs in communities throughout the country.

Also, the bill continues to build upon the committee's commitment to augment funding for domestic violence programs. Just 3 years ago, funding for the Family Violence Program totaled $10.7 million. H.R. 4606 includes $32.6 million for the Family Violence Program, an increase of $5 million over fiscal year 1994. In addition, additional funding is provided to the Centers for Disease Control and Prevention to continue the development of a national program to prevent violence against women and children.

These are just a few examples of the programs in the bill which serve women and children. Other programs, such as, the Maternal and Child Health Block Grant, the Child Care Block Grant, and Women's Health Study at the NIH, continue under the committee's recommendation.

HUMAN SERVICES

The bill also includes additional funds for services to some of the most vulnerable members of our society. A total of $393.5 million is recommended for the Community Services Block Grant Program, an increase of $8 million over last year. These funds will assist over 900 community action agencies in providing a wide array of services to foster low-income individuals in becoming self-sufficient, and to alleviate the very causes of their poverty in their communities.

Funding is also maintained for the domestic refugee resettlement programs of the Department. These programs provide critical resources to States, voluntary agencies, and mutual assistance associations to help refugees become self-supporting productive members of society. Refugees face substantial language and cultural barriers when they resettle in this country. The delivery of subsistence, medical, and employment services within the first 12 months of arrival is essential for effective resettlement.

EDUCATION

Mr. President, our hopes for maintaining a leadership role in the global market and our requirements for economic growth hinge upon our education system. It is not enough to simply provide tax incentives for investments in plants and equipment. We must also be willing to invest in human minds as well. We must continue to provide our children with the educational opportunities and technologies to help them meet world class standards. H.R. 4606 includes a total of $27.1 million to help States, local education agencies, colleges, universities, and other education entities in educating our Nation's students. This is $878 million above the amount provided in fiscal year 1994.

URBAN GRANTS

Mr. President, many of the urban universities across the Nation contribute to the needs of the cities in which they are located. To help these universities in this effort, this bill contains $13 million, an increase of $2.3 million over the fiscal year 1994 level, for the Department of Education's Urban Grants Program. This program supports grants to urban universities to encourage community involvement in solving education, health, crime and economic development problems of their particular urban area.

In closing, Mr. President, I again want to thank the distinguished chairman and ranking member of the subcommittee, Mr. HARKIN and Mr. SPECTER, for their cooperation and support.

THE FISCAL YEAR 1995 LABOR, HEALTH, AND EDUCATION APPROPRIATIONS BILL, H.R. 4606

Mr. SASSER. Mr. President, the Senate Budget Committee has examined H.R. 4606, the fiscal year 1994 Labor, Health and Human Services, Education, and Related Agencies appropriations bill and has found it to be under its 602(b) budget authority allocation by $2 million and that it meets its outlay allocation exactly.

Mr. President, I have a table prepared by the Budget Committee which shows the official scoring of H.R. 4606, the Labor, Health and Human Services, Education, and related agencies appropriations bill and I ask unanimous consent that it be inserted in the RECORD at the appropriate point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SENATE BUDGET COMMITTEE SCORING OF H.R. 4606, FISCAL YEAR 1995 LABOR, HHS, AND EDUCATION APPROPRIATIONS—SENATE-REPORTED BILL

[In millions of dollars]

Bill summary	Budget authority	Outlays
Discretionary totals:		
New spending in bill	68,206	28,117

SENATE BUDGET COMMITTEE SCORING OF H.R. 4606, FISCAL YEAR 1995 LABOR, HHS, AND EDUCATION APPROPRIATIONS—SENATE-REPORTED BILL—Continued

[In millions of dollars]

Bill summary	Budget authority	Outlays
Outlays from prior years appropriations		39,953
Permanent/advance appropriations	1,771	1,769
Supplementals	0	−20
Subtotal, discretionary spending	69,976	69,819
Mandatory totals	196,154	195,904
Bill total	266,130	265,723
Senate 602(b) allocation	266,132	265,723
Difference	−2	0
Discretionary totals above (+) or below (−):		
President's request	−1682	−501
House-passed bill	312	1
Senate-reported bill		
Senate-passed bill		
Defense	0	0
International Affairs	12	11
Domestic Discretionary	69,965	69,808

Mr. COCHRAN. Mr. President, I would like to commend the distinguished Chairman of the subcommittee, Mr. HARKIN, and the distinguished ranking member of the subcommittee, Mr. SPECTER, for their leadership in producing the Labor-Health and Human Services-Education and related agencies appropriations bill for fiscal year 1995. It reflects a fair and balanced allocation of funds made through difficult decisions among many meritorious programs.

As a member of this subcommittee, I am well aware of the difficulties in choosing among the programs that fall under its jurisdiction. Programs administered by the Departments of Labor, Health and Human Services and Education do much to strengthen the economic competitiveness of our Nation and contribute to the enrichment of our society.

I am pleased to note that this bill increases funding for Department of Education programs to $27.4 billion, a 3.5 percent increase over last year. Significant increases are provided for those educational programs with the greatest impact on children and adults who need extra assistance in order to help them reach their full potential, teacher training programs designed to enhance teacher ability to offer the best instruction, and innovative technology programs to improve student learning opportunities.

In particular, the Committee has included $50 million for Educational Technology, the new technology program authorized as part A of title III of the Improving America's Schools Act of 1994, S. 1513.

This new program includes most of the provisions of the Technology for Education Act, S. 1040. I was pleased to join as an original sponsor of this legislation with Senators BINGAMAN and KENNEDY earlier this year. This educational technology program is intended to promote equal access for all elementary and secondary students to the educational opportunities made available through advances in technology.

At least 50 percent of the educational technology funds provided are to be used to assist State and local programs in purchasing technology resources for those schools showing the greatest need, obtaining technical assistance, and supporting professional development. The remaining funds will strengthen the Federal leadership role in promoting the integration of technology into the kindergarten through 12th grade classrooms and coordinating educational technology with the emerging national information infrastructure.

The committee has also provided $3.2 million for a program that has greatly enriched learning opportunities for our Nation's students. The national writing project provides teachers of every discipline, from kindergarten through college, with an opportunity to participate in summer and in-school writing clinics to help improve the teaching of writing in our Nation's schools and to emphasize the importance of writing in a student's ability to think and learn. In 45 States, Federal funds are used to support the national writing project's 160 sites which are affiliated with institutions of higher education.

For every Federal dollar invested in the writing project, five additional dollars are leveraged from State, university, school district, and other sources. Last year, 105,029 teachers participated in the program at a cost to the Federal government of $18.34 per teacher. Over 7 million students of all ethnic and linguistic backgrounds were challenged to write more effectively through their classroom teachers' expanded teaching and writing skills. In a single year, 18 percent of the Nation's K–12 public school students benefited from this Federal investment, which amounts to 34 cents per student.

Other educational priorities of this bill include:

The Chapter 1 Program funded at $7.2 billion, over $300 million more than last year.

The sum of $10 million for the Ready to Learn Television as Teacher Act to support the development of quality preschool education television programs and written materials for use by parents and day care providers.

The sum of $33 million for the Star Schools program to give more students in rural areas the opportunity to participate in courses that would be not be available without distance learning technology—a $7 million increase over last year's level. Through 6 years of increased funding for Star Schools, children in some of the most remote and disadvantaged schools in Mississippi, and all over the country, have had an opportunity to study such subjects as Japanese and advanced physics taught by some the Nation's best teachers.

The sum of $3 million for the telecommunications demonstration project, "Mathline," authorized in title II, part E of the Improving America's School Act to improve the teaching of mathematics by making available teacher training in the use of a new curriculum-based telecommunications infrastructure.

Other education programs that are particularly important to my State include Library Literacy programs; the Even Start, Family Literacy Program; Foreign Language Assistance; Tech Prep Education and College Campus-Based Student Financial Aid programs.

In the area of Health and Human Services, the Committee has provided additional funding for the State Offices of Health to continue its outreach efforts to health providers living in rural areas. The State Offices of Rural Health's activities include: examining rural health care delivery and recommending improvement in quality and cost effectiveness; assisting in the recruitment and retention of health professionals; providing technical assistance to attract more Federal, State, and foundation funding for rural health; and coordinating rural health interests across the State. These offices serve a vital role in recruiting health-care professionals and coordinating the delivery of health services in rural communities, and I am pleased that our committee provided $5 million for the State Offices of Rural Health program in fiscal year 1995.

I also appreciate the efforts of the committee in directing the National Center for Research Resources to increase its funding for the IDEA Program over the 1994 level.

I am encouraged by increases in funding for cardiovascular diseases, including stroke, and diabetes.

I am pleased the committee has been able to propose funding for the Corporation for Public Broadcasting of $330 million. This will enable Federal support to continue at current services levels to America's public television stations and radio stations. Federal contributions account for only 14 percent of the funding for public television and they continue to do a good job at raising private and corporate support. I am supportive of the increased educational focus the Corporation for Public Broadcasting has demonstrated recently in the programming it supports, particularly in the area of preschool education.

This bill represents a commitment to education and the future of our Nation's young people. It has been carefully and thoughtfully written to make the best use of Federal resources in a time of tight budgetary constraints. Many important and worthy education and health programs are expanded by this legislation and others that have outlived their usefulness have been eliminated.

I urge other Senators to join me in support of this legislation.

FISCAL YEAR LABOR/HHS/EDUCATION APPROPRIATIONS BILL

Mr. SPECTER. Mr. President, I join the distinguished Senator from Iowa, the chairman of the subcommittee, in supporting the Labor-HHS and Education bill that is before the Senate today. Due to the budget constraints that the subcommittee faced, it was not possible to provide all of the increases that we would have liked, but the recommendations will go a long way in addressing the health, education, and employment needs of this country. I want to take this opportunity to thank the distinguished Senator from Iowa and commend him for his hard work and his willingness to accommodate the many requests received from Democratic and Republican Senators.

The funding in this bill addresses a wide array of programs—from the educational needs of children from preschool through college to training and retraining this Nation's work force, immunizing our children, confronting the problem of teen pregnancy, AIDS, and the causes and cures of disease. Collectively, the programs in this bill will address many of the present needs of this Nation's people and an investment in our future.

The bill before us today is the largest appropriation bill to come before the Senate with a total of more than $252.9 billion, including $69.9 billion in discretionary spending.

I would like to highlight some of the areas that are of particular importance to me.

LIHEAP

The Low Income Home Energy Assistance Program is of vital importance to the people of the Commonwealth of Pennsylvania. Funding for this program supports grants to States to deliver critical assistance to low-income households to help meet the high cost of heating and cooling their homes. This bill maintains $1.385 billion for the 1994–95 winter. In addition, the bill contains $1.475 billion in advance funding for the 1995–96 winter program. Finally, $600 million is provided for the emergency contingency fund to be released in the event the President submits a budget request declaring all, or a portion of these funds as an emergency.

The recommendations in the bill maintain the Committee's commitment to the LIHEAP program. Under the level proposed in the President's budget, as many as 250,000 households would have lost assistance. Most of the residents of these households are elderly, disabled and/or poor. For example, 82 percent of LIHEAP households in Pennsylvania have incomes less than $10,000 annually and 34 percent have elderly residents. In Philadelphia alone, 71,000 families have incomes of $5,000 a year or less and spend 40 percent of their incomes on energy costs.

FAMILY VIOLENCE

I recently visited shelters for battered women in Harrisburg and Pittsburgh. One woman told me that she had just 9 days to find affordable housing for her and her 2-year-old son, or she would have had to return to her abusive spouse. The O.J. Simpson case has brought the incidence of domestic violence into the public eye. But unfortunately, family violence is not a rare occurrence. Last year alone, an estimated 4 million women were beaten by their husbands or partners. Battering is the single largest cause of injury to women in the United States, and medical costs associated with those injuries are estimated to be $3.5 billion annually. To prevent the incidence of family violence and provide immediate shelter to victims and their families, the bill includes $32.6 million, an increase of $5.2 million over the fiscal year 1994 amount. To complement the recently launched public education campaign, $1 million has been included to expand community education and outreach activities by providing education and training sessions for community leaders and law enforcement personnel. The bill also provides $750,000 for a national conference on violence, including domestic violence, to explore promising and proven effective prevention interventions.

TEENAGE PREGNANCY

When one talks of the social ills in America today, the high number of births to teens is always at the top of the list. Each year in this country, over one million teenagers become pregnant, and more than 80 percent of these pregnancies are unintended. The costs associated with teen births is staggering. Estimates of the cost of AFDC, Medicaid, and Food Stamps to support families begun by teens, totals over $25 billion annually. Because teen moms are less likely to eat nutritiously or to get prenatal care, and are more likely to smoke and drink than other mothers, they are also more likely to give birth to low-birthweight children. It is a human tragedy for a child to be born weighing 16 ounces with attendant problems which last a lifetime. I first saw a 1-pound baby in 1984, and I was astounded to learn that Pittsburgh, PA, at that time, had the highest infant mortality rate of African-American babies of any city in the United States. It was an amazing thing for me to see a 1-pound baby—about as big as my hand.

Beyond the human tragedy of low-birthweight there are financial consequences. In 1990, the hospital-related costs for caring for low-birthweight newborns totaled more than $2 billion, or an average of $21,000 per infant. And in infants of extremely low-birth weight, hospital costs often exceed $150,000.

To begin to address the issues of teen pregnancy prevention and the consequences of low-birthweight children, the bill includes $221.5 million for programs involved in pregnancy prevention, an increase of $23 million over the 1994 appropriation. These funds will support teen pregnancy prevention education, counseling, and services for young men and women. Included is $13.4 million for comprehensive school health education programs to arm students with the knowledge and skills to make informed decisions about health habits and behaviors. Also included is $6 million for the Centers for Disease Control and Prevention for a new teen pregnancy prevention demonstration program. The program will provide grants to localities for the development of community partnership coalitions for the prevention of teen pregnancies.

BIOMEDICAL RESEARCH

The bill before us contains $11.3 billion for the National Institutes of Health, an increase of $395.7 million above the fiscal year 1994 appropriation. The funds recommended will continue the tremendous progress made in the development of treatments and cures for diseases that afflict so many Americans. The increase provided will enable scientists to pursue the most promising avenues of research into diseases such as diabetes, heart and circulatory disorders, Alzheimer's, cancer, Parkinson's, and other neurological illnesses. Funds will also continue the great advances made toward the completion of a detailed map of the human genome. In addition, funds will support promising work in the field of gene therapy.

On May 9, 1994, I visited with researchers involved in gene therapy at the University of Pennsylvania. They reported to me on the substantial advances in the development of gene therapies for reducing cholesterol levels in persons with hypercholesterolemia, and for providing relief to persons suffering with cystic fibrosis. Bringing these breakthroughs to clinical application will yield wondrous results which will alleviate human suffering, prolong life, and produce savings in the medical costs required by these chronic diseases.

BREAST CANCER

Breast Cancer—words that every woman hopes that she will never hear from her physician. It is estimated that during the decade of the 1990's, more than 2 million women will have been diagnosed with the disease and that 460,000 women will have died of it. Although women diagnosed in the early stages of the disease have a 5-year survival rate of 93 percent, women who have been treated for breast cancer can never be assured that it will not recur. Scientific advances have raised hopes of prevention, but to date no proven methods have been found. Since 1989, when I became the ranking member of this subcommittee, breast cancer research has risen from $80.4 million to an estimated $350 million included in this bill for fiscal year 1995.

The number of women who have ever had a mammogram increased to 74 percent in 1992, from 64 percent in 1990. However, the increase is not spread evenly across all groups of women. The major increase occurred among white women with incomes of over $25,000 per year. Efforts of the American Cancer Society, women's health groups, and even equipment manufacturers, to educate consumers, and of professional groups to educate physicians, are probably responsible for much of the screening increase. The bill also provides $100 million, an increase of $21.9 million over the previous year's funding, for breast and cervical cancer screening. The increase provided will expand the number of States with comprehensive programs to educate and screen women at risk for developing breast and cervical cancer. A combination of annual clinical breast examinations and mammography can reduce breast cancer mortality by more than 30 percent for women ages 50 to 74.

ALZHEIMER'S DISEASE

This bill also addresses one of the most devasting health problems confronting this country—Alzheimer's disease. We have invested approximately $311 million to support the most promising avenues of research on a disease that has already stricken over 4 million Americans, and threatens millions more in the years ahead.

AIDS

This bill contains $2.589 billion for research, education, prevention, and services to battle AIDS. This amount represents an increase of $107.7 million over the amount appropriated last year. Included in this amount is $356.5 million to provide grants to metropolitan areas hardest hit by this disease. A total of 34 cities were served with last year's funds and with the additional funds provided in fiscal year 1995, 3 to 7 new cities will be served.

For pediatric AIDS demonstration grants to support collaboration between institutions and community based providers of underserved children, youth, pregnant women, and their families, the bill provides $26 million, an increase of $4 million over the level provided in fiscal year 1994. Because of their unique vulnerability, infants suffering from AIDS require specially tailored approaches for treatment, prevention, and care. The funds provided will continue the existing pediatric and adolescent AIDS demonstration projects.

MENTAL HEALTH

Each year, more than 40 million adults in the United States, experience one or more mental disorders. In addition 8 million children are tormented with serious emotional disturbances. The direct and indirect costs of these illnesses have been estimated to cost over $148 billion each year. The bill contains $412.6 million to prevent and treat mental illness and minimize the disabilities associated with these illnesses. In addition, the bill provides $633.8 million for the National Institute of Mental Health to support research on the prevention and treatment of mental illness.

SUBSTANCE ABUSE PREVENTION AND TREATMENT

Substance abuse continues to be a national public health problem contributing to the incidence of violence, auto collisions and accidents on the job. Drug abuse also greatly increases the number of low-birth weight infants, the incidence of HIV-AIDS, and mortality rates. The societal costs associated with substance abuse is substantial, contributing to increased crime, health care costs, interdiction, and lost productivity of the Nation's work force. For prevention and treatment programs the bill includes $1.7 billion, an increase of $44 million over the fiscal year 1994 appropriation.

EDUCATION

To strengthen our educational system and expand higher education opportunities for young adults, the bill provides $27.4 billion.

Funding for programs to improve education for disadvantaged children is increased $321.7 million over the previous year's level, to a total of $7.2 billion. Included in this amount is $102.1 million for even start, a program which combines early childhood education, adult literacy, and parenting skills. Also included is $41 million for disadvantaged children attending private schools.

The bill provides $6 million in first-time funding for the charter school program. These public schools, formed by teachers, parents, and other members of the community, are exempt from many of the Federal, State, and local regulatory requirements. In exchange for enhanced flexibility charter schools will be required to develop specific plans to enable students to meet challenging State performance standards. Private management companies are operating in some States where charter school legislation has been enacted, giving these companies and local education agencies the opportunity to try new and innovative approaches to education reform.

To increase the education opportunities for college bound youth, the bill recommends $7.6 billion for student financial aid, including $6.2 billion for the Pell Grant Program. The maximum Pell grant is also increased $40 over the fiscal year 1994 amount to $2,340. The bill also restores the $210 million in cuts proposed by the President for campus-based aid programs.

There are approximately one million men and women incarcerated in prisons, jails, and juvenile facilities in this Nation. Seventy-five percent of those incarcerated do not have a high school diploma and most have few marketable skills or work history. It is my belief that criminal offenders, especially juvenile and first and second offenders, should be given the chance at rehabilitation and gainful employment. That chance can only come through education. To address the educational needs of prisoners, the bill includes $118.6 million. Within that amount $40 million is included for the neglected and delinquent program which provides educational opportunities for youth in juvenile and adult corrections facilities, $5.1 million to improve the literacy skills of prisoners, $38.7 million for substance abuse prevention and treatment for criminal justice populations, and $34.8 million from funds set aside within the adult and vocational education programs.

The bill also restores $44.5 million in funding for library programs that the administration proposed to decrease or eliminate. This brings the total amount available for library programs to $147.5 million, an increase of $1.2 million above the amount appropriated in fiscal year 1994.

In closing, Mr. President, I again want to thank Senator HARKIN and his staff and the other members of the subcommittee for their cooperation in a very tough budget year.

Mr. ROCKEFELLER. Mr. President, I want to commend the Senate Appropriations Committee for its efforts in this legislation to increase flexibility in existing worker retraining programs.

Changes in our economy result in dislocation and employment shifts, so workers often must retrain to keep pace. I am a cosponsor of the pending Reemployment Act, which is a comprehensive initiative to restructure our Federal retraining programs. But in the interim, I strongly support efforts to make the existing programs more flexible and responsive to the real needs of dislocated workers and their families.

This bill includes a small, but crucial provision to ensure that workers have at least 6 weeks after receiving a discretionary grant for training. This is a vital change because dislocated workers often cannot afford to enroll in retraining programs until they are confident that they will have Federal assistance and needs-related payments to help them pay rent and buy groceries while in retraining courses.

Current law for most retraining programs requires workers to enroll in training by their 13th week of unemployment benefits, regardless of when the dislocated workers secure federal retraining help or the timing of academic courses. Because of delays in approving grants, workers are sometimes notified of Federal assistance just days before the enrollment cutoff of the 13 weeks takes effect. In such cases, people may be shutout of the courses they want or not have time to find the right course to start them on a new career path. It is tragic when paperwork and regulations obstruct the true goals of our programs.

Modest changes proposed in the appropriations bill will ensure that workers have 6 weeks to enroll in courses once they know they qualify for Federal retraining assistance and can afford to go back to school. I offered a similar 6-week extension to the Federal training program established for workers dislocated by NAFTA, which was adopted by voice vote in the Senate Finance Committee and incorporated in the final legislation.

I am interested and involved in the technical details of worker retraining because of concerns raised by West Virginians who in these programs and struggling to cut through the paperwork and get the retraining they need to go back to work. People in my State want help getting a job, so I believe my job is to cut through Federal paperwork and regulatory rules that hinder effective use of Federal retraining programs. Provisions in this legislation are important clarifications to make our discretionary worker retraining grants more flexible and user friendly. This will really make a difference to dislocated workers and their families in West Virginia and across the country.

Mr. DOMENICI. Mr. President, I would first like to thank the subcommittee members for their work in identifying the priority funding needs under exceptionally tight budgetary conditions. It was impossible to accommodate all of the investment items sought by the President while still retaining many high priority items but the subcommittee has done extremely well in balancing competing priorities.

I would specifically like to thank the subcommittee chairman, Senator HARKIN, and ranking member, Senator SPECTER for their continued strong leadership on this important bill.

The Senate-reported Labor-HHS-Education bill provides $213.4 billion in budget authority and $176.5 billion in new outlays for the Departments of Labor, Health and Human Services, and Education and related agencies for fiscal year 1994. Of this amount, $68.2 billion in budget authority and $28.1 billion in new outlays is for discretionary spending. When adjustments are made for advance appropriations, prior year outlays, mandatories, and emergency contingency appropriations, the Senate-reported bill provides $266.1 billion in budget authority and $265.7 billion in outlays for fiscal year 1995.

The Senate-reported bill is below the subcommittee's section 602(b) allocation in budget authority by $1.6 million and at the subcommittee's section 602(b) allocation in outlays.

This bill has strong bipartisan support. It was reported from committee without dissent. I appreciate the subcommittee's responsiveness to Members' concerns and suggestions for funding priorities.

In particular, I appreciate the subcommittee's support of my request for funding Hispanic serving institutions. This program which provides special assistance to higher education institutions attempting to meet the needs of the Hispanic community. This is the first year this program has received funding and I thank the chairman for his support.

New Mexico has 13 schools that are classified as Hispanic serving institutions. Funds under this program could help these schools strengthen their educational programs, assist them in improving facilities and purchase educational materials.

I'd also like to thank the chairman for providing an almost $18 million increase for the work of NIMH. Included in the report is language that will direct additional funds above the House level to priority research under the "Decade of the Brain" initiative.

As a result of the efforts of this subcommittee, medical researchers, during this "Decade of the Brain" will make significant progress in understanding the brain, identifying the causes of serious mental illness, and developing effective treatments for these devastating illnesses.

This research is bearing fruit in our discussion of health care reform. There is a now a recognition that health care coverage for severe mental illness must be provided on an equitable basis with other physical illnesses.

Continuation of initiatives to assist the homeless are also critical, many of whom are victims of mental illness. I am pleased that the bill before us appropriates $29.5 million for PATH grants [Program to Aid the Transition from Homelessness], and $65.4 million for Health Care for the Homeless, an increase of $2.4 million above the 1994 level.

I would again like to thank the subcommittee chairman and ranking member, as well as the other members of this subcommittee, for addressing these important issues. I urge the adoption of the bill.

VACCINES FOR CHILDREN (VFC) PROGRAM

Mr. DASCHLE. Mr. President, as the Senate acts on the Labor-HHS-Education appropriations measure today, I want to call attention to a provision relating to the new Vaccines For Children [VFC] Program. As we all know, this program was enacted last year to make childhood immunizations available to Medicaid and uninsured children in private physicians' offices. The vaccines would be purchased by the Federal Government at the discounted price made available to the Centers for Disease Control [CDC]. By law, this program is to begin this October 1—only 2 months from now.

The administration has determined that it will use a new distribution system to get the free childhood vaccines to physicians' offices. This system will rely on the General Services Administration [GSA], its distribution facility and its contract with Federal Express. CDC has been working with GSA to get this new distribution system operational in time for the program to begin October 1, a highly ambitious undertaking. Real concerns have been raised that despite the administration's hard work and good intentions, the distribution system may not be ready on time. A recent report by the General Accounting Office confirms that significant obstacles may yet to be overcome in order for the VFC Program to be successful and timely.

Citing this GAO report, our colleagues on the Appropriations Committee have included language insisting that the administration certify the new distribution system is in good working order before any vaccines are shipped through it. I commend this well placed concern and the oversight of the committee. However, I am concerned that some aspects of the committee amendment may create new, additional obstacles to implementing the VFC program on time.

Specifically, the amendment requires the Secretary to certify not only that the new distribution is safe and effective, but that it is the absolute lowest cost option for distributing vaccines to children. The amendment further requires that this lowest-cost certification include evidence of bids solicited through a private sector competition. Unfortunately, the Federal Government's process of soliciting competitive bids, itself, takes months. This requirement, posed in this fashion, effectively guarantees that the VFC Program cannot open its doors to Medicaid and uninsured children on October 1. This raises grave concerns about how children will receive the immunizations to which they are entitled. We must not lose sight of this important priority.

Mr. President, once again, I appreciate the committee's efforts to safeguard a high quality, effective and efficient vaccine distribution system for the VFC Program. I strongly urge that we all take a much closer look at the most reasonable way to achieve this goal while doing everything possible to also ensure that the VFC Program is able to serve the Nation's children at the earliest possible date.

VACCINES FOR CHILDREN

Mrs. MURRAY. Mr. President, timely implementation of the Vaccines for Children [VFC] Program is essential. The program is a vital component of the President's childhood immunization initiative to eliminate all barriers to the appropriate immunization of children.

When Congress passed this program last year, we recognized that cost is a major barrier to the timely and appropriate immunization of our Nation's preschool children. I am delighted to see recent data show an improvement in the national immunization rate to 72 percent. However, we are still far from reaching our goal of immunizing 90 percent of our preschoolers on time. And, cost remains one of the major barriers to this goal.

In my home State of Washington, the universal system has been integral to the State's successful immunization strategy. Not only has this system made vaccines freely available to all children in their doctors' offices, but it also has enhanced the State's ability to develop a comprehensive immunization delivery system. Among other things, we will be able to develop more easily a statewide immunization registry to obtain up-to-date information about how well our children are protected from vaccine-preventable diseases.

States without universal purchase systems miss an opportunity to immunize children. In these States, families are referred to free public immunization clinics when they cannot afford the vaccines. This does not happen in Washington State. Consequently, the burden of public clinics in my home State is eased. They are able to serve more efficiently those children for whom the clinic is the usual source of health care. By providing physicians with federally purchased vaccines, the Vaccines for Children Program will allow States that do not have universal systems to similarly reduce the number of missed immunization opportunities and referrals of children to public clinics.

The interim report of the Government Accounting Office [GAO] regarding the VFC Program raised a number of valid concerns about the proposed Federal vaccine distribution center. However, it is my understanding that the U.S. Department of Health and Human Services [HHS] and the General Services Administration [GSA] are working with the Food and Drug Administration [FDA] to address these concerns and comply with relevant regulations to ensure vaccine safety. I also understand this can be done without delaying the start of this very important program. It is extremely important that obstacles not be placed in the way of the timely implementation of the Vaccines for Children Program.

VACCINES FOR CHILDREN

Mr. RIEGLE. Mr. President, I would like to briefly summarize the history of an important program designed to increase the immunization rates of our Nation's most vulnerable children.

Last year, after vigorous debate, the Congress enacted the Vaccines for Children [VFC] Program as part of President Clinton's childhood immunization initiative. Congress created the new program to remove existing barriers which prevent our most vulnerable populations, children up to 2 years of age, from receiving age-appropriate immunizations.

Barriers, while not always obvious, build on each other. Although 70 percent of uninsured children have private pediatricians, many of them are referred to public clinics due to costs. Public clinics, however, are overburdened, plagued by long lines and demands for acute care. National rates of immunization reflect these problems.

While our national goal is to reach a 90-percent immunization rate for the basic series of vaccines, 1993 national rates show coverage of only 72 percent by age 3. Although the rate increased dramatically from 55 percent in 1992, it was largely due to increased awareness from the measles resurgence between 1989 and 1991.

In an effort to increase immunization rates to 90 percent and provide children with affordable vaccines, the childhood immunization initiative created a new program—Vaccines for Children [VFC]. Under the Federal program, States can elect to receive pediatric vaccines purchased by the Centers for Disease Control [CDC] for federally eligible children. Currently eligible children include: Medicaid enrollees, the uninsured, American Indian or Alaska Natives, and the underinsured who receive immunizations at public health clinics. Program-registered public and private providers will receive pediatric vaccines from States at no charge.

CDC and the States will administer the VFC program, which will purchase and distribute vaccines to enrolled providers. The administration is currently planning to use the General Services Administration [GSA] to store and distribute vaccines while the CDC will negotiate prices with the manufacturers.

Unfortunately, the VFC program and its implementation is greatly misunderstood. Its opponents suggest that immunization rates have reached 90 percent, despite data which shows national immunization rates almost 20 percent lower. Relatively high immunization rates for specific antigens does not mean that children have received the appropriate combination of recommended vaccines. Also, immunization coverage in the United States is not spread evenly, resulting in large pockets of undervaccinated children and leaving over 25 percent of our children with inadequate protection.

Mr. President, a recent General Accounting Office [GAO] report regarding VFC implementation has added to program misconceptions. Although GAO identified certain areas which merit additional attention, including better preparation of the GSA warehouse for vaccine storage, they concluded that the Department of Health and Human Services [DHHS] will be able to safely and effectively implement the VFC program by the October deadline. At that time, participating providers will receive appropriate levels of vaccines, the distribution system will be functional, and many public and private providers will be enrolled. I would also like to note that the GAO evaluated the program's implementation despite the fact that the program has not yet been implemented.

Following the publication of the GAO report, the Senate Appropriations Committee accepted by voice vote an amendment regarding program implementation. The amendment would prohibit distribution of publicly purchased vaccine by the GSA until the Appropriations Committee certifies that the distribution system is adequately tested and licensed and the system is lower than the cost of private bids. Additional report language directs the DHHS to solicit private sector bids for storage and vaccine distribution.

Although I agree with several of the amendment's components, especially perfecting the distribution system, I have serious concerns with the overall restrictive nature of the amendment and specifically with its requirements regarding costs. In addition, I understand the amendment could raise constitutional problems and jurisdictional points of order. At this time, however, I will not subject the bill to a point of order. Instead, I have laid out my concerns and sincerely hope they are resolved throughout the remainder of the legislative process.

I thank the distinguished Chair and appreciate the opportunity to discuss this important program before the Senate.

AMENDMENT NO. 2460

Mr. CHAFEE. Mr. President, I plan to oppose the amendment offered by the senior Senator from Pennsylvania [Mr. SPECTOR], to restrict the President's authority to commit American troops abroad.

Under the proposed amendment, the President could send United States Armed Forces to Haiti only under the following limited circumstances: First, with prior congressional approval; second, if necessary to protect the lives of American citizens; or third, if it is in our national security interests and there is no time to seek congressional authorization.

Now, I personally disapprove of the President's handling of the situation in Haiti. In my view, we have no national security interest at stake there. The embargo has been a disaster. And it would be a grave mistake for the United States military to invade that nation.

But the question posed by the Specter amendment goes beyond the narrow issue of just sending troops to Haiti. Instead, the amendment seeks to limit the President's authority as Commander in Chief and would severely restrict the President's power to conduct the Nation's foreign affairs. I think this is a dangerous amendment that would set a terrible precedent—in fact, I question whether it is based on sound constitutional footing.

Again, Mr. President, I think the Clinton administration has badly mishandled the situation in Haiti. Moreover, I would oppose any effort by the administration to send to troops to Haiti. But, I will oppose the Specter amendment because I believe it to be an unacceptable intrusion by the Congress upon the President's powers.

MORNING BUSINESS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Senate proceed to morning business, with Senators permitted to speak therein for up to 10 minutes each, and that the Senate return to the consideration of H.R. 4606 at 10 a.m. on Monday, August 8.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I am authorized by the majority leader to announce there will be no more votes today.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

TRUE CRIME PREVENTION

Mr. GORTON. Mr. President, to most Americans, including this Senator, crime prevention is a fairly simple concept. It means taking steps to avoid becoming a victim of a criminal act or to provide protection for citizens from potential criminals. That could include everything from leaving a porch light on, stopping the newspaper delivery when you are gone for extended periods of time, walking your block with your neighbors to deter drug dealers, teaching your children to avoid talking to strangers, or taking down license plate numbers of suspicious vehicles, just to name a few. These crime prevention measures are commonsense methods to deter criminal behavior.

I have pursued a balanced approach to fighting crime that includes a proper mixture of law enforcement and true crime prevention. For instance, the DARE Program involves law enforcement officers working with students on how to avoid drug dealers. The Triad Program is a grassroots-oriented program that coordinates crime prevention activities between seniors groups and law enforcement. Operation Weed and Seed is perhaps the best example of a coordinated and targeted crime prevention program that has had enormous success in one of Seattle's roughest neighborhoods. Safe Streets in Tacoma receives some minor Federal assistance, and is a model of community mobilization that has cleared streets of drug dealers and gang members by means of phone trees, yard signs, and block watches. Washington State leads the Nation in its community policing programs that has lowered crime rates in some areas simply by getting officers out of their squad cars and getting them closer to the community.

The basic element of success in each one of these crime prevention activities is the simple fact that they are intended to deter a specific criminal act against a law-abiding citizen. They have a proven track record of success and each has this Senator's full support. They work, not surprisingly, because law enforcement is either directly or indirectly related to each crime prevention program. That makes sense because no one wants to prevent crime more than those who have to enforce the law.

What does not make sense, Mr. President, is what this Congress and administration have done to the term "crime prevention." Rather than relating crime prevention activities to law enforcement or criminal behavior, they have included everything from swimming pools to bicycle paths as methods to stop a crime from occurring. They equate a candlelight walk through a rough neighborhood by concerned citizens to scare off drug dealers with grants to encourage arts and crafts classes.

The conference report on the crime bill dropped the single best example of true crime prevention: my amendment to notify communities of violent sexual predators. Law-abiding citizens have a right to know of the dangers around them so they can take the simple precautions such as getting an escort to walk them home or picking kids up after school. Instead, conferees were more concerned about the rights of convicted repeat sexual offenders. They just don't get it. This crime bill would not have helped Polly Klaas or Megan Kanka.

Perhaps the best distinction between the Democrats approach to spending on crime prevention and my own is Operation Weed and Seed. I would have taken a large chunk of the money earmarked for pork barrel social welfare programs that have never worked and would have greatly expanded this crime prevention program that has proven itself. Weed and seed combines tough law enforcement with coordinated and targeted social services, some of which are the very same programs funded under many of the so-called crime prevention programs. The important distinction, however, is that weed and seed has the law enforcement component that follows the seed money for a balanced mixture of law enforcement and prevention. The conference report, on the other hand, does not guarantee the law enforcement element. That is right, cities and high-crime areas have a much greater chance of receiving social spending money than the match-based law enforcement money. The result: seeding without weeding. That is not crime prevention.

Under the title of crime prevention, $7.4 billion in tax payer money includes such deterrence as $900 million for the youth employment and skills crime prevention which would provide grants for job training, apprenticeships, occupational skills, and job experience targeted at youth in high crime, high unemployment areas; $1.8 billion for the Local Partnership Act providing revenue sharing grants to localities for education, drug abuse treatment, and job training programs; $895 million for the model intensive grant program providing grants to fund up to 15 model programs in high crime areas for any reason justified as crime related including deterioration or lack of public facilities and public transportation.

Now, this Senator has no doubt that some activities undertaken by these programs may have some positive impact. I am fully aware of the need in many communities for additional assistance. But what this Senator will not accept is the myth, the scam, that this is crime prevention and therefore should be included in a crime bill.

In addition, of course, these programs are nothing new.

The Government Accounting Office recently found that there are presently 154 separate, overlapping Federal employment and training programs run by 14 separate executive departments and independent agencies. A total of 50 different offices are responsible for these programs, for which $25 billion was budgeted in fiscal year 1994. The conference report throws another $900 million at these programs.

GAO also found that 266 current prevention programs sponsored by seven Federal departments are serving delinquent and at-risk youth. According to the report, the Government has undertaken "a massive Federal effort on behalf of troubled youth" to the tune of $3.0 billion a year. It continues to state that, "Taken together, the scope and number of multiagency programs show that the Government is responsive to the needs of these young people."

Many of those who support this kind of crime legislation are believers in the what I call the bankshot theory of crime prevention. In their heart of hearts, they honestly believe that if you invest this money in communities for social welfare purposes, you will end up with drug addicts strung out on heroin who would otherwise be inclined to mug an 80-year-old grandmother of her Social Security check, instead, choosing to take a cool dip in the new community pool built by Federal funds. They believe that if you build that bike path, maybe, just maybe, that sex offender will spend the day getting fresh air and exercise rather than stalking his next victim at the school yard. They believe that if only we could build a nicer park for that gang member to enjoy, he will not commit that drive-by shooting tonight that will take the life of an innocent bystander.

They argue that these things take time, perhaps as long as a generation, but that we must start now to change behavior later. Ultimately, they say, the shot will find the corner pocket.

The fundamental problem with this bankshot theory of crime prevention is that we need to stop violent crime today. America is in a crisis of enormous cultural and social consequences due to our inability to deal directly with the threat of criminal violence we face everyday. Crime is the most important issue to Americans and we think about how to avoid it every day. It is on everyone's mind.

Our purpose in 1994 should be to do everything we can to put violent criminals behind bars. Instead, the bankshot theorists of crime prevention have given us swimming pools and bike trails.

This is a crime bill fit for the carefree and easy-spending days of 1964, perhaps, but not the violent and deficit spending days of 1994.

It is a missed opportunity for which I hope, but doubt, the American people will forgive us. Before it is too late, Mr. President, let us reopen the so-called crime bill and make it work for America.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas, [Mrs. HUTCHISON].

Mrs. HUTCHISON. Thank you, Mr. President. I thank the Senator from Pennsylvania for allowing me to make my statement before we go into the rest of the debate.

LIFTING THE ARMS EMBARGO ON BOSNIA

Mrs. HUTCHISON. Mr. President, I want to talk about Senator DOLE's amendment that he will offer in the very near future, once again asking this Senate to lift the arms embargo on Bosnia.

Mr. President, what has happened today in that part of the world shows once again the necessity for this Senate and this Congress to act, to say firmly and swiftly the Bosnians should be able to defend themselves with both arms, not with one arm tied behind their back.

The Serbs have shown time after time after time that they are not serious about peace; they are not going to accept the proposal that is on the table. And yet, the Bosnians sit there half armed and unable to really fight for their country the way they ought to be able to and the way they can.

Mr. President, we have talked for months while the people of Bosnia have died. We have talked and we have talked and we have talked. This is an untenable situation.

Many people have said, "Are you prepared to send American troops into Bosnia?" And the answer is no. It is a very firm no. This is not a United States mission.

In fact, it is very important, I believe, that the United States clarify our policy as it regards Bosnia. It is time for us to speak and be heard and be sincere and be firm, and that is that there is not an American interest in Bosnia that would require our troops to get into this conflict.

There is, of course, an American interest in fairness. There is an American interest in the elections and democracy that they are trying to get started in that country. There is an American interest in friendship, trade, help for Bosnia. But we should not send American troops there.

So, what should we do? We should try to help them have peace, at the table, but we should not let them fight without being armed.

I will never forget meeting with Vice President Ganic, the duly elected Vice President of Bosnia when he said, "Please, lift this embargo." He pleaded with the Senate Armed Services Committee. He said, "We are dying anyway. Let us die fighting for our country."

Mr. President, the time has come for us to do that. So, when Senator DOLE does in fact put his amendment on the floor, and we will be able to vote on it once again, I hope this Senate will see from the actions of today by the Serbs that this is not ever going to change with one party to the conflict unarmed. I hope we will have swift action. I hope we will go to the United Nations. I hope we will get world support to let the Bosnians fight—armed —and let them fight for their country.

I appreciate the Senator from Pennsylvania, [Mr. SPECTER], I appreciate the Senator from Kansas, [Mr. DOLE], who has taken a leadership position in this effort.

I hope the President will listen to the Senate this time and work with us to take a firm position on our role in the world, our role in Bosnia. And I hope we will help these people be able to pick up arms. And I hope we will let them be able to say at least that the 250,000 people who have already died, did not die in vain.

I yield the floor.

ENSURING RUSSIAN TROOP WITHDRAWAL IN THE BALTICS

Mr. PRESSLER. Mr. President, I salute President Clinton's recent efforts concerning Russian troop withdrawal from the Baltic States of Latvia and Estonia. As my colleagues know, President Yeltsin is tying Russian troop withdrawal to the citizenship status of the Russian-speaking minorities of both republics. Questions of citizenship are quite legitimate. However, they should not be linked directly to the scheduled withdrawal of the Russian military. Instead, they should be treated as a separate issue, independent of the issue of Baltic sovereignty.

It is imperative that we hold the Russian Government to the withdrawal date of August 31, 1994. Any weakness on the part of the United States would send the message that the Russians can postpone their scheduled withdrawal.

I commend President Yeltsin and Estonian President Lennart Meri for their recent agreement to remove Russian troops from Estonia by the original date of August 31, 1994. This change in policy, after the surprising "nyet" before the G–7 summit, clearly demonstrates President Yeltsin's desire to maintain healthy ties with the West. I trust the Russian Government will follow through on this promise.

Recently, my colleague from Kentucky, Senator MCCONNELL, offered an amendment to H.R. 4426, the Foreign Operations Appropriations bill for fiscal year 1995. I commend Senator MCCONNELL for his leadership on this issue. The amendment easily passed with an overwhelming majority. It stated that if Russian troops do not return home by the proposed deadline, then the United States would withhold aid to Russia until sufficient progress is made. The amendment advanced the deadline for Russian troop withdrawal to August 31, 1994, from the previous date of December 31, 1994. If the Russian Government were to fail to remove the remaining 4,500 troops from Estonia and 2,500 troops from Latvia, then any further United States financial assistance to the Government of Russia would be prohibited. Russian troops must pull out of the Baltic nations by August 31, or face the consequences.

The sovereignty of two nations is at stake, as is our future as a world power. Failure to stand firm on our own resolutions would add to the concern throughout the world regarding U.S. integrity and resolve in foreign policy. We have let the Russian government clearly know the consequences of its behavior in keeping 7,000 Russian troops in Latvia and Estonia. The Russians understand they would lose millions of dollars in economic assistance from the United States.

I have visited the Baltics to examine their reform efforts and the effects of United States aid. While in Latvia 2 years ago, the Russians' reluctance to withdraw their troops disturbed me. Their excuses of 2 years ago finally eroded into the compromise of last week. It is very easy for us to look at this agreement and consider this problem solved, but this would be a grave mistake. To withdraw our pressure prematurely only encourages the Russians to renege on their agreement and postpone their withdrawal. We must hold the Yeltsin Government to its promise of complete independence for the Baltic States.

Being firm with the Yeltsin Government is essential. We can aid the process by encouraging the implementation of citizenship laws in the Baltic nations that fairly treat the Russian minorities. Longtime residents should have the opportunity to become citizens of Latvia or Estonia if they declare their loyalty. We should remain firm in our resolve to end de facto Russian imperialism, while promoting the ideals of democracy for all who live in the Baltic nations.

CHICAGO HOUSING AUTHORITY

Mr. DOLE. Mr. President, I want to commend to my colleagues an article that recently appeared in the Heritage Foundation publication, Policy Review.

In the article, Vincent Lane, the chairman of the Chicago Housing Authority, explains how "capping crime" is the most important public-housing reform. He writes: "How can you build a community if people are afraid to go out and talk to their neighbors? People have to board up their windows because they're afraid of random gunfire. It's no good offering programs in the evenings if people are afraid to go out and take advantage of them. Safety is our first priority.

Mr. Lane is, apparently, a man of action. In an effort to tackle the crime problem head on, he instituted a policy of requiring visitors to CHA buildings to present photo ID's at the door. He has also implemented midnight curfews and a policy allowing emergency inspections of apartments for illegal weapons. As Mr. Lane explains: "We've held sweeps whenever conditions got so bad in a building that I determined there was a health and safety hazard."

These policies have had a positive impact. While still unacceptably high, the murder rate has declined by almost 50 percent.

Unfortunately, the American Civil Liberties Union has been lurking in the wings, challenging the identification policy and challenging the curfews. Although 18 of the 19 building presidents in the CHA and the overwhelming majority of CHA residents support the sweeps, the ACLU has been active on this front too. Apparently, when it comes to ensuring the safety of CHA residents, the ACLU knows better than the residents themselves.

Mr. President, I want to commend Mr. Lane for his efforts, and I urge my colleagues to take a few moments to read the Policy Review article.

Mr. President, I ask unanimous consent that the article be inserted in the RECORD immediately after my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUBLIC HOUSING SWEEP STAKES—MY BATTLE WITH THE ACLU

(By Vincent Lane)

In the late 1980s, the Chicago Housing Authority (CHA) was the worst public housing authority in the country. Its crime rate was three times that of the city as a whole. It seemed as if public housing had a monopoly on nearly every example of inner-city rot: shootings, open-air drug deals, assault, poverty and fear. The first thing I did when I took over CHA was to hold town meetings with the residents, and define what the problems were. The major problem that I heard then—and still hear—was safety.

In the five-and-a-half years since I became CHA chairman, we have made real headway in a number of areas. Since 1991 serious crime of nearly all types has declined between 30 and 60 percent. Sexual assaults, homicides, and battery are all down by 44 percent. At our notoriously violent Cabrini-Green development, for example, there have been only two murders—over a love triangle—and no gang-related killings in the last 18 months. No longer do criminals set curfews; they don't control and keep people from coming and going; they don't sell drugs in the open, or shoot craps in the lobby.

Have we solved all the problems? No. Random shootings, assaults and thefts continue. Have we eliminated gangs? No, because many of the gang members are the children of our residents, and they live in the buildings. We've lowered the CHA's crime rate to only twice that of the city, but it costs $70 million a year. Not exactly a resounding success.

The most important thing we've accomplished, however, is to bring a sense to the residents that it doesn't have to be this way. we've brought a sense of possibility, of innovation to public housing—by not just reacting to problems, but finding long-term strategies that get at their root causes. That's something I've been trying to convey to Congress and to legislative groups, public housing residents, foundations, and the business community.

CAPPING CRIME

Reforming public housing requires simultaneous attacks on several fronts—on welfare, job training, and education. But all these efforts are doomed to failure unless you tackle head-on the crime issue.

When I joined the CHA, the gangs were in control. It was not just a management problems, it was a sociological problem. Gang members were firebombing apartments, setting curfews for the tenants, and refusing to allow janitors to clean buildings.

If you're not in control of property, it's impossible to institute management improvements. I went to the police and told them, "We've got to take these buildings back. We've got to control the access; we've got to issue photo ID cards; and we have to inspect the units and try to clean them up." We've now accomplished these tasks in over 200 buildings.

In 1991 there were 90 homicides throughout the CHA. In 1992, there were 66. In 1993, the number fell to 50. So we're making progress. Sometimes that's overlooked because homicide still is a major problem. But as I've always said, you have to take the first step if you ever hope to complete the journey.

Because of our anti-crime tactics we've tangled in court with the American Civil Liberties Union (ACLU) nearly from day one. And unfortunately for the residents of the developments, they've prevented us from doing several things. First, in an out-of-court settlement, the ACLU forced us to end our policy of positive verification. The policy has allowed us to require visitors to the buildings to show photo IDs. ACLU lawyers objected on the grounds that in non-public housing guests aren't required to prove their identities. The problem with that argument is that someone can come in and claim to be Yogi Bear, and as long as the tenant backs him up, we have no choice but to let him in. His identity is never on record, and very often he's a drug dealer.

We also set curfews when we first secured buildings, rather than allow the gangs to set them. At midnight, all visitors had to leave; any apartments with visitors who hadn't signed out were checked on. We found that many of the "visitors" had been living there for years, fathering children, without being on the lease. Again, in an out-of-court agreement, the ACLU prevented us from maintaining the curfews.

There has been an interesting byproduct of our policy, however. Although people say, "You can't have a traditional family in public housing," many of the men who were being flushed out of the building came to me and complained that they didn't have any place to go; they wanted to stay with their children and their common-law wives. I suggested that they get on the leases of the apartments, which would make them legitimate tenants. Many of them decided they wanted to get married, but couldn't afford blood tests or rings. So we had a fundraiser, and put together a mass wedding for 18 couples. All but three of the couples are still together.

The curfew, as viewed by the ACLU, was onerous. But that curfew, as a practical matter, forced a lot of men to come forward and make a choice. And it helped stabilize families.

HOUSECLEANING: THE SWEEPS

Another policy we think is essential to restoring order to the developments—and which has been partially blocked by the ACLU—are so-called "building sweeps." We call them emergency inspections, in which Chicago police and CHA security can raid and search apartments without warrants. We've held sweeps whenever conditions got so bad in a building that I determined there was a health and safety hazard.

Because we did not want people saying we were doing an illegal search, when we went into the apartments we did not look under mattresses and in drawers. This was our modus operandi: We sent in a team of people to identify physical deficiencies in each unit. They looked under beds or see if the tiles were loose; they looked in the closets to make sure there were no leaks; they looked on the windowsills to make sure the windows were closing property. Very often, during that process, they ran across drugs, contraband, weapons, and other illegal items.

We were especially concerned about the windows. In the summer of 1993, a number of children fell out of the windows. It was like an epidemic. Yes, it is the mothers' responsibility to keep their children safe; there is no city code here, or in most other cities, that requires child guards on windows. But kids were being injured and killed by these falls, so we reallocated, on an emergency basis, about $7 million to install child guards throughout the system.

One day I inquired how the installations were going at one of our developments, the Robert Taylor Homes. I was told the installers had to "pull out." One of the gang members told the superintendent on the job to "get his white ass out of there." They said they didn't want the window guards in Robert Taylor. Then they sprayed the superintendent's car with automatic weapons fire.

When I asked the staff what they'd done about it, they said they'd wait a week or two, and then see if the workers could sneak back in. That was totally unacceptable to me. There's no way we could go back to the period when the gangs determined when legitimate workmen could come and go from these buildings.

I organized a search for weapons, on the premise that when gunmen are firing randomly at cars and out of windows—things that go on all the time in public housing—it's really no different from a bomb threat in an airport or in an office building. When there's a threat of a bomb and you don't know where it is, you look everywhere you can; you don't run and get a search warrant before you look for the bomb.

We carried out a weapons search and found a number of weapons, ranging from .45s to MAC-10s to high-powered rifles with scopes. The weapons we took out of the building could do a lot of damage on the street in the wrong hands.

This April, a federal judge sided with the ACLU in banning the search for weapons except in emergencies, calling them a violation of Fourth Amendment rights prohibiting unlawful search and seizure. The Clinton administration, however, through the Department of Housing and Urban Development (HUD) and the Department of Justice seems willing to allow the searches. Despite the fact that 18 of the 19 building presidents in the CHA support the sweeps—along with the overwhelming majority of residents—I know we haven't heard the last from the ACLU.

THE WELFARE LIE

To understand what's really going on in public housing, you must look at the broader public policy issues. We have set up two standards in America: One for poor minorities, and one for everybody else.

The welfare system and the government assistance system have said, "Assume that poor people can do nothing to help themselves." And so the standard that we set for them was either very low or no standard at all. After three or four generations, we have people who are totally dependent on the government for everything. We should have maintained high standards, and put programs and support systems in place that would help them achieve those high standards.

Anyone who wants to talk about welfare and why poor black women have babies and no fathers around should look at the early record of public assistance. Thirty years ago, public aid wouldn't support families when there was a father in the house. What father, if he cared anything about his children and their mother, would have them penalized because he was out of work?

An underground culture, a system of lying in order to survive, developed in poor communities. Even though the rules have changed, so that now you can be on welfare and have an unemployed male in the house, a culture has built up. It's hard to break the fear that somehow the system will punish the woman and the children if the father is there and unemployed.

Developing this culture was a mistake. Children grow up in an environment where they watch men sneak in after dark, and hide if someone knocks on the door. Soon, children think that's the way it's supposed to be. On a public television program a couple of years ago, they interviewed a young man whose girlfriend was having his baby. He had three or four other babies by three or four other women. He said, "Well, you know, I'm just supposed to bring the babies here, and the state's supposed to take care of them." And it's public policy that triggered that kind of behavior.

NO REASON TO WORK

Another problem is government-created rules that discourage work. Why would we want to prevent a mother on welfare from saving money if she wants to make a better life for her children? But when she saves $1,000, welfare slaps her on the wrist and says, "You shouldn't be sacrificing and saving for something positive. And we're going to cut your grant, or cut you off, or put you in jail." It's insanity.

Public housing's rent agreements reinforce this craziness. The Brooke Amendment, the first federal law controlling public housing rents, was passed some 25 years ago. Because federal resources for providing housing assistance were limited, Congress decided that only the very needy would be assisted. They set up a rent formula: now 30 percent of an individual's income would be charged for rent in public housing.

That may not sound like a bad idea, but it meant that if a family member got a job and started doing well, the family could be paying as much as $800 a month for an apartment that on the private market would be worth no more than $200 a month. It doesn't take long for people to decide that they might as well move someplace where the houses are worth that.

That's exactly what the families who could afford to have done. Unfortunately, the families that replaced them had single, young, female heads of households with children—all on welfare. And that change has ruined public housing. This is not racial issue. In the 1940s, 75 percent or more of the families in public housing worked, and only the balance were on assistance. Now, 90 percent of our families are single mothers on welfare. It's a disaster.

NO MORE ISOLATION

No one should be surprised by the conditions in public housing and inner-city communities, because our public policy did it to us. I believe that people largely are creatures of their environment, and when children only see adults waiting for their welfare checks, gangs, the drug culture, and children having children, they think it's normal. For a young girl in these communities, it's a rite of passage: Have a baby as soon as possible, get your green card, get your public housing unit, get your food stamps—and you're home free.

We have destroyed millions of people in this country with this kind of bad public policy. To undo the damage, we're going to have to break up these concentrations of welfare recipients who simply reinforce themselves with each generation. We know the problems that occur in these communities cannot be isolated and contained—as I think they once were.

The schools are terrible in the cities, and the work force is not being educated. It may take 50 to 100 years, but America is going to be substantially a brown and black country. We're not turning out people in our communities who can help us compete on a global basis. We've got serious problems. America is finally realizing that it's everybody's problem, not just a problem of our core cities and our most depressed neighborhoods—gangs are now moving into suburban communities and shopping malls.

LURING THE WORKING CLASS

We must bring working families back into the cities to create some economic diversity and vitality. One way to do this is to provide multiple housing options for poor people. Public housing gives its residents no choice in terms of location or type of housing. Not everyone wants to live in a high-rise; we should be able to provide options like single-family homes and two-flats. Why? Because when you've got something of value, you will hold onto it. Improve the housing, increase the standards, let people know they have to adopt sociable behavior and can't trash the places they're living in or they'll be evicted. I believe people will change their behavior.

As I noted before, this concentration of poor people, 90 percent of them on welfare, does not work. We need to distribute them throughout the Chicago metropolitan area. Of course, many people are opposed to creating socio-economically mixed communities. One obstacle is our elected officials. Many of them, whether black or white, want to retain the demographic profile of their constituency—a constituency that either won't vote or will vote the way they're told to vote. Elected officials, black and white, have told me, "Vince, it's OK for you to repair these places, but I don't want you moving people around, and moving them out of my district, and bringing in people of a higher income and educational level who may not think I'm doing the kind of job I ought to be doing."

MIXING THINGS UP

It makes more sense to encourage every new private development to include some very low-income families. Don't tell me it won't work, because we've tried it at Lake Parc Place, at 39th and Lake Park. We had 50 percent working people and 50 percent families on welfare. We fixed up the buildings so that any working family would want to live there. The units aren't lavish, but they're safe, clean, and decent. Lake Parc Place has become a rental bargain for working families.

The results at the complex are almost exactly what we'd hoped: after two-and-a-half years, we don't have any vandalism; we don't have any graffiti; crime is practically zero; and 20 percent of the families who started out on welfare now have members working at full-time jobs. Clearly, the mixed-family approach is worth pursuing.

Until we break down the perception that poor is synonymous with bad, we've got to have an incentive for working families to live shoulder to shoulder with poor families. It's a myth that families with children can't live in high-rises successfully. When you drive along North Lake Shore Drive in Chicago, all you see are high-rises. We all know that families are raised successfully in high-rises. The problem in public housing is the concentration of poor people living there, not the buildings themselves.

True, the mixed-family strategy requires both vision and tough-minded negotiating. We took the rehabilitation money that was available and fought with HUD to put in normal amenities: ceiling fans, mini-blinds, ceramic tile in the bath, hardwood cabinets, and frost-free refrigerators. Normally, HUD officials wouldn't allow that, because of their "modest design" standards for poor people. But you can't get working people to rent from you without those amenities.

HUD's standards are often self-defeating. HUD would not approve a $250 air conditioner for poor tenants. But crime goes up dramatically in the summer because it's so hot up in those little units. No one could stand to stay up there in the heat. When people come out, they're hot, they're irritated, and that's when they get into trouble. Summer is when our crime rate goes through the ceiling. If we had air conditioning in the low-income units, where would people be? I suggest they would be in their apartments, in that air conditioning, and not outside, hot and angry, driving up the crime rate.

HOLISTIC SOLUTIONS

We need a holistic approach to our housing problems. It's not enough to build these units and integrate them into neighborhoods that are socio-economically mixed. You can't just take a family out of an old apartment, put them into a new apartment, and expect them to make it on their own. Some will, but there has to be a support system in place that will deal with a range of problems. Many residents are substance abusers; many have children who drop out of school; many are not able to go to work because they haven't learned a skill.

To pull together such a support system we are developing a structured program at local schools, wherever these units are, so that parents will participate with children in education. This will include a mentoring program, creating "residential academies" in CHA buildings.

We also do referrals for substance-abuse problems and mental health counseling, with built-in incentives. We train the participants to be successful in a specific job, help them to get that job, and then set up an escrow program over five to seven years, so that they can accumulate a down payment on a home.

Then what happens? They move where they want to move, and where they can afford to move, just like anybody else. Then their housing unit is freed up for another public housing-eligible family to take advantage of that opportunity.

Public housing units are a valuable commodity. I'm against selling units to their tenants, because as a practical matter, young people and older people are always going to need help with low-cost housing. We ought to get back to what public housing was originally intended to be: A short-term helping hand. During this transition, we should put supports and incentives in place to help people get to the point that most Americans achieve in their lifetimes: To be able to move wherever they want. If housing authorities decide to sell units to the tenants, there must be an immediate hard unit replacement available to maintain the public housing stock.

To teach this sort of self sufficiency, we have training programs for entrepreneurs. Two years ago we created the Resident Self-Employment program. Almost two dozen people have gone through the program and are now trying to capitalize their own businesses.

Rather than letting a contractor repair apartments, we started a "Step-Up" program in 1992. We hired 300 residents, at $14 an hour, to repair apartments. They have repaired 1,500 apartments so far, and many of those people now are moving into apprentice programs with construction trades. Some are going into the environmental area—asbestos abatement and removal, and lead-based paint abatement and removal. We've trained people in pest removal, landscaping, and other skills that we can use to perform meaningful work at the Authority.

We're also helping people who already have skills and who were, in some instances, already running little businesses out of their apartments—hairdressers and seamstresses, for example.They are receiving training in running those businesses. Both of these approaches let people work close to home.

We have set up interagency committees that meet regularly to target resources and prevent the duplication of services. We have used this concept with various departments in the city: with the Park District; with the Police Department on the sweeps; and with the city's lighting department. We have even obtained funding for an alternative school. Government money can be a wasteful trap unless you're working together in partnership.

BRING BACK THE HELPING HAND

When I look at the conditions in most of what passes for public housing today, it seems to me that well-intentioned people have really caused great pain and suffering over the years. Their entire approach to the poor and to public housing has helped destroy self-esteem and undermine families.

We need to get our society back to where we were 40 or 50 years ago. When people came to the cities then, they didn't have welfare systems to provide for them. What they had was a network of extended family. They could stay with relatives until they got jobs and could afford their own apartments—but the pressure was there: get a job, get on your own feet.

Today, the poor know the government will take care of them, so there's no incentive to put forth any effort. We've got to give people a helping hand, and not a handout. We've got to understand that everybody, no matter how poor, can do something to contribute to their independence—and to the well-being of this country.

Most of the public-housing residents out here—the decent ones, and 90 percent of them are decent—support these views. I don't know whether anybody would classify families who have been on welfare for three generations as "conservative," but they certainly recognize that the approaches of the past have not worked for them. We have to find approaches for the future that will enable them to join the American mainstream. It's not enough for government bureaucrats or ACLU lawyers to reject the sort of steps we've taken in Chicago's public housing developments.

How can you build a community if people are afraid to go out and talk to their neighbors? People have to board up their windows because they're afraid of random gunfire. It's no good offering programs in the evenings if people are afraid to go out and take advantage of them. Safety is our first priority. Because rebuilding neighborhoods requires people getting together to find solutions to their common problems, and that's not possible if you have to bolt the doors and windows and not let your neighbor come in to talk.

FIRST ANNIVERSARY OF THE 1993 ECONOMIC PLAN'S PASSAGE

Mr. LEAHY. Mr. President, I rise today to mark the first anniversary of the Omnibus Budget Reconciliation Act of 1993. A year ago, the Senate and House of Representatives passed President Clinton's economic plan by the slimmest of margins and without a single Republican vote. I am proud to say that I voted for last year's budget bill.

After a year, I think it is appropriate to see where our economy is today under this plan.

Today, economic growth is up. The economy is growing at a steady pace of 3.7 percent. Since President Clinton took office, the private sector has created 3.8 million jobs—1.5 million more jobs than were created in all 4 years of the previous administration. As a result, unemployment is at 6 percent—a 3½ year low. And today's growth rate equals 77,000 new jobs per day.

Today, the deficit is down. The budget deficit for 1994 is now projected to be $220 billion, $85 billion less than projected before passage of the 1993 economic plan. The Congressional Budget Office estimates that the 1995 deficit will decline to $167 billion, $135 billion less than projected before the President's plan was adopted. As a percentage of the Gross Domestic Product, the deficit will be cut in half—from 4.9 percent in 1992 to 2.4 percent in 1995. By 1998, the strict spending measures in 1993 budget law are estimated to trim the deficit by $691 billion.

And today business is booming. Last year, more new businesses were incorporated than any other year since World War II. Besides new business, old business are also doing well—business failures have declined to their lowest level since 1988. And investment in new plant and equipment has soared to 13 percent in the last year, the highest percentage in a decade.

What do all these numbers mean? They mean the 1993 economic plan is working and working well. I applaud the President's vision in proposing it, and Congress' courage in adopting it.

Mr. President, I ask for unanimous consent that the attached article from yesterday's Wall Street Journal by Albert R. Hunt entitled "Last Year's Budget Deal Was a Success" be printed in the RECORD after my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 4, 1994]

LAST YEAR'S BUDGET DEAL WAS A SUCCESS

(By Albert R. Hunt)

"Clearly, this is a job-killer in the shortrun. The impact on job creation is going to be devastating."

—Rep. Dick Armey (R., Texas), August. 2, 1993

"The tax increase will lead to a recession and will actually increase the deficit."

—Rep. Newt Gingrich (R., Ga.), Aug. 5, 1993

"I will make you this bet. I am willing to risk the mortgage on it * * * the deficit will be up; unemployment will be up; in my judgment, inflation will be up."

—Sen. Robert Packwood (R., Ore.), Aug. 6, 1993

It was exactly a year ago this week that the 1993 deficit reduction measure, with tax increases on wealthier Americans, cleared both houses of Congress by the narrowest of margins.

Fortunately, Bob Packwood has a reasonably small mortgage on his Washington condominium. All those dire Republican predictions have not materialized; unemployment is down, not up, the deficit is lower and inflation hasn't risen.

"I was wrong," Sen. Packwood acknowledges with rare candor. "It reminds me of a fraternity brother who used to write down all of our New Year's resolutions and then a year later had the audacity to read them."

Even the take-no-prisoners conservative Dick Armey displays a tinge of self-effacement when asked about his Chicken Little predictions of a year ago. "Clinton has got to be the luckiest president ever," says the Texas Republican, who then adds: "The one thing we didn't appreciate was the extent to which the economy would live off the relaxed policies of the Federal Reserve."

OK, let's take that latest Republican rationalization. This past Jan. 31, Fed Chairman Alan Greenspan said: "The actions taken last year to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on longterm interest rates." In short, Mr. Armey, those "relaxed policies" were facilitated by the 1993 deficit reduction act that you said would be so disastrous.

Since the 1993 budget act was passed, the economy has grown at almost a 4% annual rate, not spectacular but not bad. This growth has been centered on the private sector. In June the economy added an impressive 379,000 jobs, causing some economists to modify their forecast of a second-half slowdown.

A year ago today, Sen. Phil Gramm (R., Texas), a self-proclaimed economic expert, confidently predicted not only that the deficit measure would be a near-term calamity, but that "the deficit four years from today will be higher than it is today, not lower." Here are the inconvenient facts, Sen. Gramm: The Congressional Budget Office now estimates the fiscal 1997 deficit at $192 billion, or more than $100 billion less than the so-called baseline projection of a year earlier.

If the Republicans were simply wrong on their economic predictions, they were disingenuous on taxes. The claim that this was a huge tax increase on most Americans is a fraud. Income taxes were boosted for only the most affluent taxpayers, about 1.4 million or little more than 1% of the tax-paying population. The top Federal rate was raised to 39.6%, still well below the 50% rate that existed in 1986, six years into the Reagan administration and below the top rate in almost every other major industrial nation.

The legislation also icluded a 4.3 cent a gallon hike in the gasoline tax. The CBO calculates that, even including indirect costs, that amounts to higher taxes of a grand annual total of $36 per driver. Gasoline prices remain about half of what they are in most other countries.

Moreover, the critics often conveniently forget that taxes were reduced for more than 15 million working poor families, who benefited from the expanding of the earned income tax credit. This was the most important antipoverty measure enacted in years, one supported by many Republicans as well as Democrats.

Overall, the gains in the economy and the brighter deficit outlook are due in part to a few extraordinary factors. The savings-and-loan mess has gone from net drain to net gain. And there are some unrealistic savings in the Clinton administration defense budget, according to the General Accounting Office.

Responsible economic experts on the right, like the Heritage Foundation's Dan Mitchell, argue that, while the Clinton performance outstrips his predecessor, the gains would have been far better with a more conservative pro-growth policy. Mr. Mitchell notes the current recovery lags behind most other recent recoveries.

Nevertheless, the CBO estimates that more than two-thirds of the deficit savings in the next several years can be directly attributed to the 1993 deficit measure. Whatever small drag there is from higher taxes on a few Americans has been more than offset by the gains in a lower deficit and consumer confidence, which is up 54% since last August, according to the Conference Board.

BEFORE AND AFTER THE 1993 DEFICIT REDUCTION BILL

Unemployment (June rate) (percent)	7.6	6.0
Consumer prices (12 mo. avg. ending in June) (percent)	3.0	2.5
Stock market (Aug. 1 DJ industrials)	3,539.47	3,798.17
Projected 1995 deficit (billions of dollars)	$284	$180

Source: Congressional Budget Office; government figures.

The Republicans, undercut by all the data, have a final refrain: just wait until the November elections. There's little doubt that the GOP will score major victories this November, probably exceeding the average gains of the opposition party in off-year elections. But polls, focus groups and conversations with politicians of both parties demonstrate that the Democratic weakness has nothing to do with the deficit and tax legislation of 1993. Last month's Wall Street Journal/NBC News poll showed that only 15% of the public thinks that legislation was bad for the country, although 62% think it didn't make any real difference.

In the not-too-distant future—probably after the next presidential election—the deficit issue will have to be joined again. The deficit starts ballooning again by the early part of the next century. Not unexpectedly, the two major elements of any plan will have to be entitlements and taxes.

The politics will look bad. It's never easy to raise anyone's taxes. And while there's a lot of clamor now for curbing entitlements, the reality will be a lot more difficult than the rhetoric. Americans strongly favor reducing entitlements but oppose cutting specific programs.

But when the politicians then are grappling with those difficult decisions, they would do well to remember the 1993 prophets of doom and how wrong they were.

MARKETING SEASON

Mr. FORD. Mr. President, ask any farmer what their happiest day is during the tobacco season and chances are they will quickly say it is the time when they take their crop to the market for sale.

It is a day that represents Christmas presents, tuition payments, mortgage payments, farm operating loan payments—and hopefully some profit—all tied into one. A farmer once told me there is nothing quite like the feeling of having all your tobacco bales on the truck and headed to the market, knowing that a year's worth of sweat and toil will soon pay off.

Like most facets of the tobacco life, the marketing season continues the traditions of family, work, and community. The tobacco warehouses become a hub of activity surrounded by festivals and parades marking this special time of the year.

I do not know how many of my colleagues have been to a tobacco warehouse to watch the sales, but they are unlike any other auction you have ever seen.

The burley tobacco warehouses will start accepting tobacco in October and the sales traditionally begin on the first Monday before Thanksgiving. After a short break at Christmas, the sales resume and usually conclude sometime in March.

The sale is a rather raucous occasion, with an auctioneer walking down row after row of USDA-graded tobacco bundles, singing out the auction call as buyers closely follow, purchasing for the manufacturers. And you can be sure that farmers are nearby taking special note of the bids their crop is receiving.

Whatever tobacco is not sold goes into what is known as the pool. These stocks become part of the Federal no-net-cost program, run through the tobacco-purchasing cooperatives, and are sold in following years.

Each of the buyers, whether through hand signals, head nods, or a wink can purchase a basket of tobacco if they have the highest bid. However, the farmer always retains the right to either accept the bids for his tobacco or try to sell it again at a later time during the market season.

These sales are conducted in 98 warehouses all over my State of Kentucky from Maysville to Bloomfield to Paducah to London.

Anyone will tell you that the tobacco leaf being sold at these markets is the best in the world. And I can guarantee you that a farmer in Springfield, KY feels as much pride when his produce is sold as an autoworker does when that new car comes rolling off the assembly line in Detroit, MI, or Louisville, KY.

But along with that pride runs a deep feeling that all has not been right with the tobacco market for the last few years—and more hard times may lay just around the corner.

My farmers have watched as a product that means over $1 billion in annual farm income to my State comes under daily attack from all sides.

They have watched as imported tobacco flooded into this country, driving down the amount of tobacco they were able to sell. In 1991, farmers in Kentucky were able to grow and sell 486 million pounds of tobacco. In 1993, that number was down to 405 million pounds. At the same time in 1991, approximately 136 million pounds of imported tobacco came into this country. It rose to over 198 million for the year of 1993.

And what does that mean to my farmers? Last year, it cost them as much as $140 million in sales. I know around here that does not always sound like a lot of money, but what industry in your State could take that kind of hit and still survive?

As part of a Louisville Courier Journal series about the effect of imports on our State's economy, a tobacco farmer from Harrison county told how he was forced to put off buying a new tractor and making repairs to barns and fences on his farm.

"I'm going to have to make due with what I've got * * *" he said. Another farmer interviewed said, "Usually about this time of year I'm getting excited about starting next year's crop, but that feeling isn't there this year."

Mr. President, those are real Americans with real concerns.

We tried to help them out by passing legislation to limit the amount of imported tobacco used in domestic cigarettes. If our law was not in place, some estimate Kentucky farmers would have lost $342 million in 1994 sales.

As many of my colleagues know, we are keeping up our efforts in this regard with the upcoming GATT treaty. Some have tried to undercut our work, but all we are trying to do is level the playing field and ensure our farmers have a fighting chance in the world trade market.

We are trying to address inequities in the world market. Is it fair when certain countries completely prohibit the importation of our tobacco while at the same time send tens of thousands of pounds into this country?

That is the choice we are facing.

Mr. President, over the past week I have taken to the Senate floor to speak from the heart about a product that is interwoven into my State's history, its people, and their livelihoods.

I hope that in some way I have helped educate some of my colleagues about tobacco and the situation we currently face. I also hope some of my colleagues now realize the repercussions my State will face if the many antitobacco efforts—both legislative and nonlegislative—are successful.

President Eisenhower once said, "Farming looks mighty easy when your plow is a pencil and you're a thousand miles from the corn field."

I believe this same sentiment also applies to the tobacco patch.

The tobacco farmers and their families are just like people you know—people who are trying to make a living the best way they can. I hope they receive the utmost consideration from my colleagues during this health care debate.

FACES OF THE HEALTH CARE CRISIS

Mr. RIEGLE. Mr. President, I rise once again in my effort to put a face on the health care crisis in our country. Today, I would like to share the story of the Steve and Kathy Krahner and their 7 year old daughter, Kari, of Highland, MI.

Kari was born prematurely in 1986 after a difficult pregnancy. Kathy had to spend the last 2 months of her pregnancy in the hospital with pre-eclampsia or high blood pressure, and accumulated a $20,000 medical bill. Fortunately, her hospital stay was paid for by the health insurance policy Steve received through his job at a local auto parts supplier.

Little Kari experienced repeated infections and medical problems as a toddler. Then one morning in October 1991, Kathy discovered Kari lying on blood soaked sheets with blood seeping from her left ear. Kari was rushed to the hospital, where she was diagnosed with Primary Immune Deficiency Disorder, a condition in which the body is unable to fight off germs and infections. Since then, Kari has had to receive intravenous gamma globulin treatments every 4 weeks to keep her immune system operating. The cost of the intravenous treatments was $2,500 a month, and again it was covered by Steve's workplace insurance.

Suddenly in April 1992, Steve was laid off from the job he had held since he was 17 years old, almost 25 years. On top of the stress of being laid off during Michigan's harsh recession, the Krahners were terrified over losing health insurance coverage for Kari's lifesaving treatments. Continuing the coverage on their own would have cost $421 a month, almost 50 percent of what Steve would collect through unemployment.

Fortunately, Kari's serious medical condition made her eligible for assistance through a State program for disabled children. The State of Michigan took over payments of the health insurance premiums from Steve's employer for 18 months and then converted the policy into Blue Cross/Blue Shield coverage for hospital services.

Because it is cheaper for the State to buy family insurance than to provide the care directly to Kari, Steve, and Kathy have coverage for hospital services along with their daughter. The State also pays for Kari's outpatient treatments and medications. But Steve and Kathy have no coverage at all for their outpatient care and prescription drug needs.

Kathy, 41, and Steve, 42, are relieved and grateful that their daughter's medical care is covered. But they themselves are not covered for the care they need.

Kathy has diabetes, asthma, and high blood pressure, and Steve suffers from high blood pressure as well. They both require constant medication and regular medical visits to monitor their conditions. These pre-existing conditions make it impossible to find affordable health coverage on their own. Between the two of them, they pay approximately $350 per month for medical expenses. This is over 40 percent of their monthly income.

Unable to find work in the Detroit area during the recession, Steve learned the tilting and stone masonry trade and has started his own stone masonry business. Although he has secured some free-lance contracts, Steve doesn't have a consistent flow of business. The Krahner's income is $11,000 a year, or $846 per month. Kathy was once a licensed paramedic, but a back injury she sustained from a work accident disqualifies her from working in the field. She now earns minimal income from sporadic babysitting jobs and work in a deli, but the demands of caring for Kari during her frequent illnesses mean that Kathy cannot commit to a full-time job. After paying their housing and medical expenses, the Krahners are left with $11 for food and other household necessities every month. Clearly, the family is forced to rely on family and friends. They are now at risk of losing their home.

Mr. President, Steve and Kathy are victims of economic hard times. They want to provide for their daughter and take care of their own health. Both of them have conditions that can be controlled with proper preventive care, but they cannot afford to pay for the medical treatment that would keep them healthy. Ironically, they only have coverage if their conditions worsen to the point that they must be hospitalized. All Americans should have access to affordable health care that provides the benefits they need. Mr. President, I will continue to work with my colleagues in the Senate to pass a health care reform plan that guarantees access to affordable health care for all Americans.

IS CONGRESS IRRESPONSIBLE; YOU BE THE JUDGE OF THAT

Mr. HELMS. Mr. President, as of the close of business on Thursday, August 4, the Federal debt stood at $4,643,454,831,491.69. This means that on a per capita basis, every man, woman, and child in America owes $17,810.74 as his or her share of that debt.

HEALTH REFORM

Mr. DURENBERGER. Mr. President, when the President of the United States waved his veto pen in the State of the Union Address last January, he stated very clearly:

> If the legislation you send me does not guarantee every American private health insurance that can never be taken away, I will take this pen, veto that legislation, and we'll come right back here and start over again.

Well, Mr. President, get ready to veto the Gephardt bill and the Mitchell bill. Neither of these bills meets your test. Much of what you have said since then fails the test—except one cogent answer you gave to a Governor in Boston last month at the NGA meeting.

Mr. President, all the rhetoric has been focusing on the guarantee.

In all the talk about promises, about universal coverage, about mandates, about triggers—hard, soft, and in between, I have not forgotten your insistence on private health insurance—for every American.

Mr. President, the bills presented by you, by Mr. MITCHELL and Mr. GEP-

HARDT don't guarantee private health plans to all Americans. I hope you promise to veto every one.

The only way to make good on your guarantee is to give everyone an opportunity to buy a private health plan. Are you a man of your word?

The only way to make good on your guarantee is to make that plan affordable to each person to whom the guarantee is made. Otherwise, it's an empty promise. Are you a man of your word?

The only way to get affordable prices is to reduce medical and insurance costs while maintaining and improving quality of care and expand access to services. Are you a man of your word?

The only way to improve quality and lower prices is through market competition.

So, as I began looking through the 1,400, or so pages, of the latest Democratic proposal, the Mitchell bill, I went on a hunt for the marketplace.

I've been through this drill before. I searched for market forces in the Clinton bill during a snowstorm last December. I found vestiges of market principles entangled in a web of Federal and State government regulation, mandates, civil and criminal penalties.

I searched in vain for real market forces in the Labor Committee product. Same result.

Now, here I go again. Same problem. The difference is that the regulatory structures, the mandates, the rules, the regulations, are more subtle. But then I'm getting experienced at this. The Mitchell bill is awash in hidden-cost shifts, and nimble ways of taking productivity incentives out of markets.

But all's not lost. There is a bill at the desk right now. The Finance Committee bill, the only truly bipartisan bill in the U.S. Senate. S. 2351. It capitalized on the wave of market forces now at work all over this country. If you want to find how to guarantee private health insurance and to encourage medical markets, I urge you to read that bill.

To make markets work, you need informed and active buyers negotiating in the marketplace the way growing numbers of self-insured employers are today. The market rules must encourage value-conscious buying. Firms must be motivated to comparison shop on the basis of price and quality. Buyers must not be insulated from the cost consequences of their decisions.

Like other partisan Democratic bills, the Mitchell bill is full of ways to prevent employers from being good buyers. Here are few examples.

Employers up to 500 employees are forced into community-rated purchasing pools. In most communities in America, that represents 80 percent of employers or more. These employers cannot negotiate. They must accept the community-rated prices.

What was designed to encourage group buying for small firms, with little leverage in the market, has been converted into a mechanism to centralize pricing. All these employers are also required to offer a purchasing cooperative—doesn't sound voluntary to me.

The bill requires all community-rated plans to participate in a risk-adjustment process with the experience rated plans. This is simply a sophisticated vehicle to transfer dollars from cost-effective health plans to less cost-effective ones, undermining competition. Forcing the wise shoppers to pay for the unwise shoppers.

Functioning markets require sellers actively competing for business. The Mitchell bill imposes lots of new Government in what was once a private market. A standard health benefit package is intended to be a tool to facilitate markets by allowing consumers to compare similar products on the basis of price and quality and to annually compare plans on the basis of service performance.

The Democratic bills, including the Mitchell bill, expand the National Benefit Commission into a big regulatory bureaucracy that has the power to substitute its judgment for the judgment of doctors and health plans. Government will tell us what is medically necessary; not the doctors.

I am afraid that the expansion of the FEHBP means that more people will buy their private health plans through the Federal Government. Why anyone in Minnesota would willingly want a Government buyer in Washington, DC, to select their local health plan choice is beyond me. Especially when they could own a piece of a private, local purchasing coop without any cost. That's what the Finance Committee bill allows Minnesotans to do.

The Mitchell bill does not have any incentives for purchasers to buy wisely. There is no limit on tax-sheltered health spending. The bigger the company, the richer the buyer, the more tax subsidy.

There is no means test on high-cost plans, a variant on the tax cap. Instead, we get a Government-imposed price-control mechanism with a penalty tax as an enforcement of the Government controls.

Where is the market? Its lost in regulation.

Remember, the President promised the American people private health plans. The Finance Committee bill extends that promise to the elderly. For nearly 30 years America's elderly have been forced, at age 65, to join the Federal Government's single-payer system we call Medicare.

The Finance Committee bill gives seniors a way out of this wasteful Canadian system back into America—private health insurance that can never be taken away. The Government will pay a share of that premium.

The Mitchell bill drops out all those provisions. Instead, it slashes payments to doctors and hospitals who serve the Medicare patients, using all the proceeds for a new drug benefit. The unbelievable fact is that America's largest organization of seniors [AARP] has encouraged this denial of choice—in order to be able to benefit from its sale of both unnecessary supplemental plans for the 87 percent who need to add to the benefits in the Government plan, and a new line of profits—the prescription drug business.

The result, fewer people will have a choice of a private plan. And the debilitating cost shift from the underfunded Government programs is made worse not better.

Working people are forced to pay more in three ways: First, higher payroll taxes for the nearly bankrupt Medicare trust fund; second, 24 billion dollars' worth of cost shifts from the underfunded public programs; third, community-rated employer pools which make young people pay three times as much as older people based on percent of income.

Of course, Mr. GEPHARDT's Ways and Means-inspired Medicare Part C takes the President even closer to his veto threat. It would move millions more people out of the private system into a Government-run single-payer system. The President has said that Medicare is a private system because you can see a private doctor. By that definition, so's Canada.

No, Mr. President. Medicare is a Federal Government program, funded right here in Congress with tax dollars. It has price-controlled payments to doctors and hospitals, and Government-determined access to items and services, with an 11 percent growth rate while the American system is growing at only at 6 percent including the costs shifted on it from Government's Medicare and Medicaid programs.

Mr. President, you promised private health insurance. I've seen private health insurance. Medicare Part C is not it.

Mr. MITCHELL, there are many in this body who will oppose your proposal because it has a triggered employer mandate.

Unfortunately, the media and the White House have focused on this issue. They've made a vote on the mandate trigger an article of faith.

The real problems go much deeper. They go to the heart of what the Republican task force members have been working toward for 4 years. They go to the heart of what the bipartisan mainstream group has been discussing for months. They go the heart of what is best for the people of America and for the best health care system in the world: the guarantee to every American of private health insurance that can never be taken away.

The Democratic bills simply do not meet the President's own test. In fact, they take us farther from his goal.

Here's the truth they won't tell you. When it comes to insurance that can never be taken away from you, they know that politicians can't be trusted not to take it away. Politicians won't pay for their promises and you'll lose. So, if they force employers to pay, then they can say they delivered on their promise. Someone else can pay. And politicians take the credit. But the dirty little secret is employers don't pay. People do. You do.

There is an answer to this deceit. It is close at hand. The Finance Committee bill, while not perfect, will get us there.

I cheered the President when he asked Congress to produce a bill that would guarantee private health insurance. If he wants to make good on that promise, he must look to the bipartisan middle in the Senate. We can deliver you a bill that can pass the Senate. More importantly, we can help you make good on your promise to the American people.

I don't have a veto pen. But, I do have a vote. And I hope to cash it in favor of a bill that will accomplish that test. I will not cast it in favor of a bill that does not.

REMEMBERING JOE CUMMINGS

Mr. D'AMATO. Mr. President, I rise today to pay tribute to a man who devoted his life to the education and character development of every student with whom he came in contact, a man who was the epitome of excellence as a educator, coach, and motivator. Mr. President, I am speaking of Joe Cummings, of Fairport, NY. Joe Cummings passed away this past year and in honor and memory of one of their most revered citizens, the Fairport Central School District, in conjunction with the Fairport-Perinton community, will be recognizing his many contributions by naming the Fairport High School football field in his honor on September 10, 1994.

Joe Cummings was born on October 27, 1911. He earned his bachelor of science degree from Cortland State College and his master of science from Columbia University. He made his mark as a gifted athlete when he represented the United States in gymnastics at the 1936 Olympic games in Berlin, Germany. From 1936 through 1973, Joe served as a teacher, coach, and went on to become the first athletic director of the Fairport Central School District. His work at the school was briefly interrupted during the time that he served in World War II as a lieutenant in the U.S. Navy. Joe Cummings was a unique individual whose lifetime focus was to improve his community by working with young people. From 1937 to 1953, Joe Cummings developed and served as the director of the Fairport-Perinton Youth Commission. He was the past president of the Fairport Rotary, and the founder of the Fairport-East Rochester "Little Brown Jug Game," which continued for a total of 49 seasons. In addition to these great achievements, Joe Cummings helped to establish the Monroe County High School hockey league in 1968 and worked to develop the local swimming program for the disabled.

Throughout the course of Joe Cummings' life, his numerous achievements and accomplishments have not gone unnoticed. In addition to the Fairport High School football field to be named in his honor, Joe Cummings has been presented with the Rochester Club Distinguished Service Award in 1950, the Touchdown Club of Rochester Football Award in 1961, the IAABO Board Coach Award in 1966, and the New York State Coaches' Association Special Honor Award in 1970. In addition to these great honors, Joe Cummings was inducted into both the Monroe County Athletics and the Cortland College Halls of Fame.

Joe Cummings' accomplishments were great, his approach was philanthropic, and he was a friend to all who knew him. We are grateful to Joe for his relentless dedication to the Fairport community. We will remember and he will be sorely missed.

Mr. President, I thank you.

IMPROVING AMERICA'S SCHOOLS ACT

The text of the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965 and for other purposes, as passed by the Senate on August 2, 1994, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 6) entitled "An Act to extend for five years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Improving America's Schools Act of 1994".

SEC. 2. ORGANIZATION OF THE ACT.

This Act is organized into the following titles:

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

TITLE II—AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

TITLE III—AMENDMENTS TO OTHER ACTS

TITLE IV—MISCELLANEOUS

TITLE V—WORKERS TECHNOLOGY SKILL DEVELOPMENT

TITLE VI—MULTIETHNIC PLACEMENT

TITLE VII—ALBERT EINSTEIN DISTINGUISHED EDUCATOR FELLOWSHIP ACT

TITLE VIII—1994 INSTITUTIONS

SEC. 3. EFFECTIVE DATES; TRANSITION.

(a) EFFECTIVE DATES.—

(1) TITLE I.—The amendment made by title I of this Act shall take effect July 1, 1995, except that those provisions of title I that apply to programs under part A of title IX of the Elementary and Secondary Education Act of 1965, as amended by this Act, and to programs under such Act that are conducted on a competitive basis, shall be effective with respect to appropriations for use under such programs for fiscal year 1995 and for subsequent fiscal years.

(2) TITLE II.—Title II of this Act and the amendments made by title II of this Act shall take effect on the date of enactment of this Act, except that section 250 of such title shall be effective—

(A) July 1, 1995 for noncompetitive programs in which funds are allocated on the basis of a formula; and

(B) for programs that are conducted on a competitive basis, with respect to appropriations for use under such programs in fiscal year 1995 and in subsequent fiscal years.

(3) TITLE III.—(A) Parts A and B of title III of this Act and the amendments made by such parts shall take effect on July 1, 1995.

(B) Part C of title III of this Act and the amendments made by such part shall take effect on October 1, 1994.

(b) TRANSITION.—Notwithstanding any other provision of law, a recipient of funds under the Elementary and Secondary Education Act of 1965, as such Act was in effect on the day preceding the date of enactment of this Act, may use funds available to such recipient under such predecessor authority to carry out necessary and reasonable planning and transition activities in order to ensure a smooth implementation of programs authorized by this Act.

TITLE I—AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 101. AMENDMENTS TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Elementary and Secondary Education Act of 1965'.

"SEC. 2. TABLE OF CONTENTS.

"The table of contents for this Act is as follows:

"Sec. 1. Short title.
"Sec. 2. Table of contents.

"TITLE I—HELPING CHILDREN IN NEED MEET HIGH STANDARDS

"Sec. 1001. Declaration of policy and statement of purpose.
"Sec. 1002. Authorization of appropriations.

"PART A—MAKING HIGH-POVERTY SCHOOLS WORK

"SUBPART 1—BASIC PROGRAM REQUIREMENTS

"Sec. 1111. State plans.
"Sec. 1112. Local educational agency plans.
"Sec. 1113. Eligible school attendance areas.
"Sec. 1114. Schoolwide programs.
"Sec. 1115. Targeted assistance schools.
"Sec. 1116. Parental involvement.
"Sec. 1117. Participation of children enrolled in private schools.
"Sec. 1118. Assessment and local educational agency and school improvement.
"Sec. 1119. State assistance for schools support and improvement.
"Sec. 1120. Fiscal requirements.

"SUBPART 2—ALLOCATIONS

"Sec. 1121. Grants for the outlying areas and the Secretary of the Interior.
"Sec. 1122. Allocations to States.
"Sec. 1123. Grants to States.
"Sec. 1124. Within State allocations.

"PART B—TRANSITION TO SUCCESS
"Sec. 1201. Transition to success.
"Sec. 1202. Coordination requirements.
"Sec. 1203. Definitions.
"PART C—EVEN START FAMILY LITERACY PROGRAMS
"Sec. 1301. Statement of purpose.
"Sec. 1302. Program authorized.
"Sec. 1303. State programs.
"Sec. 1304. Uses of funds.
"Sec. 1305. Program elements.
"Sec. 1306. Eligible participants.
"Sec. 1307. Applications.
"Sec. 1308. Award of subgrants.
"Sec. 1309. Evaluation.
"Sec. 1310. Construction.
"PART D—EDUCATION OF MIGRATORY CHILDREN
"Sec. 1401. Program purpose.
"Sec. 1402. Program authorized.
"Sec. 1403. State allocations.
"Sec. 1404. State applications; services.
"Sec. 1405. Secretarial approval; peer review.
"Sec. 1406. Comprehensive needs assessment and service-delivery plan; authorized activities.
"Sec. 1407. Bypass.
"Sec. 1408. Coordination of migrant education activities.
"PART E—EDUCATION FOR NEGLECTED AND DELINQUENT YOUTH
"Sec. 1501. Purpose; program authorized.
"Sec. 1502. Eligibility.
"Sec. 1503. Allocation of funds.
"Sec. 1504. State reallocation of funds.
"Sec. 1505. State plan and State agency applications.
"Sec. 1506. Use of funds.
"Sec. 1507. Institution-wide projects.
"Sec. 1508. Three-year projects.
"Sec. 1509. Program evaluations.
"Sec. 1510. Transition services.
"Sec. 1511. Definitions.
"PART F—FEDERAL EVALUATIONS AND DEMONSTRATIONS
"Sec. 1601. Evaluations.
"Sec. 1602. Demonstrations of innovative practices.
"PART G—GENERAL PROVISIONS
"Sec. 1701. Federal regulations.
"Sec. 1702. State administration.
"Sec. 1703. Construction.
"Sec. 1704. Reservation of funds for territories.
"PART H—EDUCATIONAL OPPORTUNITY DEMONSTRATION PROGRAM
"Sec. 1801. Findings and purposes.
"Sec. 1802. Definitions.
"Sec. 1803. Program authorized.
"Sec. 1804. Applications.
"Sec. 1805. Selection of grantees.
"Sec. 1806. Study commissioned.
"Sec. 1807. Construction.
"TITLE II—IMPROVING TEACHING AND LEARNING
"PART A—DWIGHT D. EISENHOWER PROFESSIONAL DEVELOPMENT PROGRAM
"Sec. 2101. Findings.
"Sec. 2102. Purposes.
"Sec. 2103. Authorization of appropriations; allocation between subparts.
"SUBPART 1—FEDERAL ACTIVITIES
"Sec. 2111. Program authorized.
"Sec. 2112. Authorized activities.
"Sec. 2113. Eisenhower National Clearinghouse for Mathematics and Science Education.
"Sec. 2114. National Teacher Training Project.
"SUBPART 2—STATE AND LOCAL ACTIVITIES
"Sec. 2121. Program authorized.
"Sec. 2122. Allocation of funds.
"Sec. 2123. Within-State allocations.
"Sec. 2124. Priority for professional development in mathematics and science.
"Sec. 2125. State applications.
"Sec. 2126. State level activities.
"Sec. 2127. Local educational agency applications.
"Sec. 2128. Local cost-sharing.
"Sec. 2129. Local allocation of funds and allowable activities.
"Sec. 2130. Higher education activities.
"Sec. 2131. Consortium requirement.
"SUBPART 3—PROFESSIONAL DEVELOPMENT DEMONSTRATION PROJECT
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"PART B—NATIONAL WRITING PROJECT
"Sec. 2201. Short title.
"Sec. 2202. Findings.
"Sec. 2203. National Writing Project.
"PART C—SUPPORT AND ASSISTANCE FOR ESEA PROGRAMS
"SUBPART 1—COMPREHENSIVE REGIONAL CENTERS
"Sec. 2301. Findings.
"Sec. 2302. Purpose.
"Sec. 2303. Program authorized.
"Sec. 2304. Eligible entities.
"Sec. 2305. Comprehensive regional centers.
"Sec. 2306. Information collection and evaluation.
"Sec. 2307. Transition.
"Sec. 2308. Authorization of appropriations.
"SUBPART 2—NATIONAL DIFFUSION NETWORK
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"Sec. 2325. Payments; Federal share; non-Federal share.
"Sec. 2326. Evaluation.
"Sec. 2327. Definitions.
"Sec. 2328. Authorization of appropriations.
"PART D—TERRITORIAL TEACHER TRAINING PROGRAM
"Sec. 2401. Territorial teacher training program.
"PART E—TELECOMMUNICATIONS DEMONSTRATION PROJECT FOR MATHEMATICS
"Sec. 2501. Project authorized.
"Sec. 2502. Application required.
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"TITLE III—TECHNOLOGY FOR EDUCATION
"Sec. 3001. Short title.
"PART A—TECHNOLOGY FOR EDUCATION FOR ALL STUDENTS
"Sec. 3111. Findings.
"Sec. 3112. Statement of purpose.
"Sec. 3113. Definitions.
"SUBPART 1—NATIONAL PROGRAMS IN TECHNOLOGY FOR EDUCATION
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"Sec. 3122. Federal leadership.
"Sec. 3123. Regional technical support and professional development.
"Sec. 3124. Educational technology product development.
"Sec. 3125. Research on educational applications of advanced technologies.
"Sec. 3126. High performance computing and telecommunications networks for education.
"Sec. 3127. Study, evaluation and report of funding alternatives.
"SUBPART 2—STATE AND LOCAL PROGRAMS FOR SCHOOL TECHNOLOGY RESOURCES, TECHNICAL SUPPORT, AND PROFESSIONAL DEVELOPMENT
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"Sec. 3303. Duties of Secretary.
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"Sec. 3306. Administrative costs.
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"Sec. 3403. Program authorized.
"Sec. 3404. Allotments of funds.
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"Sec. 3406. Local application.
"Sec. 3407. Program requirements.
"Sec. 3408. Federal administration.
"Sec. 3409. Authorization of appropriations.
"PART E—ELEMENTARY AND SECONDARY SCHOOL LIBRARY MEDIA RESOURCES PROGRAM
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"Sec. 3502. Funding requirements.
"Sec. 3503. State plans.
"Sec. 3504. Distribution of allocation to local educational agencies.
"PART F—BUDDY SYSTEM COMPUTER EDUCATION
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"Sec. 3602. Purpose.
"Sec. 3603. Grant authorization.
"Sec. 3604. Program requirements.
"Sec. 3605. Applications.
"Sec. 3606. Use of funds.
"Sec. 3607. Evaluation.
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"TITLE IV—MAGNET SCHOOLS ASSISTANCE
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"Sec. 4102. Statement of purpose.
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"Sec. 4107. Priority.
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"Sec. 4110. Limitation on payments.
"Sec. 4111. Innovative programs.
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"TITLE V—BETTER SCHOOLS FOR AMERICA
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"SUBPART 3—GENERAL PROVISIONS

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"Sec. 5132. Materials.
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"PART B—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

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"Sec. 5203. Grants to local educational agencies.
"Sec. 5204. Application.
"Sec. 5205. Authorized activities.
"Sec. 5206. Distribution of assistance; limitation on costs.
"Sec. 5207. Reports.
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"TITLE VI—INDIAN EDUCATION

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"Sec. 6103. Amount of grants.
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"Sec. 6203. Fellowships for Indian students.
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"PART C—SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR INDIANS

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"Sec. 6401. National activities.

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"Sec. 6502. Peer review.
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"TITLE VII—LANGUAGE ENHANCEMENT AND ACQUISITION PROGRAMS

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"Sec. 7126. Evaluations.

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"TITLE I—HELPING CHILDREN IN NEED MEET HIGH STANDARDS

"SEC. 1001. DECLARATION OF POLICY AND STATEMENT OF PURPOSE.

"(a) STATEMENT OF POLICY.—

"(1) IN GENERAL.—The Congress declares it to be the policy of the United States that a high-quality education for all individuals and a fair and equal opportunity to obtain that education are a societal good, are a moral imperative, and improve the life of every individual, because the quality of our individual lives ultimately depends on the quality of the lives of others.

"(2) ADDITIONAL POLICY.—The Congress further declares it to be the policy of the United States to expand the program authorized by this title over the fiscal years 1995 through 1999 by increasing funding for this title by at least $750,000,000 over baseline each fiscal year and thereby increasing the percentage of eligible children served in each fiscal year with the intent of serving all eligible children by fiscal year 2004.

"(b) RECOGNITION OF NEED.—The Congress recognizes that—

"(1) although the achievement gap between disadvantaged children and other children has been reduced by half over the past two decades, a sizable gap remains, and many segments of our society lack the opportunity to become well educated;

"(2) the most urgent need for educational improvement is in schools with high concentrations of children from low-income families and achieving the National Education Goals will not be possible without substantial improvement in such schools;

"(3) educational needs are particularly great for low-achieving children in our Nation's highest-poverty schools, children with limited-English proficiency, children of migrant workers, children with disabilities, Indian children, children who are neglected or delinquent, and young children and their parents who are in need of family-literacy services; and

"(4) in order for all students to master challenging standards in core academic subjects as described in the third National Education Goal described in section 102(3) of the Goals 2000: Educate America Act, students and schools will need to maximize the time spent on teaching and learning the core academic subjects, and students who receive pullout instruction at the expense of core academic subject learning time can fall further behind in learning the core academic subjects.

"(c) WHAT HAS BEEN LEARNED SINCE 1988.—To enable schools to provide all children a high-quality education, this title builds upon the following learned information:

"(1) All children can master challenging content and complex problem-solving skills. Research clearly shows that children, including low-achieving children, can succeed when expectations are high and all children are given the opportunity to learn challenging material.

"(2) Piecemeal reform, particularly when not tied to an overall vision of teaching to, and helping all children reach, high standards does not work.

"(3) Use of low-level tests that are not aligned with schools' curricula fails to provide adequate information about what children know and can do and encourages curricula and instruction that focus on low-level skills measured by those tests.

"(4) Resources are effective when children have full access to quality regular school programs and receive supplemental help through extended-time activities.

"(5) Intensive and sustained professional development for teachers and other school staff, focused on teaching and learning and on helping children attain high standards, is too often not provided.

"(6) All parents can contribute to their children's success by helping at home and becoming partners with teachers so that children can achieve high standards.

"(7) Decentralized decisionmaking is a key ingredient of systemic reform. Schools need the resources, flexibility, and authority to design and implement effective strategies for bringing their children to high levels of performance.

"(8) Opportunities for students to achieve to high standards can be enhanced through a variety of approaches such as public school choice and charter schools.

"(9) Attention to academics alone cannot ensure that all children will reach high standards. The health and other needs of children that affect learning are frequently unmet, particularly in high-poverty schools, thereby necessitating coordination of services to better meet children's needs.

"(10) Resources provided under this title have not been adequately targeted on the highest-poverty school districts and schools that have children most in need.

"(11) Equitable and sufficient resources, particularly as such resources relate to the quality of the teaching force, have an integral relationship to high student achievement.

"(d) STATEMENT OF PURPOSE.—The purpose of this title is to enable schools to provide opportunities for children served to acquire the same basic and advanced skills and knowledge as children not served under this title. This purpose shall be accomplished by—

"(1) ensuring high standards and aligning the efforts of States, local educational agencies, and schools to help children served under this title to reach such standards;

"(2) providing children an enriched and accelerated educational program, including, when appropriate, the use of the arts and humanities, through schoolwide programs or through additional services that increase the amount and quality of instructional time;

"(3) promoting schoolwide reform and access of children, from the earliest grades, to effective instructional strategies and challenging academic content that support intensive complex thinking and problem-solving experiences;

"(4) significantly upgrading the quality of instruction by providing staff in participating schools with substantial opportunities for ongoing professional development;

"(5) coordinating services under all parts of this title with each other, with other educational services, and, to the extent feasible, with health and social service programs funded from other sources;

"(6) affording parents meaningful opportunities to participate in the education of their children at home and at school;

"(7) distributing resources, in amounts sufficient to make a difference, to areas where needs are greatest;

"(8) improving accountability, as well as teaching and learning, by using State assessment systems designed to measure how well children served under this title are achieving high State student performance standards expected of all children;

"(9) providing greater decisionmaking authority and flexibility to schools in exchange for greater responsibility for student performance; and

"(10) encouraging the development of innovative models for recruitment, induction, retention, and assessment of new, highly qualified teachers, especially such teachers from historically underrepresented groups.

"SEC. 1002. AUTHORIZATION OF APPROPRIATIONS.

"(a) LOCAL EDUCATIONAL AGENCY GRANTS.—For the purpose of carrying out part A of this title, other than section 1117(e), there are authorized to be appropriated $7,500,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) EVEN START.—For the purpose of carrying out part C, there are authorized to be appropriated $120,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(c) EDUCATION OF MIGRATORY CHILDREN.—For the purpose of carrying out part D, there are authorized to be appropriated $310,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(d) EDUCATION FOR NEGLECTED OR DELINQUENT YOUTH.—For the purpose of carrying out part E, there are authorized to be appropriated $40,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(e) CAPITAL EXPENSES.—For the purpose of carrying out section 1117(e), there are authorized to be appropriated $45,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(f) FEDERAL ACTIVITIES.—

"(1) SECTION 1601.—For the purpose of carrying out section 1601, there are authorized to be appropriated $10,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) SECTION 1602.—For the purpose of carrying out section 1602, there are authorized to be appropriated $20,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART A—MAKING HIGH-POVERTY SCHOOLS WORK

"Subpart 1—Basic Program Requirements

"SEC. 1111. STATE PLANS.

"(a) PLANS REQUIRED.—

"(1) IN GENERAL.—Any State desiring to receive a grant under this part shall submit to the Secretary a plan, developed in consultation with local educational agencies, teachers, pupil services personnel, administrators, other staff, and parents, that satisfies the requirements of this section.

"(2) CONSOLIDATION PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidation plan under section 10302.

"(b) STANDARDS AND ASSESSMENT PROVISIONS.—

"(1) IN GENERAL.—(A) Each State plan shall describe—

"(i) the high-quality academic standards for all children that will be used by the State, its local educational agencies, and its schools in subjects, as determined by the State, to carry out this part, and for those subjects for which a

State does not have standards and students are served under this part, describe a process for ensuring that such students are taught the same knowledge and skills and held to the same expectations as all children;

"(ii)(I) two levels of high performance, proficient and advanced, that determine how well children are mastering the material in the State content standards; and

"(II) a third level, partially proficient, to provide complete information about the progress of the lower-performing children toward achieving to the proficient and advanced levels of performance; and

"(iii) the steps the State will take to help each local educational agency and school affected by the State plan develop the capacity to comply with each of the requirements of sections 1112(c)(3), 1114(b), and 1115(c) that is applicable to such agency or school.

"(B) If a State has State content standards or State student performance standards developed under title III of the Goals 2000: Educate America Act or an aligned set of assessments for all students developed under such title, or if not developed under such title, adopted under another process, the State shall use those standards and assessments, modified, if necessary, to conform with the requirements of paragraphs (1)(A)(i), (2), and (3).

"(C) If a State has not adopted State content standards and State student performance standards for all students, the State plan shall include a strategy for developing State content standards and State student performance standards for elementary and secondary school children served under this part in subjects as determined by the State, including at least mathematics, and reading or language arts, which standards shall include the same knowledge, skills, and levels of performance expected of all children, and for those subjects for which a State will not develop standards and students are served under this part, include a strategy for developing a process for ensuring that such students are taught the same knowledge and skills and held to the same expectations as all children.

"(2) ADEQUATE YEARLY PROGRESS.—(A) Each State plan shall include a description, based on assessments described under paragraph (3), of what constitutes adequate yearly progress of—

"(i) any school served under this part toward enabling all children to meet the State's student performance standards; and

"(ii) any local educational agency that receives funds under this part toward enabling all children within its jurisdiction to meet the State's student performance standards.

"(B) Adequate yearly progress under this paragraph shall be defined in a manner that results in continuous and substantial yearly improvement of each local educational agency and school sufficient to achieve the goal of all children served under this part meeting the State's proficient and advanced level of performance, particularly eligible children described in section 1115(b).

"(3) ASSESSMENTS.—Each State plan shall include a description of the set of high-quality, yearly student assessments, including at least mathematics, and reading or language arts, in one grade in each school, that will be used as the primary means of determining the yearly performance of each local educational agency and school served under this part in enabling all children served under this part to meet the State's student performance standards. Such assessments shall—

"(A) be the same assessments used to measure the performance of all children, if the State measures the performance of all children;

"(B) be aligned with such State's content standards in subjects for which the State has developed standards in accordance with subparagraph (A) or (C) of paragraph (1);

"(C) involve multiple measures of student performance, including measures that assess higher order thinking skills and understanding;

"(D) provide for—

"(i) the participation in such assessments of all students with diverse learning needs; and

"(ii) the adaptations and accommodations necessary to permit such participation;

"(E) be used for the purposes for which they are valid and reliable and be consistent with relevant, nationally recognized professional and technical standards for such assessments, except that assessment measures that do not satisfy the requirements of this subparagraph may be included as one of the multiple measures, so long as a State includes in the State plan information regarding the State's efforts to validate such measures;

"(F) be capable of providing coherent information about student attainments relative to the State content standards;

"(G) support effective curriculum and instruction;

"(H) provide individual student interpretive and descriptive reports, which may include scores and other information on the attainment of student performance standards;

"(I) provide statistically reliable results for economically disadvantaged children disaggregated by gender, major ethnic or racial groups, limited-English proficient children, children with disabilities, migratory children, and other educationally meaningful categories of children;

"(J) include students who have resided in the area served by a local educational agency for a full academic year but have not attended a single school served by such agency for a full academic year, except that the performance of students who have attended more than one school in the local educational agency in any academic year shall be used only in determining the progress of the local educational agency, unless the State provides otherwise; and

"(K) particularly for assessments given in kindergarden, or grades one or two, be developmentally appropriate.

"(4) OTHER INDICATORS.—Each State plan may include a description of any other indicators, such as rates of attendance, graduation, and school-to-work or school-to-college transition, that will be used in addition to the assessments required by paragraph (3) in determining the yearly performance of each local educational agency and school served under this part.

"(5) TRANSITIONAL STATEWIDE ASSESSMENTS.—(A)(i) If a State does not have State content standards and State student performance standards that meet the requirements of paragraph (1) or assessments that meet the requirements of paragraph (3), the State may propose to use, for a transitional period of not more than two years, a transitional statewide set of yearly assessments, including at least mathematics, and reading or language arts, in one grade in each school, that measure the performance of complex skills and challenging subject matter.

"(ii) Each State using the transitional assessments described in clause (i) shall develop benchmarks of progress toward the development of assessments that meet the requirements of paragraph (3), including periodic updates.

"(B)(i) The Secretary may extend for two additional years the use of the transitional assessments described in subparagraph (A) upon the request of a State and a showing of substantial progress toward meeting the requirements of paragraphs (1) and (3), particularly paragraph (3)(C).

"(ii) A State that is denied the two-year extension or renewal under clause (i) or is granted such an extension or renewal, but after two additional years does not have State content standards and State student performance standards that meet the requirements of paragraph (1) or assessments that meet the requirements of paragraph (3), shall adopt a set of such standards and aligned assessments, such as those contained in other State plans the Secretary has approved.

"(C) For any year during which a State is using transitional assessments the State shall devise a procedure for identifying local educational agencies under subsections (c)(3) and (c)(7) of section 1118 and schools under subsections (b)(1) and (b)(6) of section 1118 that relies on accurate information about the academic progress of each such local educational agency and school.

"(c) OTHER PROVISIONS TO SUPPORT TEACHING AND LEARNING.—Each State plan shall contain assurances that—

"(1) the State educational agency will implement a system of school support teams under section 1119(b), including provision of necessary professional development for those teams;

"(2) the State educational agency will provide the least restrictive and burdensome regulations for local educational agencies and individual schools participating in a program assisted under this part;

"(3) the State educational agency will fulfill its local educational agency and school improvement responsibilities under section 1118; and

"(4) the State educational agency will encourage the use of funds from other Federal, State, and local sources for schoolwide reform in schoolwide programs under section 1114.

"(d) PEER REVIEW AND SECRETARIAL APPROVAL.—

"(1) IN GENERAL.—The Secretary shall—

"(A) establish a peer review process to assist in the review and recommendations for revision of State plans;

"(B) following an initial peer review, approve a State plan the Secretary determines meets the requirements of subsections (b) and (c);

"(C) if the Secretary determines that the State plan does not meet the requirements of subsection (b) or (c), immediately notify the State of that determination and the reasons for such determination;

"(D) not finally disapprove a State's plan before offering the State an opportunity to revise its plan and provide technical assistance to assist the State to meet the requirements of subsections (b) and (c); and

"(E) not require a State, as a condition of approval of the State plan, to include in, or delete from, such plan one or more specific elements of the State's content standards or to use specific assessment instruments or items.

"(2) WITHHOLDING.—The Secretary may withhold funds for State administration and activities under section 1119 until the Secretary determines that the State plan meets the requirements of this section.

"(e) DURATION OF THE PLAN.—

"(1) IN GENERAL.—Each State plan shall—

"(A) remain in effect for the duration of the State's participation under this part; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

"(2) ADDITIONAL INFORMATION.—If the State makes significant changes in its plan, such as the adoption of new State content standards and State student performance standards, new assessments, or a new definition of adequate progress, the State shall submit such information to the Secretary.

"(f) SPECIAL RULE.—If the aggregate State expenditure by a State educational agency for the operation of elementary and secondary education programs in the State is less than such agency's aggregate Federal expenditure for the State operation of all Federal elementary and secondary education programs, then the State plan shall include assurances and specific provisions that such State will provide State expenditures for the operation of elementary and secondary education programs equal to or exceeding the level of Federal expenditures for such operation by October 1, 1998.

"SEC. 1112. LOCAL EDUCATIONAL AGENCY PLANS.

"(a) PLANS REQUIRED.—A local educational agency may receive a subgrant under this part for any fiscal year only if such agency has on file with the State educational agency a plan that is approved by the State educational agency. Such plan may be submitted as part of a consolidated plan under section 10304.

"(b) PLAN PROVISIONS.—

"(1) IN GENERAL.—Each local educational agency plan shall include—

"(A) a description of additional high-quality student assessments, if any, other than those described in the State plan under section 1111, that—

"(i) the local educational agency and schools served under this part will use to—

"(I) provide information to teachers, parents, and students on the progress being made toward meeting the State student performance standards described in section 1111(b)(2)(A); and

"(II) aid in instruction, in improving the performance of individual students, and in revising the local educational agency or school's instructional program to enable all children served under this part to meet the State student performance standards described in section 1111(b)(2)(A);

"(ii) will be selected and administered by teachers; and

"(iii) will be aligned with curriculum and constitute an integral part of the instructional program;

"(B) at the local educational agency's discretion, a description of any other indicators, such as rates of attendance, graduation, and school-to-work or school-to-college transition, that will be used in addition to the assessments described in subparagraph (A) for the uses described in clause (i) of such subparagraph;

"(C) a description of the strategy the local educational agency will use to provide ongoing professional development for teachers, pupil services personnel, administrators, parents and other staff, including local educational agency level staff, that—

"(i) takes into account the needs and activities across and within schools; and

"(ii) draws on resources available under this part, other Federal resources, and, at the local educational agency's discretion, other State and local resources;

"(D) a description of the poverty criteria that will be used to select school attendance areas under section 1113;

"(E) a description of how teachers, in consultation with parents, administrators, and pupil services personnel, in targeted assistance schools under section 1115 will identify those eligible children most in need of services under this part;

"(F) a general description of the nature of the programs to be conducted by its schools under sections 1114 and 1115 and, where appropriate, educational services outside those schools for children living in local institutions for neglected or delinquent children, for neglected and delinquent children in community day school programs, and for eligible homeless children;

"(G) a description of how the local educational agency, where appropriate, will use funds under this part to support preschool programs for children, particularly children participating in a Head Start or Even Start program, which services may be provided directly by the local educational agency or through a subcontract with the local Head Start agency designated by the Secretary of Health and Human Services under section 641 of the Head Start Act, or another comparable public early childhood development program; and

"(H) a description of how the local educational agency, as part of a comprehensive school reform effort, will, where appropriate and feasible as determined by such agency, use funds provided under this part to reduce class size to 15 students.

"(2) FILING AND APPROVAL.—Notwithstanding paragraph (1), each local educational agency plan shall be filed according to a schedule established by the State educational agency, except that a local educational agency shall have not more than 2 years from the date of enactment of the Improving America's Schools Act of 1994 to have such plan approved by the State educational agency.

"(c) ASSURANCES.—Each local educational agency plan shall provide assurances that the local educational agency will—

"(1) work in consultation with schools as the schools develop their plans pursuant to section 1114 or 1118 and assist schools as schools implement those plans so that each school can make adequate yearly progress toward meeting the State content standards and State student performance standards;

"(2)(A) inform eligible schools and parents of schoolwide project authority; and

"(B) provide technical assistance and support to schoolwide programs;

"(3) fulfill its school improvement responsibilities under section 1118;

"(4) give priority to serving students in the earlier grades of schools that receive funds under this part;

"(5) provide services to eligible children attending private elementary and secondary schools in accordance with section 1117, and timely and meaningful consultation with private school officials regarding such services;

"(6) consistent with the provisions of section 10306, coordinate and integrate services provided under this part with other educational services, including—

"(A) Even Start, Head Start, and other preschool programs, and school-to-work transition programs; and

"(B) services for children with limited-English proficiency or with disabilities, migratory children served under part D, neglected or delinquent children served under part E, homeless children, and immigrant children, in order to increase program effectiveness, eliminate duplication, and reduce fragmentation of the children's instructional program;

"(7) coordinate and collaborate, to the extent feasible and necessary as determined by the local educational agency, with school-based pupil services personnel where appropriate, and with other agencies providing services to children, youth, and families, including health and social services;

"(8) where appropriate and feasible as determined by the local educational agency, establish a procedure to ensure that all children in participating elementary schools receive two health screenings during the elementary school years at appropriate intervals based on reasonable pediatric standards; and

"(9) in the case that a State chooses to utilize funds under this part to provide early childhood development services to low-income children below the age of compulsory school attendance, ensure that such services comply with the performance standards established under section 641A(a) of the Head Start Act or under section 651 of such Act, as such section 651 was in effect on the day preceding the date of enactment of the Human Services Amendments of 1994.

"(d) PLAN DEVELOPMENT AND DURATION.—Each local educational agency plan shall—

"(1) be developed in consultation with teachers, pupil services personnel and parents of children in schools served under this part;

"(2) remain in effect for the duration of the local educational agency's participation under this part; and

"(3) be periodically reviewed and revised, as necessary, to reflect changes in the local educational agency's strategies and programs.

"(e) STATE APPROVAL.—The State educational agency shall approve a local educational agency's plan only if the State educational agency determines that the local educational agency's plan will enable schools served under this part to substantially help all children served under this part meet the standards described in section 1111(b)(1).

"(f) PROGRAM RESPONSIBILITY.—The local educational agency plan shall reflect the shared responsibility of the local educational agency and schools in making decisions required under sections 1114 and 1115.

"SEC. 1113. ELIGIBLE SCHOOL ATTENDANCE AREAS.

"(a) IN GENERAL.—

"(1) IN GENERAL.—A local educational agency shall use funds received under this part only in eligible school attendance areas.

"(2) ELIGIBLE SCHOOL ATTENDANCE AREAS.—For the purposes of this part—

"(A) the term 'school attendance area' means, in relation to a particular school, the geographical area in which the children who are normally served by that school reside; and

"(B) the term 'eligible school attendance area' means a school attendance area in which the percentage of children from low-income families is equal to or greater than the percentage of children—

"(i) from low-income families served by the local educational agency as a whole; or

"(ii) served by the local educational agency as a whole who are eligible to participate in a schoolwide program under section 1114.

"(3) SERVING SCHOOLS IN RANK ORDER.—Each local educational agency receiving assistance under this part shall—

"(A) first serve in rank order schools in which the concentration of children from low-income families is 75 percent or greater;

"(B) then serve in rank order schools in which such concentration is at least 50 percent and less than 75 percent with rank order determined at the discretion of the local education agency according to grade span or school; and

"(C) finally serve in rank order schools in which such concentration is below 50 percent with rank order determined according to grade span or by school.

"(4) MEASURES.—The local educational agency shall use the same measure of low-income,

which such agency shall choose on the basis of the best available verifiable data and which may be a composite of several indicators, with respect to all school attendance areas in the local educational agency to—

"(A) identify eligible school attendance areas;

"(B) determine the ranking of each such area; and

"(C) determine allocations under subsection (c).

"(b) Local Educational Agency Discretion.—Notwithstanding subsection (a)(1), a local educational agency may use funds received under this part in a school that is not in an eligible school attendance area, if the percentage of children from low-income families enrolled in the school is equal to or greater than the percentage of such children in a participating school attendance area of such agency.

"(c) Allocations.—

"(1) In general.—A local educational agency shall allocate funds received under this part to eligible school attendance areas or eligible schools—

"(A) identified under subsection (a)(3)(A), in rank order, on the basis of the total number of children from low-income families in each such area or school; and

"(B) identified under subparagraphs (B) and (C) of subsection (a)(3) or under subsection (b), in rank order, on the basis of the total number of children from low-income families in grade levels served in each such area or school.

"(2) Special rule.—(A) Except as provided in subparagraph (B), the per pupil amount of funds allocated to each school attendance area or school under paragraph (1) shall be at least 65 percent of the per pupil amount of funds a local educational agency received for that year under the poverty criterion described by the local educational agency in the plan submitted under section 1112, except that this paragraph shall not apply to a local educational agency that only serves schools in which the percentage of such children is 50 percent or greater.

"(B) A local educational agency may reduce the amount of funds allocated under subparagraph (A) for a school attendance area or school by the amount of any supplemental State and local funds expended in that school attendance area or school for programs that meet the requirements of section 1114 or 1115.

"(3) Reservation.—A local educational agency shall reserve such funds as are necessary under this part to provide services comparable to those provided to children in schools funded under this part to serve—

"(A) eligible homeless children who do not attend participating schools, including providing educationally related support services to children in shelters, where appropriate;

"(B) children living in local institutions for neglected or delinquent children; and

"(C) where appropriate, neglected and delinquent children in community day school programs.

"(d) Inapplicability.—

"(1) In general.—Subsections (a) and (c) shall not apply—

"(A) to a local educational agency with a total enrollment of less than 1,000 children, except that such agency shall serve school attendance areas or schools in rank order according to grade span or school on the basis of the total number of children from low-income families in grade levels served in such area or school; or

"(B) to a school participating in a desegregation program where the number of economically disadvantaged children served by the school is equal to or greater than 100 or equal to or greater than 25 percent of such school's total student enrollment.

"(2) Special rule.—(A) Except as provided in subparagraph (B), the per pupil amount of funds allocated to each school attendance area or school described in paragraph (1) shall be at least 65 percent of the per pupil amount of funds the local educational agency serving such area or school received for that year under the poverty criterion described by such agency in the plan submitted under section 1112, except that this paragraph shall not apply to a local educational agency that only serves schools in which the percentage of children from low-income families is 50 percent or greater.

"(B) A local educational agency described in subparagraph (A) may reduce the amount of funds allocated under such subparagraph for a school attendance area or school by the amount of any supplemental State and local funds expended in such area or school for programs that meet the requirements of section 1114 or 1115.

"(e) Optional Assignment.—A local educational agency with a total enrollment of greater than 900,000 children may, to the extent feasible, use funds received under this part to serve children from low-income families who reside in school attendance areas having high concentrations of children from low-income families, who otherwise meet the eligibility requirements of this part, and who attend schools in noneligible attendance areas.

"SEC. 1114. SCHOOLWIDE PROGRAMS.

"(a) Use of Funds for Schoolwide Programs.—

"(1) In general.—A local educational agency may use funds under this part, in combination with other Federal, State, and local funds, in order to upgrade the entire educational program in a school described in subparagraph (A) or (B) if, for the initial year of the schoolwide program, the school meets either of the following criteria:

"(A) The school serves an eligible school attendance area in which at least 30 percent of the children—

"(i) are from low-income families; and

"(ii) are eligible for a free or reduced price lunch or show evidence of poverty by other criteria, such as eligibility under the aid to families with dependent children program under part A of title IV of the Social Security Act.

"(B) At least 30 percent of the children enrolled in the school are from families meeting the requirements of clauses (i) and (ii) of subparagraph (A).

"(2) Identification.—(A) No school participating in a schoolwide program shall be required to identify particular children as eligible to participate in a schoolwide program or to provide supplemental services to such children.

"(B) A school participating in a schoolwide program shall use funds available to carry out this section only to supplement the amount of funds that would, in the absence of funds under this part, be made available from non-Federal sources for the school, including funds needed to provide services that are required by law for children with disabilities and children with limited-English proficiency.

"(3) Special rule.—(A) Except as provided in subsection (b), the Secretary may, through publication of a notice in the Federal Register, exempt schoolwide programs under section 1114 from statutory or regulatory provisions of any other noncompetitive, formula grant program administered by the Secretary, or any discretionary grant program administered by the Secretary (other than formula or discretionary grant programs under the Individuals with Disabilities Education Act), to support schoolwide programs, if the intent and purposes of such other programs are met. Such notice shall not be subject to the requirements in section 431 of the General Education Provisions Act or section 553 of title 5, United States Code.

"(B) A school that chooses to use funds from such other programs shall not be relieved of the requirements relating to health, safety, civil rights, gender equity, student and parental participation and involvement, services to private school children, maintenance of effort, comparability of services, uses of Federal funds to supplement, not supplant non-Federal funds, or the distribution of funds to State or local educational agencies that apply to the receipt of funds from such programs.

"(4) Reservation.—Each school receiving funds under this title for any fiscal year shall use not less than 10 percent of such funds to carry out the activities described in subsection (b)(1)(D) for such fiscal year, except that—

"(A) a school may enter into a consortium with another school to carry out such activities; and

"(B) this paragraph shall not apply to a school if 10 percent of the funds such school receives under this title for such year is less than $5,000.

"(b) Components of a Schoolwide Program.—

"(1) In general.—A schoolwide program shall include the following components:

"(A) A comprehensive needs assessment of the entire school that is based on information on the performance of children in relation to the State content standards and the State student performance standards described in section 1111(b)(1).

"(B) Schoolwide reform strategies that—

"(i) provide opportunities for all children to meet the State's proficient and advanced levels of performance described in section 1111(b)(1)(A);

"(ii) are based on effective means of improving the achievement of children;

"(iii) use effective instructional strategies that—

"(I) increase the amount and quality of learning time; and

"(II) help provide an enriched and accelerated curriculum;

"(iv)(I) address the needs of all children in the school, but particularly the needs of economically disadvantaged children, low-achieving children, children with limited-English proficiency, children with disabilities, children from migratory families, and children who are members of the target population of any program that is included in the schoolwide program, which may include—

"(aa) counseling, pupil services, and mentoring services;

"(bb) college and career awareness and preparation, such as college and career guidance, enhancement of employability skills, and job placement services;

"(cc) services to prepare students for the transition from school to work;

"(dd) services to assist preschool children in the transition from early childhood programs to elementary school programs;

"(ee) incorporation of gender-equitable methods and practices; and

"(ff) after school and summer programs; and

"(II) address how the school will determine if such needs have been met; and

"(v) are consistent with, and are designed to implement, the State and local improvement plans, if any, approved under title III of the Goals 2000: Educate America Act.

"(C)(i) Instruction by highly qualified professional staff.

"(ii) If a school uses funds received under this part to employ instructional aides, the school shall ensure that such aides—

"(I) possess the knowledge and skills sufficient to assist participating children in meeting the educational goals of this part;

"(II) have a secondary school diploma or its recognized equivalent, or earn such diploma or equivalent within 2 years of such employment,

except that a school may employ an instructional aide that does not meet the requirement of this subclause if such aide possesses proficiency in a language other than English that is needed to enhance the participation of children in programs under this part; and

"(III) are under the direct supervision of a teacher who has primary responsibility for providing instructional services to eligible children.

"(D) In accordance with subsection (a)(4), ongoing professional development for teachers, pupil services personnel, parents, principals, and other staff to enable all children in the school to meet the State's student performance standards. Such activities shall be jointly developed by the principal, teachers, and other staff of each school.

"(E) Parental involvement in accordance with section 1116.

"(F) Development and use of teacher selected assessments as described in section 1112(b)(1)(A)(ii) for providing information on and improving the performance of individual students and the overall instructional program.

"(G) Measures to ensure that students who experience difficulty mastering any of the standards required by section 1111(b) during the course of the school year shall be provided with effective, timely additional assistance, which shall include—

"(i) measures to ensure that students' difficulties are identified on a timely basis and to provide sufficient information on which to base effective assistance;

"(ii) to the extent the school determines feasible using funds under this part, periodic training for teachers in how to identify such difficulties and to provide assistance to individual students; and

"(iii) for any student who has not met such standards, teacher-parent conferences, at which time the teacher and parents shall discuss—

"(I) what the school will do to help the student meet such standards;

"(II) what the parents can do to help the student improve the student's performance; and

"(III) additional assistance which may be available to the student at the school or elsewhere in the community.

"(2) Plan.—(A) Any eligible school that desires to operate a schoolwide program shall first develop (or amend a plan for such a program that was in existence before the date of enactment of the Improving America's Schools Act of 1994), in consultation with the local educational agency, a comprehensive plan for reforming the total instructional program in the school that—

"(i) incorporates the components described in paragraph (1);

"(ii) describes how the school will use resources under this part and from other sources to implement those components;

"(iii) includes a list of State and local educational agency programs and other Federal programs under paragraph (a)(3) that will be included in the schoolwide program;

"(iv) describes how the school will provide valid and reliable individual student assessment results, including an interpretation of those results, to the parents of any child who participates in the assessment required by section 1111(b)(3); and

"(v) provides for statistically reliable data on the achievement and assessment results of economically disadvantaged children disaggregated by gender, major ethnic or racial groups, children with disabilities, and, where appropriate, limited-English proficient children.

"(B) Plans developed before a State has adopted standards and a set of assessments that meet the criteria described in paragraphs (1) and (3) of section 1111(b) shall be based on an analysis of available data on the achievement of students in the school and effective instructional and school improvement practices.

"(C) The comprehensive plan shall be—

"(i) developed over a one-year period, unless—

"(I) the local educational agency determines that less time is needed to develop and implement the schoolwide program; or

"(II) the school is operating a schoolwide program on the day preceding the date of enactment of the Improving America's Schools Act of 1994, in which case such school may continue to operate that program, but shall develop a new plan during the first year of assistance under such Act to reflect the provisions of this section;

"(ii) developed by a school-site council composed of those individuals who will implement the plan, including teachers, pupil services personnel, parents, principals, and other staff;

"(iii) in effect for the duration of the school's participation under this part and reviewed and revised, as necessary, by the school; and

"(iv) available to the local educational agency, parents, and the public, and the information contained in such plan shall be translated, to the extent feasible, into any language spoken as the primary language by a significant percentage of the parents of participating students, that a significant percentage of the parents of participating children in the school speak awkward syntax as their primary language.

"SEC. 1115. TARGETED ASSISTANCE SCHOOLS.

"(a) In General.—In all schools selected to receive funds under section 1113(c) that are ineligible for a schoolwide program under section 1114, or that choose not to operate such a schoolwide program, a local educational agency may use funds received under this part only for programs that provide services to economically disadvantaged children identified by teachers, in consultation with parents, administrators, and pupil services personnel, as having the greatest academic need for special assistance.

"(b) Eligible Children.—

"(1) Eligible population.—A child shall be eligible for services under this part if—

"(A) except as provided in subparagraphs (B), (C), and (D), the school serving such child determines that such child is economically disadvantaged, and such child—

"(i)(I) is not older than age 21 and is entitled to a free public education through grade 12; and

"(II) is not yet at a grade level where the local educational agency provides a free public education, yet is of an age at which such child can benefit from an organized instructional program provided in a school or other educational setting; or

"(ii) is a child with a disability, a limited-English proficient child, or a migrant child;

"(B) the child, at any time in the two years preceding the year for which the determination is made, received services under the program for neglected and delinquent children under part E (or its predecessor authority);

"(C) the child is homeless and attending any school in the local educational agency; and

"(D) the child, at any time in the two years preceding the year for which the determination is made, participated in a Head Start or Even Start program.

"(2) Special rule.—Funds received under this part may not be used to provide services that are otherwise required by law to be made available to children described in subparagraphs (B), (C), and (D) of paragraph (1) but may be used to coordinate or supplement such services.

"(c) Components of a Targeted Assistance School Program.—

"(1) In general.—To assist targeted assistance schools and local educational agencies to meet their responsibility to provide for all their students served under this part the opportunity to meet the State's student performance standards in subjects as determined by the State, each targeted assistance program under this section shall—

"(A) use such program's resources under this part to help participating children meet such State student performance standards expected for all children;

"(B) be based on effective means for improving achievement of children;

"(C) ensure that planning for students served under this part is incorporated into existing school planning;

"(D) use effective instructional strategies that—

"(i) increase the amount and quality of learning time;

"(ii) help provide an accelerated, high-quality curriculum; and

"(iii) minimize isolating eligible children from other children in the school during regular school hours;

"(E) coordinate with and support the regular education program, which may include—

"(i) counseling, mentoring and other pupil services;

"(ii) college and career awareness and preparation, such as college and career guidance, enhancement of employability skills, and job placement services;

"(iii) services to prepare students for the transition from school to work; and

"(iv) services to assist preschool children in the transition from early childhood programs to elementary school programs;

"(F) provide instruction by highly qualified staff;

"(G) if such program employs instructional aides, ensure that such aides—

"(i) possess the knowledge and skills sufficient to assist participating children in meeting the purposes of this title;

"(ii) have a secondary school diploma or its recognized equivalent, or earn such diploma or equivalent within 2 years of such employment, except that an instructional aide that does not meet the requirement of this clause may be employed if such aide possesses a tested proficiency in English and a language other than English that is needed to enhance the participation of children in programs under this part; and

"(iii) are under the direct supervision of a teacher who has primary responsibility for providing instructional services to eligible children;

"(H) in accordance with subsection (d)(2), provide opportunities for ongoing professional development to the extent the school determines feasible with resources provided under this part and from other sources for administrators and for teachers and other school staff who work with participating children in programs under this section or in the regular education program; and

"(I) provide opportunities for parental involvement in accordance with section 1116.

"(2) Requirements.—Each school conducting a program under this section shall assist participating children selected in accordance with subsection (b) to meet the State's proficient and advanced levels of performance by—

"(A) the coordination of resources provided under this part with other resources to enable the children served to meet the State content standards and State student performance standards; and

"(B) providing individual student assessment results, including an explanation of those results, to the parents of any child who participates in the assessment required by section 1111(b)(3).

"(d) Special Rules.—

"(1) Comprehensive services.—If health, nutrition, and other social services are not otherwise available to eligible children in a targeted assistance school and such school, if appropriate, has engaged in a comprehensive needs assessment and established a collaborative partnership with local service providers, and if

funds are not reasonably available from other public or private sources to provide services under this part, then funds provided under this part may be used as a last resort to provide such services, including—

"(A) the provision of basic medical equipment, such as eyeglasses and hearing aids;

"(B) compensation of a coordinator; and

"(C) professional development for teachers, pupil services personnel, other staff, and parents in identifying and meeting the comprehensive needs of eligible children.

"(2) RESERVATION.—Each school receiving funds under this title for any fiscal year shall use not less than 10 percent of such funds to carry out the activities described in subsection (c)(1)(H) for such fiscal year, except that—

"(A) a school may enter into a consortium with another school to carry out such activities; and

"(B) this paragraph shall not apply to a school if 10 percent of the funds such school receives under this title for such year is less than $5,000.

"(e) ASSIGNMENT OF PERSONNEL.—To promote the integration of staff supported with funds under this part and children served under this part into the regular school program and overall school planning and improvement efforts, public school personnel who are paid with funds received under this part may—

"(1) assume limited duties that are assigned to similar personnel who are not so paid, including duties beyond classroom instruction or that do not benefit participating children so long as the amount of time spent on such duties is the same proportion of total work time as prevails with respect to similar personnel at the same school;

"(2) participate in general professional development and school planning activities; and

"(3) collaboratively teach with regular classroom teachers, so long as their efforts directly benefit participating children.

"(f) SPECIAL RULE.—Nothing in this section shall be construed to prohibit a school from serving students served under this section simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 1116. PARENTAL INVOLVEMENT.

"(a) LOCAL EDUCATIONAL AGENCY POLICY.—

"(1) IN GENERAL.—Each local educational agency that receives funds under this part shall develop jointly with, agree upon with, and distribute to, parents of participating children a written parent involvement policy that is incorporated into the local educational agency's plan developed under section 1112, establishes the expectations for parent involvement, and describes how the local educational agency will—

"(A) involve parents in the joint development and approval of the plan described under section 1112, and the process of school review and improvement described under section 1118;

"(B) provide the coordination, technical assistance, and other support necessary to assist participating schools in planning and implementing effective parent involvement;

"(C) build the schools' and parents' capacity for strong parent involvement as described in subsection (e);

"(D) coordinate and integrate parent involvement strategies described in this part with those under other programs; and

"(E) ensure that participating schools—

"(i) review the effectiveness of their parent involvement activities on an ongoing basis;

"(ii) identify and take steps to remove any barriers to greater parental involvement, including barriers resulting in lower rates of participation in the parent involvement activities by parents who are economically disadvantaged, are disabled, have limited literacy, have limited-English proficiency, or are from any racial or ethnic minority background; and

"(iii) use the findings of such reviews in—

"(I) designing strategies for school improvement; and

"(II) revising, if necessary, the parent involvement policies described in this subsection and subsection (b)(1).

"(2) AMENDMENT.—If the local educational agency has a school district-level parental involvement policy that applies to all parents, such agency may amend that policy, if necessary, to meet the requirements of this subsection.

"(b) SCHOOL PARENTAL INVOLVEMENT POLICY.—

"(1) IN GENERAL.—Each school served under this part shall jointly develop with, and distribute to, parents of participating children a written parent involvement policy, agreed upon by such parents, that shall describe the means for carrying out the requirements of subsections (c) through (f). Such policy shall be updated periodically to meet the changing needs of parents and the school.

"(2) SPECIAL RULE.—If the school has a parental involvement policy that applies to all parents, such school may amend that policy, if necessary, to meet the requirements of this subsection.

"(c) POLICY INVOLVEMENT.—Each school served under this part shall—

"(1) convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation under this part and to explain this part, its requirements, and their right to be involved;

"(2) offer a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement;

"(3) involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the school parental involvement policy and the joint development and approval of the schoolwide program plan under section 1114(b), except that if a school has in place a process for involving parents in the joint planning, design, and approval of its programs, the school may use that process, provided that such process includes an adequate representation of parents of participating children; and

"(4) provide parents of participating children—

"(A) timely information about programs under this part;

"(B) school performance profiles required under section 1118(a)(3);

"(C) a description and explanation of the curriculum in use at the school, the forms of assessment used to measure student progress, and the proficiency levels students are expected to meet;

"(D) opportunities for regular meetings to formulate suggestions, share experiences with other parents, and participate as appropriate in decisions relating to the education of their children if such parents so desire; and

"(E) timely responses to the suggestions described in subparagraph (E).

"(d) SHARED RESPONSIBILITIES FOR HIGH STUDENT PERFORMANCE.—As a component of the school-level parental involvement policy developed under subsection (b), each school served under this part shall jointly develop with parents for all children served under this part a school-parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student achievement and the means by which the school and parents will build and develop a partnership to help children achieve the State's high standards. Such compact shall—

"(1) describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables the children served under this part to meet the State's student performance standards, and the ways in which each parent will be responsible for supporting their children's learning, such as monitoring attendance, homework completion, television watching, volunteering in their child's classroom, and participating as appropriate in decisions relating to the education of their children, and positive use of extracurricular time; and

"(2) address the importance of communication between teachers and parents on an ongoing basis through, at a minimum—

"(A) parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates to the individual child's achievement;

"(B) frequent reports to parents on their children's progress; and

"(C) reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities.

"(e) BUILDING CAPACITY FOR INVOLVEMENT.—To ensure effective involvement of parents and to support a partnership among the school, parents, and the community to improve student achievement, each school and local educational agency shall—

"(1) provide assistance to participating parents in such areas as understanding the National Education Goals, the State's content standards and State student performance standards, State and local assessments, the requirements of this part, and how to monitor their children's progress and work with educators to improve the performance of their children as well as information on how parents can participate in decisions relating to the education of their children;

"(2) provide materials and training, such as necessary literacy training that is not otherwise available from other sources to help parents work with their children to improve their children's achievement;

"(3) educate teachers, pupil services personnel, principals and other staff, with the assistance of parents, in the value and utility of contributions of parents, and in how to reach out to, communicate with, and work with parents as equal partners, implement and coordinate parent programs, and build ties between home and school;

"(4) coordinate and integrate parent involvement programs and activities with Head Start, Even Start, home instruction programs for preschool youngsters and Parents as Teachers, and public preschool programs, to the extent feasible;

"(5) other activities, as appropriate and feasible, such as parent resource centers and providing opportunities for parents to learn about child development and child rearing issues beginning at the birth of a child, designed to help parents become full partners in the education of their children; and

"(6) provide such other reasonable support for parental involvement activities under this section as parents may request.

"(f) PARENTAL INFORMATION AND RESOURCE CENTERS.—In States where parental information and resource centers have been established pursuant to section 401 of the Goals 2000: Educate America Act of 1994 (to providing training, information, and support to parents and individuals who work with parents) local educational agencies and schools receiving assistance under this part shall assist parents and parent organizations by informing such parents and organizations of the existence and purpose of such centers, providing such parents and organizations with a description of the services and programs provided by such centers, advising parents on how to use such centers, and helping parents to contact such centers.

"(g) ACCESSIBILITY.—In carrying out the parental involvement requirements of this part, local educational agencies and schools, to the extent practicable, shall provide full opportunities for the participation of parents with limited-English proficiency or with disabilities, including providing information and school profiles in a language and form such parents understand.

"SEC. 1117. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

"(a) GENERAL REQUIREMENT.—

"(1) IN GENERAL.—To the extent consistent with the number of eligible children identified according to section 1115(b) in a local educational agency who are enrolled in private elementary and secondary schools, a local educational agency shall, after timely and meaningful consultation with appropriate private school officials, provide such children, on an equitable basis, special educational services or other benefits under this part.

"(2) SECULAR, NEUTRAL, NONIDEOLOGICAL.—Such educational services or other benefits, including materials and equipment, must be secular, neutral, and nonideological.

"(3) EQUITY.—Educational services and other benefits for such private school children shall be equitable in comparison to services and other benefits for public school children participating under this part.

"(4) EXPENDITURES.—Expenditures for educational services and other benefits to eligible private school children shall be equal to the proportion of funds allocated to participating school attendance areas based on the number of children from low-income families who attend private schools.

"(5) PROVISION OF SERVICES.—The local educational agency may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

"(b) CONSULTATION.—

"(1) IN GENERAL.—To ensure timely and meaningful consultation, a local educational agency shall consult with appropriate private school officials during the design and development of the agency's programs under this part, on issues such as—

"(A) how the children's needs will be identified;

"(B) what services will be offered;

"(C) how and where the services will be provided; and

"(D) how the services will be assessed.

"(2) TIMING.— Such consultation shall occur before the local educational agency makes any decision that affects the opportunities of eligible private school children to participate in programs under this part.

"(3) DISCUSSION.—Such consultation shall include a discussion of service delivery mechanisms a local educational agency can use to provide equitable services to eligible private school children.

"(c) PUBLIC CONTROL OF FUNDS.—

"(1) IN GENERAL.—The control of funds provided under this part, and title to materials, equipment, and property purchased with those funds, shall be in a public agency, and a public agency shall administer such funds and property.

"(2) PROVISION OF SERVICES.—(A) The provision of services under this section shall be provided—

"(i) by employees of a public agency; or

"(ii) through contract by such public agency with an individual, association, agency, or organization.

"(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency.

"(3) VERIFIABLE DOCUMENTATION.—An official of each private school assisted under this part shall provide to the local educational agency the verifiable documentation necessary to determine the proportionate allocation amount under subsection (a)(4) on which the provision of equitable services under this section will be based.

"(d) STANDARDS FOR A BYPASS.—If a local educational agency is prohibited by law from providing for the participation on an equitable basis of eligible children enrolled in private elementary and secondary schools or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for such participation, as required by this section, the Secretary shall—

"(1) waive the requirements of this section for such local educational agency; and

"(2) arrange for the provision of services to such children through arrangements that shall be subject to the requirements of this section and sections 10505 and 10506.

"(e) CAPITAL EXPENSES.—

"(1) IN GENERAL.—(A) From the amount appropriated for this subsection under section 1002(e) for any fiscal year, each State is eligible to receive an amount that bears the same ratio to the amount so appropriated as the number of private school children who received services under this part in the State in the most recent year for which data satisfactory to the Secretary are available bears to the number of such children in all States in that same year.

"(B) The Secretary shall reallocate any amounts allocated under subparagraph (A) that are not used by a State for the purpose of this subsection to other States on the basis of their respective needs, as determined by the Secretary.

"(2) CAPITAL EXPENSES.—(A) A local educational agency may apply to the State educational agency for payments for capital expenses consistent with this subsection.

"(B) State educational agencies shall distribute such funds under this subsection to local educational agencies based on the degree of need set forth in their respective applications for assistance under this subsection.

"(3) USES OF FUNDS.—Any funds appropriated to carry out this subsection shall be used only for capital expenses incurred to provide equitable services for private school children under this section.

"(4) DEFINITION.—For the purpose of this subsection, the term 'capital expenses' means—

"(A) expenditures for noninstructional goods and services, such as the purchase, lease, or renovation of real and personal property, including mobile educational units and leasing of neutral sites or spaces;

"(B) insurance and maintenance costs;

"(C) transportation; and

"(D) other comparable goods and services.

"SEC. 1118. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY AND SCHOOL IMPROVEMENT.

"(a) LOCAL REVIEW.—Each local educational agency receiving funds under this part shall—

"(1) use the State assessments described in the State plan;

"(2) use any additional measures or indicators described in the local educational agency's plan to review annually the progress of each school served under this part to determine whether the school is meeting, or making adequate progress as defined in section 1111(b)(2)(A)(i) toward enabling its students to meet the State's student performance standards described in the State plan;

"(3) publicize and disseminate to teachers and other staff, parents, students, and the community the results of the annual review under paragraph (1) of all schools served under this part in individual school performance profiles that include disaggregated results as required by section 1111(b)(3)(I); and

"(4) provide the results of the local annual review to schools so that the local educational agency can continually refine the program of instruction to help all children served under this part in those schools meet the State's student performance standards.

"(b) SCHOOL IMPROVEMENT.—

"(1) IN GENERAL.—(A) A local educational agency shall identify for school improvement any school served under this part that—

"(i) has been in program improvement under section 1020 of the Elementary and Secondary Education Act of 1965 (as such section was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994), for at least two consecutive school years prior to such day;

"(ii) has not made adequate progress as defined in the State's plan under section 1111(b)(2)(A)(i) for two consecutive school years, except that—

"(I) this subparagraph shall not apply to a school if almost every student in such school is meeting the State's advanced level of performance; or

"(II) in the case of a school that is not operating a schoolwide program such school may be reviewed on the progress of only those students that have been, are, or will be, served under this part; or

"(iii) has failed to meet the criteria established by the State through the State's transitional procedure under section 1111(b)(5)(C) for two consecutive years.

"(B) Before identifying a school for school improvement under paragraph (1), the local educational agency shall provide the school with an opportunity to review the school-level data, including assessment data, on which such identification is based. If the school believes that such identification for school improvement is in error, such school may provide evidence to the local educational agency to support such belief.

"(2) REQUIREMENT.—(A) Each school identified under paragraph (1) shall—

"(i) in consultation with parents, the local educational agency, and the school support team, develop or revise a school plan in ways that have the greatest likelihood of improving the performance of participating children in meeting the State's student performance standards; and

"(ii) submit the plan to the local educational agency for approval.

"(B) During the first year immediately following identification under paragraph (1), the school shall implement such school's plan.

"(3) TECHNICAL ASSISTANCE.—For each school identified under paragraph (1), the local educational agency shall provide technical assistance as the school develops and implements such school's plan.

"(4) CORRECTIVE ACTION.—(A) The local educational agency may take corrective action at any time against a school that has been identified under paragraph (1), but, during the third year following identification under paragraph (1), shall take such action against any school that still fails to make adequate progress.

"(B)(i) Corrective actions are those, consistent with State and local law, determined and made public and disseminated by the local educational agency, which may include—

"(I) withholding funds;

"(II) an aggressive joint plan between the local educational agency and the school that addresses specific elements of student performance problems and that specifies school and local responsibilities under the plan;

"(III) interagency collaborative agreements between the school and other public agencies to provide health, counseling, and other social services needed to remove barriers to learning;

"(IV) waivers or modifications of requirements of local educational agency policy or regulation that impede the ability of the school to educate students;

"(V) revoking authority for a school to operate a schoolwide program;

"(VI) decreasing decisionmaking authority at the school level;

"(VII) making alternative governance arrangements such as the creation of a public charter school;

"(VIII) reconstituting the school staff; and

"(IX) authorizing students to transfer, including transportation costs, to other public schools served by the local educational agency.

"(ii) Notwithstanding clause (i), corrective actions taken pursuant to this part shall not include the actions described in subclauses (I), (V), (VI), (VIII), (IX) of clause (i) until the State has developed assessments that meet the requirements of paragraph (3)(E) of section 1111(b).

"(C) Prior to implementing any corrective action, the local educational agency may refrain from such corrective action to the extent that the failure to make progress can be attributed to extenuating circumstances, such as sudden and significant reductions in Federal funding in a single year, as determined by the Secretary.

"(5) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—The State educational agency shall—

"(A) make assistance from school support teams and distinguished educators under section 1119 available to the schools farthest from meeting the State's student performance standards, if requested by the local educational agency or school; and

"(B) if such agency determines that a local educational agency failed to carry out the local educational agency's responsibilities under paragraphs (3) and (4), take such corrective actions that the State educational agency deems appropriate.

"(6) SPECIAL RULE.—Schools that for at least two of the three years following identification under paragraph (1) make adequate progress toward meeting the State's proficient and advanced levels of performance shall no longer need to be identified for school improvement.

"(c) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—

"(1) IN GENERAL.—A State educational agency shall—

"(A) annually review the progress of each local educational agency receiving funds under this part to determine whether the local educational agency is making adequate progress as defined in section 1111(b)(2)(A)(ii) toward meeting the State's student performance standards; and

"(B) publicize and disseminate to local educational agencies, teachers and other staff, parents, students, and the community the results of the State review, including disaggregated results, as required by section 1111(b)(3)(F).

"(2) REWARDS.—In the case of a local educational agency that for three consecutive years has met or exceeded the State's definition of adequate progress as defined in section 1111(b)(2)(A)(ii), the State may make institutional and individual rewards of the kinds described for individual schools in paragraphs (2) and (3) of section 1119(b).

"(3) IDENTIFICATION.—(A) A State educational agency shall identify for improvement any local educational agency that—

"(i) for two consecutive years, is not making adequate progress as defined in section 1111(b)(2)(A)(ii) in schools served under this part toward meeting the State's student performance standards, except that schools served by the local educational agency that are not operating schoolwide programs may be reviewed on the basis of the progress of only those students served under this part; or

"(ii) has failed to meet the criteria established by the State through its transitional procedure under section 1111(b)(5)(C) for two consecutive years.

"(B) Before identifying a local educational agency for improvement under paragraph (1), the State educational agency shall provide the local educational agency with an opportunity to review the school-level data, including assessment data, on which such identification is based. If the local educational agency believes that such identification for improvement is in error, such local educational agency may provide evidence to the State educational agency to support such belief.

"(4) LOCAL EDUCATIONAL AGENCY REVISIONS.—Each local educational agency identified under paragraph (3) shall, in consultation with schools, parents, and educational experts, revise its local educational agency plan under section 1112 in ways that have the greatest likelihood of improving the performance of schools served by the local educational agency in meeting the State's student performance standards.

"(5) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—For each local educational agency identified under paragraph (3), the State educational agency shall—

"(A) provide technical assistance to better enable the local educational agency to develop and implement the local educational agency's revised plan and work with schools needing improvement; and

"(B) make available to the local educational agencies farthest from meeting the State's standards, if requested, assistance from school support teams and distinguished educators under section 1119.

"(6) CORRECTIVE ACTION.—(A) The State educational agency may take corrective action at any time against a local educational agency that has been identified under paragraph (3), but, during the fourth year following identification under paragraph (3), shall take such action against any local educational agency that still fails to make adequate progress.

"(B)(i) Corrective actions are those, consistent with State law, determined and made public and disseminated by the State educational agency, which may include—

"(I) the withholding of funds;

"(II) an aggressive joint plan between the State and local educational agency that addresses specific elements of student performance problems and that specifies State and local responsibilities under the plan;

"(III) interagency collaborative agreements between the local educational agency and other public agencies to provide health, pupil services, and other social services needed to remove barriers to learning;

"(IV) waivers or modification of requirements of State law or regulation (in States in which such waivers are permitted) that impede the ability of a local educational agency to educate students;

"(V) reconstitution of school district personnel;

"(VI) appointment by the State educational agency of a representative to implement, in conjunction with the local educational agency, a program improvement plan;

"(VII) removal of particular schools from the jurisdiction of the local educational agency and establishment of alternative arrangements for the public governance and supervision of such schools, including contracts with private management companies;

"(VIII) authorizing students to transfer to another public school, including the cost of transportation; and

"(IX) contracting out the management of troubled schools to private management firms.

"(ii) Notwithstanding clause (i), corrective actions taken pursuant to this part shall not include the actions described in subclauses (I), (V), and (VII) of clause (i) until the State has developed assessments that meet the requirements of paragraph (3)(E) of section 1111(b).

"(C) Prior to implementing any corrective action, the State educational agency shall provide due process, including a hearing, to any local educational agency identified under paragraph (3) and may refrain from such corrective action to the extent that the failure to make progress can be attributed to such extenuating circumstances as determined by the Secretary.

"(7) SPECIAL RULE.—Local educational agencies that for at least two of the three years following identification under paragraph (3) make adequate progress toward meeting the State's standards no longer need to be identified for local educational agency improvement.

"(d) OTHER ACCOUNTABILITY SYSTEMS.—If a State has developed an accountability system for all children that, in the Secretary's judgment, is as rigorous as the system required by this section and can serve as basis for the accountability of programs under this part, then the Secretary may deem such system as meeting the requirements of this section.

"(e) CONSTRUCTION.—Nothing in this section shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded school or school district employees under Federal, State, or local laws (including applicable regulations or court orders) or under the terms of collective bargaining agreements, memoranda of understanding, or other agreements between such employees and their employers.

"SEC. 1119. STATE ASSISTANCE FOR SCHOOLS SUPPORT AND IMPROVEMENT.

"(a) SYSTEM FOR SUPPORT.—Each State educational agency shall establish a statewide system of intensive and sustained support and improvement for schools receiving funds under this title, including schoolwide programs and schools in need of program improvement.

"(b) COMPONENTS.—The system, at a minimum, shall include the following:

"(1) SCHOOL SUPPORT TEAMS.—

"(A) Each State, in consultation with local educational agencies and schools, shall establish a system of school support teams to provide information and assistance to schoolwide programs, or a school in which the number of students in poverty is equal to or greater than 75 percent of the total number of students enrolled in such school and such school is identified as in need of improvement under section 1118(b)(1).

"(B) Each such team shall be composed of persons, including teachers, pupil services personnel, representatives of organizations knowledgeable about successful schoolwide projects or comprehensive school reform, and other persons who are knowledgeable about research and practice on teaching and learning, particularly about strategies for improving the educational opportunities for eligible children, such as representatives of institutions of higher education, regional educational laboratories or research centers, and outside consultant groups.

"(C) A school support team shall work cooperatively with each school and make recommendations as the school develops its schoolwide program plan or school improvement plan, review each plan, and make recommendations to the school and the local educational agency.

"(D) During the operation of the schoolwide program or during school improvement activities, a school support team shall—

"(i) periodically review the progress of the school in enabling children in the school to meet the State's performance standards under this part;

"(ii) identify problems in the design and operation of the instructional program; and

"(iii) make recommendations for improvement to the school and the local educational agency.

"(E) Funds made available for State administration and, at the discretion of the local educational agency, funds available to local educational agencies under this part may be used to pay the costs of the school support teams.

"(2) DISTINGUISHED SCHOOLS.—(A) Each State shall designate as a distinguished school—

"(i) any school served under this part that, for three consecutive years, has exceeded the State's definition of adequate progress as defined in section 1111(b)(2)(A)(i); and

"(ii) any school in which almost every student has met the State's advanced level of performance.

"(B)(i) A State shall use funds available under section 1701(c) to recognize distinguished schools, including making monetary awards.

"(ii) Funds awarded to a distinguished school may be used by the school to further the school's educational program under this part, provide additional incentives for continued success, and reward individuals or groups in the school for past performance.

"(C) A local educational agency may also recognize the success of a distinguished school by providing additional institutional and individual rewards, such as greater decisionmaking authority at the school building level, increased access to resources or supplemental services such as summer programs that may be used to sustain or increase success, additional professional development opportunities, opportunities to participate in special projects, and individual financial bonuses.

"(D) Schools designated as distinguished schools under such subparagraph (A) may serve as models and provide additional assistance to other schools served under this part, especially schoolwide programs and schools in school improvement, that are not making adequate progress.

"(3) DISTINGUISHED EDUCATORS.—

"(A) In order to provide assistance to schools and local educational agencies identified as needing improvement and schools participating in schoolwide programs, each State, in consultation with local educational agencies and using funds available under section 1701(c), shall establish a corps of distinguished educators.

"(B) When possible, distinguished educators shall be chosen from schools served under this part that have been especially successful in enabling children to meet or make outstanding progress toward meeting the State's student performance standards, such as the schools described in paragraph (2).

"(C) Distinguished educators shall provide, as part of the statewide system, intensive and sustained assistance to the schools and local educational agencies furthest from meeting the State's student performance standards and to schoolwide programs as such programs develop and implement their plans, including participation in the support teams described in paragraph (1).

"(c) IMPLEMENTATION.—In order to implement this section, funds made available under section 1701(c) may be used by a State for release time for teachers and administrators, travel, training, and other related costs.

"(d) ALTERNATIVES.—

"(1) IN GENERAL.—The State may devise alternative or additional approaches to providing the assistance described in paragraphs (1) and (3) of subsection (b), such as providing assistance through institutions of higher education and educational service agencies or other local consortia and may use funds authorized in section 1701(c) for such approaches.

"(2) INAPPLICABILITY.—Paragraphs (1) and (3) of subsection (b) shall not apply to a State educational agency if such agency determines that a local educational agency or school is receiving adequate technical assistance from a source other than the State educational agency.

"SEC. 1120. FISCAL REQUIREMENTS.

"(a) MAINTENANCE OF EFFORT.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency finds that the local educational agency has maintained its fiscal effort in accordance with section 10501 of this Act.

"(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS.—

"(1) IN GENERAL.—(A) Except as provided in subparagraph (B), a State or local educational agency shall use funds received under this part only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.

"(B) For the purpose of complying with subparagraph (A), a State or local educational agency may exclude supplemental State and local funds expended in any eligible school attendance area or school for programs that meet the requirements of section 1114 or 1115.

"(2) SPECIAL RULE.—No local educational agency shall be required to provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate such agency's compliance with paragraph (1).

"(c) COMPARABILITY OF SERVICES.—

"(1) IN GENERAL.—(A) Except as provided in paragraphs (4) and (5), a local educational agency may receive funds under this part only if State and local funds will be used in schools served under this part to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.

"(B) If the local educational agency is serving all of such agency's schools under this part, such agency may receive funds under this part only if such agency will use State and local funds to provide services that, taken as a whole, are substantially comparable in each school.

"(C) A local educational agency may meet the requirements of subparagraphs (A) and (B) on a grade-span by grade-span basis or a school-by-school basis.

"(2) WRITTEN ASSURANCE.—(A) A local educational agency shall be considered to have met the requirements of paragraph (1) if such agency has filed with the State educational agency a written assurance that such agency has established and implemented—

"(i) a local educational agency-wide salary schedule;

"(ii) a policy to ensure equivalence among schools in teachers, administrators, and other staff; and

"(iii) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

"(B) Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a school year shall not be included as a factor in determining comparability of services.

"(C) A local educational agency need not include unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year in determining comparability of services under this subsection.

"(3) PROCEDURES AND RECORDS.—Each local educational agency shall—

"(A) develop procedures for compliance with this subsection; and

"(B) maintain records that are updated biennially documenting such agency's compliance with this subsection.

"(4) INAPPLICABILITY.—This subsection shall not apply to a local educational agency that does not have more than one building for each grade span.

"(5) COMPLIANCE.—For the purpose of determining compliance with paragraph (1), a local educational agency may exclude State and local funds expended for—

"(A) bilingual education for children of limited-English proficiency; and

"(B) excessive costs of providing services to children with disabilities as determined by the local educational agency.

"Subpart 2—Allocations

"SEC. 1121. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

"(a) RESERVATION OF FUNDS.—From the amount appropriated for payments to States for any fiscal year under section 1002(a), the Secretary shall reserve a total of 1 percent to provide assistance to—

"(1) the outlying areas on the basis of their respective need for such assistance according to such criteria as the Secretary determines will best carry out the purpose of this part; and

"(2) the Secretary of the Interior in the amount necessary to make payments pursuant to subsection (c).

"(b) ASSISTANCE TO THE OUTLYING AREAS.—

"(1) IN GENERAL.—From amounts made available under subsection (a)(1) in each fiscal year the Secretary shall make grants to local educational agencies in the outlying areas in accordance with recommendations from the Pacific Regional Educational Laboratory which shall conduct a competition for such grants.

"(2) ADMINISTRATIVE COSTS.—The Secretary shall provide 5 percent of amounts made available for grants under this paragraph in each fiscal year to the Pacific Regional Educational Laboratory to pay the administrative costs of such laboratory with respect to the activities under this subsection.

"(c) ALLOTMENT TO THE SECRETARY OF THE INTERIOR.—

"(1) IN GENERAL.—The amount allotted for payments to the Secretary of the Interior under subsection (a)(2) for any fiscal year shall be, as determined pursuant to criteria established by the Secretary, the amount necessary to meet the special educational needs of—

"(A) Indian children on reservations served by elementary and secondary schools for Indian children operated or supported by the Department of the Interior; and

"(B) out-of-State Indian children in elementary and secondary schools in local educational agencies under special contracts with the Department of the Interior.

"(2) PAYMENTS.—From the amount allotted for payments to the Secretary of the Interior under subsection (a)(2), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary determines will best carry out the purposes of this part, with respect to out-of-State Indian children described in paragraph (1). The amount of such payment may not exceed, for each such child, the greater of—

"(A) 40 percent of the average per pupil expenditure in the State in which the agency is located; or

"(B) 46 percent of such expenditure in the United States.

"SEC. 1122. ALLOCATIONS TO STATES.

"(a) ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.—

"(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in all States are eligible to receive under section 1123 for such year, the Secretary first shall ratably reduce the allocations to such local educational agencies for such year.

"(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under

section 1123 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as such allocations were reduced.

"(b) HOLD-HARMLESS AMOUNTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the total amount made available to each State under section 1123—

"(A) for fiscal year 1995, shall not be less than 100 percent of the total amount such State received under sections 1005 and 1006 (as such sections were in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) for fiscal year 1994;

"(B) for fiscal year 1996, shall not be less than 90 percent of the total amount such State received under section 1123 for fiscal year 1995; and

"(C) for fiscal year 1997 and each succeeding fiscal year, shall not be less than 85 percent of the total amount such State received in the fiscal year preceding the fiscal year for which the determination is made.

"(2) RATABLE REDUCTIONS.—(A) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under paragraph (1) for such year, the Secretary shall ratably reduce such amounts for such year.

"(B) If additional funds become available for making payments under paragraph (1) for such fiscal year, amounts that were reduced under subparagraph (A) shall be increased on the same basis as such amounts reduced.

"(c) DEFINITION.—For the purpose of this section and section 1123, the term State means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 1123. GRANTS TO STATES.

"(a) AMOUNT OF GRANTS.—

"(1) IN GENERAL.—(A) In any case in which the Secretary determines that satisfactory data for local educational agencies are available to carry out determinations under paragraph (2), the grant which a State is eligible to receive under this subpart for a fiscal year shall be the aggregate amount of grants for all local educational agencies in that State, as determined under paragraph (2).

"(B) In any case in which the Secretary determines that satisfactory data for local educational agencies are not available to carry out determinations under paragraph (2), the grant which a State is eligible to receive for a fiscal year shall be the aggregate amounts of grants for all counties in that State, as determined under paragraph (2).

"(2) GRANTS FOR STATES.—(A)(i) The grant for a local educational agency shall be determined by multiplying the number of children determined under subsection (c)(2) by 40 percent of the amount determined under the next sentence, multiplying such product by the effort factor described in clause (ii) and multiplying such product by the equity factor described in clause (iii). The amount determined under this sentence shall be the average per pupil expenditure in the State except that (I) if the average per pupil expenditure in the State is less than 85 percent of the average per pupil expenditure in the United States, such amount shall be 85 percent of the average per pupil expenditure in the United States, or (II) if the average per pupil expenditure in the State is more than 115 percent of the average per pupil expenditure in the United States, such amount shall be 115 percent of the average per pupil expenditure in the United States.

"(ii)(I) Except as provided in subclause (II), the effort factor for a local educational agency shall be determined in accordance with the succeeding sentence, except that such factor shall not be less than .95 nor more than 1.05. The effort factor determined under this sentence shall be a fraction the numerator of which is the product of the average per pupil expenditure for kindergarten through 12th grade education in the State served by the local educational agency multiplied by the per capita income in the United States and the denominator of which is the product of the per capita income in such State multiplied by the average per pupil expenditure for kindergarten through 12th grade education in the United States.

"(II) The effort factor for the Commonwealth of Puerto Rico shall be equal to the lowest effort factor calculated under subclause (I) for any State.

"(iii)(I) Except as provided in subclause (II), the equalization factor for a local educational agency shall be determined in accordance with the succeeding sentence. The equalization factor determined under this sentence shall be calculated as follows: First, calculate the difference (expressed as a positive amount) between the average per pupil expenditure in the State served by the local educational agency and the average per pupil expenditure in each local educational agency in the State and multiply such difference by the total student enrollment for such agency, except that children from low-income families shall be multiplied by a factor of 1.4 to calculate such enrollment. Second, add the products under the preceding sentence for each local educational agency in such State and divide such sum by the total student enrollment of such State, except that children from low-income families shall be multiplied by a factor of 1.4 to calculate such enrollment. Third, divide the quotient under the preceding sentence by the average per pupil expenditure in such State. The equalization factor shall be equal to 1 minus the amount determined in the previous sentence.

"(II) The equalization factor for a local educational agency serving a State that meets the disparity standard described in section 222.63 of title 34, Code of Federal Regulations (as such section was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994) shall have a maximum coefficient of variation of .10.

"(iv) SPECIAL RULE.—Notwithstanding the provisions of section 1122(b)—

"(I) For fiscal year 1995, no State's allocation shall be increased by an amount greater than 2 percent or reduced by an amount greater than 2 percent of the amount to which it would otherwise be entitled when the provisions of clause (iii) are multiplied according to the provisions of paragraph (2) of this section.

"(II) For fiscal year 1996, no State's allocation shall be increased by an amount greater than 4 percent or reduced by an amount greater than 4 percent of the amount to which it would otherwise be entitled when the provisions of clause (iii) are multiplied according to the provisions of paragraph (2) of this section.

"(III) For fiscal year 1997, no State's allocation shall be increased by an amount greater than 6 percent or reduced by an amount greater than 6 percent of the amount to which it would otherwise be entitled when the provisions of clause (iii) are multiplied according to the provisions of paragraph (2) of this section.

"(B) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be determined by multiplying the product of the effort factor for the Commonwealth of Puerto Rico under subparagraph (A)(ii)(II) for such year multiplied by the equity factor for the Commonwealth of Puerto Rico under subparagraph (A)(iii)(II)(aa) for such year by the amount arrived at by multiplying the number of children counted under subsection (c) for the Commonwealth of Puerto Rico by the product of—

"(i) the percentage determined under the preceding sentence for such year; and

"(ii) 34 percent of the average per pupil expenditure in the United States for such year.

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—The children served by a local educational agency shall be counted for a fiscal year under this subpart only if such agency meets the following requirements with respect to the number of children counted under subsection (c)(1):

"(1) In any case (except as provided in paragraph (3)) in which the Secretary determines that satisfactory data for the purpose of this subsection as to the number of such children are available on a school district basis, the number of such children in the school district of such local educational agency shall be at least 10.

"(2) In any other case, except as provided in paragraph (3), the number of such children in the county which includes such local educational agency's school district shall be at least 10.

"(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Secretary has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies or all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of such children for such local educational agency shall be determined in accordance with regulations prescribed by the Secretary for the purposes of this subsection.

"(c) DETERMINATION OF WEIGHTED NUMBER OF CHILDREN.—

"(1) CHILDREN TO BE COUNTED.—(A) The number of children to be counted for purposes of this section is the aggregate of—

"(i) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level; and

"(ii) the number of children aged 5 to 17, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part E for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

"(B) For the purposes of this section, the Secretary shall determine the number of children counted under subparagraph (A) on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census.

"(2) DETERMINATION OF NUMBER OF CHILDREN.—(A) The number of children to be determined for purposes of this paragraph shall be the number of children counted under paragraph (1) multiplied by the weighting factor for the local educational agency. The weighting factor shall be established on the basis of the percentage that the number of children counted under paragraph (1) represents of the total population aged 5 to 17, inclusive, in the local educational agency or the number of such children. Weighted pupil counts shall be calculated based upon both percentage and number and the larger of the two counts shall be used in calculating grants for each local educational agency. Except as provided in subparagraph (B), weighting *factors shall be assigned according to the following scale: if the percentage is greater than 0 but less than 12.20, the weighting factor shall be 1.00 for all children counted under paragraph (1); if the percentage is greater than 12.20 but less than 17.70, the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 12.20 percent of the total school age population and 1.10 for children counted under paragraph (1) in excess of 12.20 percent of the total school age population; if the percentage is greater than 17.70 percent but less than 22.80 percent, then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 12.20 percent of the total school age population, 1.10 for a number of children counted under paragraph (1) equal to 5.50 percent of the total school age population, and 1.20 for children counted under paragraph (1) in excess of 17.70 percent of the total school age population; if the percentage is greater than 22.80 percent but less than 29.70 percent, then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 12.20 percent of the total school age population, 1.10 for a number of children counted under paragraph (1) equal to 5.50 percent of the total school age population, 1.20 for a number of children counted under paragraph (1) equal to 5.10 percent of the total school age population, and 1.30 for children counted under paragraph (1) in excess of 22.80 percent of the total school age population; and if the percentage is greater than 29.70, then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 12.20 percent of the total school age population, 1.10 for a number of children counted under paragraph (1) equal to 5.50 percent of the total school age population, 1.20 for a number of children counted under paragraph (1) equal to 5.10 percent of the total school age population, 1.30 for a number of children counted under paragraph (1) equal to 6.90 percent of the total school age population, and 1.40 for children counted under paragraph (1) in excess of 29.70 percent of the total school age population. Separately, if the number of children counted under paragraph (1) is greater than 0 but less than 1917, the weighting factor shall be 1.00 for all children counted under paragraph (1); if the number is greater than 1917 but less than 5,938, the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 1917, and 1.075 for children counted under paragraph (1) in excess of 1917; if the number is greater than 5,938 but less than 20,199, then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 1917, 1.075 for a number of children counted under paragraph (1) equal to 4,021, and 1.150 for children counted under paragraph (1) in excess of 5,938; if the number is greater than 20,199 but less than 77,999 then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 1917, 1.075 for a number of children counted under paragraph (1) equal to 4,021, 1.150 for a number of children counted under paragraph (1) equal to 14,261, and 1.225 for children counted under paragraph (1) in excess of 20,199; and if the number is greater than 77,999, then the weighting factor shall be 1.00 for a number of children counted under paragraph (1) equal to 1917, 1.075 for a number of children counted under paragraph (1) equal to 4,021, 1.150 for a number of children counted under paragraph (1) equal to 14,261, 1.225 for a number of children counted under paragraph (1) equal to 57,800 and 1.30 for children counted under paragraph (1) in excess of 77,999. For the Commonwealth of Puerto Rico, the weighting factor shall be not greater than 1.15.*

“(B) If the Secretary determines that satisfactory data for local educational agencies are available to carry out determinations under section 1123(a)(2), then the Secretary shall substitute the percentages, numbers, and quintiles described in section 1124(b)(3) for the percentages, numbers, and quintiles described in subparagraph (A).

“(d) STATE MINIMUM.—

“(1) MINIMUM.—Notwithstanding subsections (a)(2)(A)(iv) and (e), for any fiscal year the aggregate amount allotted for all local educational agencies within a State may not be less than one-quarter of 1 percent of the total amount available for such fiscal year under this section.

“(2) SPECIAL RULE.—Notwithstanding subsections (a)(2)(A)(iv) and (e), a State shall not be allotted in any fiscal year less than 125 percent of the amount that the State would have received under this section in such fiscal year if the provisions of paragraph (1) were not applied.

“(e) SPECIAL RULE.—No State shall receive a grant under this section for fiscal year 1995 in an amount that exceeds 115 percent of the amount that would have been allocated to such State for such fiscal year under subpart 1 of part A of chapter 1 of title I (as such subpart was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994).

“SEC. 1124. WITHIN STATE ALLOCATIONS.

“(a) IN GENERAL.—

“(1) ELIGIBILITY.—No local educational agency shall be eligible for funds under this part unless the number of children counted under subsection (b)(1) for such agency is at least 10 and equal to 5 percent or greater of the number of all children served by such agency.

“(2) HOLD HARMLESS.—(A) Except as provided in subparagraph (B), each local educational agency shall receive an amount under this part for fiscal years 1995 and 1996 that is at least equal to 85 percent of the amount such agency received under this part (or for fiscal year 1994 only, such part's predecessor authority) in the preceding fiscal year, except that if such agency is not eligible for assistance under paragraph (1) such agency shall only receive the amount provided for under this paragraph for fiscal year 1995.

“(B)(i) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in all States are eligible to receive under subparagraph (A) for such year, the State educational agency shall ratably reduce the allocations to such local educational agencies for such year.

“(ii) If additional funds become available for making payments under subparagraph (A) for such fiscal year, allocations that were reduced under subparagraph (A) shall be increased on the same basis as such allocations were reduced.

“(3) STATE RESERVE.—(A) For each fiscal year each State may reserve not more than 2 percent of the funds such State receives to carry out this part to award grants to local educational agencies that—

“(i) are not eligible for assistance under paragraph (1); and

“(ii) serve a school attendance area for which the percentage of children counted under subsection (b)(1) that are enrolled in the schools in such area exceeds—

“(I) the percentage of such children in the State; or

“(II) 25 percent.

“(B) The total amount of funds awarded to each local educational agency receiving a grant under this paragraph when added to funds made available under paragraph (2) shall not exceed—

“(i) for fiscal year 1995, the amount such agency received under this part's predecessor authority in the preceding fiscal year; and

“(ii) for fiscal year 1996 and each succeeding fiscal year, the average amount received per child under this part in the State multiplied by the number of children counted under subsection (b)(1) in such agency's school attendance areas described in subparagraph (A)(ii).

“(C) Each State awarding grants under this paragraph shall distribute such grants to local educational agencies in rank order based on the percentage of children from low-income families in each local educational agency's school attendance area described in subparagraph (A)(ii).

“(D) Each local educational agency receiving a grant under this paragraph only shall use such grants funds to serve school attendance areas described in subparagraph (A)(ii).

“(E) In order to receive a grant under this paragraph a local educational agency shall provide an assurance to the State educational agency serving such local educational agency that such local educational agency has not modified the student assignment practices of such local educational agency so as to increase the percentage of children from low-income families in each school for which assistance is sought under this paragraph.

“(b) LOCAL EDUCATIONAL AGENCY ALLOCATIONS.—

“(1) CHILDREN TO BE COUNTED.—(A) The number of children counted for purposes of this section is the aggregate of—

“(i) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level; and

“(ii) the number of children aged 5 to 17, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part E for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

“(B) In determining the number of children eligible to be counted under subparagraph (A), a State educational agency shall use for each local educational agency served by such State educational agency—

“(i) data from the Bureau of the Census regarding the number of children determined in accordance with section 1123(c)(1)(B);

“(ii) data based on the sum of—

“(I) the number of children from families receiving aid to families with dependent children under part A of title IV of the Social Security Act; and

“(II) the number of children with limited-English proficiency served by such agency divided by three; or

“(iii) data based on other poverty criteria, including combinations of the data described in clauses (i) and (ii) and combinations of the data described in either such clause and other data, that the State educational agency deems appropriate and the Secretary approves, adjusted to be equivalent in proportion to the number of children determined in accordance with section 1123(c)(1)(B) in the State, except that the State educational agency may submit to the Secretary for approval alternative data that more accurately target poverty.

“(2) ABSORPTION.—In determining the number of children to be counted under this paragraph for each local educational agency, the State educational agency shall subtract 1 percent of the total number of children aged 5 to 17, inclusive, served by such local educational agency from the number of children counted under paragraph (1) for such local educational agency.

“(3) WEIGHTED CHILDREN.—From funds made available under section 1123, each State educational agency shall allocate such funds to

local educational agencies in the State on the basis of the number of children counted under paragraph (2) for a local educational agency multiplied by the weighting factor for the local educational agency. The weighting factor shall be established on the basis of the percentage that the number of children counted under paragraph (2) represents of the total population aged 5 to 17, inclusive, in the local educational agency or the number of such children. Weighted pupil counts shall be calculated based upon both percentage and number and the larger of the two counts shall be used in calculating grants for each local educational agency. Weighting factors shall be assigned according to the following scale, except that a State educational agency may submit to the Secretary for approval State-specific quintiles for use in the following percentages or numbers for the State if the use of such quintiles more accurately targets poverty: if the percentage is greater than 0 but less than 14.265, the weighting factor shall be 1.00 for all children counted under paragraph (2); if the percentage is greater than 14.265 but less than 21.553, the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 14.265 percent of the total school age population and 1.150 for children counted under paragraph (2) in excess of 14.265 percent of the total school age population; if the percentage is greater than 21.553 percent but less than 29.223 percent, then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 14.265 percent of the total school age population, 1.150 for a number of children counted under paragraph (2) equal to 7.288 percent of the total school age population, and 1.300 for children counted under paragraph (2) in excess of 21.553 percent of the total school age population; if the percentage is greater than 29.223 percent but less than 36.538 percent, then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 14.265 percent of the total school age population, 1.150 for a number of children counted under paragraph (2) equal to 7.288 percent of the total school age population, 1.30 for a number of children counted under paragraph (2) equal to 7.67 percent of the total school age population, and 1.450 for children counted under paragraph (2) in excess of 29.223 percent of the total school age population; and if the percentage is greater than 36.538, then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 14.265 percent of the total school age population, 1.150 for a number of children counted under paragraph (2) equal to 7.288 percent of the total school age population, 1.300 for a number of children counted under paragraph (2) equal to 7.67 percent of the total school age population, 1.450 for a number of children counted under paragraph (2) equal to 7.315 percent of the total school age population, and 1.600 for children counted under paragraph (2) in excess of 36.538 percent of the total school age population. Separately, if the number of children counted under paragraph (2) is greater than 0 but less than 575, the weighting factor shall be 1.00 for all children counted under paragraph (2); if the number is greater than 575 but less than 1,870, the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 575, and 1.10 for children counted under paragraph (2) in excess of 575; if the number is greater than 1,870 but less than 6,910, then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 575, 1.10 for a number of children counted under paragraph (2) equal to 1,295, and 1.20 for children counted under paragraph (2) in excess of 1,870; if the number is greater than 6,910 but less than 42,000 then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 575, 1.10 for a number of children counted under paragraph (2) equal to 1,295, 1.20 for a number of children counted under paragraph (2) equal to 5,040, and 1.30 for children counted under paragraph (2) in excess of 6,910; and if the number is greater than 42,000, then the weighting factor shall be 1.00 for a number of children counted under paragraph (2) equal to 575, 1.10 for a number of children counted under paragraph (2) equal to 1,295, 1.20 for a number of children counted under paragraph (2) equal to 5,040, 1.30 for a number of children counted under paragraph (2) equal to 35,090 and 1.40 for children counted under paragraph (2) in excess of 42,000.

''(4) GEOGRAPHIC CIRCUMSTANCES.—In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those local educational agencies among those local educational agencies in such manner as the State educational agency determines will best carry out the purposes of this part.

''(5) SPECIAL ALLOCATION PROCEDURES.—Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (ii) of section 1123(c)(1)(A), who are living in institutions for neglected or delinquent children, the State educational agency shall, if the State educational agency assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Secretary, which does assume such responsibility, shall be eligible to receive such portion of the allocation.

''(6) SPECIAL RULE.—A local educational agency may reserve not more than 2 percent of the funds such agency receives under this part for each fiscal year to provide services at the discretion of the highest administrative official (superintendent) of such agency and consistent with the purposes of this title to a school, if the school is within two rank orders described in section 1113(c) of the lowest such rank ordered school served under this part.

“PART B—TRANSITION TO SUCCESS

“SEC. 1201. TRANSITION TO SUCCESS.

''(a) SHORT TITLE.—This part may be cited as the 'Transitions to Success Act of 1994'.

''(b) TRANSITION TO SUCCESS CHALLENGE GRANTS.—

''(1) FUNDING.—(A) Notwithstanding any other provision of law, from amounts appropriated to carry out part A for each fiscal year the Secretary shall reserve 1 percent of the total amount made available to all States under such part for such fiscal year, to carry out this part for such year.

''(B) From amounts reserved under subparagraph (A) the Secretary shall make available to each State 1 percent of the amount made available to each State under part A, to carry out this part.

''(2) STATE INCENTIVE REQUIREMENTS.—(A) In order for a State to use the funds made available under paragraph (1), the State shall submit a transition coordinated services proposal to the Secretary as part of the plan submitted under section 1111.

''(B) If a State fails to submit an acceptable proposal described in subparagraph (A)(i), local educational agencies within the State may apply to the Secretary directly for funds to carry out this part under such terms and conditions as the Secretary determines will best carry out the activities assisted under this part.

''(3) IN GENERAL.—From amounts made available under paragraph (1), each State educational agency shall make challenge grants to local educational agencies that have formed consortia with early childhood development programs including, where available, Head Start, to develop and operate programs that assist low-income elementary school students in kindergarten through third grade (giving priority to students entering their first year of elementary school) and their families in—

''(A) obtaining supportive services that build on the strength of families, including health, immunization, mental health, nutrition, parenting education, literacy, and social services (including substance abuse treatment, education, and prevention services); and

''(B) supporting the active involvement of parents in the education of their children.

''(4) SPECIAL RULE.—In awarding grants and administering the program assisted under this section, the State educational agency shall consult with the State liaison for the Head Start collaboration grant program under section 640(a)(5) of the Head Start Act and State agencies that administer early childhood development programs, including programs under the Child Care and Development Block Grant Act of 1990.

''(5) TERM OF GRANT.—Each grant awarded under this part shall be for a period of not more than 3 years.

''(c) CONSULTATION.—The Secretary shall consult with the Secretary of Health and Human Services to develop regulations and promote coordination of activities assisted under this part with the projects funded under the Head Start Transition Project Act, including a process to—

''(1) collect information on program activities and outcomes; and

''(2) disseminate information on model programs.

''(d) ELIGIBILITY.—

''(1) LOCAL EDUCATIONAL AGENCY CONSORTIUM.—A local educational agency shall be eligible for a grant under this part if such agency—

''(A) receives funds under part A;

''(B) has formed a consortium with one or more early childhood development programs that serve children who will enroll in any elementary school located within the school district of such local educational agency, including, where available, Head Start programs; and

''(C) agrees to contribute an amount equal to $1 of matching funds for every $1 made available to the local educational agency to carry out this part, which matching funds may include Federal funds, including funds made available under this Act, and State or local funds (including in-kind contributions, fairly evaluated).

''(2) COOPERATING AGENCY.—A nonprofit agency or institution of higher education with experience in early childhood development may participate in a consortium formed under paragraph (1)(B) in developing, operating, and evaluating programs assisted under this part, including developing or implementing model approaches to developmentally appropriate curricula.

''(e) FOLLOW THROUGH GRANTEES.—A local educational agency that is receiving assistance through a program under the Follow Through Act shall also be eligible for a grant under this part to complete their Follow Through grant cycle if such agency meets the requirements of subsection (d)(1).

''(f) REQUIREMENTS.—

''(1) IN GENERAL.—To the extent practicable, the State educational agency shall award grants

under this part to consortia in both rural and urban areas.

"(2) CRITERIA.—In awarding grants under this part, the State educational agency shall consider—

"(A) the commitment of the members of the consortium to the program for which assistance under this part is requested;

"(B) the proportion of low-income children in the school attendance area where the program assisted under this part will be located; and

"(C) the quality of information and plans in the application.

"(3) PRIORITY.—In awarding grants under this part, the State educational agency shall give priority to applicants that—

"(A) will operate a program under this part at a school designated for a schoolwide program under section 1114;

"(B) serve local educational agencies that have the highest number or percentage of poor children; and

"(C) demonstrate a significant commitment by the community to the proposed program, as evidenced by the level of resources, both cash and in-kind, from other public and private sources available to the consortium.

"(g) APPLICATION.—

"(1) IN GENERAL.—Each local educational agency consortium seeking a grant under this part shall submit an application to the State educational agency according to guidelines established by the Secretary. Each such application shall include—

"(A) a description of the activities and services for which assistance is sought;

"(B) a description of members of the consortium formed under subsection (d)(1)(B), including any cooperating agency;

"(C) a self-assessment of the programs of the individual consortium members to address the health, immunization, mental health, nutrition, parenting education, literacy, social service (including substance abuse treatment, education, and prevention), and educational needs of low-income students and their families, including the use of a developmentally appropriate curricula, such as a model approach developed under the Follow Through Act;

"(D) a plan for the development of a supportive services team of family service coordinators to—

"(i) assist families, administrators, and teachers to respond to health, immunization, mental health, nutrition, social service, and educational needs of students;

"(ii) conduct home visits and help students and their families to obtain health, immunization, mental health, nutrition, parenting education, literacy, education (including tutoring and remedial services), and social services (including substance abuse treatment, education, and prevention), for which such students and their families are eligible;

"(iii) coordinate a family outreach and support program, including a plan for involving parents in the management of the program assisted under this part, in cooperation with parental involvement efforts undertaken pursuant to this title, the Head Start Act, and the Individuals with Disabilities Education Act, including school-parent compacts, parent volunteer activities, parent education services such as the Even Start program, and regular meetings;

"(iv) assist families, administrators, and teachers in enhancing developmental continuity between the programs assisted under the Head Start Act, other early childhood development programs, and elementary school classes; and

"(v) prepare a plan for the transition of each child from Head Start, or other early childhood development program, to kindergarten, including—

"(I) a meeting of the early childhood development program teacher with the kindergarten teacher and the child's parents to discuss the transition of each child and to address any particular educational needs of such child; and

"(II) the transfer of knowledge about the child, including the transfer (with parental consent) of written records from the early childhood development program teacher to the kindergarten teacher to become part of the school record of the child;

"(E) the designation of a member of the supportive services team described in subparagraph (D) who will serve as the supervisor of such supportive services team;

"(F) assurances that State agencies, local agencies, and community-based organizations that provide supportive services to low-income students served by the local educational agency consortium have been consulted in the preparation of the plan described in subparagraph (D);

"(G) assurances that State agencies, local agencies, and community-based organizations that provide supportive services to low-income students served by the local educational agency consortium will designate an individual who will act as a liaison to the supportive services team described in subparagraph (D);

"(H) a description of the target population to be served by the supportive services team described in subparagraph (D), including families previously served under part C, the Head Start Act, or other comparable early childhood development program;

"(I) a description of the supportive services to be provided, directly or through referral;

"(J) a plan to ensure the smooth transition of children served under part C, the Head Start Act, the Individuals with Disabilities Education Act, and other comparable early childhood development programs, to elementary schools;

"(K) assurances that, and a plan describing how, families will be involved in the design and operation of the program assisted under this part;

"(L) a description of the Federal and non-Federal resources that will be used to carry out the program;

"(M) if the applicant is receiving assistance through a program under the Follow Through Act—

"(i) a description of the activities that will be funded under this part and the activities that are funded with assistance provided under the Follow Through Act; and

"(ii) a description of the manner in which activities funded under this part and activities funded with assistance provided under the Follow Through Act will be coordinated within the elementary school;

"(N) assurances that the supportive services described in subparagraph (D) will be equipped to assist children and families with limited-English proficiency and disabilities, if appropriate;

"(O) a plan describing how the program assisted under this part will be sustained, with funding received under part A or other Federal and non-Federal funding sources, after the grant has expired;

"(P) program goals and a methodology to measure progress toward achieving such goals; and

"(Q) such other information as the Secretary may reasonably require.

"(2) SPECIAL RULE.—Each supportive services team developed pursuant to paragraph (1)(D) shall include at least 1 family service coordinator for every 35 children to be served.

"(h) EVALUATION AND REPORT.—

"(1) EVALUATION.—The Secretary, in cooperation with the Secretary of Health and Human Services shall, through grants, contracts, or cooperative agreements, provide for the evaluation of the programs assisted under this part. To the extent practicable, such evaluation shall be conducted jointly with evaluations of the Head Start Transition Projects.

"(2) INFORMATION.—Each State educational agency shall furnish to the Secretary such information as the Secretary shall request to carry out the evaluation described in paragraph (1).

"SEC. 1202. COORDINATION REQUIREMENTS.

"(a) IN GENERAL.—Each local educational agency receiving assistance under section 1113 may use such assistance to carry out the activities described in subsection (b) to the extent feasible and appropriate to the circumstances, including the extent to which such local educational agency is able to secure the cooperation of parents and local Head Start agencies and, if feasible, other early childhood development programs.

"(b) ACTIVITIES.—The activities referred to in subsection (a) are activities that increase coordination between the local educational agency and a Head Start agency, and, if feasible, other early childhood development programs, serving children who will attend the schools of such agency, including—

"(1) developing and implementing a systematic procedure for receiving records regarding such children transferred with parental consent from a Head Start program or, where applicable, other early childhood development programs;

"(2) establishing channels of communication between school staff and their counterparts in such Head Start agencies (including teachers, social workers, and health staff) or other early childhood development programs, as appropriate, to facilitate coordination of programs;

"(3) conducting meetings involving parents, kindergarten or elementary school teachers, and Head Start teachers or, if appropriate, teachers from other early childhood development programs, to discuss the developmental and other needs of individual children; and

"(4) organizing and participating in joint transition related training of school staff, Head Start staff, and, where appropriate, other early childhood staff.

"(c) COORDINATION OF REGULATIONS.—The Secretary shall work with the Secretary of Health and Human Services to coordinate regulations promulgated under this part with regulations promulgated under the Head Start Act Amendments of 1994.

"SEC. 1203. DEFINITIONS.

"As used in this part:

"(1) DEVELOPMENTALLY APPROPRIATE CURRICULUM.—The term 'developmentally appropriate curriculum' means a curriculum that is appropriate for the age and all areas of individual development of a child, including educational, physical, emotional, social, and cognitive development, and communication.

"(2) FAMILY SERVICES COORDINATOR.—The term 'family services coordinator' means an individual who is trained to assist families in obtaining supportive services. Such individual may be an existing employee of a local educational agency or Head Start agency.

"(3) HEAD START AGENCY.—The term 'Head Start agency' means any agency designated as a Head Start agency under the Head Start Act (42 U.S.C. 9831 et seq.).

"(4) SUPPORTIVE SERVICES.—The term 'supportive services' means services that will enhance the physical, social, emotional, and intellectual development of low-income children, including the provision of necessary support to the parents and other family members of such children.

"PART C—EVEN START FAMILY LITERACY PROGRAMS

"SEC. 1301. STATEMENT OF PURPOSE.

"It is the purpose of this part to help break the cycle of poverty and illiteracy by improving the educational opportunities of the Nation's low-income families by integrating early childhood education, adult literacy or adult basic

education, and parenting education into a unified family literacy program, to be referred to as 'Even Start'. The program shall—

''(1) be implemented through cooperative projects that build on existing community resources to create a new range of services;

''(2) promote achievement of the National Education Goals; and

''(3) assist children and adults from low-income families to achieve to challenging State content standards and challenging State student performance standards.

"SEC. 1302. PROGRAM AUTHORIZED.

''(a) Reservation for Migrant Programs, Outlying Areas, and Indian Tribes.—In each fiscal year, the Secretary shall reserve not more than 5 percent of the amount appropriated under section 1002(b) for programs, under such terms and conditions as the Secretary shall establish, that are consistent with the purpose of this part, and according to their relative needs, for—

''(1) children of migratory workers;

''(2) the outlying areas; and

''(3) Indian tribes and tribal organizations.

''(b) Reservation for Federal Activities.—From amounts appropriated under section 1002(b), the Secretary may reserve not more than 3 percent of such amounts or the amount reserved to carry out the activities described in paragraphs (1) and (2) for the fiscal year 1994, whichever is greater, for purposes of—

''(1) carrying out the evaluation required by section 1309; and

''(2) providing, through grants or contracts with eligible organizations, technical assistance, program improvement, and replication activities.

''(c) Reservation for Grants.—

''(1) Grants Authorized.—In any fiscal year in which the amount appropriated to carry out this part exceeds the amount appropriated to carry out this part for the preceding fiscal year, the Secretary may reserve such funds in excess of the amount appropriated for such preceding fiscal years as do not exceed $1,000,000 to award grants, on a competitive basis, to States to enable such States to plan and implement, through literacy resource centers assisted under subpart 7 of part B of the Adult Education Act, statewide family literacy initiatives to coordinate and integrate existing Federal, State, and local literacy resources consistent with the purposes of this part.

''(2) Matching Requirement.—The Secretary shall not make a grant to a State under paragraph (1) unless the State agrees that, with respect to the costs to be incurred by the eligible consortium in carrying out the activities for which the grant was awarded, the State will make available non-Federal contributions in an amount equal to not less than the Federal funds provided under the grant.

''(d) State Allocation.—

''(1) In general.—From amounts appropriated under section 1002(b) and not reserved under subsections (a), (b), and (c), the Secretary shall make grants to States from allocations under paragraph (2).

''(2) Allocations.—Except as provided in paragraph (3), from the total amount available for allocation to States in any fiscal year, each State shall be eligible to receive a grant under paragraph (1) in an amount that bears the same ratio to such total amount as the amount allocated under section 1122 to that State bears to the total amount allocated under that section to all the States.

''(3) Minimum.—No State shall receive a grant under paragraph (1) in any fiscal year in an amount which is less than $250,000, or one-half of 1 percent of the amount appropriated under section 1002(b) and not reserved under subsections (a), (b), and (c) for such year, whichever is greater.

''(e) Definitions.—For the purpose of this part—

''(1) the term 'eligible entity' means a partnership composed of both—

''(A) a local educational agency; and

''(B) a nonprofit community-based organization, a public agency, an institution of higher education, or a public or private nonprofit organization of demonstrated quality;

''(2) the term 'eligible organization' means any public or private nonprofit organization with a record of providing effective services to family literacy providers, such as the National Center for Family Literacy, Parents as Teachers, Inc., the Home Instruction Program for Preschool Youngsters, and the Home and School Institute, Inc.;

''(3) the terms 'Indian tribe' and 'tribal organization' have the meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act; and

''(4) the term 'State' includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 1303. STATE PROGRAMS.

''(a) State Level Activities.—Each State that receives a grant under section 1302(d)(1) may use not more than 5 percent of the grant funds for the costs of—

''(1) administration; and

''(2) providing, through one or more subgrants or contracts, technical assistance for program improvement and replication, to eligible entities that receive subgrants under subsection (b).

''(b) Subgrants for Local Programs.—

''(1) In general.—Each State shall use the grant funds received under section 1302(d)(1) and not reserved under subsection (a) to award subgrants to eligible entities to carry out Even Start programs.

''(2) Minimum.—No State shall award a subgrant under paragraph (1) in an amount less than $75,000, except that a State may award one subgrant in each fiscal year of sufficient size, scope, and quality to be effective in an amount less than $75,000 if, after awarding subgrants under paragraph (1) for such fiscal year in amounts of $75,000 or greater, less than $75,000 is available to the State to award such subgrants.

"SEC. 1304. USES OF FUNDS.

''(a) In General.—In carrying out a program under this part, a recipient of funds under this part shall use such funds to pay the Federal share of the cost of providing family-centered education programs that involve parents and children in a cooperative effort to help parents obtain educational skills and become full partners in the education of their children and to assist children in reaching their full potential as learners.

''(b) Federal Share Limitation.—

''(1) In general.—(A) Except as provided in paragraph (2), the Federal share under this part may not exceed—

''(i) 90 percent of the total cost of the program in the first year that such program receives assistance under this part or its predecessor authority;

''(ii) 80 percent in the second such year;

''(iii) 70 percent in the third such year;

''(iv) 60 percent in the fourth such year; and

''(v) 50 percent in any subsequent such year.

''(B) The remaining cost of a program assisted under this part may be provided in cash or in kind, fairly evaluated.

''(2) Waiver.—The State educational agency may waive, in whole or in part, the cost-sharing requirement described in paragraph (1) for an eligible entity if such entity—

''(A) demonstrates that such entity otherwise would not be able to participate in the program assisted under this part; and

''(B) negotiates an agreement with the State educational agency with respect to the amount of the remaining cost to which the waiver will be applicable.

''(3) Prohibition.—Federal funds provided under this part may not be used for the indirect costs of a program assisted under this part, except that the Secretary may waive this paragraph if an eligible recipient of funds reserved under section 1302(a)(3) demonstrates to the Secretary's satisfaction that such recipient otherwise would not be able to participate in the program assisted under this part.

"SEC. 1305. PROGRAM ELEMENTS.

''Each program assisted under this part shall—

''(1) include the identification and recruitment of those families most in need of services provided under this part, as indicated by a low level of income, a low level of adult literacy or English language proficiency of a parent who is an eligible participant, and other need-related indicators;

''(2) include screening and preparation of parents, including teenage parents, and children to enable such parents and children to participate fully in the activities and services provided under this part, including testing, referral to necessary pupil services, and other developmental and support services;

''(3) be designed to accommodate the participants' work and other responsibilities, including the provision of pupil services (when such pupil services are unavailable from other sources) necessary for participation in the activities assisted under this part, such as—

''(A) scheduling and location of services to allow joint participation by parents and children;

''(B) child care for the period that parents are involved in the program provided under this part; and

''(C) transportation for the purpose of enabling parents and their children to participate in programs authorized by this part;

''(4) include high-quality instructional programs that promote adult literacy, training of parents to support the educational growth of their children, developmentally appropriate early childhood educational services, and preparation of children for success in regular school programs;

''(5) include qualified personnel to develop, administer, and implement the program assisted under this part;

''(6) include special training of staff, including child care staff, to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this part;

''(7) provide and monitor integrated instructional services to participating parents and children through home-based programs;

''(8) operate on a year-round basis, including the provision of some instructional or enrichment services during the summer months;

''(9) be coordinated with—

''(A) other programs assisted under this title and Act;

''(B) any relevant programs under the Adult Education Act, the Individuals with Disabilities Education Act, and the Job Training Partnership Act; and

''(C) the Head Start program, volunteer literacy programs, and other relevant programs;

''(10) ensure that the programs will serve those families most in need of the activities and services provided by this part;

''(11) provide services under this part to individuals with special needs, such as individuals with limited-English proficiency and individuals with disabilities;

''(12) encourage eligible participants to remain in the program for a time sufficient to meet the program's purpose; and

''(13) provide for an independent evaluation of the program.

"SEC. 1306. ELIGIBLE PARTICIPANTS.

''(a) IN GENERAL.—Except as provided in subsection (b), eligible participants in an Even Start program are—

''(1) a parent or parents—

''(A) who are eligible for participation in an adult basic education program under the Adult Education Act; or

''(B) who are within the State's compulsory school attendance age range, so long as a local educational agency provides (or ensures the availability of) the basic education component required under this part; and

''(2) the child or children, from birth through age seven, of any individual described in paragraph (1).

''(b) ELIGIBILITY FOR CERTAIN OTHER PARTICIPANTS.—

''(1) IN GENERAL.—Family members of eligible participants described in subsection (a) may participate in activities and services provided under this part, when appropriate to serve the purpose of this part.

''(2) SPECIAL RULE.—Any family participating in a program assisted under this part that becomes ineligible for such participation as a result of one or more members of the family becoming ineligible for such participation may continue to participate in the program until all members of the family become ineligible for such participation, which—

''(A) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of eight, shall be in two years or when the parent or parents become ineligible due to educational advancement, whichever occurs first; and

''(B) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of eight.

"SEC. 1307. APPLICATIONS.

''(a) SUBMISSION.—To be eligible to receive a subgrant under this part, an eligible entity shall submit an application to the State educational agency in such form and containing or accompanied by such information as the State educational agency shall require.

''(b) PLAN.—

''(1) IN GENERAL.—Each such application shall include—

''(A) a description of the program goals;

''(B) a description of the activities and services that will be provided under the program, including a description of how the program will incorporate the program elements required by section 1305;

''(C) a description of the population to be served and an estimate of the number of participants to be served;

''(D) as appropriate, a description of the applicant's collaborative efforts with institutions of higher education, community-based organizations, the State educational agency, private elementary schools, or eligible organizations in carrying out the program for which assistance is sought; and

''(E) a statement of the methods that will be used—

''(i) to ensure that the programs will serve those families most in need of the activities and services provided by this part;

''(ii) to provide services under this part to individuals with special needs, such as individuals with limited-English proficiency and individuals with disabilities; and

''(iii) to encourage participants to remain in the program for a time sufficient to meet the program's purpose.

''(2) DURATION OF THE PLAN.—Each plan submitted under paragraph (1)(A) shall—

''(A) remain in effect for the duration of the eligible entity's participation under this part; and

''(B) be periodically reviewed and revised by the eligible entity as necessary.

"SEC. 1308. AWARD OF SUBGRANTS.

''(a) SELECTION PROCESS.—

''(1) IN GENERAL.—The State educational agency shall establish a review panel in accordance with subsection (b) that will approve applications that—

''(A) are most likely to be successful in—

''(i) meeting the purpose of this part; and

''(ii) effectively implementing the program elements required under section 1305;

''(B) demonstrate that the area to be served by such program has a high percentage or a large number of children and families who are in need of such services as indicated by high levels of poverty, illiteracy, unemployment, limited-English proficiency, or other need-related indicators, including a high percentage of children to be served by the program who reside in a school attendance area eligible for participation in programs under part A of this title;

''(C) provide services for at least a three-year age range;

''(D) demonstrate the greatest possible cooperation and coordination between a variety of relevant service providers in all phases of the program;

''(E) include cost-effective budgets, given the scope of the application;

''(F) demonstrate the applicant's ability to provide the remaining cost required by section 1304(b);

''(G) are representative of urban and rural regions of the State; and

''(H) show the greatest promise for providing models that may be adopted by other local educational agencies.

''(2) REVIEW PANEL.—A review panel shall consist of at least three members, including one early childhood professional, one adult education professional, and one of the following individuals:

''(A) A representative of a parent-child education organization.

''(B) A representative of a community-based literacy organization.

''(C) A member of a local board of education.

''(D) A representative of business and industry with a commitment to education.

''(E) An individual who has been involved in the implementation of programs under this title in the State.

''(3) PRIORITY.—The State educational agency shall give priority to awarding subgrants under this subsection to applications describing programs that—

''(A) target services primarily to families whose children reside in attendance areas of schools eligible for schoolwide programs under section 1114; or

''(B) are located in areas designated as empowerment zones or enterprise communities.

''(b) DURATION.—

''(1) IN GENERAL.—Subgrants under this part may be awarded for a period not to exceed four years.

''(2) STARTUP PERIOD.—The State educational agency may provide an eligible recipient, at such recipient's request, a 3- to 6-month startup period during the first year of the 4-year grant period, which may include staff recruitment and training, and the coordination of services, before requiring full implementation of the program.

''(3) CONTINUING ELIGIBILITY.—In awarding subgrant funds to continue a program under this part for the second, third, or fourth year, the State educational agency shall review the progress being made toward meeting the objectives of the program after the conclusion of the startup period, if any.

''(4) GRANT RENEWAL.—(A) An eligible entity that has previously received a subgrant under this part may reapply under this part for additional subgrants. A subgrantee may receive funds under this part for a period not to exceed eight years.

''(B) The Federal share of any subgrant renewed under subparagraph (A) shall not exceed 50 percent in any fiscal year.

''(5) INSUFFICIENT PROGRESS.—The State educational agency may refuse to award subgrant funds if such agency finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

"SEC. 1309. EVALUATION.

''From funds reserved under section 1302(b)(1), the Secretary shall provide for an independent evaluation of programs assisted under this part—

''(1) to determine the performance and effectiveness of programs assisted under this part; and

''(2) to identify effective programs assisted under this part that can be duplicated and used in providing technical assistance to Federal, State, and local programs.

"SEC. 1310. CONSTRUCTION.

''Nothing in this part shall be construed to prohibit a recipient of funds under this part from serving students participating in Even Start simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"PART D—EDUCATION OF MIGRATORY CHILDREN

"SEC. 1401. PROGRAM PURPOSE.

''It is the purpose of this part to assist States to—

''(1) support high-quality and comprehensive educational programs for migratory children to help reduce the educational disruptions and other problems that result from repeated moves;

''(2) ensure that migratory children are provided with appropriate educational services (including supportive services) that address their special needs in a coordinated and efficient manner;

''(3) ensure that migratory children have the opportunity to meet the same challenging State content standards and challenging State student performance standards that all children are expected to meet;

''(4) design programs to help migratory children overcome educational disruption, cultural and language barriers, social isolation, various health-related problems, and other factors that inhibit the ability of such children to do well in school, and to prepare such children to make a successful transition to postsecondary education or employment; and

''(5) ensure that migratory children benefit from State and local systemic reforms.

"SEC. 1402. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—In order to carry out the purpose of this part, the Secretary shall make grants to State educational agencies, or combinations of such agencies, to establish or improve, directly or through local operating agencies, programs of education for migratory children in accordance with this part.

''(b) DEFINITIONS.—As used in this part—

''(1) the term 'local operating agency' means—

''(A) a local educational agency to which a State educational agency makes a subgrant under this part;

''(B) a public or private nonprofit agency with which a State educational agency or the Secretary makes an arrangement to carry out a program or project under this part; or

''(C) a State educational agency, if the State educational agency operates the State's migrant education program or projects directly; and

''(2) the term 'migratory child' means a child who is, or whose parent or guardian is, a migratory agricultural worker, including a migratory *dairy worker, or a migratory fisher, and who, in the preceding 48 months, in order to obtain, or accompany such parent or guardian in order to obtain, temporary or seasonal employment in agricultural or fishing work—*

''(A) has moved from one school district to another;

''(B) in a State that is comprised of a single school district, has moved from one administrative area to another within such district; or

''(C) resides in a school district of more than 15,000 square miles, and migrates a distance of 20 miles or more to a temporary residence to engage in a fishing activity.

''(3) the term 'stop-over center' means a migrant project site which provides educational services approved by the State educational agency, advance notification to States where migrant children are traveling, and coordination with providers of other services to migrant children, to eligible migrant children who intend to stay 5 days or less while they or others in their family are moving from one location to another seeking migratory agricultural work, including migratory dairy work, or migratory fishing work.

''(4) The term 'fishing activity' means any activity directly related to the catching or processing of fish or shellfish—

''(A) for initial commercial sale, whether a fisher is self-employed or employed by others, or

''(B) as a principal means of personal subsistence.

''SEC. 1403. STATE ALLOCATIONS.

''(a) STATE ALLOCATIONS.—Each State (other than the Commonwealth of Puerto Rico) is eligible to receive an allocation under this part, for each fiscal year, in an amount equal to—

''(1) the sum of the estimated number of migratory children aged three through 21 who reside in the State full time and the full-time equivalent of the estimated number of migratory children aged three through 21 who reside in the State part time, as determined in accordance with subsection (e); multiplied by

''(2) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent, or more than 48 percent, of the average per-pupil expenditure in the United States.

''(b) ALLOCATION TO PUERTO RICO.—For each fiscal year, the amount for which the Commonwealth of Puerto Rico is eligible under this section shall be equal to—

''(1) the number of migratory children in Puerto Rico, determined under subsection (a)(1); multiplied by

''(2) the product of—

''(A) the percentage that the average per-pupil expenditure in Puerto Rico is of the lowest average per-pupil expenditure of any of the 50 States; and

''(B) 32 percent of the average per-pupil expenditure in the United States.

''(c) RATABLE REDUCTIONS; REALLOCATIONS.—

''(1) IN GENERAL.—(A) If, after the Secretary reserves funds under section 1408(c), the amount appropriated to carry out this part for any fiscal year is insufficient to pay in full the amounts for which all States are eligible, the Secretary shall ratably reduce each such amount.

''(B) If additional funds become available for making such payments for any fiscal year, the Secretary shall allocate such funds to States in amounts that the Secretary determines will best carry out the purpose of this part.

''(2) SPECIAL RULE.—(A) The Secretary shall further reduce the amount of any grant to a State under this part for any fiscal year if the Secretary determines, based on available information on the numbers and needs of migratory children in the State and the program proposed by the State to address those needs, that such amount is not needed by the State.

''(B) The Secretary shall reallocate such excess funds to other States whose grants under this part would otherwise be insufficient to provide an appropriate level of services to migratory children, in such amounts as the Secretary determines are appropriate.

''(d) CONSORTIUM ARRANGEMENTS.—

''(1) IN GENERAL.—In the case of any State that receives a grant of $500,000 or less under this section, the Secretary shall consult with the State educational agency to determine whether consortium arrangements with another State or another appropriate entity would result in delivery of services in a more effective and efficient manner.

''(2) PROPOSALS.—Any State, regardless of the amount of such State's allocation, may submit a consortium arrangement to the Secretary for approval.

''(3) APPROVAL.—The Secretary shall approve a consortium arrangement under paragraph (1) or (2) if the proposal demonstrates that the arrangement will—

''(A) reduce administrative costs or program function costs for State programs; and

''(B) make more funds available for direct services to add substantially to the welfare or educational attainment of children to be served under this part.

''(e) DETERMINING NUMBERS OF ELIGIBLE CHILDREN.—In order to determine the estimated number of migratory children residing in each State for purposes of this section, the Secretary shall—

''(1) use such information as the Secretary finds most accurately reflects the actual number of migratory children; and

''(2) adjust the full-time equivalent number of migratory children who reside in each State to take into account—

''(A) the special needs of those children participating in special programs provided under this part that operate during the summer or other intersession periods or special programs that operate at or through stop-over centers; and

''(B) the additional costs of operating such programs.

''SEC. 1404. STATE APPLICATIONS; SERVICES.

''(a) APPLICATION REQUIRED.—Any State wishing to receive a grant under this part for any fiscal year shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(b) PROGRAM INFORMATION.—Each such application shall include—

''(1) a description of how, in planning, implementing, and evaluating programs and projects assisted under this part, the State and its local operating agencies will ensure that the special educational needs of migratory children, including preschool migratory children, are identified and addressed through a comprehensive plan for needs assessment and service delivery that meets the requirements of section 1406;

''(2) a description of the steps the State is taking to provide all migratory students with the opportunity to meet the same challenging State content standards and challenging State student performance standards that all children are expected to meet;

''(3) a description of how the State will use its funds to promote interstate and intrastate coordination of services for migratory children, including how, consistent with procedures the Secretary may require, the State will provide for educational continuity through the timely transfer of pertinent school records, including information on health, when children move from one school to another, whether or not such move occurs during the regular school year;

''(4) a description of the State's priorities for the use of funds received under this part, and how such priorities relate to the State's assessment of needs for services in the State; and

''(5) a description of how the State will determine the amount of any subgrants the State will award to local operating agencies and the amount of funds that such agencies will provide to individual schools, taking into account the requirements of paragraph (1).

''(c) ASSURANCES.—Each such application shall also include assurances, satisfactory to the Secretary, that—

''(1) such programs and projects will be carried out in a manner consistent with the objectives of sections 1114, 1115(b), 1115(e), 1117, 1120(b), and 1120(c), and part G;

''(2) in the planning and operation of such programs and projects at both the State and local operating agency level, there is appropriate consultation with parent advisory councils for programs of one school year in duration, and that all such programs and projects are carried out, to the extent feasible, in a manner consistent with section 1116;

''(3) the effectiveness of such programs and projects will be determined, where feasible, using the same approaches and standards that will be used to assess the performance of students, schools, and local educational agencies under part A; and

''(4) to the extent feasible, such programs and projects will provide for—

''(A) advocacy and outreach activities for migratory children and their families, including informing such children and families of, or helping such children and families gain access to, other education, health, nutrition, and social services;

''(B) professional development programs, including mentoring, for teachers and other program personnel;

''(C) family literacy programs, including such programs that use models developed under Even Start;

''(D) the integration of information technology into educational and related programs; and

''(E) programs to facilitate the transition of secondary school students to postsecondary education or employment; and

''(5) the State will assist the Secretary in determining the number of migratory children under section 1403(e), through such procedures as the Secretary may require.

''(d) PRIORITY FOR SERVICES.—In providing services with funds received under this part, each recipient of such funds shall give priority to migratory children who are failing, or most at risk of failing, to meet the State's challenging State content standards and challenging State student performance standards, and whose education has been interrupted during the regular school year.

''(e) CONTINUATION OF SERVICES.—Notwithstanding any other provision of this part—

''(1) a child who ceases to be a migratory child during a school term shall be eligible for services until the end of such term; and

''(2) a child who is no longer a migratory child may continue to receive services for one additional school year, but only if comparable services are not available through other programs.

''SEC. 1405. SECRETARIAL APPROVAL; PEER REVIEW.

''(a) SECRETARIAL APPROVAL.—The Secretary shall approve each application under this part that meets the requirements of this part.

''(b) PEER REVIEW.—The Secretary may review any application under this part with the assistance and advice of State officials and other individuals with relevant expertise.

''SEC. 1406. COMPREHENSIVE NEEDS ASSESSMENT AND SERVICE-DELIVERY PLAN; AUTHORIZED ACTIVITIES.

''(a) COMPREHENSIVE PLAN.—

"(1) IN GENERAL.—Each State that receives assistance under this part shall ensure that the State and its local operating agencies identify and address the special educational needs of migratory children in accordance with a comprehensive State plan that—

"(A) provides that migratory children will have an opportunity to meet the same challenging State content standards and challenging State student performance standards, set out in such plans, that all children are expected to meet;

"(B) specifies measurable program goals and outcomes;

"(C) encompasses the full range of services that are available for migratory children from appropriate local, State and Federal educational programs;

"(D) is the product of joint planning among such local, State, and Federal programs, including programs under part A, early childhood programs, and bilingual education programs under part A of title VII; and

"(E) provides for the integration of services available under this part with services provided by such other programs.

"(2) DURATION OF THE PLAN.—Each such comprehensive State plan shall—

"(A) remain in effect for the duration of the State's participation under this part; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

"(b) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—In implementing the comprehensive plan described in subsection (a), each local operating agency shall have the flexibility to determine the activities to be provided with funds made available under this part, except that—

"(A) before funds under this part are used to provide services described in subparagraph (B), such funds shall be used to meet the identified needs of migratory children that—

"(i) result from the effects of their migratory lifestyle, or are needed to permit migratory children to participate effectively in school; and

"(ii) are not addressed by services provided under other programs, including programs under part A;

"(B) all migratory children who are eligible to receive services under part A shall receive such services with funds provided under this part or under part A; and

"(C) funds received under this part shall be used only—

"(i) for programs and projects, including the acquisition of equipment, in accordance with section 1406(b)(1); and

"(ii) to coordinate such programs and projects with similar programs and projects within the State and in other States, as well as with other Federal programs that can benefit migratory children and their families.

"(2) CONSTRUCTION.—Nothing in this part shall be construed to prohibit a local operating agency from serving migrant students simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"(3) SPECIAL RULE.—Notwithstanding section 1114, a school that receives funds under this part shall continue to address the identified needs described in subparagraph (1)(A).

"SEC. 1407. BYPASS.

"The Secretary may use all or part of any State's allocation under this part to make arrangements with any public or nonprofit agency to carry out the purpose of this part in such State if the Secretary determines that—

"(1) the State is unable or unwilling to conduct educational programs for migratory children;

"(2) such arrangements would result in more efficient and economic administration of such programs; or

"(3) such arrangements would add substantially to the welfare or educational attainment of such children.

"SEC. 1408. COORDINATION OF MIGRANT EDUCATION ACTIVITIES.

"(a) IMPROVEMENT OF COORDINATION.—

"(1) IN GENERAL.—The Secretary, in consultation with the States, may make grants to, or enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, and other public and private entities to improve the interstate and intrastate coordination among such agencies' educational programs, including the establishment or improvement of programs for credit accrual and exchange, available to migratory students.

"(2) EXTENSION.—The Secretary may extend until January 1, 1996 the contract for the operation of the migrant student record transfer system under section 1203(a)(2)(A) of this Act (as such section was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994).

"(b) REPORT.—Not later than October 1, 1995, the Secretary shall submit a report to the Congress regarding the effectiveness of methods used by States to transfer migratory students' educational and health records.

"(c) AVAILABILITY OF FUNDS.—For the purpose of carrying out this section in any fiscal year, the Secretary shall reserve not more than $6,000,000 of the amount appropriated to carry out this part for such year.

"(d) INCENTIVE GRANTS.—From the amounts made available to carry out this section, the Secretary may reserve not more than $1,500,000 to award grants in amounts of not more than $100,000 to each State educational agency entering into a consortium agreement described in section 1403(d).

"PART E—EDUCATION FOR NEGLECTED AND DELINQUENT YOUTH

"SEC. 1501. PURPOSE; PROGRAM AUTHORIZED.

"(a) PURPOSE.—It is the purpose of this part to—

"(1) improve educational services to children in institutions for neglected or delinquent children so that such children have the opportunity to meet the same challenging State content standards and challenging State student performance standards that all children in the State will be expected to meet; and

"(2) provide such children the services such children need to make a successful transition from institutionalization to further schooling or employment.

"(b) PROGRAM AUTHORIZED.—In order to carry out the purpose of this part, the Secretary shall make grants to State educational agencies to enable such State educational agencies to award subgrants to State agencies to establish or improve programs of education for neglected or delinquent children in accordance with this part.

"SEC. 1502. ELIGIBILITY.

"A State agency is eligible for assistance under this part if such State agency is responsible for providing free public education for children—

"(1) in institutions for neglected or delinquent children;

"(2) attending community day programs for neglected or delinquent children; or

"(3) in adult correctional institutions.

"SEC. 1503. ALLOCATION OF FUNDS.

"(a) SUBGRANTS TO STATE AGENCIES.—

"(1) IN GENERAL.—Each State agency described in section 1502 (other than an agency in the Commonwealth of Puerto Rico) is eligible to receive a subgrant under this part, for each fiscal year, an amount equal to the product of—

"(A) the number of neglected or delinquent children described in section 1502 who—

"(i) are enrolled for at least 15 hours per week in education programs in adult correctional institutions; and

"(ii) are enrolled for at least 20 hours per week—

"(I) in education programs in institutions for neglected or delinquent children; or

"(II) in community day programs for neglected or delinquent children; and

"(B) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent, or more than 48 percent, of the average per-pupil expenditure in the United States.

"(2) SPECIAL RULE.—The number of neglected or delinquent children determined under paragraph (1) shall—

"(A) be determined by the State agency by a date or dates set by the Secretary, except that no State agency shall be required to determine the number of such children on a specific date set by the Secretary; and

"(B) be adjusted, as the Secretary determines is appropriate, to reflect the relative length of such agency's annual programs.

"(b) SUBGRANTS TO STATE AGENCIES IN PUERTO RICO.—For each fiscal year, the amount of the subgrant for which a State agency in the Commonwealth of Puerto Rico is eligible under this part shall be equal to—

"(1) the number of children counted under subsection (a)(1) for Puerto Rico; multiplied by

"(2) the product of—

"(A) the percentage that the average per-pupil expenditure in Puerto Rico is of the lowest average per-pupil expenditure of any of the 50 States; and

"(B) 32 percent of the average per-pupil expenditure in the United States.

"(c) RATABLE REDUCTIONS IN CASE OF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated for any fiscal year for subgrants under subsections (a) and (b) is insufficient to pay the full amount for which all agencies are eligible under such subsections, the Secretary shall ratably reduce each such amount.

"(d) PAYMENTS TO STATE EDUCATIONAL AGENCIES.—

"(1) IN GENERAL.—The Secretary shall pay to each State educational agency the total amount needed to make subgrants to State agencies in that State, as determined under this section.

"(2) ADMINISTRATIVE EXPENSES.—Each State educational agency may retain a portion of such total amount for State administration of, in accordance with section 1702(b).

"SEC. 1504. STATE REALLOCATION OF FUNDS.

"If a State educational agency determines that a State agency does not need the full amount of the subgrant for which such State agency is eligible under this part for any fiscal year, the State educational agency may reallocate the amount that will not be needed to other State agencies that need additional funds to carry out the purpose of this part, in such amounts as the State educational agency shall determine.

"SEC. 1505. STATE PLAN AND STATE AGENCY APPLICATIONS.

"(a) STATE PLAN.—

"(1) IN GENERAL.—Each State educational agency that desires to receive payments under this part shall submit, for approval by the Secretary, a plan for meeting the needs of neglected and delinquent children, which shall be revised and updated as needed to satisfy the requirements of this section.

"(2) CONTENTS.—Each such State plan shall—

"(A) describe the program goals, objectives, and performance measures established by the State that will be used to assess the effectiveness of the program in improving academic and vocational skills of children in the program;

"(B) provide that, to the extent feasible, such children will have the same opportunities to learn as such children would have if such children were in the schools of local educational agencies in the State; and

"(C) contain assurances that the State educational agency will—

"(i) ensure that programs assisted under this part will be carried out in accordance with the State plan described in this subsection; and

"(ii) carry out the evaluation requirements of section 1509 of this part.

"(3) DURATION OF THE PLAN.—Each such State plan shall—

"(A) remain in effect for the duration of the State's participation under this part; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

"(b) SECRETARIAL APPROVAL; PEER REVIEW.—

"(1) IN GENERAL.—The Secretary shall approve each State plan that meets the requirements of this part.

"(2) PEER REVIEW.—The Secretary may review any State plan with the assistance and advice of individuals with relevant expertise.

"(c) STATE AGENCY APPLICATIONS.—Any State agency that desires to receive funds to carry out a program under this part shall submit an application to the State educational agency that—

"(1) describes the procedures to be used, consistent with the State plan under part A, to assess the educational needs of the children to be served;

"(2) describes the program, including a budget for the first year of the program, with annual updates to be provided to the State educational agency;

"(3) describes how the program will meet the goals and objectives of the State plan under this part;

"(4) describes how the State agency will consult with experts and provide the necessary training for appropriate staff, to ensure that the planning and operation of institution-wide projects under section 1507 are of high quality;

"(5) describes how the agency will carry out the evaluation requirements of section 1509 and how the results of the most recent evaluation were used to plan and improve the program;

"(6) includes data showing that the State agency has maintained fiscal effort as if such agency were a local educational agency, in accordance with section 10501;

"(7) describes how the programs will be coordinated with other State and Federal programs administered by the State agency;

"(8) describes how appropriate professional development will be provided to teachers and other staff; and

"(9) designates an individual in each affected institution to be responsible for issues relating to the transition of children from the institution to locally operated programs.

"SEC. 1506. USE OF FUNDS.

"(a) IN GENERAL.—

"(1) IN GENERAL.—A State agency shall use funds received under this part only for programs and projects that—

"(A) are consistent with the State plan described in section 1505(a); and

"(B) concentrate on providing participants with the knowledge and skills needed to make a successful transition to further education or employment.

"(2) USES.—Such programs and projects—

"(A) may include the acquisition of equipment;

"(B) shall be designed to support educational services that—

"(i) except for institution-wide projects under section 1507, are provided to children identified by the State agency as failing, or most at risk of failing, to meet the State's challenging State content standards and challenging State student performance standards;

"(ii) supplement and improve the quality of the educational services provided to such children by the State agency; and

"(iii) afford such children an opportunity to learn such standards;

"(C) shall be carried out in a manner consistent with section 1120(b) and part G; and

"(D) may include the costs of meeting the evaluation requirements of section 1509.

"(b) SUPPLEMENT, NOT SUPPLANT.—A program under this part that supplements the number of hours of instruction students receive from State and local sources shall be considered to comply with the 'supplement, not supplant' requirement of section 1120(b) without regard to the subject areas in which instruction is given during those hours.

"SEC. 1507. INSTITUTION-WIDE PROJECTS.

"(a) PROJECTS AUTHORIZED.—A State agency that provides free public education for children in an institution for neglected or delinquent children (other than an adult correctional institution) or attending a community-day program for such children may use funds received under this part to serve all children in, and upgrade the entire educational effort of, that institution or program if the State agency has developed, and the State educational agency has approved, a comprehensive plan for that institution or program that—

"(1) provides for a comprehensive assessment of the educational needs of all individuals under the age of 21 in the institution or program;

"(2) describes the steps the State agency has taken, or will take, to provide all children under age 21 with the opportunity to meet challenging State content standards and challenging State student performance standards in order to improve the likelihood that such children will complete secondary school and find employment after leaving the institution;

"(3) describes the instructional program, pupil services, and procedures that will be used to meet the needs described in paragraph (1), including, to the extent feasible, the provision of mentors for students;

"(4) specifically describes how such funds will be used;

"(5) describes the measures and procedures that will be used to assess student progress;

"(6) describes how the agency has planned, and will implement and evaluate, the institution-wide or program-wide project in consultation with personnel providing direct instructional services and support services in institutions or community-day programs for neglected or delinquent children and personnel from the State educational agency; and

"(7) includes an assurance that the State agency has provided for appropriate training to teachers and other instructional and administrative personnel to enable such teachers and personnel to carry out the project effectively.

"(b) PROJECTS REQUIRED.—Beginning with school year 1996–1997, a State agency described in subsection (a) shall use funds received under this part only for institution-wide projects described in that subsection, except as provided in section 1510.

"SEC. 1508. THREE-YEAR PROJECTS.

"If a State agency operates a program or project under this part in which individual children are likely to participate for more than one year, the State educational agency may approve the State agency's application for a subgrant under this part for a period of not more than three years.

"SEC. 1509. PROGRAM EVALUATIONS.

"(a) SCOPE OF EVALUATION.—Each State agency that conducts a program or project under this part shall evaluate the program or project at least once every three years, disaggregating data on participants by sex, and if feasible, race, ethnicity or age, to determine the program or project's impact on the ability of participants to—

"(1) maintain and improve educational achievement;

"(2) accrue school credits that meet State requirements for grade promotion and secondary school graduation;

"(3) make the transition to a regular program or other education program operated by a local educational agency; and

"(4) complete secondary school and obtain employment after participants leave the institution.

"(b) EVALUATION MEASURES.—In conducting each such evaluation with respect to subsection (a)(1), a State agency shall use multiple and appropriate measures of student progress.

"(c) EVALUATION RESULTS.—Each State agency shall—

"(1) submit the results of each evaluation under this section to the State educational agency; and

"(2) use the results of evaluations under this section to plan and improve subsequent programs for participating children.

"SEC. 1510. TRANSITION SERVICES.

"(a) TRANSITION SERVICES.—Each State agency may reserve not more than 10 percent of the amount such agency receives under this part for any fiscal year to support projects that facilitate the transition of children from State-operated institutions for neglected and delinquent children into locally operated programs.

"(b) CONDUCT OF PROJECTS.—A project supported under this section may be conducted directly by the State agency, or through a contract or other arrangement with one or more local educational agencies, other public agencies, or private nonprofit organizations.

"(c) LIMITATION.—Any funds reserved under subsection (a) shall be used only to provide special educational services, which may include pupil services and mentoring, to neglected and delinquent children in schools other than State-operated institutions.

"(d) CONSTRUCTION.—Nothing in this section shall be construed to prohibit a school that receives funds under subsection (a) from serving neglected and delinquent children simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 1511. DEFINITIONS.

"For the purpose of this part—

"(1) the term 'adult correctional institution' means a facility in which persons are confined as a result of a conviction for a criminal offense, including persons under 21 years of age;

"(2) the term 'community day program' means a regular program of instruction provided by a State agency at a community day school operated specifically for neglected or delinquent children;

"(3) the term 'institution for delinquent children' means a public or private residential facility for the care of children who have been adjudicated to be delinquent or in need of supervision; and

"(4) the term 'institution for neglected children' means a public or private residential facility, other than a foster home, that is operated for the care of children who have been committed to the institution or voluntarily placed in the institution under applicable State law, due to abandonment, neglect, or death of their parents or guardians.

"PART F—FEDERAL EVALUATIONS AND DEMONSTRATIONS

"SEC. 1601. EVALUATIONS.

"(a) NATIONAL ASSESSMENT.—

"(1) IN GENERAL.—The Secretary shall conduct a national assessment of programs assisted under this title, in coordination with the ongoing Chapter 1 Longitudinal Study under subsection (c) of this section, that shall be planned, reviewed, and conducted in consultation with an independent panel of researchers, State practitioners, local practitioners, and other appropriate individuals.

"(2) EXAMINATION.—The assessment shall examine how well schools, local educational agencies, and States—

"(A) are progressing toward the goal of all children served under this title reaching the State's challenging State content standards and challenging State student performance standards; and

"(B) are accomplishing the purpose set forth in section 1001(d) to achieve the goal described in paragraph (1), including—

"(i) ensuring challenging State content standards and challenging State student performance standards for all children served under this title and aligning the efforts of States, local educational agencies, and schools to help such children reach such standards;

"(ii) providing children served under this title an enriched and accelerated educational program through schoolwide programs or through additional services that increase the amount and quality of instructional time that such children receive;

"(iii) promoting schoolwide reform and access for all children served under this title to effective instructional strategies and challenging academic content;

"(iv) significantly upgrading the quality of the curriculum and instruction by providing staff in participating schools with substantial opportunities for professional development;

"(v) coordinating services provided under all parts of this title with each other, with other educational and pupil services, including preschool services, and, to the extent feasible, with health and social service programs funded from other sources;

"(vi) affording parents of children served under this title meaningful opportunities to participate in the education of their children at home and at school;

"(vii) distributing resources to areas where needs are greatest;

"(viii) improving accountability, as well as teaching and learning, by making assessments under this title congruent with State assessment systems; and

"(ix) providing greater decisionmaking authority and flexibility to schools in exchange for greater responsibility for student performance.

"(3) NAEP INFORMATION.—Where feasible, the Secretary shall use information gathered by the National Assessment of Educational Progress in carrying out this subsection.

"(4) INTERIM AND FINAL REPORTS.—The Secretary shall submit an interim report summarizing the preliminary findings of the assessment to the President and the appropriate committees of the Congress and a final report of the findings of the assessment by January 1, 1998.

"(b) STUDIES AND DATA COLLECTION.—

"(1) IN GENERAL.—The Secretary may collect such data, as necessary, at the State, local, and school levels and conduct studies and evaluations, including national studies and evaluations, to assess on an ongoing basis the effectiveness of programs under this title and to report on such effectiveness on a periodic basis.

"(2) MINIMUM INFORMATION.—At a minimum, the Secretary shall collect trend information on the effect of programs under this title. Such data shall complement the data collected and reported under subsections (a) and (c).

"(c) NATIONAL LONGITUDINAL STUDY.—

"(1) IN GENERAL.—The Secretary shall carry out an ongoing evaluation of the program assisted under part A of title I in order to provide the public, the Congress, and educators involved in such program, an accurate description of the short- and long-term effectiveness of such program and to provide information that can be used to improve such program's effectiveness in enabling students to meet high State content standards and State student performance standards, graduate from secondary school, and make successful transitions to postsecondary education and work. Such evaluation shall—

"(A) have a longitudinal design that tracks cohorts of students within schools of differing poverty concentrations for at least 3 years which, when the cohorts are taken as a whole, provides a picture of such program's effectiveness over the elementary and secondary grades;

"(B) be separate and independent from State and local assessments and evaluations required under this part and consistent with measuring the achievement of students to relative to high State content standards and State student performance standards;

"(C) utilize the highest available content standards that are generally accepted as national in scope;

"(D) provide information on all students, students served under this part, and, if funds are sufficient, information on students from low-income families, limited-English proficient students, and students with disabilities; and

"(E) when feasible, collect, cross-tabulate, and report data by sex within race or ethnicity and socioeconomic status.

"(2) USE.—The Secretary shall use the results of the evaluation described in paragraph (1) as part of the national assessment required by subsection (a) and shall report the data from such evaluation to the Congress and the public at least as frequently as reports are made under subsection (a)(4).

"(d) DEVELOPMENTALLY APPROPRIATE MEASURES.—In conducting the national assessment under subsection (a) and the national longitudinal study under subsection (b), the Secretary shall use developmentally appropriate measures to assess student performance and progress.

"(e) STUDY ON ESTIMATING STATE CHILD POVERTY COUNTS.—The Secretary shall—

"(1) conduct a study to determine whether a feasible method exists for producing reliable estimates, between decennial census counts, of the number of school-aged children living in poverty by State in each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(2) use such a method, if one exists, to provide the Congress with such estimates.

"SEC. 1602. DEMONSTRATIONS OF INNOVATIVE PRACTICES.

"(a) DEMONSTRATION PROGRAMS TO IMPROVE ACHIEVEMENT.—

"(1) IN GENERAL.—From the funds appropriated for any fiscal year under section 1002(g)(2), the Secretary may make grants to State educational agencies, local educational agencies, other public agencies, nonprofit organizations, and consortia of such entities to carry out demonstration projects that show the most promise of enabling children served under this title to meet challenging State content standards and challenging State student performance standards. Such projects shall include promising strategies such as—

"(A) accelerated curricula, the application of new technologies to improve teaching and learning, extended learning time, and a safe and enriched full-day environment for children to provide children the opportunity to reach such standards;

"(B) coordinated pupil services programs;

"(C) integration of education services with each other and with health, family, and other social services, particularly in empowerment zones and enterprise communities;

"(D) effective approaches to whole school reform;

"(E) programs that have been especially effective with limited-English proficient children, migratory children and other highly mobile students, children leaving institutions for neglected or delinquent children and returning to school, and homeless children and youth;

"(F) programs which are especially effective in recruiting, inducting and retaining highly qualified teachers for service in schools with low student achievement; and

"(G) programs that are built upon partnerships developed between elementary and middle schools, employers, and the community which emphasize the integration of high quality academic and vocational learning, stress excellence and high expectations for success in core academic subjects, instill responsibility, decisionmaking, problem solving, interpersonal skills, and other competencies in students, and make school relevant to the workplace and the community, through applied and interactive teaching methodologies, team teaching strategies, learning opportunities connecting school, the workplace, and the community, and career exploration, awareness, and career guidance opportunities.

"(2) EVALUATION.—The Secretary shall evaluate the demonstration projects supported under this title, using rigorous methodological designs and techniques, including control groups and random assignment, to the extent feasible, to produce reliable evidence of effectiveness.

"(b) PARTNERSHIPS.—From funds appropriated under section 1002(g)(2) for any fiscal year, the Secretary may, directly or through grants or contracts, work in partnership with State educational agencies, local educational agencies, other public agencies, and nonprofit organizations to disseminate and use the highest quality research and knowledge about effective practices to improve the quality of teaching and learning in schools assisted under this title.

"PART G—GENERAL PROVISIONS

"SEC. 1701. FEDERAL REGULATIONS.

"(a) IN GENERAL.—The Secretary is authorized to issue such regulations as are considered necessary to reasonably ensure that there is compliance with the specific requirements and assurances required by this title.

"(b) PROCEDURE.—

"(1) IN GENERAL.—Prior to publishing proposed regulations pursuant to this title, the Secretary shall convene regional meetings which shall provide input to the Secretary on the content of proposed regulations. Such meetings shall include representatives of Federal, State, and local administrators, parents, teachers, and members of local boards of education involved with implementation of programs under this title.

"(2) PROPOSED REGULATIONS.—Subsequent to regional meetings and prior to publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations and submit regulations on a minimum of 4 key issues to a modified negotiated rulemaking process as a demonstration of such process. The modified process shall waive application of the Federal Advisory Committee Act, but shall otherwise follow the guidance provided in the Administrative Conference of the United States in Recommendation 82-4, "Procedures for Negotiating Proposed Regulations" (47 Fed. Reg. 30708, June 18, 1982) and any successor regulation. Participants in the demonstration shall be chosen by the Secretary from among participants in the regional meetings, representing the groups described in paragraph (1) and all geographic regions. The demonstration shall be conducted in a timely manner.

"(3) EMERGENCY SITUATION.—In an emergency situation in which regulations pursuant to this

title must be issued within a very limited time to assist State and local educational agencies with the operation of the program, the Secretary may issue a regulation without such prior consultation, but shall immediately thereafter convene regional meetings to review the emergency regulation prior to issuance in final form.

"(c) LIMITATION.—Programs under this title may not be required to follow any 1 instructional model, such as the provision of services outside the regular classroom or school program.

"SEC. 1702. STATE ADMINISTRATION.

"(a) RULEMAKING.—

"(1) IN GENERAL.—Each State that receives funds under this title shall—

"(A) ensure that any State rules, regulations, and policies relating to this title conform to the purposes of this title;

"(B) minimize such rules, regulations, and policies to which their local educational agencies and schools are subject; and

"(C) identify any such rule, regulation, or policy as a State-imposed requirement.

"(2) SPECIAL RULE.—State rules, regulations, and policies under this title shall support and facilitate local educational agency and school-level systemic reform designed to enable all children to meet the State's challenging State content standards and challenging State student performance standards.

"(b) PAYMENT FOR STATE ADMINISTRATION.—Each State may reserve for the proper and efficient performance of such State's duties under this title, the greater of—

"(1)(A) 1.00 percent of the funds appropriated to carry out subsections (a), (c), (d), and (e) of section 1002 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than 1.5 percent and not less than 1 percent of the funds appropriated to carry out such subsections for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation;

"(2) except as provided in paragraph (3)—

"(A) $425,000 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than $565,000 and not less than $425,000 for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation; or

"(3) in the case of an outlying area—

"(A) $50,000 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than $80,000 and not less than $50,000 for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation.

"(c) PAYMENT FOR SCHOOL IMPROVEMENT.—Each State may reserve for the proper and efficient performance of its duties under subsections (b)(5) and (c) of section 1118, and section 1119, the greater of—

"(1)(A) .65 percent of the funds appropriated to carry out subsections (a), (c), (d), and (e) of section 1002 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than .75 percent and not less than .65 percent of the funds appropriated to carry out such subsections for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation; or

"(2) except as provided in paragraph (3)—

"(A) $210,000 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than $245,000 for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation; or

"(3) in the case of an outlying area—

"(A) $35,000 for fiscal year 1995 and each succeeding fiscal year not described in subparagraph (B); or

"(B) not more than $40,000 for fiscal year 1997 and each succeeding fiscal year if the Secretary, based on the State reports required by subsection (d) and the studies required by section 14010(b), authorizes such reservation.

"(d) REPORT.—Beginning in fiscal year 1995 and each succeeding fiscal year thereafter, each State educational agency which receives funds under this title shall submit to the Secretary a report on the use of funds for the State administration of activities assisted under this title. Such report shall include the proportion of State administrative funds provided under this section that are expended for—

"(1) basic program operation and compliance monitoring;

"(2) statewide program services, such as development of standards and assessments, curriculum development, and program evaluation; and

"(3) technical assistance and other direct support to local educational agencies and schools.

"(e) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS.—

"(1) IN GENERAL.—(A) Except as provided in subparagraph (B), a State or local educational agency shall use funds received under this part only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.

"(B) For the purpose of complying with subparagraph (A), a State or local educational agency may exclude supplemental State and local funds expended in any eligible school attendance area or school for programs that meet the requirements of section 1114 or 1115.

"(2) SPECIAL RULE.—No local educational agency shall be required to provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate its compliance with paragraph (1).

"SEC. 1703. CONSTRUCTION.

"(a) PROHIBITION OF FEDERAL MANDATES, DIRECTION OR CONTROL.—Nothing in this title shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's specific instructional content or pupil performance standards and assessments, curriculum, or program of instruction as a condition of eligibility to receive funds under this title.

"(b) EQUALIZED SPENDING.—Nothing in this title shall be construed to mandate equalized spending per pupil for a State, local educational agency, or school.

"(c) BUILDING STANDARDS.—Nothing in this title shall be construed to mandate national school building standards for a State, local educational agency, or school.

"SEC. 1704. RESERVATION OF FUNDS FOR TERRITORIES.

"There is authorized to be appropriated for each fiscal year for purposes of each of parts D and E of this title an amount equal to not more than 1 percent of the amount appropriated for such year for such parts, for payments to the outlying areas under each such part. The amounts appropriated for each such part shall be allotted among the outlying areas according to the outlying areas' respective need for such grants, based on such criteria as the Secretary determines will best carry out the purposes of this title.

"PART H—EDUCATIONAL OPPORTUNITY DEMONSTRATION PROGRAM

"SEC. 1801. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that—

"(1) while low-income students have made significant gains with respect to educational achievement and attainment, considerable gaps still persist for these students in comparison to those from more affluent socio-economic backgrounds;

"(2) our Nation has a compelling interest in assuring that all children receive a high quality education;

"(3) new methods and experiments to revitalize educational achievement and opportunities of low-income individuals must be a part of any comprehensive solution to the problems in our Nation's educational system;

"(4) preliminary research shows that same gender classes and schools may produce promising academic and behavioral improvements in both sexes for low-income, educationally disadvantaged students;

"(5) extensive data on same gender classes and schools are needed to determine whether same gender classes and schools are closely tailored to achieving the compelling government interest in assuring that all children are educated to the best of their ability;

"(6) in recent years efforts to experiment with same gender classes and schools have been inhibited by lawsuits and threats of lawsuits by private groups as well as governmental entities; and

"(7) there is a compelling government interest in granting the Secretary authority to insulate a limited number of local educational agencies and schools which are experimenting with same gender classes for a limited period of time from certain law suits under title IX of the Education Amendments of 1972, section 204 of the Education Amendments of 1974, section 1979 of the Revised Statutes (42 U.S.C. 1983), or any other law prohibiting discrimination on the basis of sex, in order to collect data on the effectiveness of such classes in educating children from low-income, educationally disadvantaged backgrounds.

"(b) PURPOSES.—It is the purpose of this part—

"(1) to give the Secretary discretion to allow experimentation with same gender classes for low-income, educationally disadvantaged students;

"(2) to determine whether same gender classes make a difference in the educational achievement and opportunities of low-income, educationally disadvantaged individuals; and

"(3) to involve parents in the educational options and choices of their children.

"SEC. 1802. DEFINITIONS.

"As used in this part—

"(1) the term 'educational opportunity school' means a public elementary, middle, or secondary school, or a consortium of such schools all of which receive a waiver under this title, that—

"(A) establishes a plan for voluntary, same gender classes at one or more than one school in the community;

"(B) provides same gender classes for both boys and girls, as well as a co-educational option for any parent that chooses that option;

"(C) gives parents the option of choosing to send their child to a same gender class or to a co-educational class;

"(D) admits students on the basis of a lottery, if more students apply for admission to the same gender classes than can be accommodated;

"(E) has a program in which a member of the community is asked to volunteer such member's

time in classes of children of the same gender as the member; and

"(F) operates in pursuit of improving achievement among all children based on a specific set of educational objectives determined by the local educational agency applying for a grant under this part, in conjunction with the educational opportunity advisory board established under section 1803(c) and agreed to by the Secretary; and

"(2) the term 'educational opportunity advisory board' means an advisory board established in accordance with section 1803(c).

"SEC. 1803. PROGRAM AUTHORIZED.

"(a) WAIVERS.—The Secretary may grant waivers to ten local educational agencies for the design and operation of one or more educational opportunity schools.

"(b) INAPPLICABILITY.—Title IX of the Education Amendments of 1972, section 204 of the Education Amendments of 1974, section 1979 of the Revised Statutes (42 U.S.C. 1983), and any other law prohibiting discrimination on the basis of sex, shall not apply to a local educational agency or an educational opportunity school for a five-year period following the Secretary's grant of the waiver only to the extent the Secretary determines necessary to ensure the development and operation of same gender classes in accordance with this part.

"(c) EDUCATIONAL OPPORTUNITY ADVISORY BOARD.—Each local educational agency receiving a waiver under this part shall establish an educational opportunity advisory board. Such advisory board shall be composed of school administrators, parents, teachers, local government officials and volunteers involved with an educational opportunity school. Such advisory board shall assist the local educational agency in developing the application for assistance under section 1804 and serve as an advisory board in the functioning of the educational opportunity school.

"SEC. 1804. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Each local educational agency desiring a waiver under this part shall submit, within 180 days of the date of enactment of the Improving America's Schools Act of 1994, an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(b) SCOPE OF APPLICATION.—Each application described in subsection (a) may request a waiver for a single educational opportunity school or for a consortium of such schools.

"(c) APPLICATION CONTENTS.—Each application described in subsection (a) shall include—

"(1) a description of the educational program to be implemented by the proposed educational opportunity school, including—

"(A) the grade levels or ages of children to be served; and

"(B) the curriculum and instructional practices to be used;

"(2) a description of the objectives of the local educational agency and a description of how such agency intends to monitor and study the progress of children participating in the educational opportunity school;

"(3) a description of how the local educational agency intends to include in the educational opportunity school administrators, teaching personnel, and role models from the private sector;

"(4) a description of how school administrators, parents, teachers, local government and volunteers will be involved in the design and implementation of the educational opportunity school;

"(5) a description of how the local educational agency or the State, as appropriate, will provide for continued operation of the educational opportunity school once the Federal waiver has expired, if such agency determines that such school is successful;

"(6) a justification for the waiver or inapplicability of any Federal statutory or regulatory requirements that the local educational agency believes are necessary for the successful operation of the educational opportunity school and a description of any State or local statutory or regulatory requirements, that will be waived for, or will not apply to, the educational opportunity school, if necessary;

"(7) a description of how students in attendance at the educational opportunity school, or in the community, will be—

"(A) informed about such school; and

"(B) informed about the fact that admission to same gender classes is completely voluntary;

"(8) an assurance that the local educational agency will annually provide the Secretary such information as the Secretary may require to determine if the educational opportunity school is making satisfactory progress toward achieving the objectives described in paragraph (2);

"(9) an assurance that the local educational agency will cooperate with the Secretary in evaluating the program authorized by this part;

"(10) assurances that resources shall be used equally for same gender classes for boys and for girls;

"(11) assurances that the activities assisted under this part will not have an adverse affect, on either sex, that is caused by—

"(A) the distribution of teachers between same gender classes for boys and for girls;

"(B) the quality of facilities for boys and for girls;

"(C) the nature of the curriculum for boys and for girls;

"(D) program activities for boys and for girls; and

"(E) instruction for boys and for girls;

"(12) an assurance that the local educational agency will comply with the research and evaluation protocol developed by the Secretary of Education as required by section 1806; and

"(13) such other information and assurances that the Secretary may require.

"SEC. 1805. SELECTION OF GRANTEES.

"The Secretary shall award waivers under this part on the basis of the quality of the applications submitted under section 1804, taking into consideration such factors as—

"(1) the quality of the proposed curriculum and instructional practices;

"(2) organizational structure and management of the school;

"(3) the quality of the plan for assessing the progress made by children in same gender classes over the period of the grant;

"(4) the extent of community support for the application; and

"(5) the likelihood that the educational opportunity school will meet the objectives of such school and improve educational results for students; and

"(6) the assurances submitted pursuant to section 1804(c)(11).

"SEC. 1806. STUDY COMMISSIONED.

"The Secretary of Education is hereby required to commission a study upon enactment of the Educational Opportunity Demonstration Program, with appropriate protocols to compare the educational and behavioral achievement of those choosing same gender classes and those choosing the co-educational option. The study should be delivered to all Members of Congress within one year of the expiration of the waiver authority granted herein.

"SEC. 1807. CONSTRUCTION.

"Nothing in this part shall be construed to affect the availability under title IX of remedies to overcome the effects of past discrimination on the basis of sex.

"TITLE II—IMPROVING TEACHING AND LEARNING

"PART A—DWIGHT D. EISENHOWER PROFESSIONAL DEVELOPMENT PROGRAM

"SEC. 2101. FINDINGS.

"The Congress finds as follows:

"(1) Reaching the third National Education Goal (all students will demonstrate mastery of challenging subject matter in the core academic subjects) and the fifth National Education Goal (United States students will become first in the world in mathematics and science achievement) requires a comprehensive educational reform strategy that involves parents, schools, government, communities, and other public and private organizations at all levels.

"(2) A crucial component of the strategy for achieving these two goals is ensuring, through sustained and intensive high-quality professional development, that all teachers can provide challenging learning experiences in the core academic subjects for their students.

"(3) The potential positive impact of high-quality professional development is underscored by recent research findings that—

"(A) professional development must be focused on teaching and learning in order to change the opportunities of all students to achieve higher standards;

"(B) effective professional development focuses on discipline-based knowledge and effective subject-specific pedagogical skills, involves teams of teachers, administrators, and pupil services personnel in a school and, through professional networks of teachers, teacher educators, administrators, pupil services personnel, and parents is interactive and collaborative, motivates by its intrinsic content and relationship to practice, builds on experience and learning-by-doing, and becomes incorporated into the everyday life of the school;

"(C) professional development can dramatically improve classroom instruction and learning when teachers, administrators, pupil services personnel, and parents are partners in the development and implementation of such professional development; and

"(D) new and innovative strategies for teaching to high standards will require time for teachers, outside of the time spent teaching, for instruction, practice, and collegial collaboration.

"(4) Special attention must be given in professional development activities to ensure that education professionals are knowledgeable of, and make use of, strategies for serving populations that historically have lacked access to equal opportunities for advanced learning and career advancement.

"(5) Professional development activities must prepare teachers, pupil services personnel, paraprofessionals and other staff in effective prevention and intervention strategies to—

"(A) alleviate the need, and assure appropriate referral, for special education services; and

"(B) prepare staff to work collaboratively to educate students with disabilities placed into general education settings, consistent with such student's individualized education program.

"(6) Professional development activities, designed in cooperation with parents, that focus on the complex social, emotional and mental health needs of children which may impede learning, can help teachers, administrators, and pupil services personnel assist children in overcoming barriers to academic success.

"(7) Professional development is often a victim of budget reductions in fiscally difficult times.

"(8) There are few incentives or sanctions operating to encourage teachers and administrators to work to prepare themselves to be more effective or to participate in challenging and effective professional development activities.

"(9) Parental involvement is an important aspect of school reform and improvement. There is a need for special attention to ensure the effective involvement of parents in the education of their children. Professional development should include methods and strategies to better prepare teachers and administrators in involving parents. Programs are needed to provide parents the training and development necessary to enable parents to participate fully and effectively in their children's education.

"(10) The Federal Government has a vital role in helping to make sustained and intensive high-quality professional development in the core academic subjects become an integral part of the elementary and secondary education system.

"SEC. 2102. PURPOSES.

"It is the purpose of this part—

"(1) to help ensure that teachers, other staff, and administrators have access to high-quality professional development that is aligned to challenging State content standards and challenging State student performance standards and to support the development and implementation of sustained and intensive high-quality professional development activities in the core academic subjects; and

"(2) to help ensure that teachers, administrators, other staff, pupil services personnel, and parents have access to professional development that—

"(A) is tied to challenging State content standards and challenging State student performance standards;

"(B) reflects recent research on teaching and learning;

"(C) includes strong academic content and pedagogical components;

"(D) incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse student populations, including females, minorities, individuals with disabilities, limited-English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging State student performance standards;

"(E) is of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom; and

"(F) is part of the everyday life of the school and creates an orientation toward continuous improvement throughout the school.

"SEC. 2103. AUTHORIZATION OF APPROPRIATIONS; ALLOCATION BETWEEN SUBPARTS.

"(a) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $800,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) ALLOCATION BETWEEN SUBPARTS.—Of the amounts appropriated to carry out this part for any fiscal year the Secretary shall make available—

"(1) 5 percent of such amounts to carry out subpart 1, of which 10 percent of such 5 percent shall be available to carry out section 2114;

"(2) 93.75 percent of such amounts to carry out subpart 2; and

"(3) 1.25 percent of such amounts to carry out subpart 3.

"Subpart 1—Federal Activities

"SEC. 2111. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, local educational agencies, educational service agencies, State educational agencies, State agencies for higher education, institutions of higher education, and other public and private agencies, organizations, and institutions to—

"(1) support activities of national significance that the Secretary determines will contribute to the development and implementation of high-quality professional development activities in the core academic subjects; and

"(2) evaluate activities carried out under this subpart and subpart 2 in accordance with section 10701.

"(b) REQUIREMENTS.—In carrying out the activities described in subsection (a), the Secretary shall coordinate professional development programs within the Department, particularly with those programs within the Office of Educational Research and Improvement, and shall consult and coordinate with the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, the Institute of Museum Services, and other appropriate Federal agencies and entities.

"SEC. 2112. AUTHORIZED ACTIVITIES.

"The Secretary shall use funds available to carry out this subpart for activities that help meet the purposes of this part, such as—

"(1) providing seed money to the entities described in section 2111(a) to develop the capacity of such entities to offer sustained and intensive high-quality professional development;

"(2) professional development institutes that provide teams of teachers, or teachers, administrators, pupil services personnel and other staff, from individual schools, with professional development that contains strong and integrated disciplinary and pedagogical components;

"(3) encouraging the development of local and national professional networks, including the Teacher Research Dissemination Demonstration Program under section 941(j) of the Educational Research, Development, Dissemination, and Improvement Act of 1994, that provide a forum for interaction among teachers of the core academic subjects and that allow the exchange of information on advances in content and pedagogy;

"(4) supporting the National Board for Professional Teaching Standards;

"(5) the development and dissemination of teaching standards in the core academic subjects;

"(6) the development of exemplary methods of assessing teachers, other staff, and administrators for licensure and certification;

"(7) the dissemination of models of high-quality professional development activities that train educators in strategies, techniques, methods, and practices for meeting the educational needs of historically underserved populations, including females, minorities, individuals with disabilities, limited-English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging State student performance standards;

"(8) activities that promote the transferability of licensure and certification of teachers and administrators among State and local jurisdictions;

"(9) the development and testing of incentive strategies for motivating teachers, administrators, and pupil services personnel to help increase their effectiveness through professional development focused on teaching and learning and giving all students the opportunity to learn to challenging State content standards and challenging State student performance standards;

"(10) the development of innovative prevention and intervention strategies to—

"(A) alleviate the need, or assure appropriate referral, for special education services; and

"(B) prepare general education and special education teachers, paraprofessionals and pupil services personnel in effective integration of students with disabilities into general education settings, consistent with such student's individualized education program;

"(11) encouraging the development of innovative models for recruitment, induction, retention and assessment of new, highly qualified teachers, especially such teachers from historically underrepresented groups;

"(12) the dissemination of information about voluntary national content standards and voluntary national performance standards and related models of high-quality professional development;

"(13) the development and maintenance of a national clearinghouse for such core academic subjects as the Secretary determines are needed;

"(14) joint activities with other Federal agencies and entities engaged in or supporting similar professional development efforts;

"(15) the evaluation of programs under this subpart and subpart 2 in accordance with section 10701; and

"(16) the development of programs which prepare teachers to incorporate environmental education in the core academic subjects.

"SEC. 2113. EISENHOWER NATIONAL CLEARINGHOUSE FOR MATHEMATICS AND SCIENCE EDUCATION.

"(a) CLEARINGHOUSE AUTHORIZED.—The Secretary, in consultation with the Director of the National Science Foundation, may award a grant or contract to establish an Eisenhower National Clearinghouse for Mathematics and Science Education (hereafter in this section referred to as the 'Clearinghouse').

"(b) APPLICATION AND AWARD BASIS.—Each entity desiring to establish and operate the Clearinghouse authorized by this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require. The grant or contract awarded pursuant to paragraph (1) shall be made on a competitive, merit basis.

"(c) DURATION.—The grant or contract awarded under this section shall be awarded for a period of 5 years and shall be reviewed by the Secretary not later than 30 months from the date the grant or contract is awarded.

"(d) USE OF FUNDS.—The grant or contract awarded under this section shall be used to—

"(1) maintain a permanent repository of mathematics and science education instructional materials and programs for elementary and secondary schools, including middle schools (including, to the extent practicable, all materials and programs developed with Federal and non-Federal funds, such as instructional materials developed by the Department, materials developed by State and national mathematics and science programs assisted under this part, and other instructional materials) for use by the regional consortiums established under subpart 2 of part C and by the general public;

"(2) compile information on all mathematics and science education programs administered by each Federal agency or department;

"(3) disseminate information, programs, and instructional materials to the public, dissemination networks, and the regional consortiums under subpart 2 of part C;

"(4) coordinate with identifiable and existing data bases containing mathematics and science curriculum and instructional materials, including Federal, non-Federal and, where feasible, international data bases;

"(5) participate in collaborative meetings of representatives of the Clearinghouse and the regional consortiums under subpart 2 of part C to discuss issues of common interest and concern, to foster effective collaboration and cooperation in acquiring and distributing curriculum materials and programs, and to coordinate computer network access to the Clearinghouse and the resources of the regional consortiums, except that not more than 3 percent of the funds awarded under this section shall be used to carry out this paragraph; and

"(6) gather qualitative and evaluative data on submissions to the Clearinghouse.

"(e) SUBMISSION TO CLEARINGHOUSE.—Each Federal agency or department which develops mathematics or science education instructional material or programs, including the National Science Foundation and the Department, shall submit to the Clearinghouse copies of such material or programs.

"(f) PEER REVIEW.—The Secretary shall establish a peer review process to select the recipient of the award under this subsection.

"(g) STEERING COMMITTEE.—The Secretary may appoint a steering committee to recommend policies and activities for the Clearinghouse.

"(h) APPLICATION OF COPYRIGHT LAWS.—Nothing in this section shall be construed to allow the use or copying, in any media, of any material collected by the Clearinghouse that is protected under the copyright laws of the United States unless the permission of the owner of the copyright is obtained. The Clearinghouse, in carrying out the provisions of this subsection, shall ensure compliance with title 17, United States Code.

"(i) DISSEMINATION OF INFORMATION.—The Secretary shall disseminate information concerning the grant or contract awarded under this section to State and local educational agencies and institutions of higher education. Such dissemination of information shall include examples of exemplary national programs in mathematics and science instruction and necessary technical assistance for the establishment of similar programs.

"SEC. 2114. NATIONAL TEACHER TRAINING PROJECT.

"(a) SHORT TITLE; FINDINGS; DEFINITIONS.—

"(1) SHORT TITLE.—This section may be cited as the 'National Teacher Training Project Act of 1994'.

"(2) FINDINGS.—The Congress finds that—

"(A) teachers must be major players in educational reform in the United States;

"(B) teachers are isolated from their peers and have virtually no time during the school day to consult with other teachers;

"(C) there is a shortage of sustained, year-round professional development programs for teachers;

"(D) successful teaching methods are not adequately shared among teachers;

"(E) teachers are the best teachers of other teachers because practicing classroom teachers have experience that no outside consultant can match;

"(F) it is important for universities and schools to collaborate on teacher development programs if teaching and learning are to be improved;

"(G) pertinent research is not shared among teachers in a professional setting;

"(H) exemplary teachers should be recognized for their abilities and contributions and encouraged to refine their teaching methods;

"(I) each State should support a nationally based teacher training program that is modeled after the National Writing Project for teachers of the core academic subjects, including early childhood education, mathematics, science, English, civics and government, foreign languages, and arts;

"(J) the National Writing Project is a nationally recognized and honored nonprofit organization that recognizes there are teachers in every region of the United States who have developed successful methods for teaching writing and that such teachers can be trained and encouraged to train other teachers;

"(K) the National Writing Project is a collaborative university-school program which offers summer and school year inservice teacher training programs and a dissemination network to inform and teach teachers regarding developments in the field of writing;

"(L) each year over 125,000 teachers voluntarily seek training in National Writing Project intensive summer institutes and workshops and school year inservice programs through 1 of the 155 sites located within the United States, and in 18 sites located outside of the United States;

"(M) in the 20 years of its existence, over 1,100,000 teachers, administrators and parents have participated in National Writing Project programs;

"(N) less than $16 per teacher was the average cost in Federal dollars for all teacher training at writing projects in academic year 1991–1992;

"(O) for every dollar in Federal support, the National Writing Project provides over $5 in matching funds from States, local universities and schools, and the private sector;

"(P) private foundation resources, although generous in the past concerning National Writing Project programs, are inadequate to fund all of the National Teacher Training Project sites needed, and the future of the program is in jeopardy without secure financial support;

"(Q) the National Writing Project has become a model for programs in other fields, such as science, mathematics, history, literature, foreign languages, and the performing arts, and the development of programs in other fields should continue with the support of Federal funds; and

"(R) each of the 50 States should participate in the National Teacher Training Project by establishing regional teacher training sites in early childhood development, mathematics, science, English, civics and government, foreign languages, and arts to serve all teachers within the State.

"(3) DEFINITIONS.—For the purpose of this section—

"(A) the term 'contractor' means—

"(i) a local educational agency;

"(ii) an educational service agency; or

"(iii) an institution of higher education that awards a bachelor's degree; and

"(B) the term 'eligible recipient' means a nonprofit educational organization which has as its primary purpose the improvement of student learning in one of the core academic subjects described in subsection (b)(2).

"(b) GRANTS AUTHORIZED.—

"(1) GRANTS TO ELIGIBLE RECIPIENTS.—The Secretary is authorized to award a grant to an eligible recipient to enable such recipient—

"(A) to support and promote the establishment of teacher training programs in early childhood development and one of the 9 core academic subjects described in paragraph (2), including the dissemination of effective practices and research findings regarding teacher training, and administrative activities;

"(B) to support classroom research on effective teaching practices in such area; and

"(C) to pay the Federal share of the cost of such programs and research.

"(2) CORE SUBJECT AREAS.—To the extent feasible, the Secretary shall award a grant under paragraph (1) for the establishment of a National Teacher Training Project in early childhood development and each of the following core academic subjects:

"(A) Mathematics.

"(B) Science.

"(C) English.

"(D) Civics and government.

"(E) Foreign languages.

"(F) Arts.

"(G) Geography.

"(H) History.

"(I) Economics.

"(3) NUMBER OF GRANTS AND ELIGIBLE RECIPIENTS.—The Secretary shall award not more than 10 grants under paragraph (1) to 10 different eligible recipients.

"(4) EQUITABLE DISTRIBUTION.—The Secretary shall award grants under paragraph (1) to eligible recipients from different geographic areas of the United States.

"(5) SPECIAL RULE.—Each grant under paragraph (1) shall be of sufficient size, scope and quality to be effective.

"(6) ADMINISTRATIVE COSTS AND TECHNICAL ASSISTANCE.—Each eligible recipient receiving a grant under paragraph (1) may use not more than 5 percent of the grant funds for administrative costs and the costs of providing technical assistance to a contractor.

"(c) GRANT REQUIREMENTS.—Each eligible recipient receiving a grant under subsection (b) shall—

"(1) enter into a contract with a contractor under which such contractor agrees—

"(A) to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of the subject matter for which such eligible recipient was awarded a grant, including approaches and processes to obtain parental involvement in a child's education; and

"(B) to use funds received from the eligible recipient to pay the Federal share of the cost of establishing and operating teacher training programs described in subparagraph (A);

"(2) make annual reports to the Secretary and be responsible for oversight of the funds expended at each teacher training program described in subparagraph (A); and

"(3) meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with this section and provide such technical assistance as may be necessary to carry out this section.

"(d) TEACHER TRAINING PROGRAMS.—The teacher training programs described in subsection (b) shall—

"(1) be conducted during the school year and during the summer months;

"(2) train teachers who teach grades kindergarten through college;

"(3) select teachers to become members of a National Teacher Training Project, which members shall conduct inservice workshops for other teachers in the area served by the National Teacher Training Project site;

"(4) borrow teacher training principles and receive technical assistance from the National Writing Project; and

"(5) encourage teachers from all disciplines to participate in such teacher training programs.

"(e) FEDERAL SHARE.—The term 'Federal share' means, with respect to the costs of teacher training programs described in subsection (b), 50 percent of such costs to the contractor

"(f) APPLICATION.—Each eligible recipient desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(g) PARTICIPANTS AND SELECTION PROCESS.—The selection process for participation in a teacher training program described in subsection (b) shall—

"(1) reward exemplary teachers with varying levels of teaching experience who are nominated by other teachers and administrators;

"(2) involve an application process to select participants for a summer program;

"(3) ensure the selection of a geographically and ethnically diverse group of teachers by soliciting applications from teachers of both public and private institutions in rural, urban and suburban settings of every State; and

"(4) automatically offer a place in a summer program to the 'Teacher of the Year' chosen pursuant to a Federal or State teacher recognition program.

"(h) LIMITATION.—A contractor entering into a contract under subsection (c)(1) shall not spend more than 5 percent of funds received under the contract for administrative costs.

"Subpart 2—State and Local Activities

"SEC. 2121. PROGRAM AUTHORIZED.

"The Secretary is authorized to make grants to State educational agencies for the support of sustained and intensive high-quality professional development activities in the core academic subjects at the State and local levels.

"SEC. 2122. ALLOCATION OF FUNDS.

"(a) RESERVATION OF FUNDS.—From the amount available to carry out this subpart for any fiscal year, the Secretary shall reserve—

"(1) ½ of 1 percent for the outlying areas, to be distributed among the outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purposes of this part;

"(2) ½ of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(b) STATE ALLOTMENTS.—The Secretary shall allocate the amount available to carry out this subpart and not reserved under subsection (a) to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico as follows, except that no State shall receive less than one-half of 1 percent of such amount:

"(1) Fifty percent shall be allocated among such jurisdictions on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

"(2) Fifty percent shall be allocated among such jurisdictions in accordance with the relative amounts such jurisdictions received under part A of title I for the preceding fiscal year.

"(c) REALLOCATION.—If any jurisdiction does not apply for an allotment under subsection (b) for any fiscal year, the Secretary shall reallocate such amount to the remaining jurisdictions in accordance with that subsection.

"SEC. 2123. WITHIN-STATE ALLOCATIONS.

"Of the amounts received by any State under this subpart for any fiscal year—

"(1) 75 percent shall be available for State level activities under section 2126 and local allowable activities under section 2129(b), of which—

"(A) not more than 5 percent may be used for the administrative costs of the State educational agency;

"(B) not more than 5 percent may be used for State-level activities under section 2126; and

"(C) of the remaining amount—

"(i) 50 percent shall be distributed to local educational agencies—

"(I) for use in accordance with section 2129; and

"(II) in accordance with the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

"(ii) 50 percent of such amount shall be distributed to local educational agencies—

"(I) for use in accordance with section 2129; and

"(II) in accordance with the relative amount such agencies received under part A of title I of this Act for the preceding fiscal year; and

"(2) 25 percent shall be available to the State agency for higher education for activities under section 2130, of which not more than 5 percent may be used for the administrative costs of the State agency for higher education.

"SEC. 2124. PRIORITY FOR PROFESSIONAL DEVELOPMENT IN MATHEMATICS AND SCIENCE.

"(a) APPROPRIATION OF LESS THAN $250,000,000.—In any fiscal year for which the amount appropriated for this part is less than $250,000,000, each State shall ensure that all funds distributed in accordance with section 2123(1)(C) are used for professional development in mathematics and science.

"(b) APPROPRIATION EQUAL TO OR ABOVE $250,000,000.—In any fiscal year for which the amount appropriated for this part is at least $250,000,000, each State shall ensure that the amount of funds distributed in accordance with section 2123(1)(C) that is used for professional development in mathematics and science is not less than the amount that bears the same ratio to the total amount of funds so distributed as the sum of $250,000,000 plus at least 10 percent of the amount appropriated for this part for such year in excess of $250,000,000 bears to the total amount appropriated for this part for such year.

"SEC. 2125. STATE APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Each State educational agency that wishes to receive an allotment under this subpart for any fiscal year shall submit an application to the Secretary at such time and in such form as the Secretary may require.

"(b) PROFESSIONAL DEVELOPMENT PLAN.—

"(1) IN GENERAL.—Each application under this section shall include a State plan for professional development that satisfies the requirements of this section.

"(2) CONTENTS.—Each such State plan shall—

"(A) be developed in conjunction with the State agency for higher education, nonprofit organizations of demonstrated effectiveness, institutions of higher education or schools of education, and with the extensive participation of local teachers, administrators, and pupil services personnel and show the role of each such entity in implementation of the plan;

"(B) be designed to give teachers, administrators, and pupil services personnel in the State the knowledge and skills necessary to provide all students the opportunity to meet challenging State content standards and challenging State student performance standards;

"(C) include an assessment of State and local needs for professional development specifically related to subparagraph (B);

"(D) describe the need for teacher development beginning with recruitment, preservice, and induction, and continuing throughout the professional teaching career, taking into account the need, as determined by the State, for greater access to and participation in the teaching profession by individuals from historically underrepresented groups;

"(E) describe how the State requirements for licensure of teachers and administrators, including certification and recertification, support challenging State content standards and challenging State student performance standards;

"(F) describe how the State will work with teachers, administrators, parents, local educational agencies, schools, educational service agencies, and institutions of higher education or nonprofit organizations of demonstrated effectiveness to ensure that such individuals or entities develop the capacity to support sustained and intensive, high-quality professional development programs in the core academic subjects;

"(G) describe how the State will prepare all teachers to teach children with diverse learning needs, including children with disabilities;

"(H) describe how the State will prepare teachers, paraprofessionals and pupil services personnel in effective prevention and intervention strategies to—

"(i) alleviate the need, and assure appropriate referral, for special education services; and

"(ii) prepare general and special education staff to work collaboratively to educate students with disabilities placed into general education settings, consistent with such student's individualized education program;

"(I) describe how the State will use technology, including the emerging national information infrastructure, to enhance the professional development of teachers, administrators, and pupil services personnel;

"(J) describe how the State will ensure a strong focus on professional development in mathematics and science taking into account the need for greater access to, and participation in, such disciplines by students from historically underrepresented groups;

"(K) describe how the State will provide incentives to teachers and administrators to focus their professional development on preparing themselves to provide instruction consistent with challenging State content standards and challenging State student performance standards;

"(L) set specific outcome performance indicators for professional development; and

"(M) describe how parents can be involved in professional development programs to enhance their participation in the education of their children.

"(3) DURATION OF THE PLAN.—Each such State plan shall—

"(A) remain in effect for the duration of the State's participation under this subpart; and

"(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this subpart.

"(c) ADDITIONAL MATERIAL.—Each State application shall include—

"(1) a description of how the activities assisted under this subpart will be coordinated, as appropriate, with—

"(A) other activities conducted with Federal funds, especially activities supported under part A of title I of this Act, and parts B and D of the Individuals with Disabilities Education Act;

"(B) State and local funds;

"(C) resources from business and industry, museums, libraries, educational television stations, and public and private nonprofit organizations of demonstrated experience; and

"(D) funds received from other Federal agencies, such as the National Science Foundation, the Departments of Commerce, Energy, and Health and Human Services, the National Endowment for the Arts, the Institute of Museum Services, and the National Endowment for the Humanities; and

"(2) a description of the activities to be sponsored under the State level activities under section 2126 and the higher education activities under section 2130.

"(d) PEER REVIEW AND SECRETARIAL APPROVAL.—

"(1) IN GENERAL.—The Secretary shall approve an application of a State educational agency under this section if such application meets the requirements of this section and holds reasonable promise of achieving the purposes of this part.

"(2) REVIEW.—In reviewing applications under this section, the Secretary shall obtain the advice of non-Federal experts on education in the core academic subjects and on teacher education, including teachers and administrators.

"SEC. 2126. STATE LEVEL ACTIVITIES.

"Each State may use funds made available under section 2123(1) to carry out activities described in the plan under section 2125(b), such as—

"(1) reviewing and reforming State requirements for teacher and administrator licensure, including certification and recertification, to align such requirements with the State's challenging State content standards and ensure that teachers and administrators have the knowledge and skills necessary to help students meet challenging State student performance standards;

"(2) developing performance assessments and peer review procedures, as well as other methods, for licensing teachers and administrators;

"(3) providing technical assistance to schools and local educational agencies to help such schools and agencies provide effective professional development in the core academic subjects;

"(4) developing or supporting professional development networks, either within a State or in a regional consortium of States, that provide a forum for interaction among teachers and that allow exchange of information on advances in content and pedagogy;

"(5) professional development in the effective use of educational technology as an instructional tool for increasing student understanding of the core academic subjects, including efforts to train teachers in methods for achieving gender equity both in students' access to computers and other educational technology and in teaching practices used in the application of educational technology;

"(6) providing financial or other incentives for teachers to become certified by nationally recognized professional teacher enhancement organizations;

"(7) designing systems that enable teachers to meet pay ladder professional development requirements by demonstrating content knowledge and pedagogical competence tied to challenging State content standards and challenging State student performance standards, rather than by merely completing course credits;

"(8) providing incentives for teachers to be involved in assessment, curriculum development, and technical assistance processes for teachers and students;

"(9) professional development to enable teachers, pupil services personnel, and other school staff to ensure that girls and young women, minorities, limited English proficient students, individuals with disabilities, and the economically disadvantaged have the full opportunity to achieve to challenging State content standards and challenging State student performance standards in the core academic subjects by, for example, encouraging girls and young women and minorities to pursue advanced courses in mathematics and science;

"(10) professional development designed to—

"(A) provide the collaborative skills needed to appropriately serve children with disabilities in the general education setting consistent with such child's individualized education program; and

"(B) develop skills needed for effective prevention and intervention teaching strategies to alleviate the need, or assure appropriate referral, for special education services;

"(11) professional development and recruitment activities designed to increase the numbers of minorities, individuals with disabilities and females teaching in the core academic subjects in which such individuals are underrepresented;

"(12) identifying, developing, or supporting parental involvement programs to better equip parents to participate in the education of their children;

"(13) professional development activities designed to increase the number of women and other underrepresented groups in the administration of schools;

"(14) providing training for local education employees in the area of early childhood development in order to ensure that early childhood development services provided to low-income children below the age of compulsory school attendance comply with the performance standards established under section 641A(a) of the Head Start Act or under section 651 of such Act, as such section 651 was in effect on the day preceding the date of enactment of the Human Services Amendments of 1994; and

"(15) providing technical assistance to teachers, administrators, parents and related services personnel in the area of early childhood development in order to ensure that early childhood development services provided to low-income children below the age of compulsory school attendance comply with the performance standards established under section 641A(a) of the Head Start Act or under section 651 of such Act, as such section 651 was in effect on the day preceding the date of enactment of the Human Services Amendments of 1994.

"SEC. 2127. LOCAL EDUCATIONAL AGENCY APPLICATIONS.

"(a) IN GENERAL.—Each local educational agency that desires a subgrant under this subpart shall submit an application to the State educational agency at such time as the State educational agency may require, but not less frequently than every 3 years.

"(b) CONTENTS.—Each application under this section shall include—

"(1) the local educational agency's plan for professional development that—

"(A) has been developed with the extensive participation of teachers, administrators, staff, and pupil services personnel;

"(B) is aligned with the State's challenging State content standards and challenging State student performance standards;

"(C) includes an assessment of local needs for professional development as identified by the local educational agency and school staff;

"(D) describes a strategy, tied to challenging State content standards and challenging State student performance standards, for addressing those needs;

"(E) includes strong academic content and pedagogical components;

"(F) takes into account the need for greater access to and participation in the core academic subjects, especially in mathematics and science, by students from historically underrepresented groups;

"(G) is of sufficient intensity and duration to have a positive and lasting impact on the student's performance in the classroom; and

"(H) sets specific outcome performance indicators;

"(2) an assurance that the activities conducted with the funds such agency received under this subpart will be assessed at least every three years using the outcome performance indicators to determine the effectiveness of such activities;

"(3) a description of how the programs funded under this subpart will be coordinated, as appropriate, with—

"(A) services of educational service agencies;

"(B) services of institutions of higher education;

"(C) State and local funds;

"(D) resources provided under part A of title I and other provisions of this Act;

"(E) resources from business, industry, museums, libraries, educational television stations, and public and private nonprofit organizations of demonstrated experience;

"(F) resources provided under parts B, D and H of the Individuals with Disabilities Education Act; and

"(G) funds received from other Federal agencies, such as the National Science Foundation, the Department of Energy, the Department of Health and Human Services, the National Endowment for the Arts, the Institute of Museum Services, and the National Endowment for the Humanities;

"(4) an identification of the sources of funding that will provide the local educational agency's contribution under section 2128; and

"(5) a description of the strategies to be employed to more fully and effectively involve parents in the education of their children.

"(c) DURATION OF THE PLAN.—Each local plan described in subsection (b)(1) shall—

"(1) remain in effect for the duration of the local educational agency's participation under this subpart; and

"(2) be periodically reviewed and revised by the local educational agency, as necessary, to reflect changes in the local educational agency's strategies and programs under this subpart.

"SEC. 2128. LOCAL COST-SHARING.

"(a) IN GENERAL.—Each local educational agency shall provide at least 33 percent of the cost of the activities assisted under this subpart, excluding the cost of services provided to private school teachers.

"(b) AVAILABLE RESOURCES FOR COST-SHARING.—

"(1) IN GENERAL.—A local educational agency may meet the requirement of subsection (a) through one or more of the following:

"(A) Cash expenditures from non-Federal sources directed toward professional development activities.

"(B) Release time for teachers participating in professional development assisted under this subpart.

"(C) Funds received under one or more of the following programs, so long as such funds are used for professional development activities consistent with this subpart and the statutes under which such funds were received, and are used to benefit students and teachers in schools that otherwise would have been served with such funds:

"(i) Part A of title I.

"(ii) Parts B and D of the Individuals with Disabilities Education Act.

"(iii) The Safe and Drug-Free Schools and Communities program under part A of title V.

"(iv) Bilingual Education Programs under part A of title VII.

"(v) The Women's Educational Equity Act of 1994.

"(vi) Title III of the Goals 2000: Educate America Act.

"(vii) Programs that are related to the purposes of this Act that are administered by other Federal agencies, including the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, the Institute of Museum Services, and the Department of Energy.

"(2) SPECIAL RULE.—A local educational agency may meet the requirement of subsection (a) through contributions described in paragraph (1) that are provided in cash or in kind, fairly evaluated.

"SEC. 2129. LOCAL ALLOCATION OF FUNDS AND ALLOWABLE ACTIVITIES.

"(a) LOCAL ALLOCATION OF FUNDS.—Each local educational agency that receives funds under this subpart for any fiscal year—

"(1) shall use at least 80 percent of such funds for professional development of teachers, administrators, pupil services personnel, parents, and other staff of individual schools in a manner that—

"(A) is determined by such teachers and staff;

"(B) to the extent practicable, takes place at the individual school site; and

"(C) is consistent with the local educational agency's application under section 2127, any school plan under part A of title I, and any other plan for professional development carried out with Federal, State, or local funds that emphasizes sustained, ongoing activities; and

"(2) may use not more than 20 percent of such funds for school district-level professional development activities, including the participation of administrators, policymakers, and parents.

"(b) AUTHORIZED ACTIVITIES.—Each local educational agency and school that receives funds under this subpart shall use such funds for activities that contribute to the implementation of the local educational agency's professional development plan described in section 2127(b)(1), such as—

"(1) professional development for teams of teachers, administrators, pupil services personnel, or other staff from individual schools, to support teaching consistent with challenging State content standards and challenging State student performance standards and to create a school environment conducive to high achievement in the core academic subjects;

"(2) support and time, which in the case of teachers may include release time with pay, for teachers, pupil services personnel, and other school staff to enable such teachers, personnel, and staff to participate in professional development in the core academic subjects that are offered through professional associations, universities, and other providers such as community-based organizations, science centers and museums;

"(3) support and time, which in the case of teachers may include release time with pay, for teachers, pupil services personnel and other school staff to participate in professional development that goes beyond training and encourages a variety of forms of learning that are related to an educator's regular work, such as group study and consultation with peers and supervisors;

"(4) support and time for teachers, pupil services personnel and other school staff to learn and implement effective collaboration—

"(A) for the instruction of children with disabilities placed into general education settings, consistent with such child's individualized education program; and

"(B) in prevention and intervention strategies to alleviate the need for, or assure appropriate, referrals of children for special education services;

"(5) professional development which incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse groups of students, including females, minorities, individuals with disabilities, limited-English proficient individuals and economically disadvantaged individuals;

"(6) peer training and mentoring programs, including cross-generational mentoring, in the core academic subjects and in the developmental, social, emotional and mental health needs of children;

"(7) establishment and maintenance of local professional networks that provide a forum for interaction among teachers and pupil services personnel and that allow exchange of information on advances in content and pedagogy;

"(8) activities that provide followup for teachers who have participated in professional development activities that are designed to ensure that the knowledge and skills learned by the teacher are implemented in the classroom;

"(9) preparing teachers and pupil services personnel to work with parents and families on fostering student achievement in the core academic subjects;

"(10) preparing teachers in the effective use of educational technology and assistive technology as instructional tools for increasing student understanding of the core academic subjects;

"(11) establishing policies to permit teachers to meet pay ladder requirements by demonstrating content and pedagogical competence rather than by only meeting course requirements;

"(12) professional development to enable teachers, pupil services personnel, and other school staff to ensure that girls and young women, minorities, limited-English proficient students, individuals with disabilities, and the economically disadvantaged have full opportunity to achieve to challenging State content standards and challenging State student performance standards in the core academic subjects;

"(13) professional development activities designed to increase the numbers of minorities, individuals with disabilities, and other underrepresented groups in the teaching force and to increase the numbers of women and members of other underrepresented groups who are science and mathematics teachers, for example, through career ladder programs that assist educational paraprofessionals to obtain teaching credentials;

"(14) professional development activities and other support for new teachers as such teachers transition into the classroom to provide such teachers with practical support and increase retention;

"(15) professional development for teachers, parents, early childhood educators, administrators, and other staff to support activities and services related to the Transition to Success program developed under part B of title I;

"(16) developing incentive strategies for rewarding teachers, administrators, and pupil services personnel collectively in schools that sustain high performance or consistent growth in the number of their students who meet the challenging State content standards and challenging State student performance standards;

"(17) providing financial or other incentives for teachers to become certified by nationally recognized professional teacher enhancement programs;

"(18) developing strategies and programs to more effectively involve parents in the education of their children;

"(19) professional development activities designed to increase the number of women and other underrepresented groups in the administration of schools;

"(20) release time with pay for teachers;

"(21) professional development in experiential-based teaching methods such as service learning; and

"(22) support for partnerships between (A) schools, consortia of schools, or local educational agencies, and (B) institutions of higher education, including schools of education, that encourage teachers to participate in intensive, ongoing professional development programs, both academic and pedagogical, at institutions of higher education, and encourage students at institutions of higher education studying to become teachers to have direct, practical experience at schools.

"SEC. 2130. HIGHER EDUCATION ACTIVITIES.

"(a) IN GENERAL.—

"(1) IN GENERAL.—From amounts made available under section 2123(2), the State agency for higher education, working in conjunction with the State educational agency (if such agencies are separate), shall award grants to, or enter into contracts or cooperative agreements with, institutions of higher education or private nonprofit organizations working in conjunction with local educational agencies, for professional development activities in the core academic subjects that contribute to the State plan for professional development.

"(2) COMPETITIVE BASIS.—Each grant, contract or cooperative agreement described in paragraph (1) shall be awarded on a competitive basis.

"(3) JOINT EFFORTS.—Each activity assisted under this section, where applicable, shall involve the joint effort of the institution of higher education's school or department of education, if any, and the schools or departments in the specific disciplines in which such professional development will be provided.

"(b) ALLOWABLE ACTIVITIES.—A recipient of funds under this section shall use such funds for—

"(1) sustained and intensive high-quality professional development for teams of teachers, or teachers, pupil services personnel and administrators from individual schools or school districts;

"(2) preservice training activities; and

"(3) other sustained and intensive professional development activities related to achievement of the State plan for professional development.

"(c) PARTNERSHIPS.—Each institution of higher education receiving a grant under this section may also enter into a partnership with a private industry, museum, library, educational television station, or public or private nonprofit organization of demonstrated experience to carry out professional development activities assisted under this section.

"SEC. 2131. CONSORTIUM REQUIREMENT.

"(a) IN GENERAL.—Any local educational agency receiving a grant under this part of less than $10,000 shall form a consortium with another local educational agency or an educational service agency serving another local educational agency to be eligible to participate in programs assisted under this part.

"(b) WAIVER.—The Chief State School Officer may waive the requirements of subsection (a) if distances or traveling time between schools make formation of the consortium more costly or less effective.

"(c) SPECIAL RULE.—Each consortium shall rely, as much as possible, on technology or other arrangements to deliver staff development tailored to the needs of each school or school district participating in a consortium described in subsection (a).

"Subpart 3—Professional Development Demonstration Project

"SEC. 2141. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) underlying the standards-driven framework of the Goals 2000: Educate America Act and the high academic standards for eligible students under title I is a widespread need to prepare teachers to teach to higher standards;

"(2) prospective and current teachers need knowledge and skills beyond what such teachers currently possess;

"(3) while both the Goals 2000: Educate America Act and titles I and II have extensive references to professional development of teachers, there are no provisions to incorporate 'on-the-ground' planning and implementation to serve as models for local educational agencies across the Nation; and

"(4) better prepared teachers can lead to improved student achievement, especially for students who are furthest from reaching high standards.

"(b) PURPOSE.—It is the purpose of this subpart—

"(1) to address the need for professional development with a primary focus on teachers;

"(2) to provide both prospective teachers and current teachers opportunities to learn both the content and the pedagogy needed to teach to high standards; and

"(3) to build models, in a few cities and States, that demonstrate new organizational arrangements and deep investments in teachers necessary to better prepare teachers for new standards and assessments.

"SEC. 2142. DEMONSTRATION PROGRAM AUTHORIZED.

"(a) GENERAL AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall carry out a demonstration project under which the Secretary awards grants in accordance with this subpart to eligible partnerships to enable such partnerships to plan and implement professional development programs.

"(2) PROGRAM REQUIREMENTS.—The programs described in paragraph (1)—

"(A) shall focus on increasing teachers' knowledge and understanding of content by providing teachers opportunities to improve their knowledge and to improve their classroom practice in order to help students meet high academic standards;

"(B) shall include teachers at all career stages, from student teachers or interns through senior team leaders or department chairs; and

"(C) may incorporate professional development for principals, pupil services personnel, aides, other school-based staff, and parents.

"(b) ELIGIBLE PARTNERSHIPS.—For the purpose of this subpart the term 'eligible partnership' means a partnership consisting of—

"(1) a local educational agency, a subunit of such agency, or a consortium of such agencies, in which at least 50 percent of the schools served by such agency, subunit, or consortium are eligible to participate in schoolwide programs under section 1114; or

"(2) other partners that—

"(A) shall include, at a minimum, a teachers' union (if appropriate), one or more institutions of higher education which may include faculty from schools of education and faculty from schools of arts and sciences, and a local parent or community council; and

"(B) may include a business partner or a nonprofit organization with a demonstrated record in staff development.

"SEC. 2143. GRANTS.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall award grants for planning, and grants for the implementation of, professional development programs under this subpart.

"(2) DISTRIBUTION.—The Secretary shall award not less than 75 percent of the funds available for grants under this part to eligible partnerships serving the schools with the greatest number of poor students. To the extent possible, such grants shall be awarded to eligible partnerships serving both rural and urban school districts and in a manner that reflects geographic and racial diversity.

"(3) NUMBER OF GRANTS.—In the first year that the Secretary awards grants under this subpart, the Secretary shall award at least twice as many planning grants as implementation grants in order to receive well-developed plans for long-term funding under this subpart.

"(b) GRANT REQUIREMENTS.—

"(1) DURATION.—The Secretary shall award—

"(A) planning grants under this subpart for a period of not less than 6 months and not more than 9 months; and

"(B) implementation grants under this subpart for a period of four fiscal years.

"(2) AMOUNT.—The Secretary shall award grants under this subpart in an amount determined on the basis of the size of the program and the level of investment the eligible partnership is making in teacher development in the area served by the eligible partnership, including local, State, and Federal funds and existing higher education resources, except that no grant under this subpart shall exceed $500,000 in any one fiscal year.

"SEC. 2144. PLAN.

"Each eligible partnership desiring assistance under this subpart shall develop a plan for the program to be assisted under this subpart. Such plan shall—

"(1) identify clearly how such plan will support an overall systemic reform strategy giving special attention to the role of teacher preparation for new standards and assessment;

"(2) describe the eligible partnership's instructional objectives and how the professional development activities will support such objectives;

"(3) specify the organizational arrangements and delivery strategies to be used, such as teacher centers, professional development schools, teacher networks, academic alliances, as well as the curriculum for teachers;

"(4) specify the commitments the local educational agencies, teacher's union, institutions of higher education or any other entity participating in such partnership are prepared to make, not only to support program activities such as release time, contractual flexibility, support for interns or student teachers if applicable, but also to sustain the central aspects of the plan after the expiration of the grant; and

"(5) describe how the activities described under this subpart will lead to districtwide policy and budget changes.

"SEC. 2145. TECHNICAL ASSISTANCE.

"The Secretary is authorized to enter into an arrangement with an intermediary organization to enable such organization to provide technical assistance to eligible partnerships receiving assistance under this subpart.

"SEC. 2146. MATCHING FUNDS.

"The Secretary shall give special priority to awarding grants under this subpart to eligible partnerships that demonstrate such partnership's ability to raise matching funds from private sources.

"Subpart 4—General Provisions

"SEC. 2151. REPORTING AND ACCOUNTABILITY.

"(a) STATES.—Each State that receives funds under this part shall submit a report to the Secretary every three years, beginning with fiscal year 1997, on the State's progress toward the outcome performance indicators identified in such State's State plan, as well as on the effectiveness of State and local activities assisted under this part.

"(b) LOCAL EDUCATIONAL AGENCIES.—Each local educational agency that receives funds under this part shall submit a report to the State every three years, beginning with fiscal year 1997, regarding the progress of such agency toward outcome performance indicators identified in such agency's local plan, as well as on the effectiveness of such agency's activities under this part.

"(c) FEDERAL EVALUATION.—The Secretary shall report to the President and the Congress on the effectiveness of programs and activities assisted under this part in accordance with section 10701.

"SEC. 2152. DEFINITIONS.

"As used in this part—

"(1) the term 'core academic subjects' means subjects such as English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography;

"(2) the term 'sustained and intensive high-quality professional development' means professional development activities that—

"(A) are tied to challenging State content standards, challenging State student performance standards, voluntary national content standards or voluntary national student performance standards;

"(B) reflect up-to-date research in teaching and learning and include integrated content and pedagogical components appropriate for students with diverse learning needs;

"(C) are of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom or the administrator's performance on the job; and

"(D) recognize teachers as an important source of knowledge that should inform and help shape professional development;

"(3) the term 'outcome performance indicators' means measures of specific outcomes that the State or local educational agency identify as assessing progress toward the goal of ensuring that all teachers have the knowledge and skills necessary to assist their students to meet challenging State content standards and challenging State student performance standards in the core academic subjects, such as—

"(A) the degree to which licensure requirements are tied to challenging State content standards and challenging State student performance standards;

"(B) specific increases in the number of teachers who are certified by the National Board for Professional Teaching Standards or other nationally recognized professional teacher enhancement organizations;

"(C) pass rates on teacher examinations for initial and continuing certification or licensure;

"(D) specific increases in the number of elementary and secondary teachers with strong content backgrounds in the core academic subjects; and

"(E) specific increases in the number of teachers licensed in each core academic subject; and

"(4) the term 'prevention', when used with respect to strategies, includes activities conducted to—

"(A) detect and overcome early manifestations of learning, health and social, and behavioral, problems that may impede later student learning and school achievement;

"(B) prevent students from failing to achieve commensurate with their abilities; and

"(C) alleviate the need, or increase the probability of appropriate referrals, for special education services.

"PART B—NATIONAL WRITING PROJECT

"SEC. 2201. SHORT TITLE.

"This part may be cited as the 'National Writing Project Act'.

"SEC. 2202. FINDINGS.

"The Congress finds that—

"(1) the United States faces a crisis in writing in schools and in the workplace;

"(2) the writing problem has been magnified by the rapidly changing student populations in the Nation's schools and the growing number of students who are at risk because of limited English proficiency;

"(3) over the past 2 decades, universities and colleges across the country have reported increasing numbers of entering freshmen who are unable to write at a level equal to the demands of college work;

"(4) American businesses and corporations are concerned about the limited writing skills of entry-level workers, and a growing number of executives are reporting that advancement was denied to such executives due to inadequate writing abilities;

"(5) writing and reading are both fundamental to learning, yet writing has been historically

neglected in the schools and colleges, and most teachers in the United States elementary schools, secondary schools, and colleges have not been trained to teach writing;

"(6) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs whose goal is to improve the quality of student writing and the teaching of writing at all grade levels and to extend the uses of writing as a learning process through all disciplines;

"(7) the National Writing Project offers summer and school year inservice teacher training programs and a dissemination network to inform and teach teachers of developments in the field of writing;

"(8) the National Writing Project is a nationally recognized and honored nonprofit organization that recognizes that there are teachers in every region of the United States who have developed successful methods for teaching writing and that such teachers can be trained and encouraged to train other teachers;

"(9) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, literature, performing arts, and foreign languages;

"(10) the National Writing Project teacher-teaching-teachers program identifies and promotes what is working in the classrooms of the Nation's best teachers;

"(11) the National Writing Project teacher-teaching-teachers project is a positive program that celebrates good teaching practices and good teachers and through its work with schools increases the Nation's corps of successful classroom teachers;

"(12) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance, and student thinking and learning ability;

"(13) the National Writing Project programs offer career-long education to teachers, and teachers participating in the National Writing Project receive graduate academic credit;

"(14) each year over 100,000 teachers voluntarily seek training in National Writing Project intensive summer institutes and workshops and school-year inservice programs through one of the 154 regional sites located in 45 States, the Commonwealth of Puerto Rico, and in four sites that serve United States teachers teaching in United States dependent and independent schools;

"(15) 250 National Writing Project sites are needed to establish regional sites to serve all teachers;

"(16) private foundation resources, although generous in the past, are inadequate to fund all of the National Writing Project sites needed and the future of the program is in jeopardy without secure financial support;

"(17) independent evaluation studies have found the National Writing Project to be highly cost-effective compared to other professional development programs for teachers; and

"(18) during 1991, the first year of Federal support for the National Writing Project, the National Writing Project matched the $1,951,975 in Federal support with $9,485,504 in matching funds from State, local, and other sources.

"SEC. 2203. NATIONAL WRITING PROJECT.

"(a) AUTHORIZATION.—The Secretary is authorized to make a grant to the National Writing Project (hereafter in this section referred to as the 'grantee'), a nonprofit educational organization which has as its primary purpose the improvement of the quality of student writing and learning, and the teaching of writing as a learning process in the Nation's classrooms—

"(1) to support and promote the establishment of teacher training programs, including the dissemination of effective practices and research findings regarding the teaching of writing and administrative activities;

"(2) to support classroom research on effective teaching practice and to document student performance;

"(3) to coordinate activities assisted under this section with activities assisted under part A; and

"(4) to pay the Federal share of the cost of such programs.

"(b) REQUIREMENTS OF GRANT.—The grant shall provide that—

"(1) the grantee will enter into contracts with institutions of higher education or other nonprofit educational providers (hereafter in this section referred to as 'contractors') under which the contractors will agree to establish, operate, and provide the non-Federal share of the cost of teacher training programs in effective approaches and processes for the teaching of writing;

"(2) funds made available by the Secretary to the grantee pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

"(3) the grantee will meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with the provisions of this section and will provide such technical assistance as may be necessary to carry out the provisions of this section.

"(c) TEACHER TRAINING PROGRAMS.—The teacher training programs authorized in subsection (a) shall—

"(1) be conducted during the school year and during the summer months;

"(2) train teachers who teach grades kindergarten through college;

"(3) select teachers to become members of a National Writing Project teacher network whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

"(4) encourage teachers from all disciplines to participate in such teacher training programs.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—Except as provided in paragraph (2) or (3) and for purposes of subsection (a), the term 'Federal share' means, with respect to the costs of teacher training programs authorized in subsection (a), 50 percent of such costs to the contractor.

"(2) WAIVER.—The Secretary may waive the provisions of paragraph (1) on a case-by-case basis if the National Advisory Board described in subsection (f) determines, on the basis of financial need, that such waiver is necessary.

"(3) MAXIMUM.—The Federal share of the costs of teacher training programs conducted pursuant to subsection (a) may not exceed $40,000 for any one contractor, or $200,000 for a statewide program administered by any one contractor in at least five sites throughout the State.

"(e) CLASSROOM TEACHER GRANTS.—

"(1) IN GENERAL.—The National Writing Project may reserve an amount not to exceed 5 percent of the amount appropriated pursuant to the authority of this section to make grants, on a competitive basis, to elementary and secondary school teachers to enable such teachers to—

"(A) conduct classroom research;

"(B) publish models of student writing;

"(C) conduct research regarding effective practices to improve the teaching of writing; and

"(D) conduct other activities to improve the teaching and uses of writing.

"(2) SUPPLEMENT AND NOT SUPPLANT.—Grants awarded pursuant to paragraph (1) shall be used to supplement and not supplant State and local funds available for the purposes set forth in paragraph (1).

"(3) MAXIMUM GRANT AMOUNT.—Each grant awarded pursuant to this subsection shall not exceed $2,000.

"(f) NATIONAL ADVISORY BOARD.—

"(1) ESTABLISHMENT.—The National Writing Project shall establish and operate a National Advisory Board.

"(2) COMPOSITION.—The National Advisory Board established pursuant to paragraph (1) shall consist of—

"(A) national educational leaders;

"(B) leaders in the field of writing; and

"(C) such other individuals as the National Writing Project deems necessary.

"(3) DUTIES.—The National Advisory Board established pursuant to paragraph (1) shall—

"(A) advise the National Writing Project on national issues related to student writing and the teaching of writing;

"(B) review the activities and programs of the National Writing Project; and

"(C) support the continued development of the National Writing Project.

"(g) EVALUATION.—The Secretary shall conduct an independent evaluation by grant or contract of the teacher training programs administered pursuant to this Act in accordance with section 10701. Such evaluation shall specify the amount of funds expended by the National Writing Project and each contractor receiving assistance under this section for administrative costs. The results of such evaluation shall be made available to the appropriate committees of the Congress.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, $4,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out the provisions of this section.

"PART C—SUPPORT AND ASSISTANCE FOR ESEA PROGRAMS

"Subpart 1—Comprehensive Regional Centers

"SEC. 2301. FINDINGS.

"The Congress finds that—

"(1) high-quality technical assistance can enhance the improvements in teaching and learning achieved through the implementation of programs assisted under this Act;

"(2) comprehensive technical assistance is an essential ingredient of the overall strategy of the Improving America's Schools Act of 1994 to improve programs and to provide all children opportunities to meet challenging State content standards and challenging State student performance standards;

"(3) States, local educational agencies, and schools serving students with special needs, such as students with limited-English proficiency and students with disabilities, have great need for comprehensive technical assistance in order to use funds under this Act to provide such students with opportunities to learn to challenging State content standards and challenging State student performance standards;

"(4) current technical assistance efforts are fragmented and categorical in nature, and thus fail to address adequately the needs of States and local educational agencies for help in integrating into a coherent strategy for improving teaching and learning the various programs under this Act with State and local programs and other education reform efforts;

"(5) too little creative use is made of technology as a means of providing information and assistance in a cost-effective way;

"(6) comprehensive technical assistance can help schools and school systems focus on improving opportunities for all children to meet challenging State content standards and challenging State student performance standards, as such schools and systems implement programs under this Act;

"(7) comprehensive technical assistance will provide one-stop shopping to help States, local educational agencies, participating colleges and universities, and schools integrate Federal, State, local education and pupil services programs in ways that contribute to improving schools and entire school systems; and

"(8) technical assistance in support of programs assisted under this Act should be coordinated with the Department's regional offices, the regional educational laboratories, and other technical assistance efforts supported by the Department.

"SEC. 2302. PURPOSE.

"The purpose of this part is to make available to States, local educational agencies, schools, and other recipients of funds under this Act technical assistance in—

"(1) administering and implementing programs authorized by this Act;

"(2) implementing school reform programs; and

"(3) coordinating such programs with other Federal, State, and local education activities, so that all students are provided opportunities to meet challenging State content standards and challenging State student performance standards.

"SEC. 2303. PROGRAM AUTHORIZED.

"(a) COMPREHENSIVE REGIONAL CENTERS.—Notwithstanding section 6205, the Secretary is authorized to establish one center in each of the Department's ten regions, and one center at the Pacific Regional Education Laboratory in Honolulu, Hawaii, and may establish field offices for each such center, in order to provide comprehensive technical assistance to States, local educational agencies, schools, and other recipients of funds under this Act in the administration and implementation of programs authorized by this Act. In allocating resources among the centers, the Secretary shall consider the geographic distribution of students with special needs.

"(b) TECHNOLOGY-BASED TECHNICAL ASSISTANCE.—The Secretary is authorized to provide a technology-based technical assistance service that will—

"(1) support the administration and implementation of programs authorized by this Act by providing information, including legal and regulatory information, and technical guidance and information about best practices; and

"(2) be accessible to all States, local educational agencies, schools, community-based organizations, and others who are recipients of funds under this Act.

"SEC. 2304. ELIGIBLE ENTITIES.

"The Secretary may carry out this part directly or through grants to, or contracts or cooperative agreements with, public or private agencies or organizations or consortia of such agencies and organizations.

"SEC. 2305. COMPREHENSIVE REGIONAL CENTERS.

"Each comprehensive regional center established under section 2303(a) shall—

"(1) maintain staff expertise in at least all of the following areas:

"(A) instruction, curriculum improvement, school reform, pupil services, and other aspects of title I;

"(B) meeting the needs of children served under this Act, including children in high-poverty areas, migratory children, children with limited-English proficiency, neglected or delinquent children, homeless children and youth, Indian children, and children with disabilities;

"(C) professional development for teachers, pupil services personnel, other school staff, and administrators to help students meet challenging State content standards and challenging State student performance standards;

"(D) bilingual education, including programs that emphasize English and native language proficiency, and promote multicultural understanding;

"(E) safe and drug-free schools;

"(F) educational applications of technology;

"(G) parent involvement and participation;

"(H) the reform of schools and school systems;

"(I) the special needs of students living in rural areas and the special needs of local educational agencies serving rural areas; and

"(J) program evaluation;

"(2) ensure that technical assistance staff have sufficient training, knowledge, and expertise in how to integrate and coordinate programs assisted under this Act, as well as integrating and coordinating programs assisted under this Act with other Federal, State, and local programs and reforms;

"(3) work collaboratively with the Department's regional offices;

"(4) provide technical assistance using the highest quality and most cost-effective strategies possible;

"(5) provide information and assistance regarding exemplary and promising practices;

"(6) work collaboratively, and coordinate the services such center provides, with the general reform assistance provided by the regional educational laboratories and the National Diffusion Network State Facilitators supported by the Office of Educational Research and Improvement; and

"(7) consult with representatives of State educational agencies, local educational agencies, and populations served under this Act.

"SEC. 2306. INFORMATION COLLECTION AND EVALUATION.

"The Secretary shall evaluate activities assisted under this part, and shall report to the President and the Congress on the effectiveness of such activities by January 1, 1998.

"SEC. 2307. TRANSITION.

"(a) IN GENERAL.—The Secretary shall use funds appropriated to carry out this part for at least fiscal years 1995 and 1996 in order to ensure an orderly transition and phase-in of the comprehensive regional centers assisted under this subpart.

"(b) EXTENSION OF PREVIOUS CENTERS.—In accordance with subsection (a), and notwithstanding any other provisions of law, the Secretary shall use funds appropriated to carry out this part to draw on the expertise of staff and services from existing categorical assistance centers assisted under this Act (as such Act was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) and, where appropriate and feasible, to continue to support, through grants or the extension of awards, such centers in order to ensure that services will not be interrupted, curtailed, or substantially diminished.

"SEC. 2308. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this subpart, there are authorized to be appropriated $70,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"Subpart 2—National Diffusion Network

"SEC. 2311. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—In order to increase the effectiveness of the comprehensive regional centers established under subpart 1 and to promote school reform, the Secretary shall carry out a State-based outreach, consultation, and dissemination program through the National Diffusion Network and its State Facilitators. To carry out such program, the Secretary shall make one or more awards in each State to public educational agencies or public or private nonprofit educational organizations or institutions to assist State and local educational agencies, schools, and other appropriate educational entities in that State to identify and implement exemplary or promising educational programs and practices.

"(b) STATE FACILITATOR ACTIVITIES.—The National Diffusion Network State Facilitators for each State shall—

"(1) identify educational programs and practices for possible dissemination throughout the State and Nation;

"(2) identify needs for assistance throughout the State, including educational technology needs;

"(3) provide professional development and technical assistance services;

"(4) promote and facilitate teacher networks throughout the State; and

"(5) provide such other outreach, coordination, and dissemination services as may be necessary to achieve the purposes of this subpart.

"(c) COORDINATION AND ADMINISTRATION.—

"(1) COORDINATION.—The National Diffusion Network State Facilitators shall work in close cooperation, and coordinate their activities, with the comprehensive regional centers established under subpart 1.

"(2) ADMINISTRATION.—The National Diffusion Network State Facilitators program shall be administered by the Office of Reform Assistance and Dissemination established under section 941(b) of the Educational Research, Development, Dissemination, and Improvement Act of 1994.

"(d) NATIONAL DIFFUSION NETWORK EFFECTIVE PROGRAMS AND PROMISING PRACTICES SYSTEM.—The Secretary shall develop a system of validating effective programs and promising practices for dissemination through the National Diffusion Network. Such system may include exemplary programs funded through any office of the Department, the National Science Foundation, or other Federal agencies. Such system shall be coordinated, aligned with, and administered by the Office of Reform Assistance and Dissemination established under section 941(b) of the Educational Research, Development, Dissemination, and Improvement Act of 1994. The Secretary shall give priority to identifying, validating, and disseminating effective schoolwide projects, programs addressing the needs of high poverty schools, and programs with the capacity to offer high-quality, sustained technical assistance. The Office of Educational Research and Improvement Office of Reform Assistance and Dissemination shall also administer a grant program for the purpose of dissemination and the provision of technical assistance regarding such system.

"SEC. 2312. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this subpart, there are authorized to be appropriated $25,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"Subpart 3—Eisenhower Regional Mathematics and Science Education Consortiums

"SEC. 2321. PROGRAM ESTABLISHED.

"(a) IN GENERAL.—

"(1) GRANTS AUTHORIZED.—The Secretary, in consultation with the Director of the National Science Foundation, is authorized to award grants or contracts to eligible entities to enable such entities to establish and operate regional mathematics and science education consortia for the purpose of—

"(A) disseminating exemplary mathematics and science education instructional materials; and

"(B) providing technical assistance for the implementation of teaching methods and assessment tools for use by elementary and secondary school students, teachers and administrators.

"(2) NUMBER.—The Secretary shall, in accordance with the provisions of this section, award

at least 1 grant or contract to an eligible entity in each region.

"(3) SPECIAL RULE.—In any fiscal year, if the amount made available pursuant to section 2328 is less than $4,500,000, then the Secretary may waive the provisions of paragraph (2) and award grants or contracts of sufficient size, scope and quality to carry out this section.

"(4) DESIGNATION.—Each regional consortium assisted under this section shall be known as an 'Eisenhower regional consortium'.

"(b) GRANT TERM AND REVIEW.—Grants or contracts under this subpart shall be awarded for a period of not more than 5 years and shall be reviewed before the end of the 30-month period beginning on the date the grant or contract is awarded. Grants or contracts under this subpart shall be awarded before the end of the 12-month period beginning on the date of the enactment of an Act making appropriations to carry out the provisions of this subpart.

"(c) AMOUNT.—In awarding grants or contracts under this subpart, the Secretary shall assure that there is a relatively equal distribution of the funds made available among the regions, but the Secretary may award additional funds to a regional consortium on the basis of population and geographical conditions of the region being served.

"SEC. 2322. USE OF FUNDS.

"Funds provided under this subpart may be used by a regional consortium, under the direction of a regional board established pursuant to section 2324, to—

"(1) work cooperatively with the other regional consortiums and the Eisenhower National Clearinghouse for Science and Mathematics Education established under section 2123 to more effectively accomplish the activities described in this section;

"(2) assist, train and provide technical assistance to classroom teachers, administrators, and other educators to identify, implement, assess or adapt the instructional materials, teaching methods and assessment tools described in paragraph (1);

"(3) provide for the training of classroom teachers to enable such teachers to instruct other teachers, administrators, and educators in the use of the instructional materials, teaching methods and assessment tools described in paragraph (1) in the classroom;

"(4) when necessary, provide financial assistance to enable teachers and other educators to attend and participate in the activities of the regional consortium;

"(5) implement programs and activities designed to meet the needs of groups that are underrepresented in, and underserved by, mathematics and science education;

"(6) assist State and local educational agencies in identifying science equipment needs and help such agencies or consortia thereof assess the need for and desirability of regional mathematics and science academies;

"(7) develop and disseminate early childhood education mathematics and science instructional materials;

"(8) disseminate information regarding informal mathematics and science education activities and programs offered by Federal agencies and private or public agencies and institutions within the region;

"(9) collect data on activities assisted under this subpart in order to evaluate the effectiveness of the activities of the regional consortiums;

"(10) identify exemplary teaching practices and materials from within the region and communicate such practices and materials to the Eisenhower National Clearinghouse for Mathematics and Science Education;

"(11) communicate, on a regular basis, with entities within the region who are delivering services to students and teachers of mathematics and science;

"(12) assist in the development and evaluation of State and regional plans and activities that hold promise of bringing about systemic reform in student performance in mathematics and science; and

"(13) increase the use of informal education entities (such as science technology centers, museums, libraries, Saturday academies, and 4H programs) for educational purposes to expand student knowledge and understanding.

"SEC. 2323. APPLICATION AND REVIEW.

"(a) IN GENERAL.—Each eligible entity desiring a grant or contract under this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require. Each such application shall—

"(1) demonstrate that the eligible entity has demonstrated expertise in the fields of mathematics and science education;

"(2) demonstrate that the eligible entity shall implement and disseminate mathematics and science education instructional materials, teaching methods, and assessment tools through a consortium of the region's mathematics and science education organizations and agencies;

"(3) demonstrate that the eligible entity shall carry out the functions of the regional consortium;

"(4) demonstrate that emphasis will be given to programs and activities designed to meet the needs of groups that are underrepresented in, and underserved by, mathematics and science education;

"(5) demonstrate that the business community in the region served by the regional consortium will play an integral role in designing and supporting the regional consortium's work;

"(6) demonstrate that the eligible entity will consider the resources of existing Star Schools consortia established pursuant to the Star Schools Program Assistance Act in carrying out the provisions of this subpart, where appropriate; and

"(7) assure that the entity will conduct its activities and supervise its personnel in a manner that effectively ensures compliance with the copyright laws of the United States under title 17, United States Code.

"(b) APPROVAL OF APPLICATION.—

"(1) IN GENERAL.—The Secretary shall approve or disapprove applications submitted pursuant to subsection (a) in accordance with the criteria and procedures established under paragraph (2).

"(2) PROCEDURES AND CRITERIA.—The Secretary shall develop procedures and criteria designed to ensure that grants or contracts are awarded on the basis of merit as determined by the competitive peer review process described in paragraph (3).

"(3) NATIONAL PANEL.—(A) The Secretary, in consultation with the Director, shall establish a national panel, or to the extent necessary, panels, to submit to the Secretary recommendations for awards of grants or contracts under this subpart. The Secretary shall appoint the members of such panel or panels.

"(B) Each panel appointed under subparagraph (A) shall include participation, to the extent feasible, from each region.

"SEC. 2324. REGIONAL BOARDS.

"(a) IN GENERAL.—Each eligible entity receiving a grant or contract under this subpart shall establish a regional board to oversee the administration and establishment of program priorities for the regional consortium established by such eligible entity. Such regional board shall be broadly representative of the agencies and organizations participating in the regional consortium.

"(b) PROHIBITION ON USE OF FEDERAL FUNDS.—No Federal funds may be used for the establishment or operation of a regional board required by subsection (a), except that at the discretion of a regional board, Federal funds may be used to provide assistance such as travel and accommodations for board members who could not otherwise afford to participate as members of the board.

"SEC. 2325. PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.

"(a) PAYMENTS.—The Secretary shall pay to each eligible entity having an application approved under section 2323 the Federal share of the cost of the activities described in the application.

"(b) FEDERAL SHARE.—For the purpose of subsection (a), the Federal share shall be 80 percent.

"(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of activities described in the application submitted pursuant to this section may be in cash or in kind, fairly evaluated. At least 10 percent of such non-Federal share shall be from sources other than the Federal Government or State or local government.

"SEC. 2326. EVALUATION.

"(a) EVALUATION REQUIRED.—The Secretary, through the Office of Educational Research and Improvement and in accordance with section 10701, shall collect sufficient data on, and evaluate the effectiveness of, the activities of each regional consortium.

"(b) ASSESSMENT.—The evaluations described in paragraph (1) shall include an assessment of the effectiveness of the regional consortium in meeting the needs of the schools, teachers, administrators and students in the region.

"(c) REPORT.—At the end of each grant or contract period, the Secretary shall submit to the Congress a report on the effectiveness of the programs conducted at each regional consortium.

"SEC. 2327. DEFINITIONS.

"For purposes of this subpart:

"(1) The term 'eligible entity' means—

"(A) a private nonprofit organization of demonstrated effectiveness;

"(B) an institution of higher education;

"(C) an elementary or secondary school;

"(D) a State or local educational agency;

"(E) a regional educational laboratory in consortium with the research and development center established under section 931(c)(1)(B)(i) of the Educational Research, Development, Dissemination, and Improvement Act of 1994; or

"(F) any combination of the entities described in subparagraphs (A) through (E),

with demonstrated expertise in mathematics and science education.

"(2) The terms 'mathematics' and 'science' include the technology education associated with such mathematics and science, respectively.

"(3) The term 'region' means a region of the United States served by a regional education laboratory that is supported by the Secretary pursuant to section 405(d)(4)(A)(i) of the General Education Provisions Act (as such section was in existence on the day preceding the date of enactment of the Goals 2000: Educate America Act.

"(4) The term 'regional consortium' means each regional mathematics and science education consortium established pursuant to section 2311.

"(5) The term 'State agency for higher education' means the State board of higher education or other agency or officer primarily responsible for the State supervision of higher education, or, if there is no such officer or agency, an officer or agency designated for the purpose of this title by the Governor or by State law.

"SEC. 2328. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $23,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this subpart.

"PART D—TERRITORIAL TEACHER TRAINING PROGRAM

"SEC. 2401. TERRITORIAL TEACHER TRAINING PROGRAM.

"There are authorized to be appropriated $2,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, for the purpose of assisting teacher training programs in Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau. From the sums appropriated pursuant to this section the Secretary shall make grants and enter into contracts for the purpose of providing training to teachers in schools in Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau. The Secretary may make grants to or contracts with any organization considered qualified to provide training for teachers in such schools and shall allot such sums among such territories on the basis of the need for such training.

"PART E—TELECOMMUNICATIONS DEMONSTRATION PROJECT FOR MATHEMATICS

"SEC. 2501. PROJECT AUTHORIZED.

"The Secretary is authorized to make grants to a nonprofit telecommunications entity, or partnership of such entities, for the purpose of carrying out a national telecommunications-based demonstration project to improve the teaching of mathematics. The demonstration project authorized by this part shall be designed to assist elementary and secondary school teachers in preparing all students for achieving State content standards.

"SEC. 2502. APPLICATION REQUIRED.

"(a) IN GENERAL.—Each nonprofit telecommunications entity, or partnership of such entities, desiring a grant under this part shall submit an application to the Secretary. Each such application shall—

"(1) demonstrate that the applicant will use the existing publicly funded telecommunications infrastructure to deliver video, voice and data in an integrated service to train teachers in the use of new standards-based curricula materials and learning technologies;

"(2) assure that the project for which assistance is sought will be conducted in cooperation with appropriate State educational agencies, local educational agencies, State or local nonprofit public telecommunications entities, and a national mathematics education professional association that has developed content standards;

"(3) assure that a significant portion of the benefits available for elementary and secondary schools from the project for which assistance is sought will be available to schools of local educational agencies which have a high percentage of children counted for the purpose of part A of title I; and

"(4) contain such additional assurances as the Secretary may reasonably require.

"(b) APPROVAL OF APPLICATIONS; NUMBER OF DEMONSTRATION SITES.—In approving applications under this section, the Secretary shall assure that the demonstration project authorized by this subpart is conducted at elementary and secondary school sites in at least 15 States.

"SEC. 2503. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part, $5,000,000 for the fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"TITLE III—TECHNOLOGY FOR EDUCATION

"SEC. 3001. SHORT TITLE.

"This title may be cited as the 'Technology for Education Act of 1994'.

"PART A—TECHNOLOGY FOR EDUCATION FOR ALL STUDENTS

"SEC. 3111. FINDINGS.

"The Congress finds that—

"(1) technology applications can help propel our Nation's school systems into very immediate and dramatic reform, without which our Nation will not meet the National Education Goals by the target year 2000;

"(2) creative uses of technology can reshape our Nation's outdated method of providing education and empower teachers to create an environment where students can be challenged through rigorous, rich classroom instruction at a pace that suits the learning style of each student;

"(3) the acquisition and use of technology in education throughout the United States has been inhibited by—

"(A) the limited exposure of students and teachers to the power of technology as a cost-effective tool to improve student learning and achievement;

"(B) the inability of many State and local educational agencies to invest in and support needed technologies;

"(C) the lack of appropriate electrical and telephone connections in the classroom; and

"(D) the limited availability of technology-enhanced curriculum, professional development and administrative support resources and services in the educational marketplace;

"(4) advancements in technology offer new opportunities to promote partnerships among teachers, administrators, students, parents, communities, and industry in the quest for knowledge and the process of learning;

"(5) technology, when used as an essential tool in the learning process, will help cultivate and maintain a technologically literate citizenry and internationally competitive work force;

"(6) the Department of Education, consistent with the overall national technology policy established by the President, must assume a vital leadership and coordinating role in developing the national vision and strategy to infuse advanced technology throughout all educational programs;

"(7) Federal support can ease the burden at the State and local levels by enabling the acquisition of advanced technology and initiating the development of teacher training and support as well as new educational products;

"(8) leadership at the Federal level should consider guidelines to ensure that educational technology is accessible to all users with maximum interoperability nationwide;

"(9) policies at the Federal, State, and local levels concerning technology in education must address disparities in the availability of technology to different groups of students and make it a priority to serve those students in greatest need;

"(10) continuing professional development for teachers and administrators requires ongoing exposure to advancements in technology in order to keep such teachers and administrators excited and knowledgeable about the unfolding opportunities for the classroom; and

"(11) the increasing use of new technologies and telecommunications systems in business has increased the gap between schooling and work force preparation, and underscores the need for technology policies at the Federal, State, tribal, and local levels that address preparation for school-to-work transitions.

"SEC. 3112. STATEMENT OF PURPOSE.

"It is the purpose of this part—

"(1) to promote equal access for all students to educational opportunities through advances in technology, including the information infrastructure, in order to achieve the National Education Goals by the year 2000;

"(2) to provide funding that will assist activities undertaken by the State and local school districts to promote and provide equipment, teacher training, and technical support;

"(3) to support technical assistance, professional development, information and resource dissemination, in order to help States, local school districts, and teachers successfully integrate technology into kindergarten through 12th grade classrooms;

"(4) to support the development of educational and instructional programming in core subject areas, which programming shall address the National Education Goals;

"(5) to offer opportunities for creative partnerships within the marketplace in order to develop state-of-the-art educational technology products that promote the use of advanced technologies in the classroom;

"(6) to avoid duplication and the development of incompatible systems by strengthening and building upon existing telecommunications infrastructures dedicated to educational purposes; and

"(7) to ensure that uses of educational technology are consistent with the overall national technology policy established by the President.

"SEC. 3113. DEFINITIONS.

"For the purpose of this part—

"(1) the term 'adult education' has the same meaning given such term by section 312 of the Adult Education Act;

"(2) the term 'all students' means students from a broad range of backgrounds and circumstances, including disadvantaged students, students with diverse racial, ethnic, and cultural backgrounds, students with disabilities, students with limited-English proficiency, students who have dropped out of school, and academically talented students;

"(3) the term 'information infrastructure' means a network of communication systems designed to exchange information among all citizens and residents of the United States;

"(4) the term 'instructional programming' means the full range of audio and video data, text, graphics, or additional state-of-the-art communications, including multimedia based resources distributed through interactive, command and control, or passive methods for the purpose of education and instruction;

"(5) the terms 'interoperable' and 'interoperability' refer to the ability to exchange easily data with, and connect to, other hardware and software in order to provide the greatest accessibility for all students and other users;

"(6) the term 'local educational agency' includes an elementary or secondary school funded by the Bureau of Indian Affairs, except that such schools shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Affairs;

"(7) the term 'Office' means the Office of Educational Technology;

"(8) the term 'public telecommunications entity' has the same meaning given to such term by section 397(12) of the Communications Act of 1934;

"(9) the term 'State educational agency' includes the Bureau of Indian Affairs for purposes of serving schools funded by the Bureau of Indian Affairs in accordance with this part; and

"(10) the term 'technology' means state-of-the-art technology products and services, such as closed circuit television systems, educational television and radio programs and services, cable

television, satellite, copper and fiber optic transmission, computer, video and audio laser and CD-ROM discs, and video and audio tapes.

"Subpart 1—National Programs in Technology for Education

"SEC. 3121. PURPOSES.

"It is the purpose of this subpart to promote achievement of the National Education Goals and—

"(1) to provide leadership at the Federal level, through the Department, by developing a national vision and strategy—

"(A) to infuse technology and technology planning into all educational programs and training functions carried out within school systems and other educational settings at the State, tribal, and local levels;

"(B) to coordinate technology activities for education among the related Federal and State departments or agencies, industry leaders, and interested educational and parental organizations;

"(C) to establish working guidelines to ensure maximum interoperability nationwide and ease of access for the emerging technologies so that no school system will be excluded from the technological revolution; and

"(D) to ensure that Federal technology-related policies and programs facilitate the use of technology in education;

"(2) to promote awareness of the potential of technology for improving teaching and learning;

"(3) to support State and local efforts to increase the effective use of technology for education;

"(4) to demonstrate ways in which technology can be used to improve teaching and learning, and to help ensure that all students have an equal opportunity to meet challenging State education standards;

"(5) to ensure the availability and dissemination of knowledge (drawn from research and experience) that can form the basis for sound State and local decisions about investment in, and effective uses of, educational technology;

"(6) to promote high-quality professional development opportunities for teachers, pupil-services personnel and administrators regarding the integration of technology into instruction and administration;

"(7) to support development, production, and distribution of technology enhanced curriculum, and instruction and administrative support resources and services;

"(8) to promote the effective uses of technology in existing Federal education programs, such as part A of title I and vocational education programs; and

"(9) to monitor, and disseminate information regarding, advancements in technology to encourage the development of effective educational uses of technology.

"SEC. 3122. FEDERAL LEADERSHIP.

"(a) ACTIVITIES AUTHORIZED.—

"(1) IN GENERAL.—In order to provide Federal leadership that promotes higher student achievement through the use of technology in education and to achieve the purposes of this subpart, the Secretary, in consultation with the Office of Science and Technology Policy, the National Science Foundation, the United States National Commission on Libraries and Information Sciences, the Department of Commerce, the Department of Energy, the National Aeronautics and Space Administration, the Bureau of Indian Affairs, and other appropriate Federal departments or agencies, may carry out activities designed to achieve the purposes of this subpart.

"(2) TRANSFER OF FUNDS.—For the purpose of carrying out coordinated or joint activities to achieve the purposes of this subpart, the Secretary may accept funds from, or transfer funds to, other Federal departments or agencies.

"(b) NATIONAL LONG-RANGE TECHNOLOGY PLAN.—

"(1) IN GENERAL.—The Secretary shall develop and publish within 12 months of the date of enactment of the Improving America's Schools Act of 1994, and update when the Secretary determines appropriate, a national long-range plan that supports the overall national technology policy and carries out the purposes of this subpart.

"(2) PLAN REQUIREMENTS.—The Secretary shall—

"(A) develop the national long-range plan in consultation with other Federal departments or agencies, State and local education practitioners and policymakers, experts in technology and the applications of technology to education, representatives of distance learning consortia, representatives of telecommunications partnerships receiving assistance under the Star Schools Act, and providers of technology services and products;

"(B) transmit such plan to the President and to the appropriate committees of the Congress; and

"(C) publish such plan in a form that is readily accessible to the public.

"(3) CONTENTS OF THE PLAN.—The national long-range plan shall describe the Secretary's activities to promote the purposes of this subpart, including—

"(A) how the Secretary will encourage the effective use of technology to provide all students the opportunity to achieve State content standards and State student performance standards, especially through programs administered by the Department;

"(B) joint activities in support of the overall national technology policy with other Federal departments or agencies, such as the Office of Science and Technology Policy, the National Endowment for the Humanities, the National Endowment for the Arts, the National Institute for Literacy, the National Aeronautics and Space Administration, the National Science Foundation, the Bureau of Indian Affairs, and the Departments of Commerce, Energy, Health and Human Services, and Labor—

"(i) to promote the use of technology in education, and training and lifelong learning, including plans for the educational uses of a national information infrastructure; and

"(ii) to ensure that the policies and programs of such departments or agencies facilitate the use of technology for educational purposes, to the extent feasible;

"(C) how the Secretary will work with educators, State and local educational agencies, and appropriate representatives of the private sector to facilitate the effective use of technology in education;

"(D) how the Secretary will promote—

"(i) higher achievement of all students through the integration of technology into the curriculum;

"(ii) increased access to the benefits of technology for teaching and learning for schools with a high number or percentage of children from low-income families;

"(iii) the use of technology to assist in the implementation of State systemic reform strategies;

"(iv) the application of technological advances to use in education;

"(v) increased access to high quality adult and family education services through the use of technology for instruction and professional development; and

"(vi) increased opportunities for the professional development of teachers in the use of new technologies;

"(E) how the Secretary will determine, in consultation with appropriate individuals, organizations, industries, and agencies, the feasibility and desirability of establishing guidelines to facilitate an easy exchange of data and effective use of technology in education;

"(F) how the Secretary will promote the exchange of information among States, local educational agencies, schools, consortia, and other entities concerning the effective use of technology in education;

"(G) how the Secretary will utilize the outcomes of the evaluation undertaken pursuant to section 3206(c)(2) to promote the purposes of this subpart; and

"(H) the Secretary's long-range measurable goals and objectives relating to the purposes of this subpart.

"(c) ASSISTANCE.—The Secretary shall provide assistance to the States to enable such States to plan effectively for the use of technology in all schools throughout the State in accordance with the purpose and requirements of section 317 of the Goals 2000: Educate America Act.

"(d) USES OF FUNDS.—

"(1) IN GENERAL.—The Secretary shall use funds made available to carry out this section for activities designed to carry out the purpose of this subpart, including—

"(A) providing assistance to technical assistance providers to enable such providers to improve substantially the services such providers offer to educators regarding the uses of technology for education, including professional development;

"(B) consulting with representatives of industry, elementary and secondary education, adult education, higher education, and appropriate experts in technology and the educational applications of technology, in carrying out the activities assisted under this subpart;

"(C) research on, and the development of, guidelines to facilitate maximum interoperability, efficiency and easy exchange of data for effective use of technology in education;

"(D) research on, and the development of, applications for education of the most advanced and newly emerging technologies;

"(E) the development, demonstration, and evaluation of applications of existing technology in preschool education, elementary and secondary education, training and lifelong learning, and professional development of educational personnel;

"(F) the development and evaluation of software and other products, including multimedia television programming, that incorporate advances in technology and help achieve the National Education Goals, State content standards and State student performance standards;

"(G) the development, demonstration, and evaluation of model strategies for preparing teachers and other personnel to use technology effectively to improve teaching and learning;

"(H) the development of model programs that demonstrate the educational effectiveness of technology in urban and rural areas and economically distressed communities;

"(I) research on, and the evaluation of, the effectiveness and benefits of technology in education, giving priority to research on, and evaluation of, such effectiveness and benefits in elementary and secondary schools;

"(J) a biennial assessment of, and report to the public regarding, the uses of technology in elementary and secondary education throughout the United States upon which private businesses and Federal, State, tribal, and local governments may rely for decisionmaking about the need for, and provision of, appropriate technologies in schools, which assessment and report shall use, to the extent possible, existing information and resources;

"(K) conferences on, and dissemination of information regarding, the uses of technology in education;

"(L) the development of model strategies to promote gender equity in the use of technology;

"(M) encouraging collaboration between the Department and other Federal agencies in the development, implementation, evaluation and funding of applications of technology for education, as appropriate; and

"(N) such other activities as the Secretary determines will meet the purposes of this subpart.

"(2) SPECIAL RULES.—

"(A) The Secretary shall carry out the activities described in paragraph (1) directly or by grant or contract.

"(B) Each grant or contract under this section shall be awarded—

"(i) on a competitive basis; and

"(ii) pursuant to a peer review process.

"(e) NON-FEDERAL SHARE.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary may require any recipient of a grant or contract under this section to share in the cost of the activities assisted under such grant or contract, which non-Federal share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

"(2) INCREASE.—The Secretary may increase the non-Federal share that is required of a recipient of a grant or contract under this section after the first year such recipient receives funds under such grant or contract.

"(3) MAXIMUM.—The non-Federal share required under this section shall not exceed 50 percent of the cost of the activities assisted pursuant to a grant or contract under this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"SEC. 3123. REGIONAL TECHNICAL SUPPORT AND PROFESSIONAL DEVELOPMENT.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary, through the Office of Educational Technology, shall make grants, on a competitive basis, to regional educational technology assistance consortia in accordance with the provisions of this section. In awarding grants under this section, the Secretary shall ensure that each geographic region of the United States shall be served by such a consortium.

"(2) REQUIREMENTS.—Each consortium receiving a grant under this section shall—

"(A) be composed of State educational agencies, institutions of higher education, nonprofit organizations, or a combination thereof;

"(B) in cooperation with State and local educational agencies, develop a regional program that addresses professional development, technical assistance, and information resource dissemination, with special emphasis on meeting the documented needs of educators and learners in the region; and

"(C) foster regional cooperation and resource and coursework sharing.

"(3) SPECIAL RULE.—Each consortium receiving a grant under this section shall use not less than 80 percent of the grant funds to carry out paragraph (2) of subsection (b).

"(b) FUNCTIONS.—

"(1) TECHNICAL ASSISTANCE.—Each consortium receiving a grant under this section shall—

"(A) collaborate with State educational agencies and local educational agencies requesting collaboration, particularly in the development of strategies for assisting those schools with the highest numbers or percentages of disadvantaged students with little or no access to technology in the classroom;

"(B) provide information, in coordination with information available from the Secretary, to State educational agencies, local educational agencies, schools and adult education programs, on the types and features of various educational technology equipment and software available, evaluate and make recommendations on equipment and software that support the National Education Goals and are suited for a school's particular needs, and compile and share information regarding creative and effective applications of technology in the classroom in order to support the purposes of this subpart;

"(C) collaborate with such State educational agencies, local educational agencies, or schools requesting to participate in the tailoring of software programs and other supporting materials to meet State content standards or State student performance standards that may be developed; and

"(D) provide technical assistance to facilitate use of the electronic dissemination networks by State and local educational agencies and schools throughout the region.

"(2) PROFESSIONAL DEVELOPMENT.—Each consortium receiving a grant under this section shall—

"(A) develop and implement, in collaboration with State educational agencies and institutions of higher education, technology-specific, ongoing professional development, such as—

"(i) intensive school year and summer workshops that use teachers to train other teachers; and

"(ii) distance educational professional development, including—

"(I) interactive training telecourses using researchers, educators, and telecommunications personnel who have experience in developing, implementing, or operating educational and instructional technology as a learning tool;

"(II) onsite courses teaching teachers to use educational and instructional technology and to develop their own instructional materials for effectively incorporating technology and programming in their own classrooms;

"(III) methods for successful integration of instructional technology into the curriculum in order to improve student learning and achievement;

"(IV) video conferences and seminars which offer professional development through peer interaction with experts as well as other teachers using technologies in their classrooms; and

"(V) mobile education technology and training resources;

"(B) develop training resources that—

"(i) are relevant to the needs of the region and schools within the region;

"(ii) are relevant to the needs of adult literacy staff and volunteers, including onsite courses on how to—

"(I) use instructional technology; and

"(II) develop instructional materials for adult learning; and

"(iii) are aligned with the needs of teachers and administrators in the region;

"(C) establish a repository of professional development and technical assistance resources;

"(D) identify and link technical assistance providers to State and local educational agencies, as needed;

"(E) provide followup to ensure that training, professional development, and technical assistance meet the needs of educators, parents and students served by the region;

"(F) assist colleges and universities within the region to develop and implement preservice training programs for students enrolled in teacher education programs; and

"(G) assist local educational agencies and schools in working with community members and parents to develop support from communities and parents for educational technology programs and projects.

"(3) INFORMATION AND RESOURCE DISSEMINATION.—Each consortium receiving a grant under this section shall—

"(A) assist State and local educational agencies in the identification and procurement of financial, technological and human resources needed to implement technology plans;

"(B) provide outreach and, at the request of a State or local educational agency, work with such agency to assist in the development and validation of instructionally based technology education resources; and

"(C) coordinate activities and establish partnerships with organizations and institutions of higher education that represent the interests of the region as such interests pertain to the application of technology in teaching, learning, instructional management, dissemination, collection and distribution of educational statistics, and the transfer of student information.

"(4) COORDINATION.—Each consortium receiving a grant under this section shall work collaboratively, and coordinate the services the consortium provides, with appropriate entities assisted in whole or in part by the Department.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for the fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"SEC. 3124. EDUCATIONAL TECHNOLOGY PRODUCT DEVELOPMENT.

"(a) PURPOSE.—It is the purpose of this section to—

"(1) support development of curriculum-based learning resources using state-of-the-art technologies and techniques designed to improve student learning; and

"(2) support development of long-term comprehensive instructional programming and associated support resources that ensure maximum access by all educational institutions.

"(b) FEDERAL ASSISTANCE AUTHORIZED.—

"(1) AUTHORITY.—The Secretary, through the Office of Educational Technology, shall award grants, on a competitive basis, to eligible consortia to pay the Federal share of the cost of developing, producing, and distributing products consisting of curriculum-based learning resources, services, and instructional programming for teachers and students, which incorporate state-of-the-art applications of advanced technology, including educational radio and television.

"(2) ELIGIBLE CONSORTIUM.—For the purpose of this subsection the term 'eligible consortium' means a consortium—

"(A) that shall include—

"(i) a State or local educational agency; and

"(ii) a business, industry or telecommunications entity; and

"(B) that may include—

"(i) a public or private nonprofit organization; or

"(ii) a postsecondary institution.

"(3) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications describing products that are developed—

"(A) so that the product may be adapted and applied nationally at a reasonable cost over a broad technology platform;

"(B) to raise the achievement levels of all students, particularly students who are not realizing their potential;

"(C) in consultation with classroom teachers;

"(D) through consultation and collaboration with appropriate education entities in designing the product to ensure relevance to the voluntary national content standards, the voluntary national student performance standards and State curriculum frameworks; and

"(E) so that the product can be adapted for use by adults in need of literacy services, including English as a second language and preparation for a secondary school diploma or its recognized equivalent.

"(4) MATCHING REQUIREMENT.—The Secretary may require any recipient of a grant or contract

under this subpart to share in the cost of the activities assisted under such grant or contract, which non-Federal share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

"(5) REQUIREMENTS FOR FEDERAL ASSISTANCE.—Each eligible consortium desiring Federal assistance under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe. Each application shall include—

"(A) a description of how the product will improve the achievement levels of students;

"(B) a description of how the activities assisted under this section will promote professional development of teachers and administrators in the uses and applications of the product, including the development of training materials;

"(C) a description of design, development, field testing, evaluation, and distribution of products, where appropriate;

"(D) an assurance that the product shall effectively serve a significant number or percentage of economically disadvantaged students;

"(E) plans for dissemination of products to a wide audience of learners;

"(F) a description of how the product can be adapted for use by students with disabilities including provisions for closed captioning or descriptive video, where appropriate;

"(G) a description of how ownership and rights to the use and marketing of any product developed by the consortium, including intellectual property rights, will be allocated among consortium participants; and

"(H) a description of the contributions, including services and funds, to be made by each member of the consortium, and how any revenues derived from the sale of any product developed by the consortium shall be distributed.

"(c) CONSUMER REPORT.—The Secretary shall disseminate information about products developed pursuant to provisions of this section to State and local educational agencies, and other organizations or individuals that the Secretary determines to be appropriate, through print and electronic media that are accessible to the education community at large.

"(d) PROCEEDS.—The Secretary shall not prohibit an eligible consortium or any of the members of such consortium from receiving financial benefits from the distribution of any products resulting from the assistance received under this section. Notwithstanding any other provision of law, any profits or royalties received by a State educational agency, local educational agency, or other nonprofit member of an eligible consortium receiving assistance under this section shall be used to support further development of curriculum-based learning resources, services, and programming or to provide access to such products for a wider audience.

"(e) AUTHORIZATION OF FUNDS.—There are authorized to be appropriated $50,000,000 for the fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"SEC. 3125. RESEARCH ON EDUCATIONAL APPLICATIONS OF ADVANCED TECHNOLOGIES.

"(a) PURPOSE.—It is the purpose of this section to—

"(1) provide direction and support for the conduct of research on advanced educational technologies; and

"(2) provide support for long-term, comprehensive educational applications of advanced high performance computer and communication technologies and video technologies in support of the core subjects of the National Education Goals.

"(b) GENERAL AUTHORITY.—The Secretary, consistent with the overall national technology policy established by the President, and in cooperation with other Federal departments and agencies, is authorized to support research on educational applications of advanced learning technologies.

"(c) GRANTS AUTHORIZED.—The Secretary, through the Office of Educational Technology, shall award grants to or enter into contracts for research projects intended to develop educational applications of advanced technologies.

"(d) APPLICATION.—Each entity desiring assistance under this section shall submit to the Secretary an application at such time, in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) define clearly the scope and content of the subject matter of the research and the relevance of the advanced technology to such content;

"(2) describe the potential market for both the hardware and software developed under this section; and

"(3) assess the applications of the advanced technology in a way that will validate the technology's impact on student learning and achievement.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"SEC. 3126. HIGH PERFORMANCE COMPUTING AND TELECOMMUNICATIONS NETWORKS FOR EDUCATION.

"(a) PURPOSE.—It is the purpose of this section to support the development, demonstration, and evaluation of the educational aspects of high performance computing and communication technologies and of the national information infrastructure, including the use of high performance computing and communication and the national information infrastructure in—

"(1) providing professional development for teachers and other educators, as appropriate;

"(2) enhancing academic curricula for elementary and secondary school students in order to provide such students with opportunities to meet challenging State student performance standards;

"(3) facilitating communications among schools, local educational agencies, parents of students, and local communities;

"(4) facilitating an effective transition from secondary school to employment; and

"(5) other such areas of education as the Secretary deems appropriate.

"(b) AUTHORITY.—

"(1) IN GENERAL.—(A) The Secretary, consistent with the overall national technology policy established by the President, and in cooperation with other Federal departments and agencies, shall support the development of an electronic network program for the dissemination of educational information throughout the United States, including information about effective technology-enhanced programs, resources and services.

"(B) In carrying out subparagraph (A) the Secretary shall—

"(i) to the extent possible, coordinate activities assisted under this section with other dissemination activities assisted by the Department in order to—

"(I) avoid duplication; and

"(II) utilize the existing resources of the Department;

"(ii) consult with educators, State and local educational agencies, telecommunications providers, and other appropriate education entities throughout the United States to determine information requirements and policies for the effective dissemination of information;

"(iii) provide access to the existing Department of Energy FEDIX/MOLIS Information System regarding information about excess equipment (computers and supporting materials) within the Federal Government that are available for transfer to elementary and secondary schools; and

"(iv) make use of existing networks or developing networks, to the extent possible.

"(2) REQUIREMENTS; SPECIFICATIONS; AND PROTOTYPE OPERATIONS.—The Secretary is authorized to—

"(A) identify educational high performance computing and telecommunications network requirements;

"(B) develop specifications for the implementation of such requirements within any national telecommunications network;

"(C) establish prototype operations on existing networks to validate and further develop the educational specifications which will facilitate the use of such networks by kindergarten through 12th grade students, teachers, librarians, administrators, and parents;

"(D) represent the needs and interests of elementary and secondary schools in the Federal planning and development of a national information infrastructure; and

"(E) identify policy issues, such as communication rate structures, intellectual property rights, certification and recertification of teachers, and issues related to how technology fits into the school environment, that affect the ability of the public schools to make effective use of the emerging information infrastructure.

"(c) TYPES OF GRANTS.—The Secretary, through the Office of Educational Technology, shall award the following types of grants:

"(1) REQUIREMENTS GRANTS.—The Secretary shall solicit proposals for and award grants to 1 or more entities for the identification of educational high performance computing and telecommunications network requirements. The solicitation shall request proposals to—

"(A) identify and describe existing and planned educational high performance computing and telecommunications network efforts;

"(B) identify potential uses of such networks in kindergarten through 12th grade education by schools throughout the United States;

"(C) assess impediments to the development of such networks in kindergarten through 12th grade education, such as—

"(i) technological impediments;

"(ii) availability of technology-enhanced curriculum, instruction, and administrative support resources and services in schools; and

"(iii) parent, student, teacher and administrator attitudes toward technology-enhanced education;

"(D) assess the anticipated costs and benefits to be derived from such network access in kindergarten through 12th grade education and recommend priorities for development of such network; and

"(E) identify the range of possible educational applications of, and potential sources of funding for, both networks and information resources and databases that exist or are being developed by other Federal departments or agencies.

"(2) SPECIFICATIONS GRANTS.—The Secretary shall solicit proposals for and award grants to 1 or more entities for the design and development of educational specifications which may be used to ensure educational access to any national educational high performance computing and telecommunications network. The solicitation shall request proposals to—

"(A) incorporate—

"(i) the findings of the grant recipients under paragraph (1); and

"(ii) the priorities recommended for such networks by the Secretary consistent with the overall national technology policy established by the President;

"(B) provide for design alternatives and specifications that address—

"(i) linkage of schools and communities with each other, with central resource centers, and with Federal and State agencies over existing or planned telecommunications networks;

"(ii) uses of alternative connectivity modes, such as fiber optics, satellites, and land-based broadcasting;

"(iii) integrated uses of two-way interactive voice, video, and data communications;

"(iv) uses of interactive multimedia;

"(v) system capacity, such as maximum telecommunications traffic in a variety of use modes;

"(vi) availability of needed technologies;

"(vii) availability of support services; and

"(viii) assessment of the impact of proposed educational access specifications on existing or planned telecommunications networks; and

"(C) provide comprehensive specifications which will ensure educational access to any national educational high performance computing and telecommunications network as the primary deliverable product of the specifications grants described in this paragraph.

"(3) PROTOTYPE DEVELOPMENT GRANTS.—The Secretary shall solicit proposals for and award grants to 1 or more entities for prototype operations on existing networks in order to validate and further develop the educational specifications which will facilitate use of existing or planned educational high performance computing and telecommunications networks by kindergarten through 12th grade students, teachers, librarians, administrators, and parents. The solicitation shall request proposals to—

"(A) incorporate the design limits of the comprehensive educational high performance computing and telecommunications network specifications developed by grant recipients under paragraph (2);

"(B) support prototype operations for at least 1 year in a minimum of 5 test sites which are selected to represent a variety of economic, social, urban and rural settings;

"(C) provide for inservice training and technical assistance during the period of prototype operations;

"(D) provide provisions for the identification and correction of operational problems during the period of prototype operations (including design flaws);

"(E) include a comprehensive evaluation of all aspects of the prototype, including—

"(i) design flaws;

"(ii) training requirements, including resources and strategies for initial and on-going training;

"(iii) technical support requirements;

"(iv) financing constraints;

"(v) availability and utility of information resources and services accessed during the prototype operations period;

"(vi) factors which enhanced or impeded prototype operations; and

"(vii) an overall assessment of the impact of such technology on the educational process; and

"(F) provide recommended revisions of the Secretary's educational high performance computing and telecommunications network specifications based on findings of the comprehensive evaluation of prototype operations.

"(d) TIMELINE.—The Secretary, through the Office of Educational Technology, shall award grants under this section as follows:

"(1) REQUIREMENT GRANTS.—The Secretary shall award requirement grants under subsection (c)(1) within 6 months of the date of enactment of the Improving America's Schools Act of 1994.

"(2) DEVELOPMENT OF DESIGN SPECIFICATIONS.—The Secretary shall award grants under subsection (c)(2) within 18 months of the date of enactment of the Improving America's Schools Act of 1994.

"(3) PROTOTYPE OPERATIONS.—The Secretary shall award grants under subsection (c)(3) within 30 months of the date of enactment of the Improving America's Schools Act of 1994.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $7,500,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"SEC. 3127. STUDY, EVALUATION AND REPORT OF FUNDING ALTERNATIVES.

"The Secretary, through the Office of Educational Technology, shall conduct a study to evaluate, and report to the Congress on, the feasibility of several alternative models for providing sustained and adequate funding for schools throughout the United States so that such schools are able to acquire and maintain technology-enhanced curriculum, instruction, and administrative support resources and services. Such report shall be submitted to the Congress not later than 1 year after the date of enactment of the Improving America's Schools Act of 1994.

"Subpart 2—State and Local Programs for School Technology Resources, Technical Support, and Professional Development

"SEC. 3131. STATEMENT OF PURPOSE.

"It is the purpose of this subpart to provide Federal assistance in the form of grants to support—

"(1) the acquisition of equipment and supporting resources, training, and maintenance of technology; and

"(2) regional consortia to enable such consortia to provide professional development and technical assistance that fosters integration of technology into the kindergarten through 12th grade classrooms, libraries, and school library media centers.

"SEC. 3132. SCHOOL TECHNOLOGY RESOURCE GRANTS.

"(a) GRANTS AUTHORIZED.—

"(1) AUTHORITY.—The Secretary, through the Office of Educational Technology, shall award grants to State educational agencies having a systemic statewide plan that meets such criteria as the Secretary may establish in order to enable such agencies to provide assistance to local educational agencies that have the highest numbers or percentages of children in poverty and demonstrate the greatest need for technology, in order to enable such local educational agencies, for the benefit of school sites served by such local educational agencies, to—

"(A) purchase quality technology resources;

"(B) install various linkages necessary to acquire connectivity;

"(C) integrate technology into the curriculum in order to improve student learning and achievement;

"(D) provide teachers and library media personnel with training or access to training;

"(E) provide administrative and technical support and services that improve student learning through enriched technology-enhanced resources, including library media resources;

"(F) promote the sharing, distribution, and application of educational technologies that are determined to be effective in individual schools;

"(G) assist schools in promoting parent involvement;

"(H) assist the community in providing literacy-related services; and

"(I) establish partnerships with private educational providers whose comprehensive technology systems address the need of children in poverty.

"(2) AMOUNT.—(A) Except as provided in subparagraphs (B) and (C), the Secretary shall award grants under this section to each State educational agency for a fiscal year in an amount which bears the same relationship to the amount appropriated pursuant to the authority of subsection (b) for such year as the amount such State received under part A of title I for such year bears to the amount received for such year under such part by all States.

"(B) No State educational agency shall receive a grant pursuant to subparagraph (A) in any fiscal year in an amount which is less than one-half of 1 percent of the amount appropriated pursuant to the authority of subsection (b) for such year.

"(C) If the sum of the amounts appropriated pursuant to the authority of section 3132(c) is equal to or less than $50,000,000 for any fiscal year, then the Secretary shall award grants under this section for such year on a competitive basis to local educational agencies, either separately or in cooperation with a local educational agency or a State educational agency, which submit to the Secretary an application, containing the information described in paragraphs (1) through (3) of subsection (e), that the Secretary approves. In awarding such grants, the Secretary shall give priority to applications from local educational agencies with the highest number or percentage of disadvantaged students or the greatest need for educational technology.

"(3) IDENTIFICATION OF LOCAL EDUCATIONAL AGENCIES; TECHNICAL ASSISTANCE.—Each State educational agency receiving a grant under this section shall—

"(A) identify the local educational agencies served by the State educational agency that—

"(i) have the highest number or percentage of children in poverty; and

"(ii) demonstrate to such State educational agency the greatest need for technical assistance in developing the application described in subsection (d); and

"(B) offer such technical assistance to such local educational agencies.

"(4) LIMITATION ON STATE COSTS.—Not more than 5 percent of grant funds awarded to a State educational agency under this section for any fiscal year may be used by the State or State educational agency for administrative costs or technical assistance.

"(b) SELECTION OF GRANTS.—Each State educational agency, in awarding grants under this section, shall—

"(1) ensure that each grant such agency awards to a local educational agency shall be of sufficient duration, and of sufficient size, scope, and quality, to carry out the purposes of this title effectively; and

"(2) award grants to local educational agencies on a competitive basis.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $200,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"(d) LOCAL USES OF GRANT FUNDS.—Each local educational agency receiving assistance under this section may use such assistance—

"(1) to acquire connectivity linkages, resources, and services, including the acquisition of hardware and software, for use by teachers, students and library media personnel in the classroom or in school library media centers, in order to improve student learning by supporting the instructional program offered by such agency to ensure that students in schools will have meaningful access on a regular basis to such linkages, resources and services;

"(2) for ongoing professional development in the integration of quality educational technologies into school curriculum and long-term planning for implementing educational technologies; and

"(3) to acquire connectivity with wide area networks for purposes of accessing information and educational programming sources.

"(e) LOCAL APPLICATIONS.—Each local educational agency desiring assistance from a State

educational agency under this section shall submit an application consistent with the objectives of the systemic statewide plan to such agency at such time and in such manner as such agency may prescribe. Such application, at a minimum, shall—

''(1) include a strategic, long-range (3- to 5-year), plan that includes—

''(A) a description of the type of technologies to be acquired, including specific provisions for interoperability among components of such technologies and, to the extent practicable, with existing technologies;

''(B) an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency enhance teaching, training, and student achievement;

''(C) an explanation of how programs will be developed in collaboration with existing adult literacy services providers to maximize the use of such technologies;

''(D)(i) a description of how the local educational agency will ensure ongoing, sustained professional development for teachers, administrators, and school library media personnel served by the local educational agency to further the use of technology in the classroom or library media center; and

''(ii) a list of the source or sources of ongoing training and technical assistance available to schools, teachers and administrators served by the local educational agency, such as State technology offices, intermediate educational support units, regional educational laboratories or institutions of higher education;

''(E) a description of the supporting resources, such as services, software and print resources, which will be acquired to ensure successful and effective use of technologies acquired under this section;

''(F) the projected timetable for implementing such plan in schools;

''(G) the projected cost of technologies to be acquired and related expenses needed to implement such plan; and

''(H) a description of how the local educational agency will coordinate the technology provided pursuant to this subpart with other grant funds available for technology from State and local sources;

''(2) describe how the local educational agency will involve parents, public libraries, business leaders and community leaders in the development of such plan;

''(3) describe how the acquired instructionally based technologies will help the local educational agency—

''(A) promote equity in education in order to support State content standards and State student performance standards that may be developed; and

''(B) provide access for teachers, parents and students to the best teaching practices and curriculum resources through technology; and

''(4) describe a process for the ongoing evaluation of how technologies acquired under this section—

''(A) will be integrated into the school curriculum; and

''(B) will affect student achievement and progress toward meeting the National Education Goals and any State content standards and State student performance standards that may be developed.

''(f) COORDINATION OF APPLICATION REQUIREMENTS.—If a local educational agency submitting an application for assistance under this section has developed a comprehensive education improvement plan, in conjunction with requirements under this Act or the Goals 2000: Educate America Act, the State educational agency may approve such plan, or a component of such plan, notwithstanding the requirements of subsection (e) if the State educational agency determines that such approval would further the purposes of this section.

"Subpart 3—Special Rule Applicable to Appropriations

"SEC. 3141. SPECIAL RULE.

''(a) APPROPRIATION OF LESS THAN $50,000,000.—Notwithstanding any other provision of law, for any fiscal year for which the sum of the amounts appropriated pursuant to the authority of sections 3122(f), 3123(b)(5), 3124(e), 3125(e), 3126(e), and 3132(c) is less than $50,000,000, the Secretary shall aggregate such amounts and make available—

''(1) 50 percent of such aggregate amount to carry out subpart 1 for such year; and

''(2) 50 percent of such aggregate amount to carry out subpart 2 for such year.

''(b) APPROPRIATION EQUAL TO OR GREATER THAN $50,000,000.—Notwithstanding any other provision of law, for any fiscal year for which the sum of the amounts appropriated pursuant to the authority of sections 3122(f), 3123(b)(5), 3124(e), 3125(e), 3126(e), and 3132(c) is equal to or greater than $50,000,000, the Secretary shall aggregate such amounts and make available—

''(1) the sum of $25,000,000 plus 35 percent of such aggregate amount in excess of $50,000,000 to carry out subpart 1 for such year; and

''(2) the sum of $25,000,000 plus 65 percent of such aggregate amount in excess of $50,000,000 to carry out subpart 2 for such year.

"PART B—STAR SCHOOLS PROGRAM

"SEC. 3201. SHORT TITLE.

''This part may be cited as the 'Star Schools Act'.

"SEC. 3202. PURPOSE.

''It is the purpose of this part to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects, such as literacy skills and vocational education, and to serve underserved populations, including the disadvantaged, illiterate, limited-English proficient, and disabled, through a star schools program under which grants are made to eligible telecommunication partnerships to enable such partnerships to—

''(1) develop, construct, acquire, maintain and operate telecommunications audio and visual facilities and equipment;

''(2) develop and acquire educational and instructional programming; and

''(3) obtain technical assistance for the use of such facilities and instructional programming.

"SEC. 3203. GRANTS AUTHORIZED.

''(a) AUTHORITY.—The Secretary, through the Office of Educational Technology, is authorized to make grants, in accordance with the provisions of this part, to eligible telecommunications partnerships to pay the Federal share of the cost of—

''(1) the development, construction, acquisition, maintenance and operation of telecommunications facilities and equipment;

''(2) the development and acquisition of live, interactive instructional programming;

''(3) the development and acquisition of preservice and inservice teacher training programs based on established research regarding teacher-to-teacher mentoring, effective skill transfer, and ongoing, in-class instruction;

''(4) the establishment of teleconferencing facilities and resources for making interactive training available to teachers;

''(5) obtaining technical assistance; and

''(6) the coordination of the design and connectivity of telecommunications networks to reach the greatest number of schools.

''(b) DURATION.—

''(1) IN GENERAL.—The Secretary shall award grants pursuant to subsection (a) for a period of 5 years.

''(2) RENEWAL.—Grants awarded pursuant to subsection (a) may be renewed for 1 additional 5-year period.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated $35,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

''(2) AVAILABILITY.—Funds appropriated pursuant to the authority of subsection (a) shall remain available until expended.

''(d) LIMITATIONS.—

''(1) AMOUNT.—A grant made to an eligible telecommunications partnership under subsection (a) shall not exceed $5,000,000 in any 1 fiscal year.

''(2) RESERVATIONS.—

''(A) INSTRUCTIONAL PROGRAMMING.—Not less than 25 percent of the funds available to the Secretary in any fiscal year under this part shall be used for the cost of instructional programming.

''(B) FACILITIES AND EQUIPMENT.—Not less than 25 percent of the funds available to the Secretary in any fiscal year under this part shall be used for telecommunications facilities and equipment.

''(3) SPECIAL RULE.—Not less than 50 percent of the funds available in any fiscal year under this part shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965.

''(e) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share for any fiscal year shall be not more than 75 percent.

''(2) WAIVER.—The Secretary may reduce or waive the requirements of the non-Federal share required under paragraph (1) for good cause, as determined by the Secretary.

''(f) COORDINATION.—The Department, the National Science Foundation, the Department of Agriculture, the Department of Commerce, and any other Federal department or agency operating a telecommunications network for educational purposes, shall coordinate the activities assisted under this part with the activities of such department or agency relating to a telecommunications network for educational purposes.

''(g) CLOSED CAPTIONING AND DESCRIPTIVE VIDEO.—Each entity receiving funds under this part is encouraged to provide—

''(1) closed captioning of the verbal content of such program, where appropriate, to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies; and

''(2) descriptive video of the visual content of such program, as appropriate.

"SEC. 3204. ELIGIBLE TELECOMMUNICATIONS PARTNERSHIPS.

''(a) IN GENERAL.—In order to be eligible for a grant under this part, an eligible telecommunications partnership shall consist of—

''(1) a public agency or corporation established for the purposes of developing and operating telecommunications services to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interest of elementary and secondary schools which are eligible for assistance under part A of title I; or

''(2) a partnership that will provide telecommunications services and which includes 3 or more of the following entities, at least 1 of which shall be an agency described in subparagraph (A) or (B):

''(A) a local educational agency serving a significant number of elementary and secondary schools that are eligible for assistance under part A of title I or elementary and secondary schools operated for Indian children by the Department of the Interior under section 1121(c);

"(B) a State educational agency;

"(C) an institution of higher education or a State higher education agency;

"(D) a teacher training center or academy which—

"(i) provides teacher preservice and inservice training; and

"(ii) receives Federal financial assistance or has been approved by a State agency;

"(E)(i) a public or private entity with experience and expertise in the planning and operation of a telecommunications service, including entities involved in telecommunications through satellite, cable, telephone or computers; or

"(ii) a public broadcasting entity with such experience; or

"(F) a public or private elementary or secondary school.

"(b) Special Rule.—An eligible telecommunications partnership shall be organized on a statewide or multistate basis.

"SEC. 3205. APPLICATIONS.

"(a) Applications Required.—Each eligible telecommunications partnership which desires to receive a grant under section 3203 shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) Contents of the Application.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

"(A) the design, development, construction, acquisition, maintenance and operation of State or multistate educational telecommunications networks and technology resource centers;

"(B) microwave, fiber optics, cable, and satellite transmission equipment or any combination thereof;

"(C) reception facilities;

"(D) satellite time;

"(E) production facilities;

"(F) other telecommunications equipment capable of serving a wide geographic area;

"(G) the provision of training services to instructors who will be using the facilities and equipment for which assistance is sought, including training in using such facilities and equipment and training in integrating programs into the classroom curriculum; and

"(H) the development of educational programming for use on a telecommunications network;

"(2) in the case of an application for assistance for instructional programming, describe the types of programming which will be developed to enhance instruction and training and provide assurances that such programming will be designed in consultation with professionals (including classroom teachers) who are experts in the applicable subject matter and grade level;

"(3) demonstrate that the eligible telecommunications partnership has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible telecommunications partnership will increase the availability of courses of instruction in mathematics, science, and foreign languages, as well as other subjects to be offered;

"(4) describe the training policies for teachers and other school personnel to be implemented to ensure the effective use of telecommunications facilities and equipment for which assistance is sought;

"(5) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

"(6) provide assurances that a significant portion of any facilities and equipment, technical assistance, and programming for which assistance is sought for elementary and secondary schools will be made available to schools or local educational agencies that have a high number or percentage of children eligible to be counted under part A of title I;

"(7) describe the manner in which traditionally underserved students, such as students who are disadvantaged, limited-English proficient, disabled, or illiterate, will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this part;

"(8) provide assurances that the applicant will use the funds provided under this part to supplement and not supplant funds otherwise available for the purposes of this part;

"(9) if any member of the consortia is receiving assistance under section 3122, describe how funds received under this part will be coordinated with funds received for educational technology in the classroom under such section;

"(10) describe the activities or services for which assistance is sought, including activities and services such as—

"(A) providing facilities, equipment, training, services, and technical assistance described in paragraphs (1), (2), (4) and (7);

"(B) making programs accessible to individuals with disabilities through mechanisms such as closed captioning and descriptive video services;

"(C) linking networks together, for example, around an issue of national importance, such as national elections;

"(D) sharing curriculum resources between networks and development of program guides which demonstrate cooperative, cross-network listing of programs for specific curriculum areas;

"(E) providing teacher and student support services including classroom and training support materials which permit student and teacher involvement in the live interactive distance learning telecasts;

"(F) incorporating community resources, such as libraries and museums, into instructional programs;

"(G) providing teacher training to early childhood development and Head Start teachers and staff;

"(H) providing teacher training to vocational education teachers and staff;

"(I) providing teacher training on proposed or established voluntary national content standards in mathematics and science and other disciplines as such standards are developed;

"(J) providing programs for adults to maximize the use of telecommunications facilities and equipment; and

"(K) providing parent education programs during and after the regular school day which reinforce the student's course of study and actively involve parents in the learning process; and

"(11) include such additional assurances as the Secretary may reasonably require.

"(c) Approval of Application; Priority.—The Secretary, in approving applications under this section, shall give priority to applications which demonstrate that—

"(1) a concentration and quality of mathematics, science, and foreign languages resources which, by their distribution through the eligible telecommunications partnership, will offer significant new educational opportunities to network participants, particularly to traditionally underserved populations and areas with scarce resources and limited access to courses in mathematics, science, and foreign languages;

"(2) the eligible telecommunications partnership has secured the direct cooperation and involvement of public and private educational institutions, State and local government, and industry in planning the network and ensuring that there is not needless duplication of existing information infrastructure;

"(3) the eligible telecommunications partnership will serve the broadest range of institutions, including in the case of elementary and secondary schools, those elementary and secondary schools having a significant number of students eligible to be counted under part A of title I, programs providing instruction outside of the school setting, institutions of higher education, teacher training centers, research institutes, and private industry;

"(4) a significant number of educational institutions have agreed to participate or will participate in the use of the telecommunications system for which assistance is sought;

"(5) the eligible telecommunications partnership will have substantial academic and teaching capabilities, including the capability of training, retraining, and inservice upgrading of teaching skills and the capability to provide professional development leading to comprehensive effective instructional strategies, outcomes-based curriculum and parenting practices;

"(6) the eligible telecommunications partnership will—

"(A) provide a comprehensive range of courses for educators to teach instructional strategies for students with different skill levels;

"(B) provide training to participating educators in ways to integrate telecommunications courses into existing school curriculum; and

"(C) provide instruction for students, teachers, and parents;

"(7) the eligible telecommunications partnership will serve a multistate area;

"(8) the eligible telecommunications partnership will give priority to the provision of equipment and linkages to isolated areas;

"(9) a telecommunications entity (such as a satellite, cable, telephone, computer, or public or private television stations) will participate in the partnership and will donate equipment or in kind services for telecommunications linkages; and

"(10) the eligible telecommunications partnership will, in providing services with assistance under this part, meet the needs of groups of individuals traditionally excluded from careers in mathematics and science because of discrimination, inaccessibility, or economically disadvantaged backgrounds.

"(d) Geographic Distribution.—In approving applications under this section, the Secretary shall assure an equitable geographic distribution of grants under this part.

"SEC. 3206. LEADERSHIP AND EVALUATION ACTIVITIES.

"(a) Reservation.—From the amount appropriated pursuant to the authority of section 3203(c)(1) in each fiscal year, the Secretary may reserve not more than 5 percent of such amount for national leadership, evaluation, and peer review activities.

"(b) Method of Funding.—The Secretary may fund the activities described in subsection (a) directly or through grants, contracts, and cooperative agreements.

"(c) Uses of Funds.—

"(1) Leadership.—Funds reserved for leadership activities under subsection (a) may be used for—

"(A) disseminating information, including lists and descriptions of services available from recipients; and

"(B) other activities designed to enhance the quality of distance learning activities nationwide.

"(2) Evaluation.—Funds reserved for evaluation activities under subsection (a) may be used to conduct independent evaluations of the activities assisted under this part and of distance learning in general, including—

"(A) analyses of distance learning efforts, including such efforts that are assisted under this

part and such efforts that are not assisted under this part; and

"(B) comparisons of the effects, including student outcomes, of different technologies in distance learning efforts.

"(3) Peer Review.—Funds reserved for peer review activities under subsection (a) may be used for peer review of—

"(A) applications for grants under this part; and

"(B) activities assisted under this part.

"SEC. 3207. ADMINISTRATIVE PROVISIONS.

"(a) Continuing Eligibility.—

"(1) In general.—In order to be eligible to receive a grant under section 3203 for a second 5-year grant period an eligible telecommunications partnership shall demonstrate in the application submitted pursuant to section 3205 that such partnership will—

"(A) continue to provide services in the subject areas and geographic areas assisted with funds received under this part for the previous 5-year grant period; and

"(B) use all grant funds received under this part for the second 5-year grant period to provide expanded services by—

"(i) increasing the number of students, schools or school districts served by the courses of instruction assisted under this part in the previous fiscal year;

"(ii) providing new courses of instruction; and

"(iii) serving new populations of underserved individuals, such as children or adults who are disadvantaged, have limited-English proficiency, are disabled, are illiterate, or lack secondary school diplomas or their recognized equivalent.

"(2) Special rules.—Grant funds received pursuant to the application of paragraph (1) shall be used to supplement and not supplant services provided by the recipient under this part in the previous fiscal year.

"(b) Federal Activities.—The Secretary may assist grant recipients under section 3203 in acquiring satellite time, where appropriate, as economically as possible.

"SEC. 3208. OTHER ASSISTANCE.

"(a) Special Statewide Network.—

"(1) In general.—The Secretary, through the Office of Educational Technology, may provide assistance to a statewide telecommunications network under this subsection if such network—

"(A) provides 2-way full motion interactive video and audio communications;

"(B) links together public colleges and universities and secondary schools throughout the State; and

"(C) meets any other requirements determined appropriate by the Secretary.

"(2) State contribution.—A statewide telecommunications network assisted under paragraph (1) shall contribute, either directly or through private contributions, non-Federal funds equal to not less than 50 percent of the cost of such network.

"(b) Special Local Network.—

"(1) In general.—The Secretary may provide assistance, on a competitive basis, to a local educational agency or consortium thereof to enable such agency or consortium to establish a high technology demonstration program.

"(2) Program requirements.—A high technology demonstration program assisted under paragraph (1) shall—

"(A) include 2-way full motion interactive video, audio and text communications;

"(B) link together elementary and secondary schools, colleges, and universities;

"(C) provide parent participation and family programs;

"(D) include a staff development program; and

"(E) have a significant contribution and participation from business and industry.

"(3) Special rule.—Each high technology demonstration program assisted under paragraph (1) shall be of sufficient size and scope to have an effect on meeting the National Education Goals.

"(4) Matching requirement.—A local educational agency or consortium receiving a grant under paragraph (1) shall provide, either directly or through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant.

"(c) Telecommunications Programs for Continuing Education.—

"(1) Authority.—The Secretary is authorized to award grants, on a competitive basis, to eligible telecommunications partnerships to enable such partnerships to develop and operate one or more programs which provide on-line access to educational resources in support of continuing education and curriculum requirements relevant to achieving a secondary school diploma or its equivalent. The program authorized by this section shall be designed to advance adult literacy, secondary school completion and the acquisition of specified competency by the end of the 12th grade, as envisioned by the Goals 2000: Educate America Act.

"(2) Application.—Each eligible telecommunications partnership desiring a grant under this section shall submit an application to the Secretary. Each such application shall—

"(A) demonstrate that the applicant will use publicly funded or free public telecommunications infrastructure to deliver video, voice and data in an integrated service to support and assist in the acquisition of a secondary school diploma or its equivalent;

"(B) assure that the content of the materials to be delivered is consistent with the accreditation requirements of the State for which such materials are used;

"(C) incorporate, to the extent feasible, materials developed in the Federal departments and agencies and under appropriate federally funded projects and programs;

"(D) assure that the applicant has the technological and substantive experience to carry out the program; and

"(E) contain such additional assurances as the Secretary may reasonably require.

"SEC. 3209. DEFINITIONS.

"As used in this part—

"(1) the term 'educational institution' means an institution of higher education, a local educational agency, or a State educational agency;

"(2) the term 'instructional programming' means courses of instruction, training courses, and resources used in such instruction and training, which have been prepared in audio and visual form on tape, disc, film, live, and presented by means of telecommunications devices;

"(3) the term 'public broadcasting entity' has the same meaning given that term by section 397 of the Communications Act of 1934; and

"(4) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands.

"PART C—READY-TO-LEARN TELEVISION

"SEC. 3301. READY-TO-LEARN.

"(a) In General.—The Secretary is authorized to enter into contracts, cooperative agreements, or grants with entities described in section 3302(b) to develop, produce, and distribute educational and instructional video programming for preschool and elementary school children and their parents in order to facilitate the achievement of the National Education Goals.

"(b) Availability.—In making such contracts, cooperative agreements, or grants, the Secretary shall ensure that recipients make programming widely available with support materials as appropriate to young children, their parents, child care workers, and Head Start providers to increase the effective use of such programming.

"SEC. 3302. EDUCATIONAL PROGRAMMING.

"(a) Awards.—The Secretary shall award contracts, cooperative agreements, or grants to eligible entities to—

"(1) facilitate the development directly or through contracts with producers of children and family educational television programming, educational programming for preschool and elementary school children, and accompanying support materials and services that promote the effective use of such programming; and

"(2) contract with entities (such as public broadcasting entities and those funded under the Star Schools Act) in order that programs developed under this section are disseminated and distributed to the widest possible audience appropriate to be served by the programming by the most appropriate distribution technologies.

"(b) Eligible Entities.—To be eligible to receive a contract, cooperative agreement, or grant under subsection (a), an entity shall be—

"(1) a nonprofit entity (including a public telecommunications entity) able to demonstrate a capacity for the development and distribution of educational and instructional television programming of high quality for preschool and elementary school children; and

"(2) able to demonstrate a capacity to contract with the producers of children's television programming for the purpose of developing educational television programming of high quality for preschool and elementary school children.

"(c) Cultural Experiences.—Programming developed under this section shall reflect the recognition of diverse cultural experiences and the needs and experiences of both boys and girls in engaging and preparing young children for schooling.

"SEC. 3303. DUTIES OF SECRETARY.

"The Secretary is authorized—

"(1) to establish and administer a Special Projects of National Significance program to award contracts, cooperative agreements, or grants to public and nonprofit private entities, or local public television stations or such public television stations that are part of a consortium with one or more State educational agencies, local educational agencies, local schools, institutions of higher education, or community-based organizations of demonstrated effectiveness, for the purpose of—

"(A) addressing the learning needs of young children in limited-English proficient households, and developing appropriate educational and instructional television programming to foster the school readiness of such children;

"(B) developing programming and support materials to increase family literacy skills among parents to assist parents in teaching their children and utilizing educational television programming to promote school readiness; and

"(C) identifying, supporting, and enhancing the effective use and outreach of innovative programs that promote school readiness;

"(2) to establish within the Department a clearinghouse to compile and provide information, referrals and model program materials and programming obtained or developed under this part to parents, child care providers, and other appropriate individuals or entities to assist such individuals and entities in accessing programs and projects under this part; and

"(3) to develop and disseminate training materials, including—

"(A) interactive programs and programs adaptable to distance learning technologies that are designed to enhance knowledge of children's

social and cognitive skill development and positive adult-child interactions; and

"(B) support materials to promote the effective use of materials developed under paragraph (2); among parents, Head Start providers, in-home and center based day care providers, early childhood development personnel, and elementary school teachers, public libraries, and after school program personnel caring for preschool and elementary school children;

"(4) coordinate activities with the Secretary of Health and Human Services in order to—

"(A) maximize the utilization of quality educational programming by preschool and elementary school children, and make such programming widely available to federally funded programs serving such populations; and

"(B) provide information to recipients of funds under Federal programs that have major training components for early childhood development, including Head Start, Even Start, and State training activities funded under the Child Care Development Block Grant Act of 1990 regarding the availability and utilization of materials developed under paragraph (3) to enhance parent and child care provider skills in early childhood development and education.

"SEC. 3304. APPLICATIONS.

"Each eligible entity desiring a contract, cooperative agreement, or grant under section 3301 or 3303 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"SEC. 3305. REPORTS AND EVALUATION.

"(a) ANNUAL REPORT TO SECRETARY.—An entity receiving funds under section 3301 shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities undertaken with funds received under this section, including—

"(1) the programming that has been developed directly or indirectly by the entity, and the target population of the programs developed;

"(2) the support materials that have been developed to accompany the programming, and the method by which such materials are distributed to consumers and users of the programming;

"(3) the means by which programming developed under this section has been distributed, including the distance learning technologies that have been utilized to make programming available and the geographic distribution achieved through such technologies; and

"(4) the initiatives undertaken by the entity to develop public-private partnerships to secure non-Federal support for the development and distribution and broadcast of educational and instructional programming.

"(b) REPORT TO CONGRESS.—The Secretary shall prepare and submit to the relevant committees of Congress a biannual report which includes—

"(1) a summary of the information made available under section 3302(a); and

"(2) a description of the training materials made available under section 3303(3), the manner in which outreach has been conducted to inform parents and child care providers of the availability of such materials, and the manner in which such materials have been distributed in accordance with such section.

"SEC. 3306. ADMINISTRATIVE COSTS.

"With respect to the implementation of section 3302, entities receiving a contract, cooperative agreement, or grant from the Secretary may use not more than 5 percent of the amounts received under such section for the normal and customary expenses of administering the contract, cooperative agreement, or grant.

"SEC. 3307. DEFINITION.

"For the purposes of this part, the term 'distance learning' means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

"SEC. 3308. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, $30,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years. Not less than 60 percent of the amounts appropriated under this subsection for each fiscal year shall be used to carry out section 3302.

"(b) SPECIAL PROJECTS.—Of the amount appropriated under subsection (1) for each fiscal year, at least 10 percent of such amount shall be utilized in each such fiscal year for activities under section 3303(1)(C).

"PART D—ELEMENTARY MATHEMATICS AND SCIENCE EQUIPMENT PROGRAM

"SEC. 3401. SHORT TITLE.

"This part may be cited as the 'Elementary Mathematics and Science Equipment Act'.

"SEC. 3402. STATEMENT OF PURPOSE.

"It is the purpose of this part to raise the quality of instruction in mathematics and science in the Nation's elementary schools by providing equipment and materials necessary for hands-on instruction through assistance to State and local educational agencies.

"SEC. 3403. PROGRAM AUTHORIZED.

"The Secretary is authorized to make allotments to State educational agencies under section 3404 to enable such agencies to award grants to local educational agencies for the purpose of providing equipment and materials to elementary schools to improve mathematics and science education in such schools.

"SEC. 3404. ALLOTMENTS OF FUNDS.

"(a) IN GENERAL.—From the amount appropriated under section 3410 for any fiscal year, the Secretary shall reserve—

"(1) not more than one-half of 1 percent for allotment among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau according to their respective needs for assistance under this part; and

"(2) one-half of 1 percent for programs for Indian students served by schools funded by the Secretary of the Interior which are consistent with the purposes of this part.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—The remainder of the amount so appropriated (after meeting requirements in subsection (a)) shall be allotted among State educational agencies so that—

"(A) one-half of such remainder shall be distributed by allotting to each State educational agency an amount which bears the same ratio to such one-half of such remainder as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all States; and

"(B) one-half of such remainder shall be distributed according to each State's share of allocations under part A of title I.

"(2) MINIMUM.—Except as provided in paragraph (3), no State educational agency shall receive an allotment under this subsection for any fiscal year in an amount that is—

"(A) less than one-half of 1 percent of the amount made available under this subsection for such fiscal year; or

"(B) less than the amount allotted to such State for fiscal year 1988 under title II of the Education for Economic Security Act.

"(3) RATABLE REDUCTIONS.—(A) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all State educational agencies are eligible to receive under paragraph (2)(B) for such year, the Secretary shall ratably reduce the allotment to such agencies for such year.

"(B) If additional funds become available for making payments under paragraph (2)(B) for such fiscal year, allotments that were reduced under subparagraph (A) shall be increased on the same basis as such allotments were reduced.

"(c) REALLOTMENT OF UNUSED FUNDS.—The amount of any State educational agency's allotment under subsection (b) for any fiscal year to carry out this part which the Secretary determines will not be required for that fiscal year to carry out this part shall be available for reallotment from time to time, on such dates during that year as the Secretary may determine, to other State educational agencies in proportion to the original allotments to those State educational agencies under subsection (b) for that year but with such proportionate amount for any of those other State educational agencies being reduced to the extent it exceeds the sum the Secretary estimates that the State educational agency needs and will be able to use for that year, and the total of those reductions shall be similarly reallotted among the State educational agencies whose proportionate amounts were not so reduced. Any amounts reallotted to a State educational agency under this subsection during a year shall be deemed a part of the State educational agency's allotment under subsection (b) for that year.

"(d) DEFINITION.—For the purposes of this part the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(e) DATA.—The number of children aged 5 to 17, inclusive, in the State and in all States shall be determined by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

"SEC. 3405. STATE APPLICATION.

"(a) APPLICATION.—Each State educational agency desiring to receive an allotment under this part shall file an application with the Secretary which covers a period of 5 fiscal years. Such application shall be filed at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each application described in subsection (a) shall—

"(1) provide assurances that—

"(A) the State educational agency shall use the allotment provided under this part to award grants to local educational agencies within the State to enable such local educational agencies to provide assistance to schools served by such agency to carry out the purpose of this part;

"(B) the State educational agency will provide such fiscal control and funds accounting as the Secretary may require;

"(C) every public elementary school in the State is eligible to receive assistance under this part once over the 5-year duration of the program assisted under this part;

"(D) funds provided under this part will supplement, not supplant, State and local funds made available for activities authorized under this part;

"(E) during the 5-year period described in the application, the State educational agency will evaluate its standards and programs for teacher preparation and inservice professional development for elementary mathematics and science;

"(F) the State educational agency will take into account the needs for greater access to and participation in mathematics and science by students and teachers from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the economically disadvantaged, and individuals with disabilities; and

"(G) that the needs of teachers and students in areas with high concentrations of low-income students and sparsely populated areas will be given priority in awarding assistance under this part;

"(2) provide, if appropriate, a description of how funds paid under this part will be coordinated with State and local funds and other Federal resources, particularly with respect to programs for the professional development and inservice training of elementary school teachers in science and mathematics; and

"(3) describe procedures—

"(A) for submitting applications for programs described in section 3406 for distribution of assistance under this part within the State; and

"(B) for approval of applications by the State educational agency, including appropriate procedures to assure that such agency will not disapprove an application without notice and opportunity for a hearing.

"(c) State Administration.—Not more than 5 percent of the funds allotted to each State educational agency under this part shall be used for the administrative costs of such agency associated with carrying out the program assisted under this part.

"SEC. 3406. LOCAL APPLICATION.

"(a) Application.—A local educational agency that desires to receive a grant under this part shall submit an application to the State educational agency. Each such application shall contain assurances that each school served by the local educational agency shall be eligible for assistance under this part only once.

"(b) Contents of Application.—Each application described in subsection (a) shall—

"(1) describe how the local educational agency plans to set priorities on the use and distribution among schools of grant funds received under this part to meet the purpose of this part;

"(2) include assurances that the local educational agency has made every effort to match on a dollar-for-dollar basis from private or public sources the funds received under this part, except that no such application shall be penalized or denied assistance under this part based on failure to provide such matching funds;

"(3) describe, if applicable, how funds under this part will be coordinated with State, local, and other Federal resources, especially with respect to programs for the professional development and inservice training of elementary school teachers in science and mathematics; and

"(4) describe the process which will be used to determine different levels of assistance to be awarded to schools with different needs.

"(c) Priority.—In awarding grants under this part, the State educational agency shall give priority to applications that—

"(1) assign highest priority to providing assistance to schools which—

"(A) are most seriously underequipped; or

"(B) serve large numbers or percentages of economically disadvantaged students;

"(2) are attentive to the needs of underrepresented groups in science and mathematics;

"(3) demonstrate how science and mathematics equipment will be part of a comprehensive plan of curriculum planning or implementation and teacher training supporting hands-on laboratory activities; and

"(4) assign priority to providing equipment and materials for students in grades 1 through 6.

"SEC. 3407. PROGRAM REQUIREMENTS.

"(a) Coordination.—Each State educational agency receiving an allotment under this part shall—

"(1) disseminate information to school districts and schools, including private nonprofit elementary schools, regarding the program assisted under this part;

"(2) evaluate applications of local educational agencies;

"(3) award grants to local educational agencies based on the priorities described in section 3406(c); and

"(4) evaluate local educational agencies' end-of-year summaries and submit such evaluation to the Secretary.

"(b) Limitations on Use of Funds.—

"(1) In general.—Except as provided in paragraph (2), grant funds and matching funds under this part only shall be used to purchase science equipment, science materials, or mathematical manipulative materials and shall not be used for computers, computer peripherals, software, textbooks, or staff development costs.

"(2) Capital improvements.—Grant funds under this part may not be used for capital improvements. Not more than 50 percent of any matching funds provided by the local educational agency may be used for capital improvements of classroom science facilities to support the hands-on instruction that this part is intended to support, such as the installation of electrical outlets, plumbing, lab tables or counters, or ventilation mechanisms.

"SEC. 3408. FEDERAL ADMINISTRATION.

"(a) Technical Assistance and Evaluation Procedures.—The Secretary shall provide technical assistance and, in consultation with State and local representatives of the program assisted under this part, shall develop procedures for State and local evaluations of the programs assisted under this part.

"(b) Report.—The Secretary shall report to the Congress each year on the program assisted under this part in accordance with section 10701.

"SEC. 3409. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $30,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"PART E—ELEMENTARY AND SECONDARY SCHOOL LIBRARY MEDIA RESOURCES PROGRAM

"SEC. 3501. PROGRAM AUTHORIZED.

"The Secretary shall award grants or make allocations for the acquisition of school library media resources for the use of students, library media specialists, and teachers in elementary and secondary schools in accordance with this part.

"SEC. 3502. FUNDING REQUIREMENTS.

"(a) In General.—From the amount appropriated to carry out part A in each fiscal year, the Secretary shall make available at least 10 percent but not more than 20 percent of such amount to make awards in accordance with subsection (b) to States having a plan approved under section 3503.

"(b) Special Rule.—

"(1) Amounts below $50,000,000.—If the amount made available under subsection (a) for a fiscal year is less than $50,000,000, then the Secretary shall award grants to States, on a competitive basis, taking into account such factors as age and condition of existing school library media collections and the relative economic need of the students to be served.

"(2) Amounts equal to or exceeding $50,000,000.—If the amount made available under subsection (a) for a fiscal year equals or exceeds $50,000,000, then the Secretary shall allocate to each State an amount which bears the same relationship to such amount as the amount such State received under title II for such year bears to the amount all States received under such title for such year.

"SEC. 3503. STATE PLANS.

"In order for a State to receive a grant or an allocation of funds under this part for any fiscal year, such State shall have in effect for such fiscal year a State plan. Such plan shall—

"(1) designate the State educational agency as the State agency responsible for the administration of the program assisted under this part;

"(2) set forth a program under which funds paid to the State in accordance with section 3502 will be expended solely for—

"(A) acquisition of school library media resources, including books and foreign language resources, for the use of students, school library media specialists, and teachers in elementary and secondary schools in the United States; and

"(B) administration of the State plan, including development and revision of standards, relating to school library media resources, except that the amount used for administration of the State plan in any fiscal year shall not exceed 3 percent of the amount available to such State under section 3502 for such fiscal year; and

"(3) set forth criteria to be used in allotting funds for school library media resources among the local educational agencies of the State, which allotment shall take into consideration the relative need of the students, school media specialists, and teachers to be served.

"SEC. 3504. DISTRIBUTION OF ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

"From the funds made available under section 3502 to a State in each fiscal year, such State shall distribute not less than 97 percent of such funds for such year to local educational agencies within such State on the same basis as allocations are made available to States under section 2122.

"PART F—BUDDY SYSTEM COMPUTER EDUCATION

"SEC. 3601. SHORT TITLE.

"This part may be cited as the 'Buddy System Computer Education Act'.

"SEC. 3602. PURPOSE.

"It is the purpose of this part to award demonstration grants to develop and expand public-private partnership programs which extend the learning experience, via computers, beyond the classroom environment in order to—

"(1) enhance learning by providing students with the technological tools and guidance necessary to develop skills critical to educational growth and success in the workplace, including—

"(A) mastery of fundamental computer technology and applications;

"(B) improved written and visual communication skills;

"(C) improved critical thinking and problem solving abilities; and

"(D) improved ability to work in a collaborative, teamwork-driven environment;

"(2) encourage parental involvement in education and total family use and understanding of computers and telecommunications through at-home applications; and

"(3) establish foundations for lifelong learning through improvement in education skills and student motivation and attitudes.

"SEC. 3603. GRANT AUTHORIZATION.

"(a) Grant Program.—

"(1) In general.—The Secretary shall conduct a program of awarding a grant to each of 3 States to enable such States to create a computer-based education project for children in grades 4 through 6 in accordance with the requirements of section 3604.

"(2) Award basis.—The Secretary shall award grants under this part on a competitive basis.

"(3) Preference.—In awarding grants under this part, the Secretary shall give preference to applications—

"(A) from States that have a demonstrated ability or commitment to computer-based technology education; and

"(B) describing projects that serve school districts which serve a large number or percentage of economically disadvantaged students.

"(b) Site Selection and Project Implementation.—Site selection and implementation of the computer-based education projects assisted under this part shall take place not later than 9 months after funds are appropriated to carry

out this part pursuant to the authority of section 3608.

"SEC. 3604. PROGRAM REQUIREMENTS.

"Each State receiving a grant to conduct a computer-based education project under this part shall—

"(1) provide a continuous 3-year computer-based education project to 2 consecutive groups of 4th, 5th, and 6th grade elementary school students during the period commencing with each such group's entry into 4th grade and ending the summer following each such group's completion of 6th grade;

"(2) ensure that each student in each of the classes participating in the project shall participate in the project;

"(3) conduct such project in not more than 7 public elementary schools within the State; and

"(4) ensure that each student participating in the project shall have access to a computer—

"(A) at school during the school year; and

"(B) at home during the school year and summer.

"SEC. 3605. APPLICATIONS.

"(a) APPLICATION REQUIRED.—In order to receive a grant under this part, the State educational agency shall submit an application to the Secretary in such form and containing such information as the Secretary may reasonably require. Such application shall include an assurance from the State educational agency that the State educational agency has made every effort to match on a dollar-for-dollar basis from private or public sources the funds received under this part, except that no such application shall be penalized or denied assistance under this part on the basis of the failure to provide such matching funds.

"(b) APPLICATION PERIOD.—States shall be eligible to submit applications for assistance under this part during a 3-month period determined by the Secretary.

"SEC. 3606. USE OF FUNDS.

"Grant funds under this part shall be used to provide hardware and software components to all sites, and training for classroom teachers as well as parents, administrators and technical personnel.

"SEC. 3607. EVALUATION.

"The Secretary shall evaluate the demonstration program assisted under this part and shall report to the Congress regarding the overall effectiveness of such program.

"SEC. 3608. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $5,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"TITLE IV—MAGNET SCHOOLS ASSISTANCE

"SEC. 4101. FINDINGS.

"The Congress finds that—

"(1) magnet schools are a significant part of our Nation's effort to achieve voluntary desegregation in our Nation's schools;

"(2) the use of magnet schools has increased dramatically since the date of enactment of the Magnet Schools Assistance program, with approximately 1,400,000 students nationwide now attending such schools, of which more than 60 percent of the students are nonwhite;

"(3) magnet schools offer a wide range of distinctive programs that have served as models for school improvement efforts;

"(4) in administering the Magnet Schools Assistance program, the Federal Government has learned that—

"(A) where magnet programs are implemented for only a portion of a school's student body, special efforts must be made to discourage the isolation of—

"(i) magnet students from other students in the school; and

"(ii) students by racial characteristics;

"(B) school districts can maximize their effectiveness in achieving the purposes of the Magnet Schools Assistance program if such districts have more flexibility in the administration of such program in order to serve students attending a school who are not enrolled in the magnet school program;

"(C) school districts must be creative in designing magnet schools for students at all academic levels, so that school districts do not skim off only the highest achieving students to attend the magnet schools;

"(D) consistent with desegregation guidelines, school districts must seek to enable participation in magnet school programs by students who reside in the neighborhoods where the programs operate; and

"(E) in order to ensure that magnet schools are sustained after Federal funding ends, the Federal Government must assist school districts to improve their capacity to continue to operate magnet schools at a high level of performance;

"(5) it is in the best interest of the Federal Government to—

"(A) continue the Federal Government's support of school districts implementing court-ordered desegregation plans and school districts seeking to foster meaningful interaction among students of different racial and ethnic backgrounds, beginning at the earliest stage of such students' education;

"(B) ensure that all students have equitable access to quality education that will prepare such students to function well in a culturally diverse, technologically oriented, and highly competitive, global community; and

"(C) maximize the ability of school districts to plan, develop, implement and continue effective and innovative magnet schools that contribute to State and local systemic reform.

"SEC. 4102. STATEMENT OF PURPOSE.

"The purpose of this title is to assist in the desegregation of school districts by providing financial assistance to eligible local educational agencies for—

"(1) the elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority students;

"(2) the development and implementation of magnet school projects that will assist local educational agencies in achieving systemic reforms and providing all students the opportunity to meet challenging State content standards and challenging State student performance standards;

"(3) the development and design of innovative educational methods and practices; and

"(4) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational skills of students attending such schools.

"SEC. 4103. PROGRAM AUTHORIZED.

"The Secretary, in accordance with this title, is authorized to make grants to local educational agencies, and consortia of such agencies where appropriate, to carry out the purpose of this title for magnet schools that are—

"(1) part of an approved desegregation plan; and

"(2) designed to bring students from different social, economic, ethnic, and racial backgrounds together.

"SEC. 4104. DEFINITION.

"For the purpose of this title, the term 'magnet school' means a public school or public education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.

"SEC. 4105. ELIGIBILITY.

"A local educational agency, or consortium of such agencies where appropriate, is eligible to receive assistance under this title to carry out the purposes of this title if such agency or consortium—

"(1) is implementing a plan undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and that requires the desegregation of minority-group-segregated children or faculty in the elementary and secondary schools of such agency; or

"(2) without having been required to do so, has adopted and is implementing, or will, if assistance is made available to such local educational agency or consortium of such agencies under this part, adopt and implement a plan that has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority-group-segregated children or faculty in such schools.

"SEC. 4106. APPLICATIONS AND REQUIREMENTS.

"(a) APPLICATIONS.—An eligible local educational agency or consortium of such agencies desiring to receive assistance under this title shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

"(b) INFORMATION AND ASSURANCES.—Each such application shall include—

"(1) a description of—

"(A) how assistance made available under this title will be used to promote desegregation, including how the proposed magnet school project will increase interaction among students of different social, economic, ethnic, and racial backgrounds;

"(B) the manner and extent to which the magnet school project seeks to increase student achievement in the instructional area or areas offered by the school;

"(C) how an applicant will continue the magnet school project after assistance under this title may no longer be available, including, if applicable, an explanation of why magnet schools established or supported by the applicant with funds under this title cannot be continued without the use of funds under this part;

"(D) how funds under this title will be used to implement services and activities that are consistent with—

"(i) the State plan described in section 1111; and

"(ii) the local educational agency's plan described in section 1112; and

"(E) the criteria to be used in selecting students to attend the proposed magnet school projects; and

"(2) assurances that the applicant will—

"(A) use funds under this title for the purposes specified in section 4102;

"(B) employ State certified or licensed teachers in the courses of instruction assisted under this title to teach or supervise others who are teaching the subject matter of the courses of instruction;

"(C) not engage in discrimination based on race, religion, color, national origin, sex, or disability in—

"(i) the hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

"(ii) the assignment of students to schools, or to courses of instruction within the school, of such agency, except to carry out the approved plan; and

"(iii) designing or operating extracurricular activities for students;

"(D) carry out a high-quality education program that will encourage greater parental decisionmaking and involvement; and

"(E) give students residing in the local attendance area of the proposed magnet school

projects equitable consideration for places in those projects.

''(c) SPECIAL RULE.—No application may be approved under this section unless the Assistant Secretary of Education for Civil Rights determines that the assurances described in subsection (b)(2)(C) will be met.

''SEC. 4107. PRIORITY.

''In approving applications under this title, the Secretary shall give priority to applicants that—

''(1) demonstrate the greatest need for assistance, based on the expense or difficulty of effectively carrying out an approved desegregation plan and the projects for which assistance is sought;

''(2) propose to carry out new magnet school projects, or significantly revise existing magnet school projects, which include revisions to enable a magnet school to implement effective educational approaches that are consistent with the State's and the local educational agency's State or local improvement plans, if any;

''(3) propose to select students to attend magnet school projects on the basis of multiple criteria which may include a lottery, rather than solely academic examination; and

''(4) propose to draw on comprehensive community involvement plans.

''SEC. 4108. USE OF FUNDS.

''(a) IN GENERAL.—Grant funds made available under this title may be used by an eligible local educational agency or consortium of such agencies—

''(1) for planning and promotional activities directly related to the development, expansion, continuation, or enhancement of academic programs and services offered at magnet schools;

''(2) for the acquisition of books, materials, and equipment, including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools;

''(3) for the payment of, or subsidization of the compensation of, elementary and secondary school teachers who are certified or licensed by the State, and instructional staff, where applicable, and who are necessary for the conduct of programs in magnet schools; and

''(4) with respect to a magnet school program offered to less than the entire student population of a school, for instructional activities that—

''(A) are designed to make available the special curriculum that is offered by the magnet school project to students who are enrolled in the school but who are not enrolled in the magnet school program; and

''(B) further the purposes of this title.

''(b) SPECIAL RULE.—Grant funds under this title may be used in accordance with paragraphs (2) and (3) of subsection (a), only if the activities described in such paragraphs are directly related to improving the students' reading skills or knowledge of mathematics, science, history, geography, English, foreign languages, art, or music, or to improving vocational skills.

''SEC. 4109. PROHIBITIONS.

''Grants under this title may not be used for transportation, or for any activity that does not augment academic improvement.

''SEC. 4110. LIMITATION ON PAYMENTS.

''(a) DURATION OF AWARDS.—A grant under this title shall be awarded for a period that shall not exceed four fiscal years.

''(b) LIMITATION ON PLANNING FUNDS.—

''(1) IN GENERAL.—A local educational agency may expend for planning not more than 50 percent of the funds received under this title for the first year of the project, 25 percent of such funds for the second such year, and 10 percent of such funds for the third such year.

''(2) SPECIAL RULE.—A local educational agency shall not expend funds under this title for planning after the third year of a project assisted under this title.

''(c) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost of any project assisted under this title shall not exceed 100 percent for the first and second years of the project, 90 percent for the third such year, and 70 percent for the fourth or any subsequent such year including any year for which a grant is renewed pursuant to a new grant competition under this title.

''(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of any project assisted under this title may be in cash or in kind, including planned equipment or services, fairly valued, and may include other Federal education funds.

''(d) LIMITATION ON GRANTS.—No local educational agency or consortium receiving a grant under this section shall receive more than $4,000,000 under this part in any one fiscal year.

''(e) AWARD REQUIREMENT.—To the extent practicable, for any fiscal year, the Secretary shall award grants to local educational agencies or consortia under this title not later than June 30 of the applicable fiscal year.

''SEC. 4111. INNOVATIVE PROGRAMS.

''(a) IN GENERAL.—From amounts reserved under section 4112(d) for each fiscal year, the Secretary shall award grants to local educational agencies described in section 4105 to enable such agencies to conduct innovative programs that—

''(1) carry out the purpose of this part; and

''(2) involve strategies other than magnet schools, such as neighborhood or community model schools—

''(A) organized around a special emphasis, theme or concept; and

''(B) involving extensive parent and community involvement.

''(b) APPLICABILITY.—Sections 4103, 4106, 4107, and 4108, shall not apply to grants awarded under subsection (a).

''(c) APPLICATIONS.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

''SEC. 4112. AUTHORIZATION OF APPROPRIATIONS; RESERVATION.

''(a) AUTHORIZATION.—For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) AVAILABILITY OF FUNDS FOR GRANTS TO AGENCIES NOT PREVIOUSLY ASSISTED.—In any fiscal year for which the amount appropriated pursuant to subsection (a) exceeds $75,000,000, the Secretary shall give priority to using such amounts in excess of $75,000,000 to award grants to local educational agencies or consortia that did not receive a grant under this part in the preceding fiscal year.

''(c) EVALUATIONS.—

''(1) IN GENERAL.—The Secretary may reserve not more than two percent of the funds appropriated under subsection (a) for any fiscal year to carry out evaluations of projects assisted under this part.

''(2) CONTENTS.—Each evaluation described in paragraph (1), at a minimum, shall address—

''(A) how and the extent to which magnet school programs lead to educational quality and improvement;

''(B) the extent to which magnet school programs enhance student access to quality education;

''(C) the extent to which magnet school programs lead to the elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority students; and

''(D) the extent to which magnet school programs differ from other school programs in terms of the organizational characteristics and resource allocations of such magnet school programs.

''(d) INNOVATIVE PROGRAMS.—The Secretary shall reserve not more than 5 percent of the funds appropriated under subsection (a) for each fiscal year to award grants under section 4111.

''TITLE V—BETTER SCHOOLS FOR AMERICA

''PART A—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES

''SEC. 5101. FINDINGS.

''The Congress finds as follows:

''(1) The seventh National Education Goal provides that by the year 2000, all schools in America will be free of drugs and violence and the unauthorized presence of firearms and alcohol, and offer a disciplined environment that is conducive to learning.

''(2) The widespread use of alcohol and other drugs among the Nation's secondary school students, and increasingly by students in elementary schools as well, constitutes a grave threat to the physical and mental well-being of such students, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

''(3) Our Nation's schools and communities are increasingly plagued by violence and crime. Approximately 3,000,000 thefts and violent crimes occur in or near our Nation's schools every year, the equivalent of more than 16,000 incidents per school day.

''(4) Violence that is linked to prejudice and intolerance victimizes entire communities leading to more violence and discrimination.

''(5) Violence and drug abuse have numerous personal and societal roots, and character education is an important component of any comprehensive strategy to address the serious problems of violence and drug abuse.

''(6) The tragic consequences of violence and the illegal use of alcohol and other drugs by students are felt not only by students and their families, but by such students' communities and the Nation, which can ill afford to lose such students' skills, talents, and vitality.

''(7) Alcohol and tobacco are widely used by young people. Such use can, and does, have adverse consequences for young people, their families, communities, schools, and colleges. Drug prevention programs for youth that address only controlled drugs send an erroneous message that alcohol and tobacco do not present significant problems, or that society is willing to overlook their use. To be credible, messages opposing illegal drug use by youth should address alcohol and tobacco as well.

''(8) Every day approximately 3,000 children start smoking. Thirty percent of all secondary school seniors are smokers. Half of all new smokers begin smoking before the age of 14, 90 percent of such smokers begin before the age of 21, and the average age of the first use of smokeless tobacco is under the age of 10. Use of tobacco products has been linked to serious health problems. Drug education and prevention programs that include tobacco have been effective in reducing teenage use of tobacco.

''(9) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety and to reduce the demand for and use of drugs throughout the Nation. Schools and local organizations in communities throughout the Nation have a special responsibility to work together to combat the growing epidemic of violence and illegal drug use and should measure the success of their programs against clearly defined goals and objectives.

"(10) Students must take greater responsibility for their own well-being, health, and safety if schools and communities are to achieve the goals of providing a safe, disciplined, and drug-free learning environment.

"SEC. 5102. PURPOSE.

"The purpose of this title is to support programs to meet the seventh National Educational Goal by preventing violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and other drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources, through the provision of Federal assistance to—

"(1) States for grants to local and intermediate educational agencies and consortia to establish, operate, and improve local programs of school drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);

"(2) States for grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention, early intervention, rehabilitation referral, and education for school dropouts and other high-risk youth;

"(3) States for development, training, technical assistance, and coordination activities;

"(4) institutions of higher education to establish, operate, expand, and improve programs of school drug and violence prevention, education, and rehabilitation referral for students enrolled in colleges and universities; and

"(5) public and private nonprofit organizations to conduct training, demonstrations, research, and evaluation, and to provide supplementary services for the prevention of drug use and violence among students and youth.

"SEC. 5103. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $660,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part, of which not more than 10 percent shall be available in each fiscal year to carry out subpart 2.

"Subpart 1—State Grants for Drug and Violence Prevention Programs

"SEC. 5111. RESERVATIONS AND ALLOTMENTS.

"(a) RESERVATIONS.—From the amount made available to carry out this subpart for each fiscal year under section 5103, the Secretary—

"(1) shall reserve 1 percent of such amount for grants under this subpart to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with the Secretary's determination of their respective needs;

"(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

"(3) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 5119; and

"(4) may reserve not more than $1,000,000 for the national impact evaluation required by section 5118(a).

"(b) STATE ALLOTMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, for each fiscal year, allocate among the States—

"(A) one-half of the remainder not reserved under subsection (a) according to the ratio between the school-aged population of each State and the school-aged population of all the States; and

"(B) one-half of such remainder according to the ratio between the amount each State received under section 1122 for the preceding year (or, for fiscal year 1995 only, sections 1005 and 1006 of this Act as such sections were in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) and the sum of such amounts received by all the States.

"(2) MINIMUM.—For any fiscal year, no State shall be allotted under this subsection an amount that is less than one-half of 1 percent of the total amount allotted to all the States under this subsection.

"(3) REALLOTMENT.—The Secretary may reallot any amount of any allotment to a State if the Secretary determines that the State will be unable to use such amount within two years of such allotment. Such reallotments may be made by the Secretary in the same manner as allotments are made under paragraph (1).

"(4) DEFINITIONS.—For the purpose of this subsection—

"(A) the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(B) the term 'local educational agency' includes intermediate school districts and consortia.

"SEC. 5112. STATE APPLICATIONS.

"(a) IN GENERAL.—In order to receive an allotment under section 5111 for any fiscal year, a State shall submit to the Secretary, at such time as the Secretary may require, an application that—

"(1) contains the results of the State's needs assessment for drug and violence prevention programs, which shall be based on the results of on-going State evaluation activities, including data on the prevalence of drug use and violence by youth in schools and communities;

"(2) contains assurances that the application was developed in consultation and coordination with appropriate State officials and others, including the chief State school officer, the head of the State alcohol and drug abuse agency, the heads of the State health and mental health agencies, the head of the State criminal justice planning agency, the head of the State child welfare agency, the head of the State board of education, or their designees, and representatives of parents, students, and community-based organizations; and

"(3) contains a description of the procedures the State educational agency will use to review applications from local educational agencies under section 5115.

"(b) STATE EDUCATIONAL AGENCY FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 5113(a) by the State educational agency that includes—

"(1) a statement of the State educational agency's measurable goals and objectives for drug and violence prevention and a description of the procedures such agency will use for assessing and publicly reporting progress toward meeting those goals and objectives;

"(2) a plan for monitoring the implementation of, and providing technical assistance regarding, the drug and violence prevention programs conducted by local educational agencies in accordance with section 5116;

"(3) a description of how the State educational agency will use funds such agency reserves under section 5113(b);

"(4) a description of how the State educational agency will coordinate such agency's activities under this subpart with the chief executive officer's drug and violence prevention programs under this subpart and with the prevention efforts of other State agencies; and

"(5) an explanation of the criteria the State educational agency will use to identify which local educational agencies receive supplemental funds under section 5113(d)(2)(A)(ii) and how the supplemental funds will be allocated among those local educational agencies.

"(c) GOVERNOR'S FUNDS.—A State's application under this section shall also contain a comprehensive plan for the use of funds under section 5114(a) by the chief executive officer that includes—

"(1) a statement of the chief executive officer's measurable goals and objectives for drug and violence prevention and a description of the procedures to be used for assessing and publicly reporting progress toward meeting those goals and objectives;

"(2) a description of how the chief executive officer will coordinate such officer's activities under this part with the State educational agency and other State agencies and organizations involved with drug and violence prevention efforts;

"(3) a description of how funds reserved under section 5114(a) will be used so as not to duplicate the efforts of the State educational agency and local educational agencies with regard to the provision of school-based prevention efforts and services and how those funds will be used to serve populations not normally served by the State educational agency, such as school dropouts and youth in detention centers;

"(4) a description of how the chief executive officer will award funds under section 5114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds; and

"(5) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning.

"(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

"(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 1995 a one-year interim application and plan for the use of funds under this subpart that are consistent with the requirements of this section and contain such information as the Secretary may specify in regulations. The purpose of such interim application and plan shall be to afford the State the opportunity to fully develop and review such State's application and comprehensive plan otherwise required by this section. A State may not receive a grant under this subpart for a fiscal year subsequent to fiscal year 1995 unless the Secretary has approved such State's application and comprehensive plan in accordance with this subpart.

"SEC. 5113. STATE AND LOCAL EDUCATIONAL AGENCY PROGRAMS.

"(a) USE OF FUNDS.—An amount equal to 80 percent of the total amount allocated to a State under section 5111 for each fiscal year shall be used by the State educational agency and its local educational agencies for drug and violence prevention activities in accordance with this section.

"(b) STATE LEVEL PROGRAMS.—

"(1) IN GENERAL.—A State educational agency shall use not more than 5 percent of the amount available under subsection (a) for activities such as—

"(A) training and technical assistance concerning drug and violence prevention for local and intermediate educational agencies, including teachers, administrators, coaches and athletic directors, other staff, parents, students, community leaders, health service providers, local law enforcement officials, and judicial officials;

"(B) the development, identification, dissemination and evaluation of the most readily available, accurate, and up-to-date curriculum materials, for consideration by local educational agencies;

"(C) making available to local educational agencies cost effective programs for youth violence and drug abuse prevention;

"(D) demonstration projects in drug and violence prevention;

"(E) training, technical assistance, and demonstration projects to address violence associated with prejudice and intolerance;

"(F) financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children or sparsely populated areas, or to meet other special needs consistent with the purposes of this subpart; and

"(G) evaluation activities required by this subpart.

"(2) SPECIAL RULE.—A State educational agency may carry out activities under this subsection directly, or through grants or contracts.

"(c) STATE ADMINISTRATION.—A State educational agency may use not more than 5 percent of the amount made available under subsection (a) for the administrative costs of carrying out such agency's responsibilities under this subpart.

"(d) LOCAL EDUCATIONAL AGENCY PROGRAMS.—

"(1) IN GENERAL.—A State educational agency shall distribute not less than 90 percent of the amount made available under subsection (a) for each fiscal year to local educational agencies in accordance with this subsection.

"(2) DISTRIBUTION.—(A) Of the amount distributed under subsection (d)(1), a State educational agency shall distribute—

"(i) 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private nonprofit elementary and secondary schools within the boundaries of such agencies; and

"(ii) 30 percent of such amount to local educational agencies that the State educational agency determines have the greatest need for additional funds to carry out drug and violence prevention programs authorized by this subpart.

"(B)(i) A State educational agency shall distribute funds under subparagraph (A)(ii) to not more than 10 percent of the local educational agencies in the State, or five such agencies, whichever is greater.

"(ii) In determining which local educational agencies have the greatest need for additional funds, the State educational agency shall consider factors such as—

"(I) high rates of alcohol or other drug use among youth;

"(II) high rates of victimization of youth by violence and crime;

"(III) high rates of arrests and convictions of youth for violent or drug- or alcohol-related crime;

"(IV) the extent of illegal gang activity;

"(V) high incidence of violence associated with prejudice and intolerance;

"(VI) high rates of referrals of youths to drug and alcohol abuse treatment and rehabilitation programs;

"(VII) high rates of referrals of youths to juvenile court;

"(VIII) high rates of expulsions and suspensions of students from schools; and

"(IX) high rates of reported cases of child abuse and domestic violence.

"(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to such agency under subsection (d), or if such agency's application under section 5115 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of the local educational agencies determined by the State educational agency under subsection (d)(2)(B) to have the greatest need for additional funds.

"SEC. 5114. GOVERNOR'S PROGRAMS.

"(a) USE OF FUNDS.—

"(1) IN GENERAL.—An amount equal to 20 percent of the total amount allocated to a State under section 5111 for each fiscal year shall be used by the chief executive officer of such State for drug and violence prevention programs and activities in accordance with this section.

"(2) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the amount reserved under subsection (a)(1) for the administrative costs incurred in carrying out the duties of such officer under this section.

"(b) PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—A chief executive officer shall use funds made available under subsection (a)(1) for grants to or contracts with parent groups, community action and job training agencies, community-based organizations, and other public entities and private nonprofit organizations and consortia thereof. In making such grants and contracts, a chief executive officer shall give priority to programs and activities described in subsection (c) for—

"(A) children and youth who are not normally served by State or local educational agencies; or

"(B) populations that need special services or additional resources (such as preschoolers, youth in juvenile detention facilities, runaway or homeless children and youth, pregnant and parenting teenagers, and school dropouts).

"(2) PEER REVIEW.—Grants or contracts awarded under this subsection shall be subject to a peer review process.

"(c) AUTHORIZED ACTIVITIES.—Grants and contracts under subsection (b) shall be used for programs and activities such as—

"(1) disseminating information about drug and violence prevention;

"(2) training parents, law enforcement officials, judicial officials, social service providers, health service providers and community leaders about drug and violence prevention, comprehensive health education, early intervention, pupil services, or rehabilitation referral;

"(3) developing and implementing comprehensive, community-based drug and violence prevention programs that link community resources with schools and integrate services involving education, vocational and job skills training and placement, law enforcement, health, mental health, community service, mentoring, and other appropriate services;

"(4) planning and implementing drug and violence prevention activities that coordinate the efforts of State agencies with efforts of the State educational agency and its local educational agencies;

"(5) activities to protect students traveling to and from school;

"(6) before-and-after school recreational, instructional, cultural, and artistic programs that encourage drug- and violence-free lifestyles;

"(7) professional development workshops for teachers and curricula that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

"(8) developing and implementing activities to prevent and reduce violence associated with prejudice and intolerance;

"(9) developing and implementing strategies to prevent illegal gang activity;

"(10) coordinating and conducting community-wide violence and safety assessments and surveys;

"(11) age appropriate programs to prevent child abuse;

"(12) activities such as community service and service-learning projects; and

"(13) evaluating programs and activities assisted under this section.

"SEC. 5115. LOCAL APPLICATIONS.

"(a) APPLICATION REQUIRED.—

"(1) IN GENERAL.—In order to be eligible to receive a distribution under section 5113(d) for any fiscal year, a local educational agency shall submit, at such time as the State educational agency requires, an application to the State educational agency for approval. Such an application shall be amended, as necessary, to reflect changes in the local educational agency's program.

"(2) DEVELOPMENT.—(A) A local educational agency shall develop its application under subsection (a)(1) in consultation with a local or substate regional advisory council that includes, to the extent possible, representatives of local government, business, parents, students, teachers, pupil services personnel, appropriate State agencies, private schools, the medical profession, law enforcement, community-based organizations, and other groups with interest and expertise in drug and violence prevention.

"(B) In addition to assisting the local educational agency to develop an application under this section, the advisory council established or designated under paragraph (2)(A) shall, on an ongoing basis—

"(i) disseminate information about drug and violence prevention programs, projects, and activities conducted within the boundaries of the local educational agency;

"(ii) advise the local educational agency on how best to coordinate such agency's activities under this subpart with other related programs, projects, and activities and the agencies that administer such programs, projects, and activities; and

"(iii) review program evaluations and other relevant material and make recommendations to the local educational agency on how to improve such agency's drug and violence prevention programs.

"(b) CONTENTS OF APPLICATIONS.—An application under this section shall contain—

"(1) a description of the current alcohol, tobacco, and other drug problems as well as the violence, safety, prejudice, and discipline problems among students who attend the schools of the applicant (including private school students who participate in the applicant's drug and violence prevention program);

"(2) a detailed explanation of the local educational agency's comprehensive plan for drug and violence prevention, which shall include a description of—

"(A) how that plan is consistent with, and promotes the goals in, the State's application under section 5112;

"(B) the local educational agency's measurable goals for drug and violence prevention, and a description of how such agency will assess and publicly report progress toward attaining these goals;

"(C) how the local educational agency will use its distribution under this subpart;

"(D) how the local educational agency will coordinate such agency's programs and projects with community-wide efforts to achieve such agency's goals for drug and violence prevention; and

"(E) how the local educational agency will coordinate such agency's programs and projects with other Federal, State, and local programs for drug-abuse prevention, including health programs; and

"(3) such other information and assurances as the State educational agency may reasonably require.

"(c) REVIEW OF APPLICATION.—

"(1) IN GENERAL.—A State educational agency shall use a peer review process in reviewing local applications under this section.

"(2) CONSIDERATIONS.—(A) In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency's comprehensive plan under subsection (b)(2) and the extent to which such plan is consistent with, and supports, the State's application under section 5112 and the State's plan under section 1111.

"(B) A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or place restrictions on the use of funds distributed to such a local educational agency in a manner the State educational agency determines will best promote the purposes of this part or the State's plan under section 1111.

"SEC. 5116. LOCAL DRUG AND VIOLENCE PREVENTION PROGRAMS.

"(a) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this subpart to adopt and carry out a comprehensive drug and violence prevention program which shall—

"(1) be designed, for all students and employees, to—

"(A) prevent the use, possession, and distribution of tobacco, alcohol and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by employees;

"(B) prevent violence and promote school safety; and

"(C) create a disciplined environment conducive to learning; and

"(2) include activities to promote the involvement of parents and coordination with community groups and agencies, including the distribution of information about the local educational agency's needs, goals, and programs under this subpart.

"(b) AUTHORIZED ACTIVITIES.—A comprehensive drug and violence prevention program carried out under this subpart may include—

"(1) age-appropriate, developmentally based drug prevention and comprehensive health education programs for all students, from the preschool level through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

"(2) programs of drug prevention, comprehensive health education, early intervention, pupil services, mentoring, or rehabilitation referral, which emphasize students' sense of individual responsibility and which may include—

"(A) the dissemination of information about drug prevention;

"(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

"(C) the implementation of strategies, including strategies to integrate the delivery of services from a variety of providers, to combat illegal alcohol, tobacco and other drug use, such as—

"(i) family counseling;

"(ii) early intervention activities that prevent family dysfunction, enhance school performance, and boost attachment to school and family; and

"(iii) activities, such as community service and service-learning projects, that are designed to increase students' sense of community;

"(3) age-appropriate, developmentally based violence prevention and education programs for all students, from the preschool level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, and that include activities designed to help students develop a sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence;

"(4) violence prevention programs for school-aged youth, which emphasize students' sense of individual responsibility and may include—

"(A) the dissemination of information about school safety and discipline;

"(B) the professional development of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent school violence;

"(C) the implementation of strategies, such as conflict resolution and peer mediation, and the use of mentoring programs, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse;

"(D) the development and implementation of character education programs that are tailored by communities, parents and schools, and based on the tenets of democracy, self discipline, and personal and civic responsibility, and guided by the principles of community and national laws, in order to reduce the problems of violence and drug abuse; and

"(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities;

"(5) supporting 'safe zones of passage' for students between home and school through such measures as Drug- and Weapon-Free School Zones, enhanced law enforcement, and neighborhood patrols;

"(6) acquiring and installing metal detectors and hiring security personnel;

"(7) reimbursing law enforcement authorities for their personnel who participate in school violence prevention activities;

"(8) professional development workshops for teachers and other staff and curricula that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history;

"(9) the promotion of before-and-after school recreational, instructional, cultural, and artistic programs in supervised community settings;

"(10) drug abuse resistance education programs, designed to teach students to recognize and resist pressures to use alcohol or other drugs, which may include activities such as classroom instruction by uniformed law enforcement officers, resistance techniques, resistance to peer pressure and gang pressure, and provision for parental involvement; and

"(11) the evaluation of any of the activities authorized under this subsection.

"(c) LIMITATIONS.—

"(1) IN GENERAL.—Not more than 10 percent of the funds made available to a local educational agency under this subpart may be used to carry out the activities described in paragraphs (5), (6), and (7) of subsection (b).

"(2) SPECIAL RULE.—A local educational agency shall only be able to use funds received under this subpart for activities described in paragraphs (5), (6), and (7), of subsection (b) if funding for such activities is not received from other Federal agencies.

"SEC. 5117. EVALUATION AND REPORTING.

"(a) NATIONAL IMPACT EVALUATION.—

"(1) BIENNIAL EVALUATION.—The Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall conduct an independent biennial evaluation of the national impact of programs assisted under this subpart and of other recent and new initiatives to combat violence in schools and submit a report of the findings of such evaluation to the President and the Congress.

"(2) DATA COLLECTION.—

"(A) COLLECTION.—The Secretary shall collect data to determine the frequency, seriousness, and incidence of violence in elementary and secondary schools in the States. The Secretary shall collect the data using, wherever appropriate, data submitted by the States pursuant to subsection (b)(2)(B).

"(B) REPORT.—Not later than January 1, 1998, the Secretary shall submit to the Congress a report on the data collected under this subsection, together with such recommendations as the Secretary determines appropriate, including estimated costs for implementing any recommendation.

"(b) STATE REPORT.—

"(1) IN GENERAL.—By October 1, 1997, and every third year thereafter, the chief executive officer of the State, in cooperation with the State educational agency, shall submit to the Secretary a report—

"(A) on the implementation and outcomes of State programs under section 5114 and section 5113(b) and local programs under section 5113(d), as well as an assessment of their effectiveness; and

"(B) on the State's progress toward attaining its goals for drug and violence prevention under subsections (b)(1) and (c)(1) of section 5112.

"(2) SPECIAL RULE.—The report required by this subsection shall be—

"(A) in the form specified by the Secretary;

"(B) based on the State's on-going evaluation activities, and shall include data on the prevalence of drug use and violence by youth in schools and communities; and

"(C) made readily available to the public.

"(c) LOCAL EDUCATIONAL AGENCY REPORT.—Each local educational agency receiving funds under this subpart shall submit to the State educational agency whatever information, and at whatever intervals, the State requires to complete the State report required by subsection (b), including information on the prevalence of drug use and violence by youth in the schools and the community. Such information shall be made readily available to the public.

"SEC. 5118. PROGRAMS FOR HAWAIIAN NATIVES.

"(a) GENERAL AUTHORITY.—From the funds made available pursuant to section 5111(a)(3) to carry out this section, the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Hawaiian natives which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this title for the benefit of Hawaiian natives.

"(b) DEFINITION OF 'HAWAIIAN NATIVE'.—For the purposes of this section, the term 'Hawaiian native' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

"Subpart 2—National Programs

"SEC. 5121. FEDERAL ACTIVITIES.

"(a) PROGRAM AUTHORIZED.—From funds made available to carry out this subpart under section 5103, the Secretary, in consultation with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, Chair of the Ounce of Prevention Council, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels, prekindergarten through postsecondary. The Secretary shall carry out such programs directly, or through grants, contracts, or cooperative agreements with public and private nonprofit organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

"(1) the development and demonstration of innovative strategies for training school personnel, parents, and members of the community, including the demonstration of model preservice training programs for prospective school personnel;

"(2) demonstrations and rigorous evaluations of innovative approaches to drug and violence prevention;

"(3) drug and violence prevention research that is coordinated with other Federal agencies and is directed toward improving programs and activities under this part;

"(4) program evaluations in accordance with section 10701 that address issues not addressed under section 5117(a);

"(5) direct services to schools and school systems afflicted with especially severe drug and violence problems;

"(6) activities in communities designated as empowerment zones or enterprise communities that will connect schools to community-wide efforts to reduce drug and violence problems;

"(7) the development of education and training programs, curricula, instructional materials, and professional training and development for preventing and reducing the incidence of crimes and conflicts motivated by hate in localities most directly affected by hate crimes;

"(8) developing and disseminating drug and violence prevention materials, including model curricula; and

"(9) other activities that meet unmet national needs related to the purposes of this part.

"(b) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

"SEC. 5122. GRANTS TO INSTITUTIONS OF HIGHER EDUCATION.

"(a) IN GENERAL.—From funds made available to carry out this subpart under section 5103, the Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education, or consortia of such institutions, for drug and violence prevention programs under this section. Awards under this section shall support the development, implementation, validation, and dissemination of model programs and strategies to promote the safety of students attending institutions of higher education by preventing violent behavior and the illegal use of alcohol and other drugs by such students.

"(b) APPLICATIONS.—An institution of higher education, or consortium of such institutions, that desires to receive an award under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. The Secretary shall use a peer review process for reviewing applications for funds under this section.

"(c) EQUITABLE PARTICIPATION.—The Secretary shall make every reasonable effort to ensure the equitable participation in the activities assisted under this section of private and public institutions of higher education (including community and junior colleges), institutions of limited enrollment, and institutions in different geographic regions.

"Subpart 3—General Provisions

"SEC. 5131. DEFINITIONS.

"For the purposes of this part, the following terms have the following meanings:

"(1) The term 'drug and violence prevention' means—

"(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education related to the illegal use of alcohol and the use of controlled, illegal, addictive, or harmful substances, including inhalants and anabolic steroids;

"(B) prevention, early intervention, smoking cessation activities, or education, related to the use of tobacco; and

"(C) with respect to violence, the promotion of school safety, such that students and school personnel are free from violent and disruptive acts, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, on school premises, going to and from school, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

"(2) The term 'hate crime' means a crime as described in section 1(b) of the Hate Crime Statistics Act of 1990.

"(3) The term 'nonprofit', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(4) The term 'school-aged population' means the population aged five through 17, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(5) The term 'school personnel' includes teachers, administrators, guidance counselors, social workers, psychologists, nurses, librarians, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

"SEC. 5132. MATERIALS.

"(a) 'WRONG AND HARMFUL' MESSAGE.—Drug prevention programs supported under this part shall convey a clear and consistent message that the illegal use of alcohol and other drugs is wrong and harmful.

"(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this part, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

"SEC. 5133. PROHIBITED USES OF FUNDS.

"No funds under this part may be used for—

"(1) construction (except for minor remodeling needed to accomplish the purposes of this part); and

"(2) medical services, except for pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or other drugs.

"PART B—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

"SEC. 5201. SHORT TITLE.

"This part may be cited as the 'School Dropout Assistance Act'.

"SEC. 5202. PURPOSE.

"The purpose of this part is to reduce the number of children who do not complete their elementary and secondary education by providing grants to local educational agencies to establish—

"(1) effective programs to identify potential student dropouts, including pregnant and parenting teenagers, and prevent such students from dropping out of school;

"(2) effective programs to identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education;

"(3) effective early intervention programs designed to identify at-risk students in elementary and secondary schools; and

"(4) model systems for collecting and reporting information to local school officials on the number, ages, sex, race or ethnicity, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school.

"SEC. 5203. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) ALLOTMENT TO CATEGORIES OF LOCAL EDUCATIONAL AGENCIES.—From the amount appropriated under section 5208 for any fiscal year, the Secretary shall first reserve not more than $2,000,000 for the purposes of evaluating programs carried out with assistance under this part in accordance with section 10701. From the remaining amount, the Secretary shall allot the following percentages to each of the following categories of local educational agencies:

"(1) Local educational agencies administering schools with a total enrollment of 100,000 or more elementary and secondary school students shall be allotted 25 percent of such remaining amount.

"(2) Local educational agencies administering schools with a total enrollment of at least 20,000 but less than 100,000 elementary and secondary school students shall be allotted 40 percent of such remaining amount.

"(3) Local educational agencies administering schools with a total enrollment of less than 20,000 elementary and secondary school students shall be allotted 30 percent of such remaining amount. Grants may be made under this paragraph to educational service agencies and consortia of not more than 5 local educational agencies in any case in which the total enrollment of the largest such local educational agency is less than 20,000 elementary and secondary students. Such agencies and consortia may also apply in conjunction with the State educational agency. Not less than 20 percent of funds available under this paragraph shall be awarded to local educational agencies administering schools with a total enrollment of less than 2,000 elementary and secondary school students.

"(4) Community-based organizations shall be allotted 5 percent of such remaining amount. Grants under this category shall be made after consultation between the community-based organization and the local educational agency that is to benefit from such a grant.

"(b) SPECIAL CONSIDERATION.—

"(1) IN GENERAL.—The Secretary shall give special consideration to awarding funds available for each category described in paragraphs (1), (2), and (3) of subsection (a) to local educational agencies participating in an educational partnership.

"(2) EDUCATIONAL PARTNERSHIPS.—Educational partnerships under this subsection shall include—

"(A) a local educational agency; and

"(B) a business concern or business organization, community-based organization, nonprofit private organization, institution of higher education, State educational agency, State or local public agency, private industry council (established under the Job Training Partnership Act), museum, library, or educational television or broadcasting station.

"(c) AWARD OF GRANT.—From the amount allotted for any fiscal year to a category of local educational agencies under subsection (a), the Secretary shall award as many grants as practicable within each such category to local educational agencies and educational partnerships whose applications have been approved by the Secretary for such fiscal year under section 5204 and whose applications propose a program of sufficient size, scope, and quality to be effective. Any local educational agency, educational partnership, or community-based organization that has received a grant under this part shall be eligible for additional funds subject to the requirements under this part. The grants shall be made under such terms and conditions as the Secretary shall prescribe consistent with the provisions of this part.

"(d) USE OF FUNDS WHEN NOT FULLY ALLOTTED TO CATEGORIES UNDER SUBSECTION (a).—

"(1) IN GENERAL.—Whenever the Secretary determines that the full amount of the sums allotted under any category set forth under subsection (a) will not be required for applications of the local educational agencies in the case of categories described in paragraphs (1) through (3) of subsection (a), the Secretary shall make the amount not so required available to another

category under subsection (a). In carrying out the provisions of this subsection, the Secretary shall assure that the transfer of amounts from one category to another is made to a category in which there is the greatest need for funds.

"(2) Peer Review.—In order to transfer funds under this subsection, the Secretary shall use a peer review process to determine that such excess funds are not needed to fund projects in particular categories and shall prepare a list of the categories in which funds were not fully expended and the reasons therefor, and make such list available to local educational agencies and educational partnerships, upon request. The Secretary may use the peer review process to determine grant recipients of funds transferred in accordance with this subsection.

"(e) Federal Share.—

"(1) Federal share.—The Federal share of a grant under this part may not exceed—

"(A) 90 percent of the total cost of a project for the first year for which the project receives assistance under this part; and

"(B) 75 percent of such cost in each such succeeding fiscal year.

"(2) Remaining costs.—The remaining cost of a project that receives assistance under this part may be paid from any source other than funds made available under this part, except that not more than 10 percent of the remaining cost in any fiscal year may be provided from Federal sources other than this part.

"(3) Non-federal share.—The share of payments from sources other than funds made available under this part may be in cash or in kind fairly evaluated, including plant, equipment or services.

"SEC. 5204. APPLICATION.

"(a) Application Required.—

"(1) In general.—A grant under this part may be made only to a local educational agency or an educational partnership which submits an application to the Secretary containing such information as may be required by the Secretary by regulation.

"(2) Duration.—Each such application shall be for a 3-year period.

"(b) Contents.—Each such application shall—

"(1) provide documentation of—

"(A) the number of children who were enrolled in the schools of the applicant for the 5 academic years prior to the date application is made who have not completed their elementary or secondary education and who are classified as school dropouts; and

"(B) the percentage that such number of children is of the total school-age population in the applicant's schools;

"(2) include a plan for the development and implementation of a school dropout information collection and reporting system for documenting the extent and nature of the dropout problem, which system shall collect and cross tabulate data, where feasible, by sex according to race or ethnicity and socioeconomic status;

"(3) include a plan for coordinated activities involving at least 1 secondary school and its feeder junior high or middle schools and elementary schools for local educational agencies that have feeder systems;

"(4) when applicable, describe how programs assisted under this part will be coordinated with, and not duplicate, programs assisted under title I;

"(5) include a description of how the program assisted under this part is consistent with the second National Education Goal and other Federal programs as appropriate; and

"(6) contain such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed project, and the capability of the applicant to carry out the project.

"(c) Priority.—The Secretary shall, in approving applications under this section, give priority to applications which both show the replication of successful programs conducted in other local educational agencies or the expansion of successful programs within a local educational agency and reflect very high numbers or very high percentages of school dropouts in the schools of the applicant in each category described in section 5203(a).

"(d) Special Consideration.—The Secretary shall give additional special consideration to applications that include—

"(1) provisions which emphasize early intervention services designed to identify at-risk students in elementary or early secondary schools; and

"(2) provisions for significant parental involvement.

"(e) Grants for New Grantees.—In awarding grants under this part the Secretary shall utilize only those priorities and special considerations described in subsections (c) and (d).

"SEC. 5205. AUTHORIZED ACTIVITIES.

"Grants under this part shall be used to carry out plans set forth in applications approved under section 5204. In addition, grants may be used for educational, occupational, and basic skills testing services and activities, including, but not limited to—

"(1) the establishment of systemwide or school-level policies, procedures, and plans for dropout prevention and school reentry;

"(2) the development and implementation of activities, including extended day or summer programs, designed to address poor achievement, basic skills deficiencies, language deficiencies, or course failures, in order to assist students at risk of dropping out of school and students reentering school;

"(3) the establishment or expansion of work-study, apprentice, or internship programs;

"(4) the use of resources of the community, including contracting with public or private entities or community-based organizations of demonstrated performance, to provide services to the grant recipient or the target population;

"(5) the evaluation and revision of program placement of students at risk;

"(6) the evaluation of program effectiveness of dropout programs;

"(7) the development and implementation of programs for traditionally underserved groups of students;

"(8) the implementation of activities which will improve student motivation and the school learning environment;

"(9) the provision of training for school personnel on strategies and techniques designed to—

"(A) identify children at risk of dropping out;

"(B) intervene in the instructional program with support and remedial services;

"(C) develop realistic expectations for student performance; and

"(D) improve student-staff interactions;

"(10) the study of the relationship between drugs and dropouts and between youth gangs and dropouts, and the coordination of dropout prevention and reentry programs with appropriate drug prevention and community organizations for the prevention of youth gangs;

"(11) the study of the relationship between disabling conditions and student dropouts;

"(12) the study of the relationship between the dropout rate for gifted and talented students compared to the dropout rate for the general student enrollment;

"(13) the use of educational telecommunications and broadcasting technologies and educational materials designed to extend, motivate, and reinforce school, community, and home dropout prevention and reentry activities;

"(14) the development and implementation of efforts to identify and address factors in a student's decision to drop out of school that are related to gender and family roles;

"(15) the provision of other educational, occupational and testing services and activities which directly relate to the purpose of this part;

"(16) activities which offer jobs and college admissions for successful completion of the program for which assistance is sought;

"(17) summer employment programs;

"(18) occupational training programs;

"(19) career opportunity and skills counseling;

"(20) job placement services;

"(21) the development of skill employment competency testing programs;

"(22) special school staff training projects; and

"(23) mentoring programs.

"SEC. 5206. DISTRIBUTION OF ASSISTANCE; LIMITATION ON COSTS.

"(a) Distribution of Assistance.—The Secretary shall ensure that, to the extent practicable, in approving grant applications under this part—

"(1) grants are equitably distributed on a geographic basis within each category set forth in section 5203(a);

"(2) the amount of a grant to a local educational agency for a fiscal year is proportionate to the extent and severity of the local school dropout problem;

"(3) not less than 30 percent of the amount available for grants in each fiscal year is used for activities relating to school dropout prevention; and

"(4) not less than 30 percent of the amount available for grants in each fiscal year is used for activities relating to persuading school dropouts to return to school and assisting former school dropouts with specialized services once school dropouts return to school.

"(b) Administrative Costs.—Not more than 5 percent of any grant made under this part may be used for administrative costs.

"SEC. 5207. REPORTS.

"(a) Annual Reports.—The Secretary shall submit to the Congress a report by January 1 of each year, beginning on January 1, 1995, which sets forth the progress of the Commissioner of Education Statistics, established under section 14003(b), to implement a definition and data collection process for school dropouts in elementary and secondary schools, including statistical information for the number and percentage of elementary and secondary school students by race and ethnic origin who drop out of school each year including dropouts—

"(1) throughout the Nation by rural and urban location as defined by the Secretary; and

"(2) in each of the individual States and the District of Columbia.

"(b) Recommendations.—The report under subsection (a) shall also contain recommendations on ways in which the Federal Government, States and localities can further support the implementation of an effective methodology to accurately measure dropout and retention rates on the national, State, and local levels.

"SEC. 5208. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $50,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"TITLE VI—INDIAN EDUCATION

"SEC. 6001. FINDINGS.

"The Congress finds that—

"(1) the Federal Government has a special responsibility to ensure that educational programs for all American Indian and Alaska Native children and adults—

"(A) are based on high-quality, internationally competitive content standards and student performance standards and build on Indian culture and the Indian community;

''(B) assist local educational agencies, Indian tribes, and other entities and individuals in providing Indian students the opportunity to achieve such standards; and

''(C) meet the special educational and culturally related academic needs of American Indian and Alaska Native students;

''(2) since the date of enactment of the initial Indian Education Act in 1972, the level of involvement of Indian parents in the planning, development, and implementation of educational programs that affect such parents and their children has increased significantly, and schools should continue to foster such involvement;

''(3) although the number of Indian teachers, administrators, and university professors has increased since 1972, teacher training programs are not recruiting, training, or retraining a sufficient number of Indian individuals as educators to meet the needs of a growing Indian student population in elementary, secondary, vocational, adult, and higher education;

''(4) the dropout rate for Indian students is unacceptably high, for example, nine percent of Indian students who were eighth graders in 1988 had already dropped out of school by 1990;

''(5) during the period from 1980 to 1990, the percentage of Indian individuals living at or below the poverty level increased from 24 percent to 31 percent, and the readiness of Indian children to learn is hampered by the high incidence of poverty, unemployment, and health problems among Indian children and their families; and

''(6) research related specifically to the education of Indian children and adults is very limited, and much of the research is of poor quality or is focused on limited local or regional issues.

"SEC. 6002. PURPOSE.

''(a) PURPOSE.—It is the purpose of this title to support the efforts of local educational agencies, Indian tribes and organizations, postsecondary institutions, and other entities to meet the special educational and culturally related academic needs of American Indians and Alaska Natives, so that such students can achieve to the same challenging State performance standards expected of all students.

''(b) PROGRAMS.—This title carries out the purpose described in subsection (a) by authorizing programs of direct assistance for—

''(1) meeting the special educational and culturally related academic needs of American Indians and Alaska Natives;

''(2) the education of Indian children and adults;

''(3) the training of Indian persons as educators and counselors, and in other professions serving Indian people; and

''(4) research, evaluation, data collection, and technical assistance.

"PART A—FORMULA GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 6101. PURPOSE.

''It is the purpose of this part to support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students in order to ensure that such programs—

''(1) are based on challenging State content standards and State student performance standards that are used for all students; and

''(2) are designed to assist Indian students meet those standards and assist the Nation in reaching the National Education Goals.

"SEC. 6102. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''(a) IN GENERAL.—A local educational agency shall be eligible for a grant under this part for any fiscal year if the number of Indian children who are eligible under section 6106 and were enrolled in the schools of such agency and to whom the agency provided a free public education, during the preceding fiscal year—

''(1) was at least 10; or

''(2) constituted not less than 25 percent of the total number of individuals enrolled in the schools of such agency.

''(b) INDIAN TRIBES.—If a local educational agency that is eligible for a grant under this part does not apply for such grant, an Indian tribe that has children who are served by such local educational agency may apply for such grant.

"SEC. 6103. AMOUNT OF GRANTS.

''(a) AMOUNT OF GRANT AWARDS.—

''(1) IN GENERAL.—Except as provided in subsection (b) and paragraph (2), the Secretary shall allocate to each local educational agency with respect to which the Secretary has approved an application under this part an amount equal to the product of—

''(A) the number of Indian children who are eligible under section 6106 and served by such agency; and

''(B) the greater of—

''(i) the average per-pupil expenditure of the State in which such agency is located; or

''(ii) 80 percent of the average per-pupil expenditure in the United States.

''(2) REDUCTION.—The Secretary shall reduce the amount of each allocation determined under paragraph (1) in accordance with subsection (e).

''(b) MINIMUM GRANT.—A local educational agency or an Indian tribe (as authorized under section 6102(b)) that is eligible for a grant under section 6102, and a school that is operated or supported by the Bureau of Indian Affairs that is eligible for a grant under subsection (d), that submits an application that is approved by the Secretary, shall, subject to appropriations, receive a grant under this part in an amount that is not less than $4,000.

''(c) DEFINITION.—For the purpose of this section, the average per-pupil expenditure of a State shall be an amount equal to—

''(1) the sum of the aggregate current expenditures of all the local educational agencies in the State, plus any direct current expenditures by the State for the operation of such agencies, without regard to the sources of funds from which such local or State expenditures were made, during the second fiscal year preceding the fiscal year for which the computation is made; divided by

''(2) the aggregate number of children who were included in average daily attendance for whom such agencies provided free public education during such preceding fiscal year.

''(d) SCHOOLS OPERATED OR SUPPORTED BY THE BUREAU OF INDIAN AFFAIRS.—

''(1) IN GENERAL.—In addition to the grants awarded under subsection (a), and subject to paragraph (2), the Secretary shall allocate to the Secretary of the Interior an amount equal to the product of—

''(A) the total number of Indian children enrolled in schools that are operated by—

''(i) the Bureau of Indian Affairs; or

''(ii) an Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, for the children of such tribe under a contract with, or grant from, the Department of the Interior under the Indian Self-Determination Act or the Tribally Controlled Schools Act of 1988 (part B of title V of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988); and

''(B) the greater of—

''(i) the average per-pupil expenditure of the State in which the school is located; or

''(ii) 80 percent of the average per-pupil expenditure in the United States.

''(2) TRANSFER.— The Secretary shall transfer the amount determined under paragraph (1), subject to any reduction that may be necessary under subsection (e), to the Secretary of the Interior in accordance with, and subject to, section 10205.

''(e) RATABLE REDUCTIONS.—If the sums appropriated for any fiscal year under section 6602(a) are insufficient to pay in full the amounts determined for local educational agencies under subsection (a)(1) and for the Secretary of the Interior under subsection (d), each of those amounts shall be ratably reduced.

"SEC. 6104. APPLICATIONS.

''(a) APPLICATION REQUIRED.—Each local educational agency that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(b) COMPREHENSIVE PROGRAM REQUIRED.—Each application submitted under subsection (a) shall include a comprehensive program for meeting the needs of Indian children served by the local educational agency, including the language and cultural needs of the children, that—

''(1) provides programs and activities to meet the culturally related academic needs of American Indian and Alaska Native students;

''(2) explains how Federal, State, and local programs, especially programs under title I, will meet the needs of such children;

''(3) demonstrates how funds made available under this part will be used for activities described in section 6105;

''(4) describes the professional development opportunities that will be provided, as needed, to ensure that—

''(A) teachers and other school professionals who are new to the Indian community are prepared to work with Indian children; and

''(B) all teachers who will be involved in the program assisted under this part have been properly trained to carry out such program; and

''(5) describes how the local educational agency—

''(A) will periodically assess the progress of all Indian children enrolled in the schools of the local educational agency, including Indian children who do not participate in programs assisted under this part, in meeting the goals described in paragraph (2);

''(B) will provide the results of each assessment referred to in subparagraph (A) to—

''(i) the committee of parents described in subsection (c)(4); and

''(ii) the community served by the local educational agency; and

''(C) is responding to findings of any previous assessments that are similar to the assessments described in subparagraph (A).

''(c) ASSURANCES.—Each application submitted under subparagraph (a) shall include assurances that—

''(1) the local educational agency will use funds received under this part only to supplement the level of funds that, in the absence of the Federal funds made available under this part, such agency would make available for the education of Indian children, and not to supplant such funds;

''(2) the local educational agency will submit such reports to the Secretary, in such form and containing such information, as the Secretary may require to—

''(A) carry out the functions of the Secretary under this part; and

"(B) determine the extent to which funds provided to the local educational agency under this part are effective in improving the educational achievement of Indian students served by such agency;

"(3) the program for which assistance is sought—

"(A) is based on a local assessment and prioritization of the special educational and culturally related academic needs of the American Indian and Alaska Native students for whom the local educational agency is providing an education;

"(B) will use the best available talents and resources, including individuals from the Indian community; and

"(C) was developed by such agency in open consultation with parents of Indian children and teachers, and, if appropriate, Indian students from secondary schools, including public hearings held by such agency to provide the individuals described in this subparagraph a full opportunity to understand the program and to offer recommendations regarding the program; and

"(4) the local educational agency developed the program with the participation and written approval of a committee—

"(A) that is composed of, and selected by—

"(i) Indian parents of Indian children in the schools of the local educational agency, and teachers; and

"(ii) if appropriate, Indian students attending secondary schools;

"(B) the membership of which is at least three-fourths Indian parents of Indian children;

"(C) that sets forth such policies and procedures, including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children, and representatives of the area, to be served;

"(D) with respect to an application describing a schoolwide program in accordance with section 6105(c), has—

"(i) reviewed the program; and

"(ii) determined that the program will not diminish the availability of culturally related activities for American Indians and Alaskan Native students; and

"(E) has adopted reasonable bylaws for the conduct of the activities of the committee and abides by such bylaws.

"SEC. 6105. AUTHORIZED SERVICES AND ACTIVITIES.

"(a) General Requirements.—Each local educational agency that receives a grant under this part shall use the grant funds, in a manner consistent with the purpose specified in section 6101, for services and activities that—

"(1) are designed to carry out the comprehensive plan of the local educational agency for Indian students, and described in the application of the local educational agency submitted to the Secretary under section 6104(b);

"(2) are designed with special regard for the language and cultural needs of the Indian students; and

"(3) supplement and enrich the regular school program of such agency.

"(b) Particular Activities.—The services and activities referred to in subsection (a) may include—

"(1) culturally related activities that support the program described in the application submitted by the local educational agency;

"(2) early childhood and family programs that emphasize school readiness;

"(3) enrichment programs that focus on problem-solving and cognitive skills development and directly support the attainment of challenging State content standards and State student performance standards;

"(4) integrated educational services in combination with other programs that meet the needs of Indian children and their families;

"(5) school-to-work transition activities to enable Indian students to participate in programs such as the programs supported by the School-to-Work Opportunities Act of 1994 and the Carl D. Perkins Vocational and Applied Technology Education Act, including programs for technical preparation, mentoring, and apprenticeship;

"(6) activities to educate individuals concerning substance abuse and to prevent substance abuse; and

"(7) the acquisition of equipment, but only if the acquisition of the equipment is essential to meet the purpose described in section 6101.

"(c) Schoolwide Programs.—Notwithstanding any other provision of law, a local educational agency may use funds made available to the agency under this part to support a schoolwide program under section 1114 if—

"(1) at least 50 percent of the enrollment of the school that is the subject of the schoolwide program is comprised of Indian children;

"(2) the committee composed of parents established pursuant to section 6104(c)(4) approves the use of the funds for the schoolwide program; and

"(3) the schoolwide program is consistent with the purpose described in section 6101.

"SEC. 6106. STUDENT ELIGIBILITY AND FORMS.

"(a) In General.—The Secretary shall require that, as part of an application for a grant under this part, each applicant shall maintain a file, with respect to each Indian child for whom the local educational agency provides a free public education, that contains a form that sets forth information establishing the status of the child as an Indian child eligible for assistance under this part and that otherwise meets the requirements of subsection (b).

"(b) Forms.—

"(1) In general.—The form described in subsection (a) shall include—

"(A) either—

"(i)(I) the name of the tribe or band of Indians (as defined in section 6601(4)) with respect to which the child claims membership;

"(II) the enrollment number establishing the membership of the child (if readily available); and

"(III) the name and address of the organization that maintains updated and accurate membership data for such tribe or band of Indians; or

"(ii) if the child is not a member of a tribe or band of Indians, the name, the enrollment number (if readily available), and the organization (and address thereof) responsible for maintaining updated and accurate membership rolls of any parent or grandparent of the child from whom the child claims eligibility;

"(B) a statement of whether the tribe or band of Indians with respect to which the child, parent or grandparent of the child claims membership is federally recognized;

"(C) the name and address of the parent or legal guardian of the child;

"(D) a signature of the parent or legal guardian of the child that verifies the accuracy of the information supplied; and

"(E) any other information that the Secretary considers necessary to provide an accurate program profile.

"(2) Minimum information.—In order for a child to be eligible to be counted for the purpose of computing the amount of a grant award made under section 6103, an eligibility form prepared pursuant to this section for a child shall include—

"(A) the name of the child;

"(B) the name of the tribe or band of Indians (as defined in section 6601(4)) with respect to which the child claims eligibility; and

"(C) the dated signature of the parent or guardian of the child.

"(3) Failure.—The failure of an applicant to furnish any information described in this subsection other than the information described in paragraph (2) with respect to any child shall have no bearing on the determination of whether the child is an eligible Indian child for the purposes of determining the amount of a grant award made under section 6103.

"(c) Statutory Construction.—Nothing in this subsection shall be construed to affect a definition contained in section 6601.

"(d) Forms and Standards of Proof.—The forms and the standards of proof (including the standard of good faith compliance) that were in use during the 1985–1986 academic year to establish the eligibility of a child for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the forms and standards of proof used—

"(1) to establish such eligibility; and

"(2) to meet the requirements of subsection (a).

"(e) Documentation.—For purposes of determining whether a child is eligible to be counted for the purpose of computing the amount of a grant under section 6103, the membership of the child, or any parent or grandparent of the child, in a tribe or band of Indians may be established by proof other than an enrollment number, notwithstanding the availability of an enrollment number for a member of such tribe, band, or group. Nothing in subsection (b) shall be construed to require the furnishing of an enrollment number.

"(f) Monitoring and Evaluation Review.—

"(1) In general.—(A) For each fiscal year, in order to provide such information as is necessary to carry out the responsibility of the Secretary to provide technical assistance under this part, the Secretary shall conduct a monitoring and evaluation review of a sampling of the recipients of grants under this part. The sampling conducted under this subparagraph shall take into account size of the local educational agency and the geographic location of such agency.

"(B) Notwithstanding any other provision of law, a local educational agency may not be held liable to the United States or be subject to any penalty, by reason of the findings of an audit that relates to the date of completion, or the date of submission, of any forms used to establish, before April 28, 1988, the eligibility of a child for entitlement under the Indian Elementary and Secondary School Assistance Act.

"(2) False information.—Any local educational agency that provides false information in an application for a grant under this subpart shall—

"(A) be ineligible to apply for any other grant under this part; and

"(B) be liable to the United States for any funds provided to the local educational agency that have not been expended.

"(3) Excluded children.—A student who provides false information for the form required under subsection (d) shall not be counted for the purpose of computing the amount of a grant under section 6103.

"(g) Distribution.—For the purposes of the distribution of funds under this part to schools that receive funding from the Bureau of Indian Affairs pursuant to—

"(1) section 1130 of the Education Amendments of 1978; and

"(2) the Act of April 16, 1934 (48 Stat. 596, chapter 147),

the Secretary shall, in lieu of meeting the requirements of this section for counting Indian children, use a count of the number of students in such schools certified by the Bureau of Indian Affairs.

"SEC. 6107. PAYMENTS.

"(a) In General.—Subject to subsections (b) and (c), the Secretary shall pay to each local

educational agency that submits an application that is approved by the Secretary under this part the amount determined under section 6103. The Secretary shall notify the local educational agency of the amount of the payment not later than June 1 of the year for which the Secretary makes the payment.

"(b) PAYMENTS TAKEN INTO ACCOUNT BY THE STATE.—The Secretary may not make a grant under this part to a local educational agency for a fiscal year if, for such fiscal year, the State in which the local educational agency is located takes into consideration payments made under this part (or under subpart 1 of the Indian Education Act of 1988) in determining the eligibility of the local educational agency for State aid, or the amount of the State aid, with respect to the free public education of children during such fiscal year or the preceding fiscal year.

"(c) REDUCTION OF PAYMENT FOR FAILURE TO MAINTAIN FISCAL EFFORT.—

"(1) IN GENERAL.—The Secretary may not pay a local educational agency the full amount of a grant award determined under section 6103 for any fiscal year unless the State educational agency notifies the Secretary, and the Secretary determines, that with respect to the provision of free public education by the local educational agency for the preceding fiscal year, the combined fiscal effort of the local educational agency, computed on either a per student or aggregate expenditure basis was not less than 90 percent of the amount of the combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

"(2) FAILURE.—If, for any fiscal year, the Secretary determines that a local educational agency failed to maintain the fiscal effort of such agency at the level specified in paragraph (1), the Secretary shall—

"(A) reduce the amount of the grant that would otherwise be made to the agency under this part in the exact proportion of such agency's failure to maintain its fiscal effort at such level; and

"(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

"(3) WAIVER.—(A) The Secretary may waive the requirement of paragraph (1), for not more than one year at a time, if the Secretary determines that the failure to comply with such requirement is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources.

"(B) The Secretary shall not use the reduced amount of such agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of the waiver.

"(d) REALLOCATIONS.—The Secretary may reallocate, in a manner that the Secretary determines will best carry out the purpose of this part, any amounts that—

"(1) based on estimates made by local educational agencies or other information, the Secretary determines will not be needed by such agencies to carry out approved programs under this part; or

"(2) otherwise become available for reallocation under this part.

"PART B—SPECIAL PROGRAMS AND PROJECTS TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

"SEC. 6201. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

"(a) PURPOSE.—

"(1) IN GENERAL.—It is the purpose of this section to support projects to develop, test, and demonstrate the effectiveness of services and programs to improve educational opportunities and achievement of Indian children.

"(2) COORDINATION.—The Secretary shall take such actions as are necessary to achieve the coordination of activities assisted under this part with—

"(A) other programs funded under this Act; and

"(B) other Federal programs operated for the benefit of American Indian and Alaska Native children.

"(b) ELIGIBLE ENTITIES.—For the purpose of this section, the term 'eligible entity' means a State educational agency, local educational agency, Indian tribe, Indian organization, federally supported elementary and secondary school for Indian students, Indian institution, including an Indian institutions of higher education, or a consortium of such institutions.

"(c) GRANTS AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall award grants to eligible entities to enable such entities to carry out activities that meet the purpose specified in subsection (a)(1), including—

"(A) innovative programs related to the educational needs of educationally deprived children;

"(B) educational services that are not available to such children in sufficient quantity or quality, including remedial instruction, to raise the achievement of Indian children in one or more of the core academic subjects as such subjects are described in the third National Education Goal described in section 102(3) of the Goals 2000: Educate America Act;

"(C) bilingual and bicultural programs and projects;

"(D) special health and nutrition services, and other related activities, that address the special health, social, and psychological problems of Indian children;

"(E) special compensatory and other programs and projects designed to assist and encourage Indian children to enter, remain in, or reenter school, and to increase the rate of secondary school graduation;

"(F) comprehensive guidance, counseling, and testing services;

"(G) early childhood and kindergarten programs, including family-based preschool programs that emphasize school readiness and parental skills, and the provision of services to Indian children with disabilities;

"(H) partnership projects between local educational agencies and institutions of higher education that allow secondary school students to enroll in courses at the postsecondary level to aid such students in the transition from secondary school to postsecondary education;

"(I) partnership projects between schools and local businesses for school-to-work transition programs designed to provide Indian youth with the knowledge and skills the youth need to make an effective transition from school to a first job in a high-skill, high-wage career;

"(J) programs designed to encourage and assist Indian students to work toward, and gain entrance into, an institution of higher education; and

"(K) other services that meet the purpose described in subsection (a)(1).

"(2) PRESERVICE OR INSERVICE TRAINING.—Preservice or inservice training of professional and paraprofessional personnel may be a part of any program assisted under this section.

"(d) GRANT REQUIREMENTS AND APPLICATIONS.—

"(1) GRANT REQUIREMENTS.—(A) The Secretary may make multiyear grants under this section for the planning, development, pilot operation, or demonstration of any activity described in subsection (c) for a period not to exceed 5 years.

"(B) In making multiyear grants under this section, the Secretary shall give priority to applications that present a plan for combining two or more of the activities described in subsection (c) over a period of more than 1 year.

"(C) The Secretary shall make a grant payment to an eligible entity after the initial year of the multiyear grant only if the Secretary determines that the eligible entity has made substantial progress in carrying out the activities assisted under the grant in accordance with the application submitted under paragraph (2) and any subsequent modifications to such application.

"(D)(i) In addition to awarding the multiyear grants described in subparagraph (A), the Secretary may award grants to eligible entities for the dissemination of exemplary materials or programs assisted under this section.

"(ii) The Secretary may award a dissemination grant under this subparagraph if, prior to awarding the grant, the Secretary determines that the material or program to be disseminated has been adequately reviewed and has a demonstrated—

"(I) educational merit; and

"(II) the ability to be replicated.

"(2) APPLICATION.—(A) Any eligible entity that desires to receive a grant under this subsection shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(B) Each application submitted to the Secretary under subparagraph (A) shall contain—

"(i) a description of how parents of Indian children and representatives of Indian tribes have been, and will be, involved in developing and implementing the activities for which assistance is sought;

"(ii) assurances that the applicant will participate, at the request of the Secretary, in any national evaluation of activities assisted under this section; and

"(iii) such other assurances and information as the Secretary may reasonably require.

"SEC. 6202. PROFESSIONAL DEVELOPMENT.

"(a) PURPOSES.—The purposes of this section are—

"(1) to increase the number of qualified Indian individuals in professions that serve Indian people;

"(2) to provide training to qualified Indian individuals to enable such individuals to become teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

"(3) to improve the skills of qualified Indian individuals who serve in the capacities described in paragraph (2).

"(b) ELIGIBLE ENTITIES.—For the purpose of this section, the term 'eligible entity' means—

"(1) an institution of higher education, including an Indian institution of higher education;

"(2) a State or local educational agency, in consortium with an institutions of higher education; and

"(3) an Indian tribe or organization, in consortium with an institution of higher education.

"(c) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to eligible entities having applications approved under this section to enable such entities to carry out the activities described in subsection (d).

"(d) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Grant funds under this section shall be used to provide support and training for Indian individuals in a manner consistent with the purposes of this section. Such activities may include continuing programs, symposia, workshops, conferences, and direct financial support.

"(2) SPECIAL RULES.—(A) For education personnel, the training received pursuant to a grant under this section may be inservice or preservice training.

"(B) For individuals who are being trained to enter any field other than education, the training received pursuant to a grant under this section shall be in a program that results in a graduate degree.

"(e) APPLICATION.—

"(1) IN GENERAL.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information, as the Secretary may reasonably require.

"(2) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applications describing programs that train Indian individuals.

"(f) SPECIAL RULE.—In making grants under this section, the Secretary—

"(1) shall consider the prior performance of the eligible entity; and

"(2) may not limit eligibility to receive a grant under this section on the basis of—

"(A) the number of previous grants the Secretary has awarded such entity; or

"(B) the length of any period during which such entity received such grants.

"(g) GRANT PERIOD.—Each grant under this section shall be awarded for a program of not more than 5 years.

"(h) SERVICE OBLIGATION.—

"(1) IN GENERAL.—The Secretary shall require, by regulation, that an individual who receives training pursuant to a grant made under this section—

"(A) perform work—

"(i) related to the training received under this section; and

"(ii) that benefits Indian people; or

"(B) repay all or a prorated part of the assistance received.

"(2) REPORTING.—The Secretary shall establish, by regulation, a reporting procedure under which a grant recipient under this section shall, not later than 12 months after the date of completion of the training, and periodically thereafter, provide information concerning the compliance of such recipient with the work requirement under paragraph (1).

"SEC. 6203. FELLOWSHIPS FOR INDIAN STUDENTS.

"(a) FELLOWSHIPS.—

"(1) AUTHORITY.—The Secretary is authorized to award fellowships to Indian students to enable such students to study in graduate and professional programs at institutions of higher education.

"(2) REQUIREMENTS.—The fellowships described in paragraph (1) shall be awarded to Indian students to enable such students to pursue a course of study—

"(A) of not more than 4 academic years; and

"(B) that leads—

"(i) toward a postbaccalaureate degree in medicine, clinical psychology, psychology, law, education, and related fields; or

"(ii) to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.

"(b) STIPENDS.—The Secretary shall pay to Indian students awarded fellowships under subsection (a) such stipends (including allowances for subsistence of such students and dependents of such students) as the Secretary determines to be consistent with prevailing practices under comparable federally supported programs.

"(c) PAYMENTS TO INSTITUTIONS IN LIEU OF TUITION.—The Secretary shall pay to the institution of higher education at which the holder of a fellowship is pursuing a course of study, such amount as the Secretary determines to be necessary to cover the cost of education provided the fellowship recipient.

"(d) SPECIAL RULES.—

"(1) IN GENERAL.—If a fellowship awarded under subsection (a) is vacated prior to the end of the period for which the fellowship is awarded, the Secretary may award an additional fellowship for the unexpired portion of the period of the fellowship.

"(2) WRITTEN NOTICE.—Not later than 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of—

"(A) the amount of the fellowship; and

"(B) any stipends or other payments that will be made under this section to, or for the benefit of, the individual for the academic term.

"(3) PRIORITY.—In awarding fellowships under subsection (a), the Secretary shall give priority to awarding not more than 10 percent of such fellowships to Indian students who are receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

"(e) SERVICE OBLIGATION.—

"(1) IN GENERAL.—The Secretary shall require, by regulation, that an individual who receives financial assistance under this section—

"(A) perform work—

"(i) related to the training for which the individual receives assistance under this section; and

"(ii) that benefits Indian people; or

"(B) repay all or a prorated portion of such assistance.

"(2) REPORTING PROCEDURE.—The Secretary shall establish, by regulation, a reporting procedure under which the recipient of training assistance under this section, not later than 12 months after the date of completion of the training and periodically thereafter, shall provide information concerning the compliance of such recipient with the work requirement under paragraph (1).

"(f) ADMINISTRATION OF FELLOWSHIPS.—The Secretary may administer the fellowships authorized under this section through a grant to, or contract or cooperative agreement with, an Indian organization with demonstrated qualifications to administer all facets of the program assisted under this section.

"SEC. 6204. GIFTED AND TALENTED.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to—

"(1) establish two centers for gifted and talented Indian students at tribally controlled community colleges in accordance with this section; and

"(2) support demonstration projects described in subsection (c).

"(b) ELIGIBLE ENTITIES.—The Secretary shall make grants to, or enter into contracts, for the activities described in subsection (a), with—

"(1) two tribally controlled community colleges that—

"(A) are eligible for funding under the Tribally Controlled Community College Assistance Act of 1978; and

"(B) are accredited by a State or regional accrediting agency or organization; or

"(2) if the Secretary does not receive applications that the Secretary determines to be approvable from two colleges that meet the requirements of paragraph (1), the American Indian Higher Education Consortium.

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—The grants made, or contracts entered into, by the Secretary under subsection (a) shall be used for—

"(A) the establishment of centers described in subsection (a); and

"(B) carrying out demonstration projects designed to—

"(i) address the special needs of Indian students in elementary and secondary schools who are gifted and talented; and

"(ii) provide such support services to the families of the students described in clause (i) as are needed to enable such students to benefit from the projects.

"(2) SUBCONTRACTS.—Each recipient of a grant or contract under subsection (a) may enter into a contract with any other entity, including the Children's Television Workshop, to carry out the demonstration project under this subsection.

"(3) DEMONSTRATION PROJECTS.—Demonstration projects assisted under subsection (a) may include—

"(A) the identification of the special needs of gifted and talented Indian students, particularly at the elementary school level, giving attention to—

"(i) the emotional and psychosocial needs of such students; and

"(ii) providing such support services to the families of such students as are needed to enable such students to benefit from the project;

"(B) the conduct of educational, psychosocial, and developmental activities that the Secretary determines holds a reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including—

"(i) demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions; and

"(ii) mentoring and apprenticeship programs;

"(C) the provision of technical assistance and the coordination of activities at schools that receive grants under subsection (d) with respect to the activities assisted under such grants, the evaluation of programs assisted under such grants, or the dissemination of such evaluations;

"(D) the use of public television in meeting the special educational needs of such gifted and talented children;

"(E) leadership programs designed to replicate programs for such children throughout the United States, including disseminating information derived from the demonstration projects conducted under subsection (a); and

"(F) appropriate research, evaluation, and related activities pertaining to the needs of such children and to the provision of such support services to the families of such children that are needed to enable such children to benefit from the project.

"(4) APPLICATION.—Each entity desiring a grant under subsection (a) shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(d) ADDITIONAL GRANTS.—

"(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior, shall award 5 grants to schools funded by the Bureau of Indian Affairs (hereafter in this section referred to as 'Bureau schools') for program research and development and the development and dissemination of curriculum and teacher training material, regarding—

"(A) gifted and talented students;

"(B) college preparatory studies (including programs for Indian students with an interest in pursuing teaching careers);

"(C) students with special culturally related academic needs, including students with social, lingual, and cultural needs; or

"(D) mathematics and science education.

"(2) APPLICATIONS.—Each Bureau school desiring a grant under this subsection shall submit an application to the Secretary in such form and at such time as the Secretary may prescribe.

"(3) SPECIAL RULE.—Each application described in paragraph (2) shall be developed, and each grant under this subsection shall be administered, jointly by the supervisor of the Bureau school and the local educational agency serving such school.

"(4) REQUIREMENTS.—In awarding grants under paragraph (1), the Secretary shall achieve a mixture of the programs described in paragraph (1) that ensures that Indian students at all grade levels and in all geographic areas of the United States are able to participate in a program assisted under this subsection.

"(5) GRANT PERIOD.—Subject to the availability of appropriations, grants under paragraph (1) shall be awarded for a 3-year period and may be renewed by the Secretary for additional 3-year periods if the Secretary determines that the performance of the grant recipient has been satisfactory.

"(6) DISSEMINATION.—The dissemination of any materials developed from activities assisted under paragraph (1) shall be carried out in cooperation with entities that receive funds pursuant to subsection (b).

"(7) EVALUATION COSTS.—(A) The costs of evaluating any activities assisted under paragraph (1) shall be divided between the Bureau schools conducting such activities and the recipients of grants or contracts under subsection (b) who conduct demonstration projects under such subsection.

"(B) If no funds are provided under subsection (b) for—

"(i) the evaluation of activities assisted under paragraph (1);

"(ii) technical assistance and coordination with respect to such activities; or

"(iii) the dissemination of the evaluations referred to in clause (i),

then the Secretary shall make such grants, or enter into such contracts, as are necessary to provide for the evaluations, technical assistance, and coordination of such activities, and the dissemination of the evaluations.

"(e) INFORMATION NETWORK.—The Secretary shall encourage each recipient of a grant or contract under this section to work cooperatively as part of a national network to ensure that the information developed by the grant or contract recipient is readily available to the entire educational community of the United States.

"SEC. 6205. GRANTS FOR EVALUATION AND TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary may award grants to, and enter into contracts with, public agencies, State educational agencies in States in which more than 5,000 Indian children are enrolled in public elementary and secondary schools, Indian tribes, Indian institutions, Indian organizations, and private institutions and organizations, to establish, on a regional basis, information centers that shall—

"(1) evaluate programs that receive assistance under this title and evaluate other Indian education programs in order to—

"(A) determine the effectiveness of the programs in meeting the special educational and culturally related academic needs of Indian children and adults; and

"(B) conduct research to determine the needs described in subparagraph (A);

"(2) provide technical assistance in the form of materials and personnel resources, upon request, to local educational agencies and Indian tribes, Indian organizations, Indian institutions, and committees described in section 6104(c)(4) in evaluating and carrying out activities assisted under this title; and

"(3) disseminate information, upon request, to the entities described in paragraph (1) concerning all Federal education programs that affect the education of Indian children and adults, including information concerning successful models and programs designed to meet the special educational needs of Indian children.

"(b) PERIOD OF GRANT OR CONTRACT.—Each grant or contract under this section may be for a period of not more than 3 years, and may be renewed for an additional 3-year period if the Secretary annually reviews the performance of the grant recipient and determines that satisfactory progress has been made.

"(c) USE OF FUNDS.—The Secretary may award grants and enter into contracts with Indian tribes, institutions, and organizations, and public agencies and institutions for—

"(1) the dissemination, on a national basis, of information concerning education programs, services, and resources available to Indian children and adults, including evaluations of such programs, services, and resources; and

"(2) the evaluation of the effectiveness of federally assisted programs in which Indian children and adults may participate in achieving the purposes of such programs relating to Indian children and adults.

"(d) STATE AGENCY GRANTS AND CONTRACTS.—The Secretary shall award not more than 15 percent of the funds appropriated under subsection (g) for each fiscal year to State educational agencies.

"(e) APPLICATION.—

"(1) IN GENERAL.—Each entity desiring assistance under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) PRIORITY.—In approving applications under this section, the Secretary shall give priority to Indian educational agencies, organizations, and institutions.

"(3) APPROVAL.—The Secretary may approve an application under this section, only if the Secretary determines that the funds made available under this section will be used to supplement the level of funds from State, local, and other Federal sources that would, in the absence of Federal funds provided under this section, be made available by the State or local educational agency for the activities described in this section, and in no case will be used to supplant such funds.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Education $8,000,000 for each of the fiscal years 1995 through 1999 to carry out this section.

"SEC. 6206. GRANTS TO TRIBES FOR EDUCATION ADMINISTRATIVE PLANNING AND DEVELOPMENT.

"(a) IN GENERAL.—The Secretary may make grants to Indian tribes, and tribal organizations approved by Indian tribes, to plan and develop a centralized tribal administrative entity to—

"(1) coordinate all education programs operated by the tribe or within the territorial jurisdiction of the tribe;

"(2) develop education codes for schools within the territorial jurisdiction of the tribe;

"(3) provide support services and technical assistance to schools serving children of the tribe; and

"(4) perform child-find screening services for the preschool-aged children of the tribe to—

"(A) ensure placement in appropriate educational facilities; and

"(B) coordinate the provision of any needed special services for conditions such as disabilities and English language skill deficiencies.

"(b) PERIOD OF GRANT.—Each grant under this section may be awarded for a period of not more than 3 years, except that such grant may be renewed upon the termination of the initial period of the grant if the grant recipient demonstrates to the satisfaction of the Secretary that renewing the grant for an additional 3-year period is necessary to carry out the objectives of the grant described in subsection (c)(2)(A).

"(c) APPLICATION FOR GRANT.—

"(1) IN GENERAL.—Each Indian tribe and tribal organization desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, containing such information, and consistent with such criteria, as the Secretary may prescribe in regulations.

"(2) CONTENTS.—Each application described in paragraph (1) shall contain—

"(A) a statement describing the activities to be conducted, and the objectives to be achieved, under the grant; and

"(B) a description of the method to be used for evaluating the effectiveness of the activities for which assistance is sought and determining whether such objectives are achieved.

"(3) APPROVAL.—The Secretary may approve an application submitted by a tribe or tribal organization pursuant to this section only if the Secretary is satisfied that such application, including any documentation submitted with the application—

"(A) demonstrates that the applicant has consulted with other education entities, if any, within the territorial jurisdiction of the applicant who will be affected by the activities to be conducted under the grant;

"(B) provides for consultation with such other education entities in the operation and evaluation of the activities conducted under the grant; and

"(C) demonstrates that there will be adequate resources provided under this section or from other sources to complete the activities for which assistance is sought, except that the availability of such other resources shall not be a basis for disapproval of such application.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Education $3,000,000 for each of the fiscal years 1995 through 1999 to carry out this section.

"PART C—SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR INDIANS

"SEC. 6301. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

"(a) IN GENERAL.—The Secretary shall award grants to State and local educational agencies, and to Indian tribes, institutions, and organizations—

"(1) to support planning, pilot, and demonstration projects that are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

"(2) to assist in the establishment and operation of programs that are designed to stimulate—

"(A) basic literacy opportunities for all nonliterate Indian adults; and

"(B) the provision of opportunities to all Indian adults to qualify for a secondary school diploma, or its recognized equivalent, in the shortest period of time feasible;

"(3) to support a major research and development program to develop more innovative and effective techniques for achieving literacy and secondary school equivalency for Indians;

"(4) to provide for basic surveys and evaluations to define accurately the extent of the problems of illiteracy and lack of secondary school completion among Indians; and

"(5) to encourage the dissemination of information and materials relating to, and the evaluation of, the effectiveness of education programs that may offer educational opportunities to Indian adults.

"(b) EDUCATIONAL SERVICES.—The Secretary may make grants to Indian tribes, institutions, and organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

"(c) INFORMATION AND EVALUATION.—The Secretary may make grants to, and enter into contracts with, public agencies and institutions and Indian tribes, institutions, and organizations, for—

"(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations of the programs, services, and resources; and

"(2) the evaluation of federally assisted programs in which Indian adults may participate to determine the effectiveness of the programs in achieving the purposes of the programs with respect to Indian adults.

"(d) APPLICATIONS.—

"(1) IN GENERAL.—Each entity desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, containing such information, and consistent with such criteria, as the Secretary may prescribe in regulations.

"(2) CONTENTS.—Each application described in paragraph (1) shall contain—

"(A) a statement describing the activities to be conducted, and the objectives to be achieved, under the grant; and

"(B) a description of the method to be used for evaluating the effectiveness of the activities for which assistance is sought and determining whether the objectives of the grant are achieved.

"(3) APPROVAL.—The Secretary shall not approve an application described in paragraph (1) unless the Secretary determines that such application, including any documentation submitted with the application, indicates—

"(A) there has been adequate participation, by the individuals to be served and appropriate tribal communities, in the planning and development of the activities to be assisted; and

"(B) the individuals and tribal communities referred to in subparagraph (A) will participate in the operation and evaluation of the activities to be assisted.

"(4) PRIORITY.—In approving applications under paragraph (1), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

"PART D—NATIONAL RESEARCH ACTIVITIES

"SEC. 6401. NATIONAL ACTIVITIES.

"(a) AUTHORIZED ACTIVITIES.—The Secretary may use funds made available under section 6602(b) for each fiscal year to—

"(1) conduct research related to effective approaches for the education of Indian children and adults;

"(2) evaluate federally assisted education programs from which Indian children and adults may benefit;

"(3) collect and analyze data on the educational status and needs of Indians; and

"(4) carry out other activities that are consistent with the purpose of this title.

"(b) ELIGIBILITY.—The Secretary may carry out any of the activities described in subsection (a) directly or through grants to, or contracts or cooperative agreements with Indian tribes, Indian organizations, State educational agencies, local educational agencies, institutions of higher education, including Indian institutions of higher education, and other public and private agencies and institutions.

"(c) COORDINATION.—Research activities supported under this section—

"(1) shall be carried out in consultation with the Assistant Secretary for Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office of Educational Research and Improvement; and

"(2) may include collaborative research activities that are jointly funded and carried out by the Office of Indian Education and the Office of Educational Research and Improvement.

"PART E—FEDERAL ADMINISTRATION

"SEC. 6501. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

"(a) MEMBERSHIP.—There is established a National Advisory Council on Indian Education (hereafter in this section referred to as the 'Council'), which shall—

"(1) consist of 15 Indian members, who shall be appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations; and

"(2) represent different geographic areas of the United States.

"(b) DUTIES.—The Council shall—

"(1) advise the Secretary concerning the funding and administration (including the development of regulations and administrative policies and practices) of any program, including any program established under this title—

"(A) with respect to which the Secretary has jurisdiction; and

"(B)(i) that includes Indian children or adults as participants; or

"(ii) that may benefit Indian children or adults;

"(2) make recommendations to the Secretary for filling the position of Director of Indian Education whenever a vacancy occurs; and

"(3) submit to the Congress, not later than June 30 of each year, a report on the activities of the Council, including—

"(A) any recommendations that the Council considers appropriate for the improvement of Federal education programs that include Indian children or adults as participants, or that may benefit Indian children or adults; and

"(B) recommendations concerning the funding of any program described in subparagraph (A).

"SEC. 6502. PEER REVIEW.

"The Secretary may use a peer review process to review applications submitted to the Secretary under part B, C, or D.

"SEC. 6503. PREFERENCE FOR INDIAN APPLICANTS.

"In making grants under part B, C, or D, the Secretary shall give a preference to Indian tribes, organizations, and institutions of higher education under any program with respect to which Indian tribes, organizations, and institutions are eligible to apply for grants.

"SEC. 6504. MINIMUM GRANT CRITERIA.

"The Secretary may not approve an application for a grant under part B or C unless the application is for a grant that is—

"(1) of sufficient size, scope, and quality to achieve the purpose or objectives of such grant; and

"(2) based on relevant research findings.

"PART F—DEFINITIONS; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 6601. DEFINITIONS.

"As used in this title:

"(1) ADULT.—The term 'adult' means an individual who—

"(A) has attained the age of 16 years; or

"(B) has attained an age that is greater than the age of compulsory school attendance under an applicable State law.

"(2) ADULT EDUCATION.—The term 'adult education' has the meaning given such term in section 312(2) of the Adult Education Act.

"(3) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is—

"(A) provided at public expense, under public supervision and direction, and without tuition charge; and

"(B) provided as elementary or secondary education in the applicable State or to preschool children.

"(4) INDIAN.—The term 'Indian' means an individual who is—

"(A) a member of an Indian tribe or band, as membership is defined by the tribe or band, including—

"(i) any tribe or band terminated since 1940; and

"(ii) any tribe or band recognized by the State in which the tribe or band resides;

"(B) a descendant, in the first or second degree, of an individual described in subparagraph (A);

"(C) considered by the Secretary of the Interior to be an Indian for any purpose;

"(D) an Eskimo, Aleut, or other Alaska Native; or

"(E) a member of an organized Indian group that received a grant under this title prior to the date of enactment of the Act entitled the 'Improving America's Schools Act of 1994'.

"SEC. 6602. AUTHORIZATIONS OF APPROPRIATIONS.

"(a) PART A.—For the purpose of carrying out part A of this title, there are authorized to be appropriated to the Department of Education $61,300,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) PARTS B THROUGH D.—For the purpose of carrying out parts B, C, and D of this title, there are authorized to be appropriated to the Department of Education $31,925,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(c) PART E.—For the purpose of carrying out part E of this title, there are authorized to be appropriated to the Department of Education $3,775,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 6603. CROSS REFERENCES.

"The Tribally Controlled Schools Act of 1988 is amended—

"(1) in subparagraph (C) of section 5204(a)(3) (20 U.S.C. 2503(a)(3)(C)), by striking "chapter 1 of"; and

"(2) in section 5205 (20 U.S.C. 2504)—

"(A) in subsection (a)(3), by striking "chapter 1 of"; and

"(B) in subsection (b)—

"(i) in paragraph (2), by striking "chapter 1 of"; and

"(ii) in paragraph (3)(A), by striking "chapter 1 of".

"TITLE VII—LANGUAGE ENHANCEMENT AND ACQUISITION PROGRAMS

"PART A—BILINGUAL EDUCATION PROGRAMS

"SEC. 7101. SHORT TITLE.

"This part may be cited as the 'Bilingual Education Act'.

"SEC. 7102. FINDINGS.

"The Congress finds that—

"(1) there are large and growing numbers of children and youth of limited-English proficiency, many of whom have a cultural heritage that differs from that of their English proficient peers;

"(2) limited-English proficient children and youth face a number of challenges in receiving an education that will enable such children and youth to participate fully in American society, including—

"(A) segregated education programs;

"(B) disproportionate and improper placement in special education and other special programs due to the use of inappropriate evaluation procedures;

"(C) the limited-English proficiency of their own parents, which hinders the parents' ability to fully participate in the education of their children; and

"(D) a shortage of teachers and other staff who are professionally trained and qualified to serve such children and youth;

''(3) the Federal Government, as exemplified by title VI of the Civil Rights Act of 1964 and section 204(f) of the Equal Education Opportunities Act of 1974, has a special and continuing obligation to ensure that States and local school districts take appropriate action to provide equal educational opportunities to children and youth of limited-English proficiency;

''(4) the Federal Government also, as exemplified by the Federal Government's efforts under this title, has a special and continuing obligation to assist States and local school districts in developing the capacity to provide programs of instruction that offer limited-English proficient children and youth an equal educational opportunity;

''(5) in carrying out the Federal Government's responsibilities with respect to ensuring equal educational opportunity for children and youth of limited-English proficiency, the Federal Government has learned that—

''(A) large numbers of such children and youth have needs that must be met by a program of instruction designed specifically for such children and youth;

''(B) a primary purpose of such programs must be developing the English language skills of such children and youth;

''(C) the use of a child or youth's native language and culture in classroom instruction can—

''(i) promote self-esteem and contribute to academic achievement and learning English by limited-English proficient children and youth;

''(ii) benefit English proficient children and youth who also participate in such programs; and

''(iii) develop our Nation's national language resources, thus promoting our Nation's competitiveness in the global economy;

''(D) parent and community participation in bilingual education programs contributes to program effectiveness; and

''(E) research, evaluation, and data-collection capabilities in the field of bilingual education need to be strengthened so that educators and other staff can better identify and promote those programs, program implementation strategies, and instructional practices that result in effective education; and

''(6) Native Americans and Native American languages (as such terms are defined in section 103 of the Native American Languages Act) have a unique status under Federal law that requires special policies within the broad purposes of this Act to serve the education needs of language minority students in the United States.

"SEC. 7103. POLICY; AUTHORIZATION OF APPROPRIATIONS.

''(a) POLICY.—The Congress declares it to be the policy of the United States, in order to ensure equal educational opportunity for all children and youth and to promote educational excellence, to assist State and local educational agencies and consortia of local educational agencies, institutions of higher education and community based organizations to build their capacity to establish, implement, and sustain programs of instruction for children and youth of limited-English proficiency that—

''(1) develop the English of such children and youth and, to the extent possible, the native language skills of such children and youth;

''(2) educate such children and youth to meet the same rigorous standards for academic performance expected of all children and youth, including meeting challenging State content standards and challenging State student performance standards in academic areas;

''(3) develop bilingual skills and multicultural understanding; and

''(4) provide similar assistance to Native Americans with certain modifications relative to the unique status of Native American languages under Federal law.

''(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $215,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 7104. DEFINITIONS.

''For the purpose of this title:

''(1) BILINGUAL EDUCATION PROGRAM.—(A) The term 'bilingual education program'—

''(i) means a program of instruction designed specifically for children and youth of limited-English proficiency at any grade level, including the preschool, elementary, or secondary school levels, that is intended—

''(I) to help such children and youth develop proficiency in English and, to the extent possible, the native language of such children and youth; and

''(II) to achieve to high academic standards in all courses of study; and

''(ii) may include activities to assist the parents of such children and youth enrolled in bilingual education programs to participate in the education of their children.

''(B)(i) A bilingual education program may be conducted in English, the native language, or both languages, except that all bilingual education programs shall develop proficiency in the English language. The native language may be used in the instructional program to facilitate the acquisition of English, to develop overall linguistic competence, and to develop competence in the academic curriculum.

''(ii) A bilingual education program shall, to the extent possible, incorporate the cultural heritage of the children or youth of limited-English proficiency served by the program, as well as the cultural heritage of other children in American society.

''(C) Children and youth proficient in English may participate in a bilingual education program to enable all children and youth participating in a bilingual education program to become proficient in English and a second language.

''(2) CHILDREN AND YOUTH.—The term 'children and youth' means individuals aged three through 21.

''(3) DIRECTOR.—The term 'Director' means the Director of the Office of Bilingual Education and Minority Languages Affairs established under section 210 of the Department of Education Organization Act.

''(4) JURISDICTION WHERE A NATIVE AMERICAN LANGUAGE HAS OFFICIAL STATUS.—The term 'jurisdiction where a Native American language has official status' refers to States, territories, commonwealths, cities, counties, reservations, Alaska Native villages, school districts, and other jurisdictions similar to those described in this paragraph that have legally recognized a Native American language for conducting an aspect of their official business.

''(5) LIMITED-ENGLISH PROFICIENCY AND LIMITED-ENGLISH PROFICIENT.—The terms 'limited-English proficiency' and 'limited-English proficient', when used with reference to an individual, mean an individual—

''(A) who—

''(i) was not born in the United States or whose native language is a language other than English and comes from an environment where a language other than English is dominant; or

''(ii) is a Native American or Alaska Native and comes from an environment where a language other than English has had a significant impact on such individual's level of English language proficiency; or

''(iii) is migratory and whose native language is other than English and comes from an environment where a language other than English is dominant; and

''(B) who, by reason thereof, has sufficient difficulty speaking, reading, writing, or understanding the English language to deny such individual the opportunity to learn successfully in classrooms where the language of instruction is English or to participate fully in our society.

''(6) NATIVE AMERICAN AND NATIVE AMERICAN LANGUAGE.—The terms 'Native American' and 'Native American language' shall have the same meaning given such terms in section 103 of the Native American Languages Act of 1990.

''(7) NATIVE HAWAIIAN OR NATIVE AMERICAN PACIFIC ISLANDER NATIVE LANGUAGE EDUCATIONAL ORGANIZATION.—The term 'Native Hawaiian or Native American Pacific Islander native language educational organization' means a nonprofit organization with a majority of its governing board and employees consisting of fluent speakers of the traditional Native American languages used in their educational programs and with at least five years successful experience in providing educational services in traditional Native American languages.

''(8) NATIVE LANGUAGE.—The term 'native language', when used with reference to an individual of limited-English proficiency, means the language normally used by such individual, or in the case of a child or youth, the language normally used by the parents of the child or youth.

''(9) OTHER PROGRAMS FOR PERSONS OF LIMITED-ENGLISH PROFICIENCY.—The term 'other programs for persons of limited-English proficiency' means any programs administered by the Secretary that directly involve bilingual education activities serving persons of limited-English proficiency.

"SEC. 7105. NATIVE AMERICAN AND ALASKA NATIVE CHILDREN IN SCHOOL.

''(a) ELIGIBLE ENTITIES.—For the purpose of carrying out programs under this part for individuals served by elementary and secondary schools operated predominately for Native American or Alaska Native children and youth, an Indian tribe, a tribally sanctioned educational authority, a Native Hawaiian or Native American Pacific Islander native language education organization, or an elementary or secondary school that is operated or funded by the Bureau of Indian Affairs shall be considered to be a local educational agency as such term is used in this part, subject to the following qualifications:

''(1) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized for the special programs and services provided by the United States to Indians because of their status as Indians.

''(2) TRIBALLY SANCTIONED EDUCATIONAL AUTHORITY.—The term 'tribally sanctioned educational authority' means—

''(A) any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe; and

''(B) any nonprofit institution or organization that is—

''(i) chartered by the governing body of an Indian tribe to operate any such school or otherwise to oversee the delivery of educational services to members of that tribe; and

''(ii) approved by the Secretary for the purpose of this section.

''(b) ELIGIBLE ENTITY APPLICATION.—Notwithstanding any other provision of this part, each eligible entity described in subsection (a) shall submit any application for assistance under this part directly to the Secretary along with timely comments on the need for the proposed program.

"Subpart 1—Financial Assistance for Bilingual Education

"SEC. 7111. FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION.

"(a) PURPOSE.—The purpose of this subpart is to assist local educational agencies, through the grants authorized by subsections (b), (c), and (d), to—

"(1) develop and enhance their capacity to provide high-quality instruction to children and youth of limited-English proficiency; and

"(2) to help such children and youth—

"(A) develop proficiency in English, and to the extent possible, their native language; and

"(B) meet the same challenging State content standards and challenging State student performance standards expected for all children and youth as required by section 1111(b).

"(b) DEVELOPMENT AND ENHANCEMENT GRANTS.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to local educational agencies, or community based organizations in consortia with one or more local educational agencies and an institution of higher education, to—

"(A) develop new bilingual education programs;

"(B) enhance or expand existing bilingual education programs to meet new conditions, such as the need to serve additional language groups or different age or grade levels; and

"(C) meet the short-term needs of local educational agencies without bilingual education programs to serve children and youth of limited-English proficiency.

"(2) DURATION.—Grants awarded under this subsection shall be for a period of not more than 2 years, except that grants to carry out paragraph (1)(A) shall be awarded for a period of not more than 3 years.

"(c) COMPREHENSIVE SCHOOL GRANTS.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to local educational agencies for the purpose of implementing schoolwide bilingual education programs that serve all (or virtually all) children and youth of limited-English proficiency in schools with significant concentrations of such children and youth.

"(2) DURATION.—Grants awarded under this subsection shall be for a period of not more than 5 years, except that the Secretary shall terminate grants to local educational agencies if the Secretary determines that—

"(A) the program evaluation required by section 7126 indicates that students in the schoolwide program are not being taught to and achieving challenging State content standards and challenging State student performance standards; or

"(B) in the case of a program to promote dual language facility, such program is not promoting such facility.

"(d) COMPREHENSIVE DISTRICT GRANTS.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to local educational agencies for the purpose of implementing district-wide bilingual education programs that serve a significant number of children and youth of limited-English proficiency in districts with significant concentrations of such children and youth.

"(2) DURATION.—Grants awarded under this subsection shall be for a period of not more than 5 years, except that the Secretary shall terminate grants to local educational agencies where the Secretary determines that—

"(A) the program evaluation required by section 7126 indicates that students in the program are not being taught to and achieving challenging State content standards and challenging State student performance standards; or

"(B) in the case of a program to promote dual language facility, such program is not promoting such facility.

"(e) USE OF FUNDS.—

"(1) IN GENERAL.—Recipients of grant funds under subsections (b), (c), and (d) may use such funds for—

"(A) identification and acquisition of curricular materials, educational software, and technologies to advance the education of children and youth of limited-English proficiency;

"(B) parent outreach and training activities designed to assist parents to become active participants in the education of their children;

"(C) salaries of personnel, including teacher aides who have been specifically trained, or are being trained, to provide services to children and youth of limited-English proficiency;

"(D) tutorials and academic or career counseling for children and youth of limited-English proficiency; and

"(E) such other activities, related to the purposes of this part, as the Secretary may approve.

"(2) ADDITIONAL ACTIVITIES.—Recipients of funds under subsections (c) and (d) may—

"(A) use such funds for preservice and inservice professional development of staff participating, or preparing to participate, in the program, including staff who will not directly participate in the bilingual instructional program (which in the case of teachers who are participating in the program may include release time with pay), if such activities are directly related to serving children and youth of limited-English proficiency and will help accomplish the purposes of this subpart; and

"(B) during the first 12 months of such a grant, engage exclusively in activities preparatory to the delivery of services, which may include program design, the development of materials and procedures, and activities to involve parents in the educational program and to enable parents and family members to assist in the education of children and youth of limited-English proficiency.

"(f) GEOGRAPHIC DISTRIBUTION OF FUNDS.—To the extent possible, the Secretary shall award grants under this section throughout the Nation in a manner that—

"(1) reflects the geographic distribution of children and youth of limited-English proficiency throughout the Nation;

"(2) takes into account significant increases in limited-English proficient children and youth in areas with low concentrations of such children and youth; and

"(3) ensures that activities assisted under this part address the full needs of school systems of all sizes and geographic areas, including rural schools.

"(g) CONSTRUCTION.—Nothing in this subpart shall be construed to prohibit a local educational agency from serving limited-English proficient children and youth simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"(h) APPLICATIONS.—

"(1) IN GENERAL.—Any local educational agency or community based organization that desires a grant under this section shall submit, through its State educational agency, an application to the Secretary, in such form, at such time, and containing such information and assurances as the Secretary may require.

"(2) CONTENTS.—Each such application shall—

"(A) describe—

"(i) the need for the proposed program, including data on the number of the children and youth of limited-English proficiency in the school or district to be served and the characteristics of such children and youth, such as language spoken, dropout rates, proficiency in English and the native language, academic standing in relation to English proficient peers, and, where applicable, the recency of immigration; and

"(ii) the program to be implemented and how such program's design—

"(I) relates to the linguistic and academic needs of the children and youth of limited-English proficiency to be served; and

"(II) is consistent with, and promotes the goals in, the local educational agency's improvement plan under section 1112, particularly as such plan relates to the education of children and youth of limited-English proficiency;

"(B) provide an assurance that the applicant will not reduce the level of State and local funds that the applicant expends for bilingual education programs if the applicant receives an award under this subpart; and

"(C) provide an assurance that the applicant will employ teachers in the proposed program that, individually or in combination, are proficient in English, including written, as well as oral, communication skills.

"(3) ADDITIONAL INFORMATION.—Each application for a grant under subsection (c) or (d) shall—

"(A) describe—

"(i) current services the applicant provides to children and youth of limited-English proficiency;

"(ii) what services children and youth of limited-English proficiency will receive under the grant that such children or youth will not otherwise receive;

"(iii) how funds received under this subpart will be integrated with all other Federal, State, local, and private resources that may be used to serve children and youth of limited-English proficiency; and

"(iv) specific achievement and school retention goals for the children and youth to be served by the proposed program and how progress toward achieving such goals will be measured; and

"(B) provide assurances that—

"(i) the program funded will be integrated with the overall educational program; and

"(ii) the application has been developed in consultation with an advisory council, the majority of whose members are parents and other representatives of the children and youth to be served in such programs.

"(i) LIMITATION ON FUNDING.—

"(1) DEVELOPMENT AND ENHANCEMENT GRANTS.—Not more than 25 percent of the total amount of funds that the Secretary awards under subsection (b) for any fiscal year shall be used to provide funding to bilingual education programs that do not use the native language.

"(2) COMPREHENSIVE SCHOOL GRANTS.—Not more than 25 percent of the total amount of funds that the Secretary awards under subsection (c) for any fiscal year shall be used to provide funding to bilingual education programs that do not use the native language.

"(3) SPECIAL RULE.—Notwithstanding paragraphs (1) and (2), the Secretary is authorized to award grants for bilingual education programs that are not conducted in the native language if an applicant has demonstrated that the applicant cannot develop and implement a bilingual education program that is conducted in the native language because—

"(A) the diversity of limited-English proficient students' native languages and the small number of students speaking each respective language make instruction in the native language impractical; or

"(B) despite documented efforts, the applicant has not been able to hire qualified instructional personnel who are able to communicate in the students' native language.

"(j) STATE REVIEW OF APPLICATIONS UNDER PART A.—In order for an eligible applicant to apply for funds under this subpart, such applicant shall submit the application to the State educational agency for review. The State educational agency shall transmit such application

to the Secretary along with such agency's timely comments on the need within the State for the proposed program and whether the proposed program is consistent with the State plan under section 1111.

"(k) Capacity Building.—

"(1) In general.—Each recipient of a grant under this section shall use the grant funds in ways that will build such recipient's capacity to continue to offer high quality bilingual education programs and services to children and youth of limited-English proficiency once Federal assistance is reduced or eliminated.

"(2) Special rule.—In making awards under this subpart for any fiscal year, the Secretary shall, consistent with the quality of applications and the funds available under this part, increase the amount of funds used to support grants under subsections (c) and (d) over the amount used to support grants under subsections (c) and (d) in the previous fiscal year.

"(l) Consortia.—A local educational agency that receives a grant under this subpart may collaborate or form a consortium with one or more local education agencies, institutions of higher education, and nonprofit organizations to carry out a program described in an application approved under this subpart.

"(m) Subgrants.—A local educational agency that receives a grant under this subpart may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a nonprofit organization, or a consortium of such entities to carry out a program described in an application approved under this subpart, including a program to serve out-of-school youth.

"(n) Parental Notification.—

"(1) In general.—Parents of a child or youth of limited-English proficiency identified for enrollment in bilingual education programs shall be informed of the—

"(A) benefits, nature, and past academic results of the bilingual educational program and of the instructional alternatives; and

"(B) reasons for the selection of their child as being in need of bilingual education.

"(2) Option to decline.—(A) Parents of a child or youth of limited-English proficiency identified for enrollment in bilingual education programs shall be informed that such parents have the option of declining enrollment of their children in such programs and shall be given an opportunity to do so if such parents so choose.

"(B) Nothing in this section shall be construed to relieve a local educational agency, community based organization or consortium receiving assistance under this part of any of their obligations under title VI of the Civil Rights Act of 1964 because parents choose not to enroll their children in bilingual education programs.

"(3) Information.—Parents of a child or youth of limited-English proficiency identified for enrollment in bilingual education programs shall receive, in a manner and form understandable to such parents, including, if necessary and to the extent feasible, in the native language of such parents, the information required by this subsection. At a minimum, such parents shall receive—

"(A) timely information about projects funded under this subpart; and

"(B) if the parents of participating children so desire, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from such parents.

"(o) Programs for Native Americans and Puerto Rico.—Programs authorized under this title that serve Native American children, and children in the Commonwealth of Puerto Rico, notwithstanding any other provision of this title, may include programs of instruction, teacher training, curriculum development, evaluation, and testing designed for Native American children and youth learning and studying Native American languages and children and youth of limited-Spanish proficiency, except that one outcome of such programs serving Native American children shall be increased English proficiency among such children.

"Subpart 2—Research and Evaluation

"SEC. 7121. AUTHORITY.

"The Secretary is authorized to conduct data collection, dissemination, research, and evaluation activities for the purpose of improving bilingual education programs for children and youth of limited-English proficiency.

"SEC. 7122. RESEARCH.

"(a) Awards.—The Secretary may award grants and enter into contracts and cooperative agreements for research and evaluation activities related to improving and maintaining high quality bilingual educational programs for persons of limited-English proficiency.

"(b) Consultation.—The Secretary shall consult with agencies and organizations that are engaged in bilingual education research and practice, or related research, and bilingual education researchers and practitioners to identify areas of study and activities to be funded under this section.

"(c) Research and Dissemination.—The Secretary, through the Office of Educational Research and Improvement, if appropriate, shall—

"(1) conduct research on effective instruction practices for multilingual classes, and on effective instruction strategies to be used by teachers and other staff who do not know the native language of a limited-English proficient child in their classrooms; and

"(2) disseminate the findings of such research.

"SEC. 7123. ACADEMIC EXCELLENCE AWARDS.

"(a) Awards.—The Secretary may award grants to, and enter into contracts and cooperative agreements with, State and local educational agencies, nonprofit organizations, and institutions of higher education to promote the adoption and implementation of bilingual education programs that demonstrate great promise of assisting children and youth of limited-English proficiency to meet challenging State content standards and challenging State student performance standards.

"(b) Applications.—

"(1) In general.—Each entity desiring an award under this section shall submit an application to the Secretary in such form, at such time, and containing such information and assurances as the Secretary may require.

"(2) Peer review.—The Secretary shall use a peer review process, using effectiveness criteria that the Secretary shall establish, to review applications under this section.

"(c) Use of Funds.—Funds under this section shall be used to enhance the capacity of States and local education agencies to provide high quality academic programs for children and youth of limited-English proficiency, which may include—

"(1) completing the development of such programs;

"(2) professional development of staff participating in bilingual education programs;

"(3) sharing strategies and materials; and

"(4) supporting professional networks.

"(d) Coordination.—Recipients of funds under this section shall coordinate the activities assisted under this section with activities carried out by comprehensive regional centers assisted under subpart 1 of part C of title II.

"SEC. 7124. STATE GRANT PROGRAM.

"(a) State Grant Program.—The Secretary is authorized to make an award to a State educational agency that demonstrates, to the satisfaction of the Secretary, that such agency effectively provides for the education of children and youth of limited-English proficiency within the State.

"(b) Payments.—The amount paid to a State educational agency under subsection (a) shall not exceed 5 percent of the total amount awarded to local educational agencies within the State under subpart 1 for the previous fiscal year, except that in no case shall the amount paid by the Secretary to any State educational agency under this subsection for any fiscal year be less than $100,000.

"(c) Use of Funds.—

"(1) In general.—A State educational agency may use funds for programs authorized by this section to—

"(A) assist local educational agencies in the State with program design, capacity building, assessment of student performance, and program evaluation;

"(B) operate a bilingual education advisory panel under subsection (d); and

"(C) collect data concerning children and youth of limited-English proficiency.

"(2) Special rule.—Recipients of awards under this section shall not restrict the provision of services under this section to federally funded programs.

"(d) State Bilingual Education Advisory Panel.—Each State educational agency that receives funds under this section shall appoint a broad-based bilingual education advisory panel, with substantial representation from persons knowledgeable about the education of limited-English proficient students, to develop and recommend to the State educational agency guidelines for reviewing, and providing the Secretary with comments regarding, applications for funds under subparts 1 and 3 that come from within the State.

"(e) Applications.—A State educational agency desiring to receive an award under this section shall submit an application to the Secretary in such form, at such time, containing such information and assurances as the Secretary may require.

"SEC. 7125. NATIONAL CLEARINGHOUSE FOR BILINGUAL EDUCATION.

"(a) Establishment.—The Secretary shall establish and support the operation of a National Clearinghouse for Bilingual Education, which shall collect, analyze, synthesize, and disseminate information about bilingual education and related programs.

"(b) Functions.—The National Clearinghouse for Bilingual Education shall—

"(1) coordinate its activities with Federal data and information clearinghouses and dissemination networks and systems;

"(2) develop a data base management and monitoring system for improving the operation and effectiveness of programs assisted under this part; and

"(3) develop, maintain, and disseminate, through comprehensive regional centers described in section 2303(a) if appropriate, a listing by geographical area of education professionals, parents, teachers, administrators, community members and others who are native speakers of languages other than English for use as a resource by local educational agencies and schools in the development and implementation of bilingual education programs.

"SEC. 7126. EVALUATIONS.

"(a) Program Evaluations Under Subpart 1.—

"(1) In general.—Each recipient of funds under subpart 1 shall provide the Secretary with an evaluation, in the form prescribed by the Secretary, of the program assisted under such subpart every 2 years.

"(2) Use.—Such evaluation shall be used by a recipient of funds under subpart 1—

"(A) to improve such program;

"(B) to further define such program's goals and objectives; and

"(C) to determine program effectiveness.

"(3) CONTENTS.—Such evaluation shall include—

"(A) student outcome indicators that measure progress toward the challenging State student performance standards set out in the State plan approved or being developed under section 1111, including data comparing children and youth of limited-English proficiency with nonlimited-English proficient children and youth with regard to school retention, academic achievement, and gains in English (and, where applicable, native language) proficiency;

"(B) program implementation indicators that provide information for informing and improving program management and effectiveness, including data on appropriateness of curriculum in relationship to grade and course requirements, appropriateness of program management, appropriateness of the professional development of the program staff, and appropriateness of the language of instruction;

"(C) program context indicators that describe the relationship of the activities funded under the grant to the overall school program and other Federal, State, or local programs serving children and youth of limited-English proficiency; and

"(D) such other information as the Secretary may require.

"(b) PROGRAM EVALUATIONS UNDER SUBPART 3.—

"(1) IN GENERAL.—Each recipient of funds under subpart 3 shall provide the Secretary with an evaluation of the program assisted under such subpart every 2 years.

"(2) DATA.—Such evaluation shall include data on—

"(A) post-program placement of persons trained;

"(B) how the training relates to the employment of persons served by the program;

"(C) program completion; and

"(D) such other information as the Secretary may require.

"Subpart 3—Professional Development

"SEC. 7131. PURPOSE.

"The purpose of this subpart is to improve the quality of instruction for children and youth of limited-English proficiency—

"(1) through professional development programs designed—

"(A) for persons preparing to provide services for children and youth of limited-English proficiency;

"(B) to improve the skills of persons providing services to children and youth of limited-English proficiency; and

"(C) for other staff in schools serving children and youth of limited-English proficiency; and

"(2) by disseminating information on appropriate instructional practices and activities for children and youth of limited-English proficiency to other school personnel, including teachers not serving such children and youth.

"SEC. 7132. PROFESSIONAL DEVELOPMENT GRANTS.

"(a) GRANTS TO INSTITUTIONS OF HIGHER EDUCATION.—The Secretary is authorized to make grants to institutions of higher education for—

"(1) preservice and inservice professional development for individuals who are either involved in, or preparing to be involved in, the provision of educational services for children and youth of limited-English proficiency, which in the case of teachers who are involved in the provision of such services may include release time with pay; and

"(2) national professional development institutes that assist schools or departments of education in institutions of higher education to improve the quality of professional development programs for personnel serving, preparing to serve, or who may serve, children and youth of limited-English proficiency.

"(b) GRANTS TO STATE AND LOCAL EDUCATIONAL AGENCIES.—The Secretary may make grants to State and local educational agencies for inservice professional development programs that prepare school personnel to provide effective services to limited-English proficient students.

"(c) USE OF FUNDS FOR SECOND LANGUAGE COMPETENCE.—Awards under this section may be used to develop a program participant's competence in a second language.

"(d) APPLICATIONS.—

"(1) IN GENERAL.—An institution of higher education, or a State or local educational agency desiring to receive an award under this section shall submit, through its State educational agency, an application to the Secretary, in such form, at such time, and containing such information and assurances as the Secretary may require.

"(2) CONSULTATION AND ASSESSMENT.—Each such application shall contain a description of how the applicant has consulted with, and assessed the needs of, public and private schools serving children and youth of limited-English proficiency to determine such school's need for, and the design of, the program for which funds are sought.

"(3) SPECIAL RULE.—(A) An application for a grant under subsection (a) from an applicant who proposes to conduct a masters or doctoral-level program with funds received under this section shall provide an assurance that such program will include, as a part of the program, a training practicum in a local school program serving children and youth of limited-English proficiency.

"(B) A recipient of a grant under subsection (a) may waive the requirement of a training practicum for a degree candidate with significant experience in a local school program serving children and youth of limited-English proficiency.

"(4) REVIEW.—In order for an institution of higher education or a local educational agency to apply for funds under this section, the State educational agency serving such institution shall review the application and provide the Secretary with timely comments on the need within the State for the proposed program and whether the proposed program is consistent with the State plan under section 1111 and section 2125(b)(1).

"SEC. 7133. FELLOWSHIPS.

"(a) ACADEMIC FELLOWSHIPS.—The Secretary may award fellowships for masters, doctoral, and post-doctoral study related to instruction of children and youth of limited-English proficiency in such areas as teacher training, program administration, research and evaluation, and curriculum development, and for the support of dissertation research related to such study.

"(b) REPAYMENT.—

"(1) IN GENERAL.—Any person receiving a fellowship under this section shall agree to—

"(A) work in an activity related to the area for which the assistance was awarded or in an activity such as those authorized under this part for a period of time equivalent to the period of time during which such person receives assistance under this section; or

"(B) repay such assistance.

"(2) TERMS AND CONDITIONS.—The Secretary shall establish in regulations such terms and conditions for such agreement as the Secretary deems reasonable and necessary and may waive the requirement of paragraph (1) in extraordinary circumstances.

"SEC. 7134. STIPENDS.

"The Secretary shall provide for the payment of such stipends (including allowances for subsistence and other expenses for such persons and their dependents), as the Secretary determines to be appropriate, to persons participating in training programs under this subpart.

"PART B—FOREIGN LANGUAGE ASSISTANCE PROGRAM

"SEC. 7201. SHORT TITLE.

"This part may be cited as the 'Foreign Language Assistance Act of 1994'.

"SEC. 7202. FINDINGS.

"The Congress finds as follows:

"(1) Foreign language proficiency is crucial to our Nation's economic competitiveness and national security. Significant improvement in the quantity and quality of foreign language instruction offered in our Nation's elementary and secondary schools is necessary.

"(2) All Americans need a global perspective. To understand the world around us, we must acquaint ourselves with the languages, cultures, and history of other nations.

"(3) Proficiency in two or more languages should be promoted for all American students. Multilingualism enhances cognitive and social growth, competitiveness in the global marketplace, national security, and understanding of diverse people and cultures.

"(4) The United States lags behind other developed countries in offering foreign language study to elementary and secondary school students.

"(5) Four out of five new jobs in the United States are created from foreign trade.

"(6) The optimum time to begin learning a second language is in elementary school, when children have the ability to learn and excel in several foreign language acquisition skills, including pronunciation, and when children are most open to appreciating and valuing a culture other than their own.

"(7) Foreign language study can increase children's capacity for critical and creative thinking skills and children who study a second language show greater cognitive development in areas such as mental flexibility, creativity, tolerance, and higher order thinking skills.

"(8) Children who have studied a foreign language in elementary school achieve expected gains and score higher on standardized tests of reading, language arts, and mathematics than children who have not studied a foreign language.

"SEC. 7203. PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make grants, on a competitive basis, to State educational agencies or local educational agencies to pay the Federal share of the cost of innovative model programs providing for the establishment, improvement or expansion of foreign language study for elementary and secondary school students.

"(2) DURATION.—Each grant under paragraph (1) shall be awarded for a period of 3 years.

"(b) REQUIREMENTS.—

"(1) GRANTS TO STATE EDUCATIONAL AGENCIES.—In awarding a grant under subsection (a) to a State educational agency, the Secretary shall support programs that promote systemic approaches to improving foreign language learning in the State.

"(2) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—In awarding a grant under subsection (a) to a local educational agency, the Secretary shall support programs that—

"(A) show the promise of being continued beyond the grant period;

"(B) demonstrate approaches that can be disseminated and duplicated in other local educational agencies; and

"(C) may include a professional development component.

"(c) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share for each fiscal year shall be 50 percent.

"(2) WAIVER.—The Secretary may waive the requirement of paragraph (1) for any local educational agency which the Secretary determines does not have adequate resources to pay the non-Federal share of the cost of the activities assisted under this part.

"(3) SPECIAL RULE.—Not less than three-fourths of the funds appropriated under section 7206 shall be used for the expansion of foreign language learning in the elementary grades.

"(4) RESERVATION.—The Secretary may reserve not more than 5 percent of funds appropriated under section 7206 to evaluate the efficacy of programs under this part.

"SEC. 7204. APPLICATIONS.

"(a) IN GENERAL.—Any State educational agency or local educational agency desiring a grant under this part shall submit an application to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require.

"(b) SPECIAL CONSIDERATION.—The Secretary shall give special consideration to applications describing programs that—

"(1) include intensive summer foreign language programs for professional development;

"(2) link non-native English speakers in the community with the schools in order to promote two-way language learning; or

"(3) promote the sequential study of a foreign language for students, beginning in elementary schools.

"SEC. 7205. ELEMENTARY SCHOOL FOREIGN LANGUAGE INCENTIVE PROGRAM.

"(a) INCENTIVE PAYMENTS.—From amounts appropriated under section 7206 the Secretary shall make an incentive payment for each fiscal year to each public elementary school that provides to students attending such school a program designed to lead to communicative competency in a foreign language.

"(b) AMOUNT.—The Secretary shall determine the amount of the incentive payment under subsection (a) for each public elementary school for each fiscal year on the basis of the number of students participating in a program described in such subsection at such school for such year compared to the total number of such students at all such schools in the United States for such year.

"(c) REQUIREMENT.—The Secretary shall consider a program to be designed to lead to communicative competency in a foreign language if such program is comparable to a program that provides at least 45 minutes of instruction in a foreign language at least 4 days per week throughout an academic year.

"SEC. 7206. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $35,000,000 for the fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part, of which not more than $20,000,000 may be used in each fiscal year to carry out section 7205.

"PART C—ADMINISTRATION

"SEC. 7301. COORDINATION WITH RELATED PROGRAMS.

"In order to maximize the effectiveness of Federal efforts aimed at serving the educational needs of children and youth of limited-English proficiency, the Secretary shall coordinate and ensure close cooperation with other programs administered by the Department, including programs in such areas as teacher training, program content, research, and curriculum.

"SEC. 7302. REPORT ON BILINGUAL EDUCATION.

"The Secretary shall, within three years of the date of enactment of the Improving America's Schools Act of 1994, and every third year thereafter, submit to the Congress a report on the condition of bilingual education. The report shall include—

"(1) information regarding—

"(A) the grants, contracts, and cooperative agreements made pursuant to this title in the preceding 3 fiscal years;

"(B) the number of individuals benefiting from the programs assisted under this title;

"(C) the evaluation of activities carried out under this title during the preceding 3 fiscal years and the extent to which each such activity achieves the policy set forth in section 7103(a);

"(D) an estimate of the number of teachers and other school personnel for bilingual education that will be necessary for the 3 succeeding fiscal years; and

"(E) the research activities carried out under this title during the preceding 3 fiscal years and the major findings of such research activities; and

"(2) an analysis and synthesis of such information.

"SEC. 7303. STATE EDUCATIONAL AGENCY RECOMMENDATIONS; PEER REVIEW.

"(a) STATE EDUCATIONAL AGENCY RECOMMENDATIONS.—In making awards under part A, the Secretary shall take State educational agency recommendations into account.

"(b) PEER REVIEW.—

"(1) IN GENERAL.—In making awards under part A and in making funding decisions for continuation grants under such parts, the Secretary may solicit recommendations from peer review panels composed of individuals experienced in aspects of the education of limited-English proficient students.

"(2) FUNDING.—The Secretary may use not more than 0.2 percent of the total amount of funds appropriated for each fiscal year for programs authorized under this title for peer review of applications for assistance under such programs.

"PART D—SPECIAL RULE

"SEC. 7401. SPECIAL RULE.

"Notwithstanding any other provision of law, no recipient of a grant under title VII of this Act (as such title was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994) shall be eligible for fourth- and fifth-year renewals authorized by section 7021(d)(1)(C) of such title (as such section was in effect on the day preceding the date of enactment of such Act).

"TITLE VIII—PROGRAMS OF NATIONAL SIGNIFICANCE

"PART A—ARTS IN EDUCATION

"SEC. 8101. SUPPORT FOR ARTS EDUCATION.

"(a) FINDINGS.—The Congress finds that—

"(1) the arts are forms of understanding and ways of knowing that are fundamentally important to education;

"(2) the arts are important to excellent education and to effective school reform;

"(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

"(4) such transformation is best realized in the context of comprehensive, systemic education reform;

"(5) demonstrated competency in the arts for American students is among the National Education Goals;

"(6) arts education should be an integral part of the elementary and secondary school curriculum;

"(7) participation in performing arts activities has proven to be an effective strategy for promoting the inclusion of persons with disabilities in mainstream settings; and

"(8) opportunities in the arts have enabled persons of all ages with disabilities to participate more fully in school and community activities.

"(b) PURPOSE.—The purposes of this part are to—

"(1) support systemic education reform by strengthening arts education as an integral part of the elementary and secondary school curriculum;

"(2) help ensure that all students have the opportunity to learn to challenging State content standards and challenging State student performance standards in the arts; and

"(3) support the national effort to enable all students to demonstrate competence in the arts in accordance with the National Education Goals.

"(c) ELIGIBLE RECIPIENTS.—In order to carry out the purposes of this part, the Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with—

"(1) State educational agencies;

"(2) local educational agencies;

"(3) institutions of higher education;

"(4) museums and other cultural institutions; and

"(5) other public and private agencies, institutions, and organizations.

"(d) AUTHORIZED ACTIVITIES.—Funds under this part may be used for—

"(1) research on arts education;

"(2) the development of, and dissemination of information about, model arts education programs;

"(3) the development of model arts education assessments based on high standards;

"(4) the development and implementation of curriculum frameworks for arts education;

"(5) the development of model preservice and inservice professional development programs for arts educators and other instructional staff;

"(6) supporting collaborative activities with other Federal agencies or institutions involved in arts education, such as the National Endowment for the Arts, the Institute of Museum Services, the John F. Kennedy Center for the Performing Arts, Very Special Arts, and the National Gallery of Art;

"(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

"(8) supporting model projects and programs developed by Very Special Arts which assure the participation in mainstream settings in arts and education programs of persons of all ages with disabilities;

"(9) supporting model projects and programs to integrate arts education into the regular elementary and secondary school curriculum; and

"(10) other activities that further the purposes of this part.

"(e) COORDINATION.—

"(1) IN GENERAL.—A recipient of funds under this part shall, to the extent possible, coordinate projects assisted under this part with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

"(2) SPECIAL RULE.—In carrying out this part, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum Services, the John F. Kennedy Center for the Performing Arts, Very Special Arts, and the National Gallery of Art.

"(f) AUTHORIZATION.—

"(1) IN GENERAL.—For the purpose of carrying out this part, there are authorized to be appropriated $11,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) SPECIAL RULE.—If the amount appropriated under paragraph (1) for any fiscal year is $9,000,000 or less, then such amount shall only be available to carry out the activities described in paragraphs (7) and (8) of subsection (d).

"PART B—INEXPENSIVE BOOK DISTRIBUTION PROGRAM

"SEC. 8151. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

"(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with Reading is Fundamental (RIF) (hereafter in this section referred to as 'the contractor') to support and promote programs, which include the distribution of inexpensive books to students, that motivate children to read.

"(b) REQUIREMENTS OF CONTRACT.—Any contract entered into under subsection (a) shall—

"(1) provide that the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies under which each subcontractor will agree to establish, operate, and provide the non-Federal share of the cost of reading motivation programs that include the distribution of books, by gift, to the extent feasible, or loan, to children from birth through secondary school age;

"(2) provide that funds made available to subcontractors will be used only to pay the Federal share of the cost of such programs;

"(3) provide that in selecting subcontractors for initial funding, the contractor will give priority to programs that will serve a substantial number or percentage of children with special needs, such as—

"(A) low-income children, particularly in high-poverty areas;

"(B) children at risk of school failure;

"(C) children with disabilities;

"(D) foster children;

"(E) homeless children;

"(F) migrant children;

"(G) children without access to libraries;

"(H) institutionalized or incarcerated children; and

"(I) children whose parents are institutionalized or incarcerated;

"(4) provide that the contractor will provide such technical assistance to subcontractors as may be necessary to carry out the purpose of this section;

"(5) provide that the contractor will annually report to the Secretary the number of, and describe, programs funded under paragraph (3); and

"(6) include such other terms and conditions as the Secretary determines to be appropriate to ensure the effectiveness of such programs.

"(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books under any contract under this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

"(d) DEFINITION OF 'FEDERAL SHARE'.—For the purpose of this section, the term 'Federal share' means, with respect to the cost to a subcontractor of purchasing books to be paid under this section, 75 percent of such costs to the subcontractor, except that the Federal share for programs serving children of migrant or seasonal farmworkers shall be 100 percent of such costs to the subcontractor.

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $11,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART C—PUBLIC CHARTER SCHOOLS

"SEC. 8201. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) enhancement of parent and student choices among public schools can assist in promoting comprehensive educational reform and give more students the opportunity to learn to challenging State content standards and challenging State student performance standards, if sufficiently diverse and high-quality choices, and genuine opportunities to take advantage of such choices, are available to all students;

"(2) useful examples of such choices can come from States and communities that experiment with methods of offering teachers and other educators, parents, and other members of the public the opportunity to design and implement new public schools and to transform existing public schools;

"(3) the new schools developed through such process should be free to test a variety of educational approaches and should, therefore, be exempted from restrictive rules and regulations if the leadership of such schools commits to attaining specific and ambitious educational results for students consistent with challenging State content standards and challenging State student performance standards for all students;

"(4) charter schools, as such schools have been implemented in a few States, can embody the necessary mixture of enhanced choice, exemption from restrictive regulations, and a focus on learning gains;

"(5) charter schools, including charter schools that are schools-within-schools, can help reduce school size, which reduction can have a significant effect on student achievement;

"(6) the Federal Government should test, evaluate, and disseminate information on a variety of charter school models in order to help demonstrate the benefits of this promising educational reform; and

"(7) there is a strong documented need for cash flow assistance to charter schools that are starting up, because State and local operating revenue streams are not immediately available.

"(b) PURPOSE.—It is the purpose of this part to increase national understanding of the charter schools model by—

"(1) providing financial assistance for the design and initial implementation of charter schools; and

"(2) evaluating the effects of such schools, including the effects on students, staff, and parents.

"SEC. 8202. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary may award grants to State educational agencies having applications approved pursuant to section 8203 to enable such agencies to conduct a charter school grant program in accordance with this part.

"(b) SPECIAL RULE.—If a State educational agency elects not to participate in the program authorized by this part or does not have an application approved under section 8203, the Secretary may award a grant to an eligible applicant that serves such State and has an application approved pursuant to section 8203(c).

"(c) PROGRAM PERIODS.—

"(1) GRANTS TO STATES.—Grants awarded to State educational agencies under this part shall be awarded for a period of not more than 3 years.

"(2) GRANTS TO ELIGIBLE APPLICANTS.—Grants awarded by the Secretary to eligible applicants or subgrants awarded by State educational agencies to eligible applicants under this part shall be awarded for a period of not more than 3 years, of which the eligible applicant may use—

"(A) not more than 18 months for planning and program design; and

"(B) not more than 2 years for the initial implementation of a charter school.

"(d) LIMITATION.—The Secretary shall not award more than one grant and State educational agencies shall not award more than one subgrant under this part to support a particular charter school.

"(e) USE OF FUNDS.—

"(1) STATE EDUCATIONAL AGENCIES.—Each State educational agency receiving a grant under this part shall use such grant funds to award subgrants to one or more eligible applicants in the State to enable such applicant to plan and implement a charter school in accordance with this part.

"(2) ELIGIBLE APPLICANTS.—Each eligible applicant receiving funds from the Secretary or a State educational agency shall use such funds to plan and implement a charter school in accordance with this part.

"(3) ALLOWABLE ACTIVITIES.—An eligible applicant receiving a grant or subgrant under this part may use the grant or subgrant funds only for—

"(A) post-award planning and design of the educational program, which may include—

"(i) refinement of the desired educational results and of the methods for measuring progress toward achieving those results; and

"(ii) professional development of teachers and other staff who will work in the charter school; and

"(B) initial implementation of the charter school, which may include—

"(i) informing the community about the school;

"(ii) acquiring necessary equipment and educational materials and supplies;

"(iii) acquiring or developing curriculum materials;

"(iv) minor remodeling or renovation of facilities needed to meet State or local health or safety laws or regulations; and

"(v) other initial operational costs that cannot be met from State or local sources.

"(4) ADMINISTRATIVE EXPENSES.—Each State educational agency receiving a grant pursuant to this part may reserve not more than 5 percent of such grant funds for administrative expenses associated with the charter school grant program assisted under this part.

"(5) REVOLVING LOAN FUNDS.—Each State educational agency receiving a grant pursuant to this part may reserve not more than 20 percent of the grant amount for the establishment of a revolving loan fund. Such fund may be used to make loans to eligible applicants that have received a subgrant under this part, under such terms as may be determined by the State educational agency, for the initial operation of the charter school grant program of such recipient until such time as the recipient begins receiving ongoing operational support from State or local financing sources.

"SEC. 8203. APPLICATIONS.

"(a) APPLICATIONS FROM STATE AGENCIES.—Each State educational agency desiring a grant under this part shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

"(b) CONTENTS OF A STATE EDUCATIONAL AGENCY APPLICATION.—Each application submitted pursuant to subsection (a) shall—

"(1) describe the objectives of the State educational agency's charter school grant program and a description of how such objectives will be fulfilled, including steps taken by the State educational agency to inform teachers, parents, and communities of the State educational agency's charter school grant program;

"(2) contain assurances that the State educational agency—

"(A) will grant, or will obtain, waivers of State statutory or regulatory requirements provided for in the State's charter schools law; and

"(B) will assist each subgrantee in the State in receiving a waiver under section 8204(e);

"(3) contain assurances that the State educational agency will require each eligible applicant desiring to receive a subgrant to submit an application to the State educational agency containing—

"(A) a description of the educational program to be implemented by the proposed charter school, including—

"(i) how the program will enable all students to meet challenging State student performance standards;

"(ii) the grade levels or ages of children to be served; and

"(iii) the curriculum and instructional practices to be used;

"(B) a description of how the charter school will be managed;

"(C) a description of—

"(i) the objectives of the charter school; and

"(ii) the methods by which the charter school will determine its progress toward achieving those objectives;

"(D) a description of the administrative relationship between the charter school and the authorized public chartering agency;

"(E) a description of how parents and other members of the community will be involved in the design and implementation of the charter school;

"(F) a description of how the authorized public chartering agency will provide for continued operation of the school once the Federal grant has expired, if such agency determines that the school has met the objectives described in subparagraph (C)(i);

"(G) a request and justification for waivers of any Federal statutory or regulatory requirements that the applicant believes are necessary for the successful operation of the charter school;

"(H) a description of how the subgrant funds or grant funds, as appropriate, will be used, including a description of how such funds will be used in conjunction with other Federal programs administered by the Secretary;

"(I) a description of how students in the community will be—

"(i) informed about the charter school; and

"(ii) given an equal opportunity to attend the charter school;

"(J) an assurance that the eligible applicant will annually provide the Secretary and the State educational agency such information as may be required to determine if the charter school is making satisfactory progress toward achieving the objectives described in subparagraph (C)(i);

"(K) an assurance that the applicant will cooperate with the Secretary and the State educational agency in evaluating the program assisted under this part; and

"(L) such other information and assurances as the Secretary and the State educational agency may require.

"(c) APPLICATIONS FROM ELIGIBLE APPLICANTS.—

"(1) IN GENERAL.—Each eligible applicant desiring a grant pursuant to section 8202(e)(1) or 8202(b) shall submit an application to the State educational agency or Secretary, respectively, at such time, in such manner, and accompanied by such information as the State educational agency or Secretary, respectively, may reasonably require.

"(d) CONTENTS OF ELIGIBLE AGENCY APPLICATION.—Each application submitted pursuant to subsection (c) shall contain the information and assurances described in subparagraphs (A) through (L) of subsection (b)(3), except that for purpose of this sentence subparagraphs (J), (K), and (L) of such subsection shall be applied by striking "and the State educational agency" each place such term appears.

"SEC. 8204. ADMINISTRATION.

"(a) SELECTION CRITERIA FOR STATE EDUCATIONAL AGENCIES.—The Secretary shall award grants to State educational agencies under this part on the basis of the quality of the applications submitted under section 8203, after taking into consideration such factors as—

"(1) the contribution that the charter schools grant program will make to achieving State content standards and State student performance standards and, in general, a State's education improvement plan;

"(2) the degree of flexibility afforded by the State educational agency to charter schools under the State's charter schools law;

"(3) the ambitiousness of the objectives for the State charter school grant program;

"(4) the quality of the process for assessing achievement of those objectives; and

"(5) the likelihood that the charter school grant program will meet those objectives and improve educational results for students.

"(b) SELECTION CRITERIA FOR ELIGIBLE APPLICANTS.—The Secretary shall award grants to eligible applicants under this part on the basis of the quality of the applications submitted under section 8203, after taking into consideration such factors as—

"(1) the quality of the proposed curriculum and instructional practices;

"(2) the degree of flexibility afforded by the State educational agency and, if applicable, the local educational agency to the charter school;

"(3) the extent of community support for the application;

"(4) the ambitiousness of the objectives for the charter school;

"(5) the quality of the process for assessing achievement of those objectives; and

"(6) the likelihood that the charter school will meet those objectives and improve educational results for students.

"(c) PEER REVIEW.—The Secretary, and each State educational agency receiving a grant under this part, shall use a peer review process to review applications for assistance under this part.

"(d) DIVERSITY OF PROJECTS.—The Secretary and each State educational agency receiving a grant under this part, shall award subgrants under this part in a manner that, to the extent possible, ensures that such grants and subgrants—

"(1) are distributed throughout different areas of the Nation and each State, including urban and rural areas; and

"(2) will assist charter schools representing a variety of educational approaches, such as approaches designed to reduce school size.

"(e) WAIVERS.—The Secretary may waive any statutory or regulatory requirement over which the Secretary exercises administrative authority except any such requirement relating to the elements of a charter school described in section 8206(1), if—

"(1) the waiver is requested in an approved application under this part; and

"(2) the Secretary determines that granting such a waiver will promote the purpose of this part.

"SEC. 8205. NATIONAL ACTIVITIES.

"The Secretary may reserve not more than 10 percent of the funds available to carry out this part for any fiscal year for—

"(1) peer review of applications under section 8204(c);

"(2) an evaluation of charter schools, including those assisted under this part; and

"(3) other activities designed to enhance the success of the activities assisted under this part, such as—

"(A) development and dissemination of model State charter school laws and model contracts or other means of authorizing and monitoring the performance of charter schools;

"(B) collection and dissemination of information on successful charter schools; and

"(C) conferences, publications, and use of telecommunications and other means to share ideas and information among grant recipients and others about charter schools.

"SEC. 8206. DEFINITIONS.

"As used in this part:

"(1) The term 'charter school' means a public school that—

"(A) in accordance with an enabling State statute, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

"(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;

"(C) operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;

"(D) provides a program of elementary or secondary education, or both;

"(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

"(F) does not charge tuition;

"(G) complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

"(H) admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

"(I) agrees to comply with the same Federal and State audit requirements as do other schools in the State, unless such requirements are specifically waived for the purpose of this program; and

"(J) meets all applicable Federal, State, and local health and safety requirements.

"(2) The term 'developer' means an individual or group of individuals (including a public or private nonprofit organization), which may include teachers, administrators and other school staff, parents, or other members of the local community in which a charter school project will be carried out.

"(3) The term 'eligible applicant' means an authorized public chartering agency participating in a partnership with a developer to establish a charter school in accordance with this part.

"(4) The term 'authorized public chartering agency' means a State educational agency, local educational agency, or other public entity that has the authority pursuant to State law to authorize or approve a charter school.

"SEC. 8207. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $15,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART D—CIVIC EDUCATION

"SEC. 8251. INSTRUCTION ON THE HISTORY AND PRINCIPLES OF DEMOCRACY IN THE UNITED STATES.

"(a) GENERAL AUTHORITY.—

"(1) PROGRAM ESTABLISHED.—(A) The Secretary is authorized to carry out a program to enhance the attainment of the third and sixth National Education Goals by educating students about the history and principles of the Constitution of the United States, including the Bill of Rights, and to foster civic competence and responsibility.

"(B) Such program shall be known as 'We the People . . . The Citizen and the Constitution'.

"(2) EDUCATIONAL ACTIVITIES.—The program required by paragraph (1) shall—

"(A) continue and expand the educational activities of the 'We the People . . . The Citizen and the Constitution' program administered by the Center for Civic Education; and

"(B) enhance student attainment of challenging content standards in civics and government.

"(3) CONTRACT OR GRANT AUTHORIZED.—The Secretary is authorized to enter into a contract or grant with the Center for Civic Education to carry out the program described in paragraph (1).

"(b) PROGRAM CONTENT.—The education program authorized by this section shall provide—

"(1) a course of instruction on the basic principles of our constitutional democracy and the history of the Constitution and the Bill of Rights;

"(2) at the request of a participating school, school and community simulated congressional hearings following the course of study; and

"(3) an annual national competition of simulated congressional hearings for secondary students who wish to participate in such program.

"(c) PROGRAM CONTENT.—The education program authorized by this section shall be made available to public and private elementary and secondary schools in the 435 congressional districts, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

"(d) SPECIAL RULE.—After the provisions of subsection (b) have been implemented, funds provided under this section may be used for—

"(1) advanced training of teachers about the United States Constitution and the political system the United States created; or

"(2) a course of instruction at the middle school level on the roles of State and local governments in the Federal system established by the Constitution, which course shall provide for—

"(A) optional school and community simulated State legislative hearings;

"(B) an annual competition of simulated legislative hearings at the State legislative district, State, and national levels for middle school students who wish to participate in the program; and

"(C) participation by public and private middle schools in the 50 States, the District of Columbia, Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

"SEC. 8252. INSTRUCTION IN CIVICS, GOVERNMENT, AND THE LAW.

"(a) PROGRAM ESTABLISHED.—The Secretary is authorized to carry out a program of grants and contracts to assist State and local educational agencies and other public and private nonprofit agencies, organizations and institutions to enhance—

"(1) attainment by students of challenging State content standards and challenging State student performance standards in civics, government, and the law; and

"(2) attainment by the Nation of the third and the sixth National Education Goals.

"(b) AUTHORIZED ACTIVITIES.—Assistance under this section may support new and ongoing programs in elementary and secondary schools that provide for—

"(1) the development and implementation of curricular programs that enhance student understanding of—

"(A) the values and principles which underlie, and the institutions and processes which comprise, our Nation's system of government;

"(B) the role of law in our constitutional democracy, including activities to promote—

"(i) legal literacy;

"(ii) a dedication by students to the use of nonviolent means of conflict resolution such as arbitration, mediation, negotiation, trials, and appellate hearings; and

"(iii) respect for cultural diversity and acceptance of cultural differences; and

"(C) the rights and responsibilities of citizenship;

"(2) professional development for teachers, including preservice and inservice training;

"(3) outside-the-classroom learning experiences for students, including community service activities;

"(4) the active participation of community leaders, from the public and private sectors, in the schools; and

"(5) the provision of technical assistance to State and local educational agencies and other institutions and organizations working to further the progress of the Nation in attaining the third and sixth National Education Goals regarding civics and government.

"(c) APPLICATIONS, PEER REVIEW AND PRIORITY.—

"(1) SUBMISSION OF APPLICATIONS.—A State or local educational agency, other public or private nonprofit agency, organization, or institution that desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(2) PEER REVIEW.—(A) The Secretary shall convene a panel of individuals for purpose of reviewing and rating applications submitted under paragraph (1).

"(B) Such individuals shall have experience with education programs in civics, government, and the law.

"(3) PRIORITY.—In making grants or awarding contracts under this section, the Secretary shall give priority consideration to applications which propose the operation of statewide programs.

"(d) DURATION OF GRANTS AND EXCEPTION.—

"(1) DURATION.—Except as provided in paragraph (2), the Secretary shall make grants and enter into contracts under this section for periods of two or three years.

"(2) EXCEPTION.—The Secretary may make a grant or enter into a contract under this section for a period of less than 2 years if the Secretary determines that special circumstances exist which warrant a 1-year grant or contract award.

"SEC. 8253. REPORT; AUTHORIZATION OF APPROPRIATIONS.

"(a) REPORT.—The Secretary shall report, on a biennial basis and in accordance with section 10701, to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate regarding the distribution and use of funds authorized under this part.

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—To carry out this part, there are authorized to be appropriated $20,000,000 for fiscal year 1995 and such sums as necessary for each of the 4 succeeding fiscal years.

"(2) ALLOCATION.—From the amount appropriated under subsection (a), the Secretary shall allocate—

"(A) 50 percent of such amount to carry out section 8251; and

"(B) 50 percent of such amount to carry out section 8252.

"PART E—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

"SEC. 8301. FINDINGS.

"The Congress finds as follows:

"(1) It is a worthwhile goal to ensure that all students in America are prepared for responsible citizenship and that all students should have the opportunity to be involved in activities that promote and demonstrate good citizenship.

"(2) It is a worthwhile goal to ensure that America's educators have access to programs for the continued improvement of their professional skills.

"(3) Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people. Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and educators. Therefore, it is a fitting and appropriate tribute to Senator Ellender to provide fellowships in his name to students of limited economic means, the teachers who work with such students, and older Americans, so that such students, teachers, and older Americans may participate in the programs supported by the Close Up Foundation.

"Subpart 1—Program for Middle and Secondary School Students

"SEC. 8311. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this title to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among middle and secondary school students.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be known as Allen J. Ellender fellowships.

"SEC. 8312. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made to economically disadvantaged middle and secondary school students;

"(2) that every effort will be made to ensure the participation of students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including students with disabilities, ethnic minority students, and gifted and talented students; and

"(3) the proper disbursement of the funds of the United States received under this subpart.

"Subpart 2—Program for Middle and Secondary School Teachers

"SEC. 8321. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of teaching skills enhancement for middle and secondary school teachers.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to teachers who participate in the program described in subsection (a). Financial assistance

received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

"SEC. 8322. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made only to teachers who have worked with at least one student from such teacher's school who participates in the programs described in section 8311(a);

"(2) that not more than one teacher in each school participating in the programs provided for in section 8311(a) may receive a fellowship in any fiscal year; and

"(3) the proper disbursement of the funds of the United States received under this subpart.

"Subpart 3—Programs for Recent Immigrants, Students of Migrant Parents and Older Americans

"SEC. 8331. ESTABLISHMENT.

"(a) GENERAL AUTHORITY.—

"(1) IN GENERAL.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged older Americans, recent immigrants and students of migrant parents.

"(2) DEFINITION.—For the purpose of this subpart, the term 'older American' means an individual who has attained 55 years of age.

"(b) USE OF FUNDS.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged older Americans, recent immigrants and students of migrant parents who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

"SEC. 8332. APPLICATIONS.

"(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall contain provisions to assure—

"(1) that fellowship grants are made to economically disadvantaged older Americans, recent immigrants and students of migrant parents;

"(2) that every effort will be made to ensure the participation of older Americans, recent immigrants and students of migrant parents from rural and small town areas, as well as from urban areas, and that in awarding fellowships, special consideration will be given to the participation of older Americans, recent immigrants and students of migrant parents with special needs, including individuals with disabilities, ethnic minorities, and gifted and talented students;

"(3) that activities permitted by subsection (a) are fully described; and

"(4) the proper disbursement of the funds of the United States received under this subpart.

"Subpart 4—General Provisions

"SEC. 8341. ADMINISTRATIVE PROVISIONS.

"(a) GENERAL RULE.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

"(b) AUDIT RULE.—The Comptroller General of the United States or any of the Comptroller General's duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

"SEC. 8342. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of subparts 1, 2, and 3 of this part $4,500,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) SPECIAL RULE.—Of the funds appropriated pursuant to subsection (a), not more than 30 percent may be used for teachers associated with students participating in the programs described in section 8311(a).

"PART F—GIFTED AND TALENTED CHILDREN

"SEC. 8401. SHORT TITLE.

"This part may be cited as the 'Jacob K. Javits Gifted and Talented Students Education Act of 1994'.

"SEC. 8402. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds and declares that—

"(1) all students can learn to high standards and must develop their talents and realize their potential if the United States is to prosper;

"(2) gifted and talented students are a national resource vital to the future of the Nation and our Nation's security and well-being;

"(3) too often schools fail to challenge students to do their best work, and students who are not challenged will not learn to challenging State content standards and challenging State student performance standards, fully develop their talents, and realize their potential;

"(4) unless the special abilities of gifted and talented students are recognized and developed during their elementary and secondary school years, much of their special potential for contributing to the national interest is likely to be lost;

"(5) gifted and talented students from economically disadvantaged families and areas, and students of limited-English proficiency are at greatest risk of being unrecognized and of not being provided adequate or appropriate educational services;

"(6) State and local educational agencies and private nonprofit schools often lack the necessary specialized resources to plan and implement effective programs for the early identification of gifted and talented students for the provision of educational services and programs appropriate to their special needs;

"(7) the Federal Government can best carry out the limited but essential role of stimulating research and development and personnel training and providing a national focal point of information and technical assistance that is necessary to ensure that the Nation's schools are able to meet the special educational needs of gifted and talented students, and thereby serve a profound national interest; and

"(8) the experience and knowledge gained in developing and implementing programs for gifted and talented students can and should be used as a basis to—

"(A) develop a rich and challenging curriculum for all students; and

"(B) provide all students with important and challenging subject matter to study and encourage the habits of hard work.

"(b) STATEMENT OF PURPOSE.—It is the purpose of this part—

"(1) to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration projects, personnel training, and similar activities designed to build a nationwide capability in elementary and secondary schools to meet the special educational needs of gifted and talented students;

"(2) to encourage the development of rich and challenging curricula for all students through the appropriate application and adaptation of materials and instructional methods developed under this part; and

"(3) to supplement and make more effective the expenditure of State and local funds, for the education of gifted and talented students.

"SEC. 8403. CONSTRUCTION.

"Nothing in this part shall be construed to prohibit a recipient of funds under this part from serving gifted and talented students simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 8404. AUTHORIZED PROGRAMS.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—From the sums appropriated under section 8407 in any fiscal year the Secretary (after consultation with experts in the field of the education of gifted and talented students) shall make grants to or enter into contracts with State educational agencies, local educational agencies, institutions of higher education, or other public agencies and private agencies and organizations (including Indian tribes and Indian organizations (as such terms are defined by the Indian Self-Determination and Education Assistance Act) and Hawaiian native organizations) to assist such agencies, institutions, and organizations which submit applications in carrying out programs or projects authorized by this part that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use, where appropriate, of gifted and talented services, materials, and methods for all students.

"(2) CONTENTS.—Applications for funds under this part shall describe how—

"(A) the proposed gifted and talented services, materials, and methods can be adapted, if appropriate, for use by all students; and

"(B) how the proposed programs can be evaluated.

"(b) USES OF FUNDS.—Programs and projects assisted under this section may include—

"(1) professional development (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students;

"(2) establishment and operation of model projects and exemplary programs for serving gifted and talented students, including innovative methods for identifying and educating students who may not be served by traditional gifted and talented programs, summer programs, mentoring programs, service learning programs, and cooperative programs involving business, industry, and education;

"(3) training of personnel and parents involved in gifted and talented programs with respect to the impact of gender role-socialization on the educational needs of gifted and talented children and in gender equitable education methods, techniques and practices;

"(4) implementing innovative strategies, such as cooperative learning, peer tutoring and service learning;

"(5) strengthening the capability of State educational agencies and institutions of higher education to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented students and the appropriate use of gifted and talented programs and methods to serve all students;

"(6) programs of technical assistance and information dissemination, including how gifted

and talented programs and methods, where appropriate, could be adapted for use by all students; and

“(7) carrying out—

“(A) research on methods and techniques for identifying and teaching gifted and talented students, and for using gifted and talented programs and methods to serve all students; and

“(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purposes of this part.

“(c) Establishment of National Center.—

“(1) In general.—The Secretary (after consultation with experts in the field of the education of gifted and talented students) shall establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies, for the purpose of carrying out activities described in paragraph (7) of subsection (b).

“(2) Director.—Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

“(d) Limitation.—Not more than $1,750,000 of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used to conduct activities pursuant to subsection (b)(7) or (c).

“(e) Coordination.—Research activities supported under this section—

“(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the such office; and

“(2) may include collaborative research activities which are jointly funded and carried out with the Office of Educational Research and Improvement.

“SEC. 8405. PROGRAM PRIORITIES.

“(a) General Priority.—In the administration of this part the Secretary shall give highest priority—

“(1) to the identification of and the provision of services to gifted and talented students who may not be identified and served through traditional assessment methods (including economically disadvantaged individuals, individuals of limited-English proficiency, and individuals with disabilities); and

“(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation, through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (including business, industry, and labor), to plan, conduct, and improve programs for the identification of and the provision of services to gifted and talented students.

“(b) Service Priority.—In approving applications under section 8404(a), the Secretary shall assure that in each fiscal year at least one-half of the applications approved under such section address the priority described in subsection (a)(1).

“SEC. 8406. GENERAL PROVISIONS.

“(a) Participation of Private School Children and Teachers.—In making grants and entering into contracts under this part, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel in professional development programs for serving such children.

“(b) Program Operations.—The Secretary shall ensure that the programs under this part are administered within the Department by a person who has recognized professional qualifications and experience in the field of the education of gifted and talented students and who shall serve as a focal point of national leadership and information on mechanisms to carry out the purpose of this part.

“(c) Review, Dissemination, and Evaluation.—The Secretary shall—

“(1) use a peer review process in reviewing applications under this part;

“(2) ensure that information on the activities and results of programs and projects funded under this part is disseminated to appropriate State and local agencies and other appropriate organizations, including nonprofit private organizations; and

“(3) evaluate the effectiveness of programs under this part in accordance with section 10701, both in terms of the impact on students traditionally served in separate gifted and talented programs and on other students, and submit the results of such evaluation to Congress not later than January 1, 1998.

“SEC. 8407. AUTHORIZATION OF APPROPRIATIONS.

“(a) In General.—There are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out the provisions of this part.

“(b) Special Rule.—If the amount appropriated under subsection (a) for a fiscal year exceeds $20,000,000, 40 percent of such amount in excess of $20,000,000 shall be available for strategies and programs designed for the education of gifted and talented students that may be adapted and used to improve teaching and learning for all students in a school and to help all students in a school develop their talents, realize their potential, and meet challenging State content standards and challenging State student performance standards, while not diminishing the curriculum and instruction for students traditionally identified as gifted and talented.

“PART G—WOMEN'S EDUCATIONAL EQUITY

“SEC. 8451. SHORT TITLE; FINDINGS.

“(a) Short Title.—This part may be cited as the ‘Women's Educational Equity Act of 1994’.

“(b) Findings.—The Congress finds that—

“(1) since the enactment of title IX of the Education Amendments of 1972, women and girls have made strides in educational achievement and in their ability to avail themselves of educational opportunities;

“(2) because of funding provided under the Women's Educational Equity Act, more curricula, training and other educational materials concerning educational equity for women and girls are available for national dissemination;

“(3) significant gender inequities still exist in teaching and learning practices, for example—

“(A) sexual harassment, particularly that experienced by girls, undermines the ability of schools to provide a safe and equitable learning or workplace environment;

“(B) girls may often receive significantly less attention from classroom teachers than boys, and girls of color have less interaction with teachers than all other girls;

“(C) classroom textbooks and other educational materials do not sufficiently reflect the experiences, achievements, or concerns of women and, in most cases, are not written by women or persons of color;

“(D) girls do not take as many mathematics and science courses as boys, girls lose confidence in their mathematics and science ability as girls move through adolescence, there are few women role models in the sciences, and women continue to be concentrated in low-paying, traditionally female jobs that do not require mathematics and science skills; and

“(E) pregnant and parenting teenagers are at high risk for dropping out of school and existing dropout prevention programs do not adequately address the needs of such population;

“(4) Federal support should address not only research and development of innovative model curricula and teaching and learning strategies to promote gender equity, but should, to the extent feasible, also help schools and local communities implement and institutionalize gender equitable practices;

“(5) Federal assistance for gender equity must be tied to systemic reform, involve collaborative efforts to implement effective gender practices at the local level, and encourage parental participation; and

“(6) excellence in education, high educational achievements and standards, and the full participation of women and girls in American society cannot be achieved without educational equity for women and girls.

“SEC. 8452. STATEMENT OF PURPOSES.

“It is the purpose of this part—

“(1) to promote gender equity in education in the United States;

“(2) to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Educational Amendments of 1972; and

“(3) to promote equity in education to women and girls who suffer multiple forms of discrimination based on sex, race, ethnic origin, limited-English proficiency, disability, or age.

“SEC. 8453. PROGRAM AUTHORIZED.

“The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, public agencies, private nonprofit agencies, organizations, institutions, community groups, and individuals, to achieve the purposes of this part by providing support and technical assistance for—

“(1) the implementation of effective gender-equity policies and practices at all educational levels, including—

“(A) assisting educational agencies and institutions to implement policies and practices to comply with title IX of the Education Amendments of 1972;

“(B) training for teachers, counselors, administrators, and other school personnel, especially preschool and elementary school personnel, in gender equitable teaching and learning practices;

“(C) leadership training for women and girls to develop professional and marketable skills to compete in the global marketplace, improve self-esteem, and benefit from exposure to positive role models;

“(D) school-to-work transition programs, other programs to increase opportunities for women and girls to enter a technologically demanding workplace and, in particular, to enter highly skilled, high paying careers in which women and girls have been underrepresented, and guidance and counseling activities;

“(E) enhancing educational and career opportunities for women and girls who suffer multiple forms of discrimination, based on sex and on race, ethnic origin, limited-English proficiency, disability, socioeconomic status, or age;

“(F) assisting pregnant students and students rearing children to remain in or to return to secondary school, graduate, and prepare their preschool children to start school;

“(G) evaluating exemplary model programs to assess the ability of such programs to advance educational equity for women and girls; and

“(H) introduction into the classroom of textbooks, curricula, and other materials designed to achieve equity for women and girls; and

"(2) research and development, which shall be coordinated with the Office of Educational Research and Improvement's National Institute on the Education of At-Risk Students to avoid duplication of research efforts, designed to advance gender equity nationwide and to help make policies and practices in educational agencies and institutions and local communities gender-equitable, including—

"(A) research and development designed to advance gender equity, including the development of innovative strategies to improve teaching and learning practices;

"(B) the development of high quality and challenging assessment instruments that are nondiscriminatory;

"(C) the development and evaluation of model curricula, textbooks, software, and other educational materials to ensure the absence of gender stereotyping and bias;

"(D) the development of instruments and procedures that employ new and innovative strategies to assess whether diverse educational settings are gender equitable;

"(E) the development of new dissemination and replication strategies;

"(F) updating high quality educational materials previously developed through awards made under this part; and

"(G) the implementation of nondiscriminatory tests of aptitude and achievement and alternative assessment instruments.

"SEC. 8454. APPLICATIONS.

"(a) APPLICATIONS.—A grant may be made, and a contract or cooperative agreement may be entered into, under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may prescribe, such as—

"(1) setting forth policies and procedures that will ensure a comprehensive evaluation of the activities carried out under the project, including an evaluation of the practices, policies, and materials used by the applicant and an evaluation or estimate of the continued significance of the work of the project following completion of the award period;

"(2) demonstrating how funds received under this part will be used to promote the attainment of one or more of the National Education Goals;

"(3) demonstrating how the applicant will address perceptions of gender roles based on cultural differences or stereotypes;

"(4) describing how funds under this part will be used in a manner that is consistent with the School-to-Work Opportunities Act of 1994;

"(5) for applications for projects under section 8453(1), demonstrating how the applicant will foster partnerships and share resources with State educational agencies, local educational agencies, institutions of higher education, community-based organizations, and other recipients of Federal educational funding which may include State literacy resource centers; and

"(6) for applications for projects under section 8453(1), demonstrating how parental involvement in the project will be encouraged.

"(b) SPECIAL RULE.—In approving applications under this part, the Secretary shall give special consideration to applications—

"(1) submitted by applicants that have not received assistance under this part or under part C of title IX of this Act (as such part was in effect on October 1, 1988);

"(2) for projects that will contribute significantly to directly improving teaching and learning practices in the local community; and

"(3) for projects that will—

"(A) provide for a comprehensive approach to enhancing gender equity in educational institutions and agencies;

"(B) draw on a variety of resources, including local educational agencies, community-based organizations, institutions of higher education, and private organizations;

"(C) implement a strategy with long-term impact that will continue as a central activity of the applicant after the grant has terminated; and

"(D) address issues of national significance that can be duplicated.

"(c) LIMITATION.—Nothing in this part shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this part.

"SEC. 8455. CRITERIA AND PRIORITIES.

"The Secretary shall establish separate criteria and priorities for awards under paragraphs (1) and (2) of section 8453 to ensure that available funds are used for programs that most effectively will achieve the purposes of this part.

"SEC. 8456. REPORT.

"The Secretary, by January 1, 1999, shall submit to the President and the Congress a report on the status of educational equity for girls and women in the Nation.

"SEC. 8457. EVALUATION AND DISSEMINATION.

"(a) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate in accordance with section 10701, and disseminate, materials and programs developed under this part and shall report to the Congress regarding such evaluation materials and programs by January 1, 1998.

"(b) USE OF PROGRAM FUNDS.—The Secretary is authorized to use funds appropriated under section 8458 to gather and disseminate information about emerging issues concerning gender equity and, if necessary, to convene meetings for this purpose.

"(c) PROGRAM OPERATIONS.—The Secretary shall ensure that the programs under this part are administered within the Department by a person who has recognized professional qualifications and experience in the field of gender equity education and who shall serve as a focal point of national leadership and information on mechanisms to carry out the purpose of this part.

"SEC. 8458. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $5,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which not less than two-thirds of the amount appropriated under this section for each fiscal year shall be available to carry out the activities described in section 8453(1).

"PART H—FUND FOR THE IMPROVEMENT OF EDUCATION

"SEC. 8501. FUND FOR THE IMPROVEMENT OF EDUCATION.

"(a) FUND AUTHORIZED.—From funds appropriated under subsection (d), the Secretary is authorized to support nationally significant programs and projects to improve the quality of education, assist all students to meet challenging State content standards and challenging State student performance standards, and contribute to achievement of the National Education Goals. The Secretary is authorized to carry out such programs and projects directly or through grants to, or contracts with, State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

"(b) USES OF FUNDS.—

"(1) IN GENERAL.—Funds provided under this section may be used for—

"(A) activities that will promote systemic education reform at the State and local levels, such as—

"(i) developing and evaluating strategies for eliminating ability grouping practices and developing policies and programs that place all students on a college-preparatory path of study, particularly in academic fields such as mathematics, science, English, and social studies, including comprehensive inservice programs for teachers and counselors and academic enrichment programs that supplement regular courses for students;

"(ii) developing and evaluating programs that directly involve parents and family members in the academic progress of their children;

"(iii) developing and evaluating strategies for integrating instruction and assessment such that teachers and administrators can focus on what students should know and be able to do at particular grade levels, which instruction shall promote the synthesis of knowledge, encourage the development of problem-solving skills drawing on a vast range of disciplines, and promote the development of higher order thinking by all students;

"(iv) developing and evaluating strategies for supporting professional development for teachers across all disciplines and for guidance counselors and administrators, including inservice training that improves the skills of counselors and administrators in working with students from diverse populations;

"(v) research and development related to challenging State content standards and challenging State student performance standards for student learning; and

"(vi) the development and evaluation of model strategies for assessment of student learning, professional development for teachers and administrators, parent and community involvement, and other aspects of systemic reform;

"(B) demonstrations at the State and local levels that are designed to yield nationally significant results, including approaches to public school choice and school based decisionmaking;

"(C) joint activities with other Federal agencies, such as the National Science Foundation, the Department of Health and Human Services, and the Department of Labor, and with institutions of higher education, to assist the effort to achieve the National Education Goals, including activities related to improving the transition from preschool to school and from school to work, as well as activities related to the integration of education and health and social services;

"(D) activities to promote and evaluate counseling and mentoring for students, including intergenerational mentoring;

"(E) activities to promote and evaluate coordinated pupil services programs;

"(F) activities to promote comprehensive health education;

"(G) activities to promote environmental education;

"(H) activities to promote programs to assist students to demonstrate competence in foreign languages;

"(I) studies and evaluation of various education reform strategies and innovations being pursued by the Federal Government, States, and local educational agencies;

"(J) activities to promote metric education;

"(K) activities to promote consumer education, such as saving, investing, and entrepreneurial education;

"(L) activities to promote experiential-based learning, such as service-learning;

"(M) activities to promote scholar-athlete competitions;

"(N) activities to promote child abuse education and prevention programs;

"(O) activities to raise standards and expectations for academic achievement among all students, especially disadvantaged students traditionally underserved in schools;

"(P) activities to provide the academic support, enrichment and motivation to enable all students to reach such standards;

"(Q) programs designed to promote gender equity in education by evaluating and eliminating

gender bias in instruction and educational materials, identifying and analyzing gender inequities in educational practices, and implementing and evaluating educational policies and practices designed to achieve gender equity;

"(R) demonstrations that are designed to test the effectiveness of private management of public educational programs, with at least one demonstration carried out in each of the ten Department of Education regions, and with funds used to support planning, start-up costs and evaluation;

"(S) other programs and projects that meet the purposes of this section; and

"(T) demonstrations that are designed to test whether prenatal education and counseling provided to pregnant students could have a positive effect on pregnancy outcomes, with such education and counseling emphasizing the importance of prenatal care; the value of sound diet and nutrition habits; and the harmful effects of smoking, alcohol and substance abuse on fetal development.

"(2) ADDITIONAL USES.—The Secretary may also use funds provided under this section to complete the project periods for direct grants or contracts awarded under the provisions of the Elementary and Secondary Education Act of 1965, part B of title III of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, or title III of the Education for Economic Security Act, as such Acts were in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994.

"(c) AWARDS.—

"(1) IN GENERAL.—The Secretary may—

"(A) make awards under this section on the basis of competitions announced by the Secretary; and

"(B) support meritorious unsolicited proposals.

"(2) SPECIAL RULE.—The Secretary shall ensure that programs, projects, and activities supported under this section are designed so that their effectiveness is readily ascertainable.

"(3) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for grants under this section and may use funds appropriated under subsection (d) for the cost of such peer review.

"(d) AUTHORIZATION.—For the purpose of carrying out this section, there are authorized to be appropriated $35,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART I—BLUE RIBBON SCHOOLS

"SEC. 8551. BLUE RIBBON SCHOOLS PROGRAM.

"(a) GENERAL AUTHORITY.—Subject to subsection (d), the Secretary is authorized to carry out programs to recognize elementary and secondary schools or programs which have established standards of excellence and which have demonstrated a high level of quality. Such programs shall be designated as 'Blue Ribbon Schools'. In selecting schools and programs to be recognized, the Secretary shall competitively select public and private schools or programs within local educational agencies in the States, schools operated for Indian children by the Department of the Interior, and schools operated by the Department of Defense for dependents of Department of Defense personnel.

"(b) SELECTION PROCESS.—

"(1) IN GENERAL.—The Secretary shall designate, each fiscal year, several categories for a Blue Ribbon Schools program. Such categories may include, but shall not be limited to, outstanding elementary schools, outstanding secondary schools, outstanding mathematics and science programs, or outstanding reading programs.

"(2) SELECTION.—Within each category, the Secretary shall determine the criteria and procedures for selection. Selection for such awards shall be based solely on merit. Schools or programs selected for awards under this section shall not be required to be representative of the States.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) CONSULTATION.—The Secretary shall carry out the provisions of this section including the establishment of the selection procedures, after consultation with appropriate outside parties.

"(2) APPLICATION.—No award may be made under this section unless the local educational agency submits an application to the Secretary at such time, in such manner, and containing such information, as the Secretary may reasonably require.

"(3) DEFINITION.—For the purposes of this section, the term 'State' means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(d) BLUE RIBBON AWARDS FOR CORRECTIONAL EDUCATION PROGRAMS.—The Secretary, through nominations provided by the Office on Correctional Education after consultation with representatives of correctional education organizations and others active in literacy education, shall annually make one or more awards under this section to effective and innovative programs for inmate education and literacy.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section.

"PART J—NATIONAL STUDENT AND PARENT MOCK ELECTION

"SEC. 8601. NATIONAL STUDENT AND PARENT MOCK ELECTION.

"(a) IN GENERAL.—The Secretary is authorized to award grants in every election year to national nonprofit, nonpartisan organizations that work to promote voter participation in American elections to enable such organizations to carry out voter education activities for students and their parents. Such activities shall—

"(1) be limited to simulated national elections that permit participation by students and parents from all 50 States in the United States; and

"(2) consist of—

"(A) school forums and local cable call-in shows on the national issues to be voted upon in an 'issue forum';

"(B) speeches and debates before students and parents by local candidates or stand-ins for such candidates;

"(C) quiz team competitions, mock press conferences and speechwriting competitions;

"(D) weekly meetings to follow the course of the campaign; or

"(E) school and neighborhood campaigns to increase voter turnout, including newsletters, posters, telephone chains, and transportation.

"(b) REQUIREMENT.—Each organization receiving a grant under this section shall present awards to outstanding student and parent mock election projects.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $125,000 for each of the fiscal years 1995 through 1999 to carry out this section.

"PART K—ELEMENTARY SCHOOL COUNSELING DEMONSTRATION

"SEC. 8651. SHORT TITLE.

"This part may be cited as the 'Elementary School Counseling Demonstration Act'.

"SEC. 8652. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) elementary school children are being subjected to unprecedented social stresses, including fragmentation of the family, drug and alcohol abuse, child abuse, poverty, and violence, and experts indicate that intervention at an early age is the most beneficial;

"(2) an increasing number of elementary school children are exhibiting symptoms of distress, such as substance abuse, emotional disorders, academic underachievement, disruptive behavior, juvenile delinquency, and suicide;

"(3) elementary school counselors, school psychologists and school social workers can contribute to the personal growth, educational development, and emotional well-being of elementary school children by providing professional counseling, intervention, and referral services;

"(4) the average ratio of elementary school counselors to students is 1 to 1,000, the average ratio of school psychologists to students is 1 to 2,500, and the average ratio of school social workers to students is 1 to 2,500;

"(5) when there is 1 counselor to 1,000 students, 1 school psychologist to 2,500 students, and 1 school social worker to 2,500 students, elementary school counseling programs are seldom adequate;

"(6) the Federal Government can help reduce the risk of academic, social, and emotional problems among elementary school children by stimulating the development of model elementary school counseling programs; and

"(7) the Federal Government can help reduce the risk of future unemployment and assist the school-to-work transition by stimulating the development of model elementary school counseling programs.

"(b) PURPOSE.—It is the purpose of this part to enhance the availability and quality of counseling services for elementary school children by providing grants to local educational agencies to enable such agencies to establish effective and innovative elementary school counseling programs that can serve as national models.

"SEC. 8653. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $10,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"SEC. 8654. PROGRAM AUTHORITY.

"(a) IN GENERAL.—From amounts appropriated pursuant to the authority of section 8653 in any fiscal year, the Secretary shall make grants to local educational agencies having applications approved under section 8655 to initiate or expand school counseling programs for elementary school children.

"(b) PRIORITY.—In awarding grants under this part, the Secretary shall give special consideration to applications describing programs that—

"(1) demonstrate the greatest need for new or additional counseling services among the children in the elementary schools served by the applicant;

"(2) propose the most promising and innovative approaches for initiating or expanding elementary school counseling; and

"(3) show the greatest potential for replication and dissemination.

"(c) EQUITABLE DISTRIBUTION.—In awarding grants under this part, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

"(d) DURATION.—A grant under this part shall be awarded for a period not to exceed 3 years.

"(e) MAXIMUM GRANT.—A grant under this part shall not exceed $400,000 for any fiscal year.

"SEC. 8655. APPLICATIONS.

"(a) IN GENERAL.—Each local educational agency desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(b) NOTIFICATION OF STATE EDUCATIONAL AGENCY.—Before submitting an application to *the Secretary in accordance with subsection (a), a local educational agency shall provide the State educational agency with an opportunity to review and comment on the program described in such application. The comments of the State educational agency shall be appended to the application upon submission of the application to the Secretary.*

"(c) CONTENTS.—Each application for a grant under this part shall—

"(1) describe the elementary school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

"(2) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in paragraph (1);

"(3) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

"(4) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

"(5) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of elementary school counselors, school psychologists, and school social workers;

"(6) document that the applicant has the personnel qualified to develop, implement, and administer the program;

"(7) describe how any diverse cultural populations, if applicable, would be served through the program;

"(8) assure that the funds made available under this part for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

"(9) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

"SEC. 8656. USE OF FUNDS.

"(a) IN GENERAL.—Grant funds under this part shall be used to initiate or expand elementary school counseling programs that comply with the requirements in subsection (b).

"(b) PROGRAM REQUIREMENTS.—Each program assisted under this part shall—

"(1) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

"(2) use a developmental, preventive approach to counseling;

"(3) increase the range, availability, quantity, and quality of counseling services in the elementary schools of the local educational agency;

"(4) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

"(5) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, academic and career planning, or to improve social functioning;

"(6) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

"(7) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

"(8) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

"(9) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

"(10) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this part.

"(c) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this section at the end of each grant period in accordance with section 10701, but in no case later than January 30, 1998.

"(d) DISSEMINATION.—The Secretary shall make the programs assisted under this part available for dissemination, either through the National Diffusion Network or other appropriate means.

"(e) LIMIT ON ADMINISTRATION.—Not more than 5 percent of the amounts appropriated pursuant to the authority of section 8653 in any fiscal year shall be used to carry out the provisions of this section.

"SEC. 8657. DEFINITIONS.

"For purposes of this part—

"(1) the term 'comprehensive' means, with respect to counseling services, a program in which—

"(A) a school counselor, school psychologist, or school social worker uses a range of individual and group techniques and resources in a planned way to meet the personal, social, emotional, educational, and career development needs of all elementary children in a school; and

"(B) a school counselor, school psychologist, or school social worker works directly with children, families, teachers, and other school or agency personnel to create an optimal positive learning environment and personal growth opportunities for all children;

"(2) the term 'developmental' means, with respect to a school counseling program, a systematically planned program that—

"(A) provides appropriate school counseling interventions to foster the social, emotional, physical, moral, and cognitive growth of elementary school children;

"(B) provides intervention services to help children cope with family, social, emotional, and academic problems; and

"(C) supports and enhances the efforts of families, teachers, and other school personnel to provide children maximum opportunity to acquire competence and skill in self-understanding and appreciation, interpersonal interaction, and educational achievement and literacy;

"(3) the term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

"(A) possesses State licensure or certification granted by an independent professional regulatory authority;

"(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

"(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent;

"(4) the term 'school psychologist' means an individual who—

"(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting; and

"(B) possess State licensure or certification in the State in which the individual works; or

"(C) in the absence of such State licensure or certification, possess national certification by the National School Psychology Certification Board;

"(5) the term 'school social worker' means an individual who holds a master's degree in social work and is licensed or certified by the State in which services are provided or holds a school social work specialist credential; and

"(6) the term 'supervisor' means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.

"PART L—21ST CENTURY COMMUNITY LEARNING CENTERS

"SEC. 8701. SHORT TITLE.

"This part may be cited as the '21st Century Community Learning Centers Act'.

"SEC. 8702. FINDINGS.

"The Congress finds that—

"(1) a local public school often serves as a center for the delivery of education and human services for all members of a community;

"(2) public schools, primarily in rural and inner city communities, should collaborate with other public and nonprofit agencies and organizations, local businesses, educational entities (such as vocational and adult education programs, school-to-work programs, community colleges, and universities), recreational, cultural, and other community and human service entities, for the purpose of meeting the needs of, and expanding the opportunities available to, the residents of the communities served by such schools;

"(3) by using school facilities, equipment, and resources, communities can promote a more efficient use of public education facilities, especially in rural and inner city areas where limited financial resources have enhanced the necessity for local public schools to become social service centers;

"(4) the high technology, global economy of the 21st century will require lifelong learning to keep America's workforce competitive and successful, and local public schools should provide centers for lifelong learning and educational opportunities for individuals of all ages; and

"(5) community schools enable the entire communities to develop an education strategy that addresses the educational needs of all members of local communities.

"SEC. 8703. PROGRAM AUTHORIZATION.

"(a) GRANTS BY THE SECRETARY.—The Secretary is authorized, in accordance with the provisions of this part, to award grants to rural and inner-city public elementary or secondary schools, or consortia thereof, to enable such schools or consortia to plan, implement, or to expand projects that benefit the educational, health, social service, cultural, and recreational needs of a rural or inner-city community.

"(b) AMOUNT.—The Secretary shall not award a grant under this part in any fiscal year in an amount less than $20,000.

"(c) GRANT PERIOD.—The Secretary shall award grants under this part for a period not to exceed 3 years.

"(d) EQUITABLE DISTRIBUTION.—In awarding grants under this part, the Secretary shall assure an equitable distribution of assistance among the States, among urban and rural areas of the United States, and among urban and rural areas of a State.

"SEC. 8704. APPLICATION REQUIRED.

"(a) APPLICATION.—To be eligible to receive a grant under this part, an elementary or secondary school or consortium shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably prescribe. Each such application shall include—

"(1) a comprehensive local plan that enables such school or consortium to serve as a center for the delivery of education and human services for members of a community;

"(2) an evaluation of the needs, available resources, and goals and objectives for the proposed project in order to determine which activities will be undertaken to address such needs; and

"(3) a description of the proposed project, including—

"(A) a description of the mechanism that will be used to disseminate information in a manner that is understandable and accessible to the community;

"(B) identification of Federal, State, and local programs to be merged or coordinated so that public resources may be maximized;

"(C) a description of the collaborative efforts to be undertaken by community-based organizations, related public agencies, businesses, or other appropriate organizations;

"(D) a description of how the school or consortium will act as a delivery center for existing and new services; and

"(E) an assurance that the school or consortium will establish a facility utilization policy that specifically states—

"(i) the rules and regulations applicable to building and equipment use; and

"(ii) supervision guidelines.

"(b) PRIORITY.—The Secretary shall give priority to applications describing projects that offer a broad selection of services.

"SEC. 8705. USES OF FUNDS.

"Grants awarded under this part may be used to plan, implement, or expand community learning centers which include not less than 4 of the following activities:

"(1) Literacy education programs.

"(2) Senior citizen programs.

"(3) Children's day care services.

"(4) Integrated education, health, social service, recreational, or cultural programs.

"(5) Summer and weekend school programs that are coordinated with summer recreation programs.

"(6) Nutrition programs.

"(7) Expanded library service hours to serve community needs.

"(8) Telecommunications and technology education programs for individuals of all ages.

"(9) Parenting skills education programs.

"(10) Support and training for child day care providers.

"(11) Employment counseling, training, and placement.

"(12) Services for individuals who leave school before graduating from secondary school, regardless of the age of such individual.

"(13) Services for individuals who are either physically or mentally challenged.

"SEC. 8706. DEFINITIONS.

"For the purpose of this part, the term 'community learning center' means an entity within a public elementary or secondary school building that—

"(1) provides educational, recreational, health, and social service programs for residents of all ages within a local community; and

"(2) is operated by a local educational agency in conjunction with local governmental agencies, businesses, vocational education programs, community colleges, and cultural, recreational, and other community and human service entities.

"SEC. 8707. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"PART M—MODEL PROJECTS

"SEC. 8751. MODEL PROJECTS.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to cultural institutions to enable such institutions to develop and expand model projects of outreach activities for at-risk children in the communities served by such institutions, including activities which integrate such institution's cultural programming with other disciplines, including environmental, mathematics, and science programs.

"(b) PRIORITY.—In awarding grants under this section the Secretary shall give priority to activities that are part of an overall State, local, and private commitment, seek to improve learning for at-risk youth, and are substantially funded by State, local, or private funds.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"PART N—EXTENDING TIME FOR LEARNING

"SEC. 8801. FINDINGS.

"The Congress finds that—

"(1) the Commission on Time and Learning has found that—

"(A) realizing the third National Education Goal, that states all students will leave grades four, eight and twelve having demonstrated competency in challenging subject matter, including English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography, will require considerably more common core learning time than most students now receive;

"(B) ensuring that all students learn to high standards will require flexibility and innovation in the use of common core learning time, as well as the rest of the time students spend both during and beyond the school day;

"(C) teachers need regular, sustained time for lesson development, collegial collaboration and other professional development; and

"(D) schools, businesses, community-based organizations, tribal leaders, and other community agencies and members should work together to foster effective learning and enrichment programs and activities for students, including programs that operate outside of the regular school day or year;

"(2) increasing the amount and duration of intensive, engaging and challenging learning activities geared to high standards can increase student motivation and achievement;

"(3) the benefits of extending learning time, including common core instructional time, can be maximized by concurrent changes in curriculum and instruction, such as accelerated learning, and engaging, interactive instruction based on challenging content; and

"(4) maximizing the benefit of increased common core and other learning time will require the collaboration and cooperation of teachers and administrators, students, parents, community members and organizations, businesses and others to develop strategies to meet the needs of students during and beyond the school day and year.

"SEC. 8802. PURPOSE.

"It is the purpose of this part to provide seed money to schools and local educational agencies to enable such agencies to devise and implement strategies and methods for upgrading the quality of, and extending, challenging, engaging learning time geared to high standards for all students.

"SEC. 8803. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to award grants to local educational agencies having applications approved under section 8804 to enable such agencies to carry out the authorized activities described in section 8805 in public elementary and secondary schools.

"(b) AMOUNT.—Each grant under subsection (a) shall be awarded in an amount not more than $100,000.

"(c) DURATION.—Each grant under subsection (a) shall be awarded for a period of not more than 3 years.

"SEC. 8804. APPLICATION.

"Each local educational agency desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall describe—

"(1) the activities for which assistance is sought;

"(2) any study or other information-gathering project for which funds will be used;

"(3) strategies and methods the applicant will use to enrich and extend learning time for all students and to maximize the percentage of common core learning time in the school day, such as block scheduling, team teaching, longer school days or years, and extending learning time through new distance-learning technologies;

"(4) the strategies and methods the applicant will use, including changes in curriculum and instruction, to challenge and engage students and to maximize the productiveness of common core learning time, as well as the total time students spend in school and in school-related enrichment activities;

"(5) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the activities assisted under this part;

"(6) the process to be used for involving parents and other stakeholders in the development and implementation of the activities assisted under this part;

"(7) any cooperation or collaboration among public housing authorities, libraries, businesses, museums, community-based organizations, and other community groups and organizations to extend engaging, high-quality, standards-based learning time outside of the school day or year, at the school or at some other site;

"(8) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this part;

"(9) the goals and objectives of the activities assisted under this part, including a description of how such activities will assist all students to reach State standards;

"(10) the methods by which the applicant will assess progress in meeting such goals and objectives; and

"(11) how the applicant will use funds provided under this part in coordination with other funds provided under this Act or other Federal laws.

"SEC. 8805. AUTHORIZED ACTIVITIES.

"Funds under this part may be used—

"(1) to study the feasibility of, and effective methods for, extending learning time within or beyond the school day or year, including consultation with other schools or local educational agencies that have designed or implemented extended learning time programs;

"(2) to conduct outreach to and consult with community members, including parents, students, and other stakeholders, such as tribal leaders, to develop a plan to extend learning time within or beyond the school day or year;

"(3) to develop and implement an outreach strategy that will encourage collaboration with public housing authorities, libraries, businesses, museums, community-based organizations, and other community groups and organizations to *coordinate challenging, high-quality educational activities outside of the school day or year;*

“(4) to research, develop and implement strategies, including changes in curriculum and instruction, for maximizing the quality and percentage of common core learning time in the school day and extending learning time during or beyond the school day or year;

“(5) to provide professional development for school staff in innovative teaching methods that challenge and engage students, and also increase the productivity of extended learning time; and

“(6) to develop strategies to include parents, business representatives, and other community members in the extended time activities, especially as facilitators of activities that enable teachers to have more time for planning, individual student assistance, and professional development activities.

“SEC. 8806. ADMINISTRATION.

“(a) PEER REVIEW.—The Secretary shall award grants under this part pursuant to a peer review process.

“(b) DIVERSITY.—In awarding grants under this part the Secretary shall ensure that such grants are awarded to a diversity of local educational agencies, including such agencies that serve rural and urban areas.

“(c) PRIORITY.—The Secretary shall give priority to awarding grants under this part to local educational agencies that serve schools with high percentages of students in poverty.

“SEC. 8807. DEFINITIONS.

“For the purpose of this part the term ‘common core learning time’ means high-quality, engaging instruction in challenging content in each of the following core academic subjects described in the third National Education Goal:

“(1) English.
“(2) Mathematics.
“(3) Science.
“(4) Foreign languages.
“(5) Civics and government.
“(6) Economics.
“(7) Arts.
“(8) History.
“(9) Geography.

“SEC. 8808. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

“PART O—LONGER SCHOOL YEAR

“SEC. 8851. SHORT TITLE.

“This part may be cited as the ‘Longer School Year Incentive Act of 1994’.

“SEC. 8852. FINDINGS.

“The Congress finds as follows:

“(1) A competitive world economy requires that students in the United States receive education and training that is at least as rigorous and high-quality as the education and training received by students in competitor countries.

“(2) Despite our Nation's transformation from a farm-based economy to one based on manufacturing and services, the school year is still based on the summer needs of an agrarian economy.

“(3) For most students in the United States, the school year is 180 days long. In Japan students go to school 243 days per year, in Germany students go to school 240 days per year, in Austria students go to school 216 days per year, in Denmark students go to school 200 days per year, and in Switzerland students go to school 195 days per year.

“(4) In the final four years of schooling, students in schools in the United States spend a total of 1,460 hours on core academic subjects, less than half of the 3,528 hours so spent in Germany, the 3,280 hours so spent in France, and the 3,170 hours so spent in Japan.

“(5) American students' lack of formal schooling is not counterbalanced with more homework. The opposite is true, as half of all European students report spending at least two hours on homework per day, compared to only 29 percent of American students. Twenty-two percent of American students watch five or more hours of television per day, while less than eight percent of European students watch that much television.

“(6) More than half of teachers surveyed in the United States cite ‘children who are left on their own after school’ as a major problem.

“(7) Over the summer months, disadvantaged students not only fail to advance academically, but many forget much of what such students had learned during the previous school year.

“(8) Funding constraints as well as the strong pull of tradition have made extending the school year difficult for most States and school districts.

“(9) Experiments with extended and multitrack school years have been associated with both increased learning and more efficient use of school facilities.

“SEC. 8853. PURPOSE.

“It is the purpose of this part to allow the Secretary to provide financial incentives and assistance to States or local educational agencies to enable such States or agencies to substantially increase the amount of time that students spend participating in quality academic programs, and to promote flexibility in school scheduling.

“SEC. 8854. PROGRAM AUTHORIZED.

“The Secretary is authorized to award grants to States or local educational agencies to enable such States or agencies to support public school improvement efforts that include the expansion of time devoted to core academic subjects and the extension of the school year to not less than 210 days.

“SEC. 8855. APPLICATION.

“Any State or local educational agency desiring assistance under this part shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

“SEC. 8856. APPROPRIATIONS AUTHORIZATION.

“For the purpose of carrying out this part there are authorized to be appropriated $100,000,000 for fiscal year 1995 and such sums as may be necessary for each of the succeeding fiscal years.

“PART P—CREATING SMALLER LEARNING COMMUNITIES

“SEC. 8871. FINDINGS.

“The Congress finds that—

“(1) smaller school communities can have a significant, positive impact on student achievement, including grade promotion, school attendance and motivation;

“(2) large schools can benefit from reorganization into smaller learning communities, such as schools-within-schools; and

“(3) smaller learning communities can provide students with a variety of educational options based on various themes, while providing all students engaging, innovative instruction in challenging curricula that will enable such communities to meet State standards.

“SEC. 8872. PURPOSE.

“It is the purpose of this part to improve the quality and effectiveness of teaching and learning by encouraging and supporting school and school district efforts to create smaller schools, including those that exist as schools-within-schools.

“SEC. 8873. PROGRAM AUTHORIZED.

“(a) IN GENERAL.—The Secretary is authorized to award grants to local educational agencies having applications approved under section 8854 to enable such agencies to carry out the authorized activities described in section 8875 in public elementary and secondary schools.

“(b) AMOUNT.—Each grant under subsection (a) shall be awarded in an amount not more than $100,000.

“(c) DURATION.—Each grant under subsection (a) shall be awarded for a period of not more than 3 years.

“SEC. 8874. APPLICATION.

“Each local educational agency desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall describe—

“(1) strategies and methods the applicant will use to create the smaller learning community or communities;

“(2) curriculum and instructional practices, including any particular themes or emphases, to be used in the learning environment;

“(3) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the smaller learning community or communities;

“(4) the process to be used for involving students, parents and other stakeholders in the development and implementation of the smaller learning community or communities;

“(5) any cooperation or collaboration among community agencies, organizations, businesses, and others to develop or implement a plan to create the smaller learning community or communities;

“(6) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this part;

“(7) the goals and objectives of the activities assisted under this part, including a description of how such activities will better enable all students to reach challenging State content standards and State student performance standards;

“(8) the methods by which the applicant will assess progress in meeting such goals and objectives;

“(9) if the smaller learning community or communities exist as a school-within-a-school, the relationship, including governance and administration, of the smaller learning community to the rest of the school;

“(10) a description of the administrative and managerial relationship between the local educational agency and the smaller learning community or communities, including how such agency will demonstrate a commitment to the continuity of the smaller learning community or communities, including the continuity of student and teacher assignment to a particular learning community;

“(11) how the applicant will coordinate or use funds provided under this part with other funds provided under this Act or other Federal laws;

“(12) grade levels or ages of students who will participate in the smaller learning community or communities; and

“(13) the method of placing students in the smaller learning community or communities, such that students are not placed according to ability, performance or any other measure, so that students are placed at random or by their own choice, not pursuant to testing or other judgments.

“SEC. 8875. AUTHORIZED ACTIVITIES.

“Funds under this part may be used—

“(1) to study the feasibility of creating the smaller learning community or communities as well as effective and innovative organizational and instructional strategies that will be used in the smaller learning community or communities;

“(2) to research, develop and implement strategies for creating the smaller learning community or communities, as well as effective and innovative changes in curriculum and instruction,

geared to high State content standards and State student performance standards;

"(3) to provide professional development for school staff in innovative teaching methods that challenge and engage students to be used in the smaller learning community or communities; and

"(4) to develop and implement strategies to include parents, business representatives, local institutions of higher education, community-based organizations, and other community members in the smaller learning communities, as facilitators of activities that enable teachers to participate in professional development activities, as well as to provide links between students and their community.

"SEC. 8876. ADMINISTRATION.

"(a) PEER REVIEW.—The Secretary shall award grants under this part pursuant to a peer review process.

"(b) DIVERSITY.—In awarding grants under this part the Secretary shall ensure that such grants are awarded to a diversity of local educational agencies, including such agencies that serve rural and urban areas.

"(c) PRIORITY.—The Secretary shall give priority to awarding grants under this part to local educational agencies that serve schools with high percentages of students in poverty.

"(d) SPECIAL RULE.—In awarding grants under this part, the Secretary shall ensure that such grants are awarded for authorized activities described in section 8855 that serve a diversity of grade spans.

"SEC. 8877. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this part.

"PART Q—PARTNERSHIPS IN CHARACTER EDUCATION PILOT PROJECT

"SEC. 8901. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to make up to a total of 10 grants annually to partnerships of State educational agencies and local educational agencies for the design and implementation of character education programs that incorporate the elements of character listed in section 8904, as well as other character elements identified by applicants.

"(b) MAXIMUM AMOUNT OF GRANT.—No State educational agency shall receive more than a total of $1,000,000 in grants under this part.

"(c) DURATION.—Each grant under this part shall be awarded for a period not to exceed 5 years, of which the State educational agency shall not use more than 1 year for planning and program design.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1995 $6,000,000, and such sums as may be necessary for each fiscal year thereafter to carry out this part.

"SEC. 8902. STATE EDUCATIONAL AGENCY APPLICATIONS.

"(a) REQUIREMENT.—Each State educational agency desiring a grant under this part shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(b) PARTNERSHIPS.—Each State educational agency desiring a grant under this part shall form a partnership with at least one local educational agency to be eligible for funding. The partnership shall—

"(1) pursue State and local initiatives to meet the objectives of this part; and

"(2) establish a character education clearinghouse at the State level to make information and materials available to local educational agencies.

"(c) APPLICATION.—Each application under this part shall include—

"(1) a list of the local educational agencies entering into the partnership with the State educational agency;

"(2) a description of the goals of the partnership;

"(3) a description of activities that will be pursued by the participating local educational agencies, including—

"(A) how parents, students, and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program;

"(B) curriculum and instructional practices;

"(C) methods of teacher training and parent education that will be used or developed; and

"(D) examples of activities that will be carried out under this part;

"(4) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs;

"(5) a description of how the State educational agency will evaluate the success of local programs and how local educational agencies will evaluate the progress of their own programs;

"(6) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing programs;

"(7) a description of how the State educational agency will establish a clearinghouse for information on model programs, materials, and other information the State and local educational agencies determine to be appropriate;

"(8) an assurance that the State educational agency will annually provide to the Secretary such information as may be required to determine the effectiveness of the program; and

"(9) any other information that the Secretary may require.

"(d) NON-PARTNER LOCAL EDUCATIONAL AGENCIES.—Any local educational agency that was not a partner with the State when the application was submitted may become a partner by submitting an application for partnership to the State educational agency, containing such information that the State educational agency may require.

"SEC. 8903. EVALUATION AND PROGRAM DEVELOPMENT.

"(a) REQUIREMENT.—Each State educational agency receiving a grant under this part shall submit to the Secretary a comprehensive evaluation of the program assisted under this part, including the impact on students, teachers, administrators, parents, and others—

"(1) by the mid-term of the program; and

"(2) not later than 1 year after completion of such program.

"(b) CONTRACTS FOR EVALUATION.—Each State educational agency receiving a grant under this part may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating their program and measuring the success of the program toward fostering in students the elements of character listed in section 8904.

"(c) FACTORS.—Factors which may be considered in evaluating the success of the program may include—

"(1) discipline problems;

"(2) students' grades;

"(3) participation in extracurricular activities;

"(4) parental and community involvement;

"(5) faculty and administration involvement; and

"(6) student and staff morale.

"(d) MATERIALS AND PROGRAM DEVELOPMENT.—Local educational agencies, after consulting with the State educational agency, may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for assistance in developing curriculum, materials, teacher training, and other activities related to character education.

"SEC. 8904. ELEMENTS OF CHARACTER.

"(a) IN GENERAL.—Applicants desiring funding under this part shall develop character education programs that incorporate the following elements of character:

"(1) Caring.

"(2) Civic virtue and citizenship.

"(3) Justice and fairness.

"(4) Respect.

"(5) Responsibility.

"(6) Trustworthiness.

"(7) Any other elements deemed appropriate by the members of the partnership.

"(b) ADDITIONAL ELEMENTS OF CHARACTER.—A local educational agency participating under this part may, after consultation with schools and communities of such agency, define additional elements of character that the agency determines to be important to the schools and communities of such agency.

"SEC. 8905. USE OF FUNDS.

"Of the total funds received by a State educational agency in any fiscal year under this part—

"(1) not more than 30 percent of such funds may be retained by the State educational agency, of which—

"(A) not more than 10 percent of such funds may be used for administrative purposes; and

"(B) the remainder of such funds may be used for—

"(i) collaborative initiatives with local educational agencies;

"(ii) the establishment of the clearinghouse, preparation of materials, teacher training; and

"(iii) other appropriate activities; and

"(2) the remaining of such funds shall be used to award subgrants to local educational agencies, of which—

"(A) not more than 10 percent of such funds may be retained for administrative purposes; and

"(B) the remainder of such funds may be used to—

"(i) award subgrants to schools within the local educational agency; and

"(ii) pursue collaborative efforts with the State educational agency.

"SEC. 8906. SELECTION OF GRANTEES.

"(a) CRITERIA.—The Secretary shall select, through peer review, partnerships to receive grants under this part on the basis of the quality of the applications submitted under section 8902, taking into consideration such factors as—

"(1) the quality of the activities proposed by local educational agencies;

"(2) the extent to which the program fosters in students the elements of character;

"(3) the extent of parental, student, and community involvement;

"(4) the number of local educational agencies involved in the effort;

"(5) the quality of the plan for measuring and assessing success; and

"(6) the likelihood that the goals of the program will be realistically achieved.

"(b) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this part in a manner that ensures, to the extent practicable, that programs assisted under this part—

"(1) serve different areas of the Nation, including urban, suburban, and rural areas; and

"(2) serve schools that serve minorities, Native Americans, students of limited-English proficiency, and disadvantaged students.

"PART R—ALASKA NATIVE EDUCATION

"SEC. 8921. SHORT TITLE.

"This part may be cited as the 'Alaska Native Educational Equity, Support and Assistance Act'.

"SEC. 8922. FINDINGS.

"The Congress finds and declares:

"(1) The attainment of educational success is critical to the betterment of the conditions, long term well being and preservation of the culture of Alaska Natives.

"(2) It is the policy of the Federal Government to encourage the maximum participation by Alaska Natives in the planning and the management of Alaska Native education programs.

"(3) Alaska Native children enter and exit school with serious educational handicaps.

"(4) The educational achievement of Alaska Native children is far below national norms. In addition to low Native performance on standardized tests, Native student drop out rates are high, and Natives are significantly underrepresented among holders of baccalaureate degrees in the State of Alaska. As a result Native students are being denied their opportunity to become full participants in society by grade school and high school educations that are condemning an entire generation to an underclass status and a life of limited choices.

"(5) The programs authorized herein, combined with expanded Head Start, infant learning and early childhood education programs, and parent education programs are essential if educational handicaps are to be overcome.

"(6) The sheer magnitude of the geographic barriers to be overcome in delivering educational services in rural and village Alaska should be addressed through the development and implementation of innovative, model programs in a variety of areas.

"(7) Congress finds that Native children should be afforded the opportunity to begin their formal education on a par with their non-Native peers. The Federal Government should lend support to efforts developed by and undertaken within the Alaska Native community to improve educational opportunity for all students.

"SEC. 8923. PURPOSE.

"It is the purpose of this part to—

"(1) recognize the unique educational needs of Alaska Natives;

"(2) authorize the development of supplemental educational programs to benefit Alaska Natives;

"(3) supplement existing programs and authorities in the area of education to further the purposes of this part; and

"(4) provide direction and guidance to appropriate Federal, State and local agencies to focus resources, including resources made available under this part, on meeting the educational needs of Alaska Natives.

"SEC. 8924. ALASKA NATIVE EDUCATIONAL PLANNING, CURRICULUM DEVELOPMENT, TEACHER TRAINING AND RECRUITMENT PROGRAM.

"(a) GENERAL AUTHORITY.—The Secretary shall make direct grants to Alaska Native organizations or educational entities with experience in developing or operating Alaska Native programs or programs of instruction conducted in Alaska Native languages, or to partnerships involving Alaska Native organizations, for the following purposes:

"(1) EDUCATIONAL PLANNING.—The consolidation of existing educational plans, recommendations and research into implementation methods and strategies to improve schooling for Alaska Natives.

"(2) IMPLEMENTATION OF EDUCATIONAL PLANS.—The adoption and implementation of specific educational plans developed under subsection (1) above.

"(3) CURRICULA.—The development of curricula to address the needs of Alaska Native students, particularly elementary and secondary school students, which may include innovative programs and pilot and demonstration programs to develop and introduce curriculum materials that reflect cultural diversities or the contributions of Alaska Native people, programs of instruction conducted in Native languages, and the development of networks to introduce successful techniques, programs and curriculum materials to rural and urban schools, including:

"(A) multimedia social studies curricula which fully and accurately portray the role of Native Americans historically and contemporarily; and

"(B) curricula and teaching materials for instructions in Native languages.

"(4) PRETEACHER TRAINING.—The development and implementation of preteacher training program in order to ensure that student teachers within the State of Alaska, particularly student teachers who are likely to be employed in schools with a high concentration of Alaska Native students, are prepared to better address the cultural diversity and unique needs of Alaska Native students;

"(5) TEACHER RECRUITMENT.—The development and implementation of teacher recruitment programs to meet the objectives of—

"(A) increasing the numbers of teachers who are Alaska Natives;

"(B) enhancing teacher recruitment within communities with a high concentration of Alaska Native students; and

"(C) improving the teacher selection processes in order to recruit teachers who are more positively responsive to rural conditions and who are suited for effective cross-cultural instruction.

"(6) INSERVICE TEACHER TRAINING.—The development and implementation of inservice teacher training programs in order to ensure that teachers are prepared to better address the unique needs of Alaska Native students.

"(b) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 8925. ALASKA NATIVE HOME BASED EDUCATION FOR PRESCHOOL CHILDREN.

"(a) GENERAL AUTHORITY.—The Secretary shall make direct grants to Alaska Native organizations or educational entities with experience in developing or operating Alaska Native programs, or to partnerships involving Alaska Native organizations, to implement home instruction programs for Alaska Native preschool youngsters. The objective of such programs shall be to develop parents as educators for their children and to assure the active involvement of parents in the education of their children from the earliest ages.

"(b) PROGRAM ELEMENTS.—Home based education programs for Alaska Native children shall include—

"(1) parent-infant programs for prenatal through three-year olds;

"(2) preschool programs for four- and five-year olds;

"(3) training, education and support programs to teach parents skills in observation, reading readiness, story telling and critical thinking;

"(4) continued research and development; and

"(5) a long term followup and assessment program.

"(c) ELIGIBILITY OF HIPPY PROGRAMS.—Programs based on the HIPPY (Home Instruction Program for Preschool Youngsters) model shall be eligible for funding under this section.

"(d) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 8926. ALASKA NATIVE STUDENT ENRICHMENT PROGRAMS.

"(a) GENERAL AUTHORITY.—The Secretary shall make a grant or grants to Alaska Native educational organizations or educational entities with experience in developing or operating Alaska Native programs, or to partnerships including Alaska Native organizations, for enrichment programs for Alaska Native students in the areas of science and mathematics education. The programs shall be designed to—

"(1) prepare qualified students from rural areas who are preparing to enter village high schools to excel in science and mathematics; and

"(2) provide those support services to the families of such students that are needed to enable such students to benefit from the program.

"(b) USES OF FUNDS.—The program funded under this section may include—

"(1) the identification of the students eligible to participate in the program;

"(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial enrichment of the educational performance of the participating students;

"(3) leadership programs designed to provide for the replication of the program in other subject matter areas and the dissemination of information derived from the program; and

"(4) appropriate research, evaluation and related activities pertaining to the benefits of such enrichment programs.

"(c) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 8927. ADMINISTRATIVE PROVISIONS.

"(a) APPLICATION REQUIRED.—No grant may be made under this part, nor any contract be entered into under this part, unless an application is submitted to the Secretary in such form, in such manner, and containing such information as the Secretary may determine necessary to carry out the provisions of this part.

"(b) APPLICATIONS BY LOCAL SCHOOL DISTRICTS OR STATE EDUCATIONAL ENTITIES.—Local school districts or State educational entities shall apply for funding under this Part in partnership with Alaska Native organizations.

"(c) CONSULTATION REQUIRED.—Each applicant for funding shall provide for ongoing advice from and consultation with representatives of the Alaska Native community.

"(d) LOCAL EDUCATIONAL AGENCY COORDINATION.—Each local educational agency serving students who will participate in the program for which assistance is sought shall be informed regarding each application submitted under this part: Provided, That approval by or concurrence from such local educational agency shall not be required.

"(e) IMPLEMENTATION OF AUTHORITIES.—The Secretary shall expeditiously obligate funds appropriated as provided in this part.

"SEC. 8928. DEFINITIONS.

"For purposes of this part—

"(1) the term 'Alaska Native' has the same meaning as the term 'Native' has in section 3(b) of the Alaska Native Claims Settlement Act.

"(2) the term 'Alaska Native organization' means a federally recognized tribe, consortium of tribes, regional nonprofit Native association, and other Alaska Native organizations that:

"(A) has or commits to acquire expertise in the education of Alaska Natives; and

"(B) has Alaska Natives in substantive and policy-making positions within the organization.

"PART S—PROMOTING SCHOLAR-ATHLETE COMPETITIONS

"SEC. 8931. FINDINGS.

"The Congress finds that—

"(1) athletic and intellectual competition can be a force for understanding and friendship among an economically and culturally diverse population;

"(2) the World Scholar-Athlete Games in 1993 brought together 2,000 young scholars ranging in age from 16 to 19 who are talented in art, creative writing, poetry, singing or athletics, from 125 countries and all 50 States; and

"(3) through experiences on the playing field, in group discussions and informal gatherings, scholar-athlete competitions can foster understanding, acceptance and friendship among students who might otherwise never interact.

"SEC. 8932. PURPOSE.

"It is the purpose of this part to provide authorization for the establishment of a model educational, athletic, and cultural event that—

"(1) is intended to bring together academically qualified youth of diverse cultural, economic, and social backgrounds;

"(2) is replicated by each State; and

"(3) invites adult and student leaders in education, business and government representing all 50 States to attend and observe the model event, including such event's educational and cultural programs, so that such leaders are qualified to administer similar events in their home States.

"SEC. 8933. PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—(A) If funds are appropriated pursuant to the authority of subsection (c) for fiscal year 1995, the Secretary is authorized to award a grant to a nonprofit organization to enable such organization to carry out model scholar-athlete games in accordance with the purpose of this part.

"(B) If funds are appropriated pursuant to the authority of subsection (c) for fiscal year 1996, the Secretary is authorized to award a grant to a nonprofit organization to reimburse such organization for the costs of conducting scholar-athlete games in 1995.

"(2) SPECIAL RULE.—Scholar-athlete games assisted under this part shall be held in 1995.

"(3) PRIORITY.—In awarding grants under this part, the Secretary shall give priority to a nonprofit organization that—

"(A) is described in section 501(c)(3) of, and exempt from taxation under section 501(a) of, the Internal Revenue Code of 1986, and is affiliated with a university capable of hosting a large educational, cultural, and athletic event that will serve as a national model;

"(B) has the capability to administer federally funded scholar-athlete programs;

"(C) has the ability to provide matching funds, on a dollar-for-dollar basis, from foundations and the private sector for the purpose of conducting a scholar-athlete program;

"(D) has the organizational structure and capability to administer a model scholar-athlete program in the summer of 1995;

"(E) has the organizational structure and expertise to replicate the scholar-athlete program in various venues throughout the United States in 1996 and thereafter, as well as replicate such program internationally; and

"(F) the Secretary determines has plans for conducting scholar-athlete games after 1995 without Federal assistance.

"(b) PAYMENTS.—From the amount authorized to be appropriated pursuant to the authority of subsection (c) for fiscal year 1995, the Secretary is authorized to make grant payments of 50 percent of such amount at the beginning of such year and the remaining 50 percent of such amount incrementally according to procedures established by the Secretary.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of the fiscal years 1995 and 1996 to carry out this part.

"PART T—COMMUNITY SCHOOL PARTNERSHIPS

"SEC. 8941. SHORT TITLE.

"This part may be cited as the 'Community School Partnership Act'.

"SEC. 8942. FINDINGS.

"The Congress finds that—

"(1) the local community, when properly organized and challenged, is one of the best sources of academic support, motivation toward achievement, and financial resources for aspiring postsecondary students;

"(2) local communities, working to complement or augment services currently being offered by area schools and colleges, can raise the educational expectations and increase the rate of postsecondary attendance of their youth by forming locally based organizations that provide both academic support (including guidance, counseling, mentoring, tutoring, encouragement, and recognition) and tangible, locally raised, effectively targeted, publicly recognized financial assistance;

"(3) proven methods of stimulating these community efforts can be promoted through Federal support for the establishment of area program centers to organize and challenge community efforts to develop educational incentives and support for local students; and

"(4) using Federal funds to leverage private contributions to help students from low-income families attain educational and career goals is an efficient and effective investment of scarce taxpayer-provided resources.

"SEC. 8943. DEFINITIONS.

"As used in this part:

"(1) AREA PROGRAM CENTER.—The term 'area program center' means an organization that—

"(A) is part of, responsible to, and overseen by, the national organization; and

"(B) is staffed by professionals trained to create, develop, and sustain local affiliated chapters in towns, cities, and neighborhoods.

"(2) LOCAL AFFILIATED CHAPTER.—The term 'local affiliated chapter' means an organization that—

"(A) is a nonprofit organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986, and exempt from taxation under section 501(a) of such Code (or shall meet this criteria through affiliation with the national organization described in paragraph (3));

"(B) is formed for the purpose of providing educational scholarships and academic support for residents of the local community served by such organization;

"(C) solicits broad-based community support in its academic support and fund-raising activities;

"(D) is broadly representative of the local community in the structures of its volunteer-operated organization and has a board of directors that includes leaders from local neighborhood organizations and neighborhood residents, such as school or college personnel, parents, students, community agency representatives, and representatives of the business community;

"(E) awards scholarships without regard to age, sex, marital status, race, creed, color, religion, national origin or the presence of any mental, sensory, or physical disability; and

"(F) gives priority in awarding scholarships to students from low-income families in the local community.

"(3) NATIONAL ORGANIZATION.—The term 'national organization' means an organization that—

"(A) has the capacity to create, develop and sustain local affiliated chapters;

"(B) has the capacity to sustain newly created local affiliated chapters in towns, cities, and neighborhoods through ongoing training and support programs;

"(C) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and exempt from taxation under section 501(a) of such Code;

"(D) is a publicly supported organization within the meaning of section 170(b)(1)(A)(vi) of such Code;

"(E) ensures that each of its local affiliated chapters meet the criteria described in subparagraphs (C) and (D); and

"(F) has a program for or experience in cooperating with secondary and postsecondary institutions in carrying out its scholarship and academic support activities.

"(4) HIGH-POVERTY AREA.—The term 'high-poverty area' means a community with a higher percentage of children in poverty than the national average of such percentage.

"(5) STUDENTS FROM LOW-INCOME FAMILIES.—The term 'students from low-income families' means students determined, pursuant to part F of title IV of the Higher Education Act of 1965, to be eligible for a Federal Pell Grant under subpart 1 of part A of title IV of such Act.

"SEC. 8944. PURPOSE; ENDOWMENT GRANT AUTHORITY.

"(a) PURPOSE.—It is the purpose of this title to establish and support area program centers to enable such centers to foster the development of local affiliated chapters in high-poverty areas that promote higher education goals for students from low-income families by—

"(1) providing academic support, including guidance, counseling, mentoring, tutoring, and recognition; and

"(2) providing scholarship assistance for the pursuit of postsecondary education.

"(b) ENDOWMENT GRANT AUTHORITY.—From the funds appropriated pursuant to the authority of section 8947, the Secretary competitively award an endowment grant to a national organization to enable such organization to support the establishment or ongoing work of area program centers that foster the development of local affiliated chapters in high-poverty areas to improve high school graduation rates and postsecondary attendance through the provision of academic support services and scholarship assistance for the pursuit of postsecondary education.

"SEC. 8945. GRANT AGREEMENT AND REQUIREMENTS.

"(a) IN GENERAL.—The Secretary shall award the endowment grant described in section 8944(b) pursuant to an agreement between the Secretary and the national organization. Such agreement shall—

"(1) require the national organization to establish an endowment fund in the amount of the grant, the corpus of which shall remain intact and the interest income from which shall be used to support the activities described in paragraphs (2) and (3);

"(2) require the national organization to use 25 percent of the interest income from the endowment fund in any fiscal year to provide scholarships for students from low-income families, which scholarships shall be matched on a dollar-for-dollar basis from funds raised by local affiliated chapters;

"(3) require the national organization to use 75 percent of the interest income from the endowment fund in any fiscal year to support the

establishment or ongoing work of area program centers to enable such centers to work with local communities to establish local affiliated chapters in high-poverty areas and provide ongoing technical assistance, training workshops, and other activities to help ensure the ongoing success of the local affiliated chapters;

"(4) require the area program centers supported by the national organization to give priority to establishing local affiliated chapters that serve high-poverty areas;

"(5) require the national organization to submit, in each fiscal year in which such organization uses the interest from the endowment fund, a report to the Secretary that contains—

"(A) a description of the programs and activities supported by the interest on the endowment fund;

"(B) the audited financial statement of the national organization for the preceding fiscal year;

"(C) a plan for the programs and activities to be supported from the interest on the endowment fund during the 5 succeeding fiscal years;

"(D) or is accompanied by such evaluation of the programs and activities supported by the interest on the endowment fund as the Secretary may require; and

"(E) data indicating the number of students from low-income families who received scholarships from local affiliated chapters, and the amounts of such scholarships;

"(6) contain such assurances as the Secretary may require with respect to the management and operation of the endowment fund;

"(7) require that, in order to continue using the interest from the endowment fund, the national organization will meet the continuing eligibility requirements described in section 8946; and

"(8) contain an assurance that if the Secretary determines that such organization is not in substantial compliance with the provisions of this title, then the national organization shall pay to the Secretary an amount equal to the corpus of the endowment fund plus any accrued interest on such fund that is available to the national organization on the date of such determination.

"(b) RETURNED FUNDS.—All funds returned to the Secretary pursuant to subsection (a)(8) shall be available to the Secretary to carry out any scholarship or grant program assisted under title IV of the Higher Education Act of 1965.

"SEC. 8946. CONTINUING ELIGIBILITY.

"The national organization shall be eligible to continue to use the interest from the endowment fund in accordance with the provisions of this title in the third and each such succeeding fiscal year in which such organization uses such interest only if the local affiliated chapters associated with all area program centers supported under this part distribute to students from low-income families 80 percent of the total amount of funds raised by all such chapters in such year.

"SEC. 8947. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $10,000,000 for fiscal year 1995 to carry out this title.

"TITLE IX—SPECIAL PROGRAMS

"PART A—IMPACT AID

"SEC. 9001. PURPOSE.

"In order to fulfill the Federal responsibility to assist with the provision of educational services to federally connected children, because certain activities of the Federal Government place a financial burden on the local educational agencies serving areas where such activities are carried out and to help such children meet challenging State standards, it is the purpose of this part to provide financial assistance to local educational agencies that—

"(1) experience a substantial and continuing financial burden due to the acquisition of real property by the United States;

"(2) educate children who reside on Federal property and whose parents are employed on Federal property;

"(3) educate children of parents who are in the military services and children who live in low-rent housing;

"(4) experience sudden and substantial increases or decreases in enrollments because of military realignments; or

"(5) need special assistance with capital expenditures for construction activities because of the enrollments of substantial numbers of children who reside on Federal lands.

"SEC. 9002. PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

"(a) IN GENERAL.—Where the Secretary, after consultation with any local educational agency and with the appropriate State educational agency, determines for a fiscal year ending prior to October 1, 1999—

"(1) that the United States owns Federal property in the local educational agency, and that such property—

"(A) has been acquired by the United States since 1938;

"(B) was not acquired by exchange for other Federal property in the local educational agency which the United States owned before 1939; and

"(C) had an assessed value (determined as of the time or times when so acquired) aggregating 10 percent or more of the assessed value of—

"(i) all real property in the local educational agency (similarly determined as of the time or times when such Federal property was so acquired); or

"(ii) all real property in the local educational agency as assessed in the first year preceding or the year succeeding acquisition, whichever is greater, only if—

"(I) the assessment of all real property in the local educational agency is not made at the same time or times that such Federal property was so acquired and assessed; and

"(II) State law requires an assessment be made of property so acquired; and

"(2) that such agency is not being substantially compensated for the loss in revenue resulting from such ownership by increases in revenue accruing to the agency from the conduct of Federal activities with respect to such Federal property,

then the local educational agency shall be eligible to receive for such fiscal year such amount as, in the judgment of the Secretary, is equal to the continuing Federal responsibility for the additional financial burden with respect to current expenditures placed on such agency by such acquisition of property.

"(b) AMOUNT.—

"(1) IN GENERAL.—(A)(i) The amount that a local educational agency shall be paid under subsection (a) for a fiscal year shall be calculated in accordance with paragraph (2), except that such amount shall be reduced by the Secretary by an amount equal to the amount of revenue, if any, that such agency received during the previous fiscal year from activities conducted on such property.

"(ii) For purposes of clause (i), the amount of revenue that a local educational agency receives during the previous fiscal year from activities conducted on Federal property shall not include payments received by the agency from the Secretary of Defense to support—

"(I) the operation of a domestic dependent elementary or secondary school; or

"(II) the provision of a free public education to dependents of members of the Armed Forces residing on or near a military installation.

"(B) If funds appropriated under section 9014(a) are insufficient to pay the amount determined under subparagraph (A), the Secretary shall ratably reduce the payment to each eligible local educational agency.

"(C) Notwithstanding any other provision of this subsection, a local educational agency may not be paid an amount under this section that when added to the amount such agency receives under section 9003(b)(2) exceeds the maximum amount that such agency is eligible to receive for such fiscal year under section 9003(b)(1)(C).

"(2) APPLICATION OF CURRENT LEVIED REAL PROPERTY TAX RATE.—In making a determination of the amount that would have been derived in such year under paragraph (1)(A), the Secretary shall apply the current levied real property tax rate for current expenditures levied by fiscally independent local educational agencies or imputed, for fiscally dependent local educational agencies, to the current annually determined aggregate assessed value of such acquired Federal property.

"(3) DETERMINATION OF AGGREGATE ASSESSED VALUE.—Such aggregate assessed value of such acquired Federal property shall be determined (on the basis of the highest and best use of property adjacent to such acquired Federal property as of the time such value is determined), and provided to the Secretary, by the local official responsible for assessing the value of real property located in the jurisdiction of such local educational agency for the purpose of levying a property tax.

"(c) APPLICABILITY TO TENNESSEE VALLEY AUTHORITY ACT.—For the purposes of this section, any real property with respect to which payments are being made under section 13 of the Tennessee Valley Authority Act of 1933 shall not be regarded as Federal property.

"(d) OWNERSHIP BY UNITED STATES.—The United States shall be deemed to own Federal property for the purposes of this Act, where—

"(1) prior to the transfer of Federal property, the United States owned Federal property meeting the requirements of subparagraphs (A), (B), and (C) of subsection (a)(1); and

"(2) the United States transfers a portion of the property referred to in paragraph (1) to another nontaxable entity, and the United States—

"(A) restricts some or any construction on such property;

"(B) requires that the property be used in perpetuity for the public purposes for which the property was conveyed;

"(C) requires the grantee of the property to report to the Federal Government (or its agent) regarding information on the use of the property;

"(D) except with the approval of the Federal Government (or its agent), prohibits the sale, lease, assignment, or other disposal of the property unless such sale, lease, assignment, or other disposal is to another eligible government agency; and

"(E) reserves to the Federal Government a right of reversion at any time the Federal Government (or its agent) deems it necessary for the national defense.

"(e) DISTRICT CONTAINING FOREST SERVICE LAND AND SERVING CERTAIN COUNTIES.—Beginning with fiscal year 1995, a school district shall be deemed to meet the requirements of subsection (a)(1)(C) if such school district meets the following requirements:

"(1) The school district contains between 20,000 and 60,000 acres of land that has been acquired by the Forest Service of the Department of Agriculture between 1915 and 1990, as demonstrated by written evidence from the Forest Service satisfactory to the Secretary.

"(2) The school district serves a county certified by State law in 1875 or 1890.

"(f) SPECIAL RULE.—Beginning with fiscal year 1994, and notwithstanding any other provision of law limiting the period during which fiscal year 1994 funds may be obligated, the Secretary of Education shall treat the local educational agency serving the Wheatland R-II School District, Wheatland, Missouri, as meeting the eligibility requirements of section 2(a)(1)(C) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (20 U.S.C. 237(a)(1)(C)) or section 9003(a)(1)(C) of the Elementary and Secondary Education Act of 1965.

"SEC. 9003. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.

"(a) COMPUTATION OF PAYMENT.—

"(1) IN GENERAL.—For the purpose of computing the amount that a local educational agency is eligible to receive under subsection (b), (d), or (f) for any fiscal year, the Secretary shall determine the number of children who were in average daily attendance in the schools of such agency, and for whom such agency provided free public education, during the preceding school year and who, while in attendance at such schools—

"(A)(i) resided on Federal property with a parent employed on Federal property situated in whole or in part within the boundaries of the school district of such agency; or

"(ii) resided on Federal property with a parent who is an official of, and accredited by, a foreign government and is a foreign military officer;

"(B) resided on Federal property and had a parent on active duty in the uniformed services (as defined in section 101 of title 37, United States Code);

"(C) resided on Indian lands;

"(D)(i) had a parent on active duty in the uniformed services (as defined by section 101 of title 37, United States Code) but did not reside on Federal property; or

"(ii) had a parent who is an official of, and has been accredited by, a foreign government and is a foreign military officer but did not reside on Federal property;

"(E) resided in low-rent housing;

"(F) resided on Federal property and is not described in subparagraph (A) or (B); or

"(G) resided with a parent employed on Federal property situated—

"(i) in whole or in part in the county in which the school district of such agency is located, or in whole or in part in the school district of such agency if the school district is located in more than one county; or

"(ii) if not in such county or district, in whole or in part in the same State as the school district of such agency.

"(2) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the basic support payment under subsection (b), the Secretary shall calculate the total number of weighted student units for a local educational agency by adding together the results obtained by the following computations:

"(A) Multiply the number of children described in subparagraphs (A) and (B) of paragraph (1) by a factor of 1.0.

"(B) Multiply the number of children described in paragraph (1)(C) by a factor of 1.25.

"(C) Multiply the number of children described in subparagraphs (D) and (E) of paragraph (1) by a factor of .10.

"(D) Multiply the number of children described in subparagraphs (F) and (G) of paragraph (1) by a factor of .05.

"(b) BASIC SUPPORT PAYMENTS AND PAYMENTS WITH RESPECT TO FISCAL YEARS IN WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—

"(1) BASIC SUPPORT PAYMENTS.—

"(A) IN GENERAL.—From the amount appropriated under section 9014(b) for a fiscal year, the Secretary is authorized to make basic support payments to eligible local educational agencies with children described under subsection (a).

"(B) ELIGIBILITY.—A local educational agency shall be eligible to receive a basic support payment under subparagraph (A) for a fiscal year with respect to a number of children determined under subsection (a) only if the number of children so determined with respect to such agency amounts to the lesser of—

"(i) at least 400 such children; or

"(ii) a number of such children which equals at least 3 percent of the total number of children who were in average daily attendance, during such year, at the schools of such agency and for whom such agency provided free public education.

"(C) MAXIMUM AMOUNT.—The maximum amount that a local educational agency is eligible to receive under this subsection for any fiscal year is the sum of the total weighted student units, as computed under subsection (a)(2), multiplied by the greater of—

"(i) one-half of the average per pupil expenditure of the State in which the local educational agency is located for the third fiscal year preceding the fiscal year for which the determination is made;

"(ii) one-half of the average per pupil expenditures of all of the States for the third fiscal year preceding the fiscal year for which the determination is made;

"(iii) the comparable local contribution rate certified by the State, as determined under regulations prescribed to carry out the Act of September 30, 1950 (Public Law 874, 81st Congress), as such regulations were in effect on January 1, 1994; or

"(iv) the average per pupil expenditure of the State in which the local educational agency is located, multiplied by the local contribution percentage.

"(2) PAYMENTS WITH RESPECT TO FISCAL YEARS IN WHICH INSUFFICIENT FUNDS ARE APPROPRIATED.—

"(A) IN GENERAL.—For any fiscal year in which the sums appropriated under section 9014(b) are insufficient to pay to each local educational agency the full amount computed under paragraph (1), the Secretary shall make payments in accordance with this paragraph.

"(B) LEARNING OPPORTUNITY THRESHOLD PAYMENTS.—(i) For fiscal years described in subparagraph (A), the Secretary shall compute a learning opportunity threshold payment (hereafter in this title referred to as the 'threshold payment') by multiplying the amount obtained under paragraph (1)(C) by the total percentage obtained by adding—

"(I) the percentage of federally connected children for each local educational agency determined by calculating the fraction, the numerator of which is the total number of children described under subsection (a)(1) and the denominator of which is the total number of children in average daily attendance at the schools served by such agency; and

"(II) the percentage that funds under paragraph (1)(C) represent of the total budget of the local educational agency, determined by calculating the fraction, the numerator of which is the total amount of funds calculated for each local educational agency under this subsection (not including amounts received under subsection (f)), and the denominator of which is the total current expenditures for such agency in the second preceding fiscal year for which the determination is made.

"(ii) Such total percentage used to calculate threshold payments under paragraph (1) shall not exceed 100.

"(iii) For the purpose of determining the percentages described in subclauses (I) and (II) of clause (i) that are applicable to the local educational agency providing free public education to students in grades 9 through 12 residing on Hanscom Air Force Base, Massachusetts, the Secretary shall consider only that portion of such agency's total enrollment of students in grades 9 through 12 when calculating the percentage under such subclause (I) and only that portion of the total current expenditures attributed to the operation of grades 9 through 12 in such agency when calculating the percentage under subclause (II).

"(C) RATABLE DISTRIBUTION.—For fiscal years described in subparagraph (A), the Secretary shall make payments as a ratable distribution based upon the computation made under subparagraph (B).

"(c) PRIOR YEAR DATA.—All calculations under this section shall be based upon data for each local educational agency from not later than the first fiscal year preceding the fiscal year for which the agency is making application for payment.

"(d) CHILDREN WITH DISABILITIES.—

"(1) IN GENERAL.—From the amount appropriated under section 9014(c) for a fiscal year, the Secretary shall pay to each eligible local educational agency, on a pro rata basis, the amounts determined by—

"(A) multiplying the number of children described in subparagraphs (A)(ii), (B) and (C) of subsection (a)(1) who are eligible to receive services under the Individuals with Disabilities Education Act by a factor of 1.0; and

"(B) multiplying the number of children described in subparagraph (D) of subsection (a)(1) who are eligible to receive services under such Act by a factor of 0.5.

"(2) USE OF FUNDS.—A local educational agency that receives funds under paragraph (1) shall use such funds to provide a free appropriate public education to children described in paragraph (1) in accordance with the Individuals with Disabilities Education Act.

"(e) HOLD-HARMLESS AMOUNTS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), the total amount that the Secretary shall pay a local educational agency under subsection (b) shall not be less than 95 percent of the amount such agency received for the preceding fiscal year—

"(A) in the case of fiscal year 1995 only, under section 3 of the Act of September 30, 1950 (Public Law 874, 81st Congress); or

"(B) in the case of fiscal years 1996, 1997, 1998, or 1999, under such subsection (b).

"(2) TWO-YEAR APPLICABILITY.—The provisions of paragraph (1) shall apply to any one local educational agency for a maximum of two consecutive fiscal years, except that in the second such year the total amount the Secretary shall pay a local educational agency under subsection (b) shall not be less than 85 percent of the amount such agency received under such subsection in the preceding fiscal year.

"(3) RATABLE REDUCTIONS.—(A)(i) If necessary in order to make payments to local educational agencies in accordance with paragraph (1), the Secretary first shall ratably reduce payments under subsection (b) to local educational agencies that do not receive a payment under this subsection.

"(ii) If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under clause (i) shall be increased on the same basis as such payments were reduced.

"(B)(i) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in all States are eligible to receive under paragraphs (1) and (2) after the application of subparagraph (A) for such year, the Secretary shall ratably reduce payments to all such agencies for such year.

"(ii) If additional funds become available for making payments under paragraphs (1) and (2) for such fiscal year, payments that were reduced under clause (i) shall be increased on the same basis as such payments were reduced.

"(f) Additional Assistance for Heavily Impacted Local Educational Agencies.—

"(1) Reservation.—From amounts appropriated under section 9014(b) for a fiscal year, the Secretary shall provide additional assistance to meet special circumstances relating to the provision of education in local educational agencies eligible to receive assistance under this section.

"(2) Eligibility.—(A) A local educational agency shall be eligible to receive additional assistance under this subsection only if such agency—

"(i)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 50 percent of the total student enrollment of such agency; and

"(II) has a tax rate for general fund purposes which is at least 95 percent of the average tax rate for general fund purposes of comparable local educational agencies in the State;

"(ii)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 35 percent of the total student enrollment of such agency; and

"(II) has a tax rate for general fund purposes which is at least 125 percent of the average tax rate for general fund purposes of comparable local educational agencies in the State; or

"(iii) is a local educational agency whose boundaries are the same as a Federal military installation.

"(B) If the current expenditures in those local educational agencies which the Secretary has determined to be generally comparable to the local educational agency for which a computation is made under subsection (b)(1)(C) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in such agency, a level of education equivalent to that maintained in such other agencies, then the Secretary shall increase the local contribution rate for such agency by such an amount which the Secretary determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors. The amount of any such supplementary payment may not exceed the per-pupil share (computed with regard to all children in average daily attendance), as determined by the Secretary, of the increased current expenditures necessitated by such unusual geographic factors.

"(C) Any local educational agency determined eligible under clause (iii) of subparagraph (A) shall be deemed to have met the tax efforts requirements for eligibility under clause (i)(II) or (ii)(II) of such subparagraph.

"(3) Maximum payments.—

"(A) In general.—Subject to subparagraph (B), the Secretary shall determine the maximum amount that a local educational agency may receive under this subsection in accordance with the following computations:

"(i) The Secretary shall first determine the greater of—

"(I) the average per pupil expenditure of the State in which the local educational agency is located;

"(II) the average per pupil expenditure of generally comparable school districts located in the State of the local educational agency, as defined in regulations issued by the Secretary; or

"(III) the average per pupil expenditure of three generally comparable school districts located in the State of the local educational agency, as defined in regulations issued by the Secretary.

"(ii) The Secretary shall next subtract from the amount determined under clause (i) the total amount of general fund revenues received by the local educational agency from any general fund source per pupil, other than revenues provided under this subsection.

"(iii) The Secretary shall next multiply the amount determined under clause (ii) by the total number of students in average daily attendance of the local educational agency.

"(iv) If the tax rate used by the local educational agency is greater than 95 percent, but less than 100 percent, of the tax rate of comparable school districts, the Secretary shall next multiply the amount determined under clause (iii) by the percentage that the tax rate of the local educational agency is of—

"(I) the average tax rate of its generally comparable school districts; or

"(II) the average tax rate of all the school districts in the State in which the local educational agency is located.

"(v) The Secretary shall next subtract the total amount of payments received by a local educational agency under subsections (b) and (d) for a fiscal year from the amount determined under clause (iii) or clause (iv), as the case may be.

"(B) Special rule.—(i) With respect to payments under this subsection for a local educational agency described in clause (ii) or (iii) of paragraph (2)(A), the maximum amount of such payments shall be computed by taking the product of the average per pupil expenditure in all States multiplied by .7, except that such amount may not exceed 125 percent of the average per pupil expenditure in all local educational agencies in the State, and multiplying such product by the number of students who are served by such local educational agency and described in subparagraph (A) or (B) of subsection (a)(1).

"(ii) The payment under this subsection that a local educational agency described in clauses (ii) and (iii) of paragraph (2)(A) shall receive in any fiscal year shall be equal to the maximum amount described in clause (i) minus the amount of payments such agency receives under subsections (b) and (d) for such year.

"(4) Current year data.—The Secretary shall, for purposes of providing assistance under this subsection, use—

"(A) student and revenue data from the fiscal year for which the local educational agency is applying for assistance under this subsection; and

"(B) the most recent data available on per-pupil cost adjusted to reflect per-pupil cost made current by increasing or decreasing the per-pupil expenditure data for the second fiscal year preceding the fiscal year for which the determination is made by the same percentage increase or decrease reflected between the per-pupil expenditure data for the fourth fiscal year preceding the fiscal year for which the determination is made and the per-pupil expenditure data for such second year.

"(5) Determination for fiscal year 1994.—Notwithstanding the proviso referring to section 3(d)(2)(B) of Public Law 81–874 under the following heading "IMPACT AID" under title III of the Departments of Labor, Health and Human Services and Education, and Related Agencies Appropriations Act of 1994, or any provision of paragraph (2) of section 3(d) of such Public Law which is consistent with this proviso, determinations regarding the eligibility for an amount of payments under section 3(d)(2)(B) of such Public Law for fiscal year 1994 shall be made on the basis of 1994 data, and related Department regulations in effect during fiscal year 1992 shall be used in the tabulation of payments.

"(6) Reduction in payments.—If funds appropriated to carry out this subsection are insufficient to pay in full the amounts determined under paragraph (3), the Secretary shall ratably reduce the payment to each eligible local educational agency.

"(g) Additional Payments for Local Educational Agencies With High Concentrations of Children With Severe Disabilities.—

"(1) In general.—If any local educational agency receives Federal funds from sources other than this part to carry out the purposes of this part for any fiscal year due to the enrollment of children described under subsection (a), then the Secretary shall consider such funds as a payment to such agency under this part for such fiscal year.

"(2) Special rule.—Notwithstanding any other provision of law, if funds appropriated pursuant to section 9014(b) for payments under subsection (b) to such agency for a fiscal year which when added to the funds described in paragraph (1) received by such agency for such fiscal year exceed the maximum amount described under subsection (b)(1)(C), then the Secretary shall make available from the funds appropriated under section 9014(b) for such fiscal year such excess amounts to any local educational agency serving two or more children described under subparagraph (B) or (D) of section 9003(a)(1) who have a severe disability and a parent serving in the uniformed services (as defined by section 101 of title 37, United States Code) and assigned to a particular permanent duty station for compassionate reasons (compassionate post assignment) for the total costs associated with such children who are provided an educational program provided outside the schools of such agency.

"(3) Remaining funds.—If funds remain after payments are made under paragraph (2) for any fiscal year, then such remaining funds shall be made available for expenditures under subsection (d) in such fiscal year on a pro rata basis consistent with the requirements of such subsection.

"(4) Ratable reductions.—If amounts available to carry out paragraph (2) for any fiscal year are insufficient to pay in full the total payment that all eligible local educational agencies are eligible to receive under such paragraph for such year, then the Secretary shall ratably reduce such payments to such agencies for such year.

"(h) Other Funds.—Notwithstanding any other provision of law, a local educational agency receiving funds under this section may also receive funds under section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress) or such section's successor authority.

"(i) Maintenance of Effort.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

"SEC. 9004. POLICIES AND PROCEDURES RELATING TO CHILDREN RESIDING ON INDIAN LANDS.

"(a) In General.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 9003 shall establish policies and procedures to ensure that—

"(1) such children participate in programs and activities supported by such funds on an equal basis with all other children;

"(2) parents of such children and Indian tribes are afforded an opportunity to present their views on such programs and activities, including an opportunity to make recommendations on the needs of those children and how the local educational agency may help such children realize the benefits of such programs and activities;

"(3) parents and Indian tribes are consulted and involved in planning and developing such programs and activities;

"(4) relevant applications, evaluations, and program plans are disseminated to the parents and Indian tribes; and

"(5) parents and Indian tribes are afforded an opportunity to present their views to such agency regarding such agency's general educational program.

"(b) RECORDS.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 9003 shall maintain records demonstrating such agency's compliance with requirements contained in subsection (a).

"(c) WAIVER.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 9003 shall not be required to comply with the requirements of subsections (a) and (b) for any fiscal year with respect to any Indian tribe from which such agency has received a written statement that the agency need not comply with those subsections because the tribe is satisfied with the provision of educational services by such agency to such children.

"(d) TECHNICAL ASSISTANCE AND ENFORCEMENT.—The Secretary shall—

"(1) provide technical assistance to local educational agencies, parents, and Indian tribes to enable such agencies, parents, and tribes to carry out this section; and

"(2) enforce this section through such actions, which may include the withholding of funds, as the Secretary determines to be appropriate, after affording the affected local educational agency, parents, and Indian tribe an opportunity to present their views.

"(e) COMPLAINTS.—

"(1) IN GENERAL.—(A) Any tribe, or its designee, which has students in attendance at a local educational agency may, in its discretion and without regard to the requirements of any other provision of law, file a written complaint with the Secretary regarding any action of a local educational agency taken pursuant to, or relevant to, the requirements of this section.

"(B) Within ten working days from receipt of a complaint, the Secretary shall—

"(i) designate a time and place for a hearing into the matters relating to the complaint at a location in close proximity to the local educational agency involved, or if the Secretary determines there is good cause, at some other location convenient to both the tribe, or its designee, and the local educational agency;

"(ii) designate a hearing examiner to conduct the hearing; and

"(iii) notify the affected tribe or tribes and the local educational agency involved of the time, place, and nature of the hearing and send copies of the complaint to the local educational agency and the affected tribe or tribes.

"(2) HEARING.—The hearing shall be held within 30 days of the designation of a hearing examiner and shall be open to the public. A record of the proceedings shall be established and maintained.

"(3) EVIDENCE; RECOMMENDATIONS; COST.—The complaining tribe, or its designee, and the local educational agency shall be entitled to present evidence on matters relevant to the complaint and to make recommendations concerning the appropriate remedial actions. Each party to the hearing shall bear only its own costs in the proceedings.

"(4) FINDINGS AND RECOMMENDATIONS.—Within 30 days of the completion of the hearing, the hearing examiner shall, on the basis of the record, make written findings of fact and recommendations concerning appropriate remedial action, if any, which should be taken. The hearing examiner's findings and recommendations, along with the hearing record, shall be forwarded to the Secretary.

"(5) WRITTEN DETERMINATION.—Within 30 days of his receipt of the findings, recommendations, and record, the Secretary shall, on the basis of the record, make a written determination of the appropriate remedial action, if any, to be taken by the local educational agency, the schedule for completion of the remedial action, and the reasons for the Secretary's decision.

"(6) COPIES PROVIDED.—Upon completion of his final determination, the Secretary shall provide the complaining tribe, or its designee, and the local educational agency with copies of the hearing record, the hearing examiner's findings and recommendations, and the Secretary's final determination. The final determination of the Secretary shall be subject to judicial review.

"(7) CONSOLIDATION.—In all actions under this subparagraph, the Secretary shall have discretion to consolidate complaints involving the same tribe or local educational agency.

"(8) WITHHOLDING.—If the local educational agency rejects the determination of the Secretary, or if the remedy required is not undertaken within the time established and the Secretary determines that an extension of the time established will not effectively encourage the remedy required, the Secretary shall withhold payment of all moneys to which such local agency is eligible under section 9003 until such time as the remedy required is undertaken, except where the complaining tribe or its designee formally requests that such funds be released to the local educational agency, except that the Secretary may not withhold such moneys during the course of the school year if the Secretary determines that such withholding would substantially disrupt the educational programs of the local educational agency.

"(9) REJECTION OF DETERMINATION.—If the local educational agency rejects the determination of the Secretary and a tribe exercises the option under section 1101(d) of the Education Amendments of 1978, to have education services provided either directly by the Bureau of Indian Affairs or by contract with the Bureau of Indian Affairs, any Indian students affiliated with that tribe who wish to remain in attendance at the local educational agency against whom the complaint which led to the tribal action under such subsection (d) was lodged may be counted with respect to that local educational agency for the purpose of receiving funds under section 9004. In such event, funds under such section shall not be withheld pursuant to subparagraph (D) and no further complaints with respect to such students may be filed under subparagraph (C)(i).

"(f) CONSTRUCTION.—This section is based upon the special relationship between the Indian nations and the United States and nothing in this section shall be construed to relieve any State of any duty with respect to any citizens of that State.

"SEC. 9005. APPLICATION FOR PAYMENTS UNDER SECTIONS 9002 AND 9003.

"(a) IN GENERAL.—A local educational agency desiring to receive a payment under section 9002 or 9003 shall—

"(1) submit an application for such payment to the Secretary; and

"(2) provide a copy of such application to the State educational agency.

"(b) CONTENTS.—Each such application shall be submitted in such form and manner, and shall contain such information, as the Secretary may require, including—

"(1) information to determine the eligibility of the local educational agency for a payment and the amount of such payment; and

"(2) where applicable, an assurance that such agency is in compliance with section 9004 (relating to children residing on Indian lands).

"(c) DEADLINE FOR SUBMISSION.—The Secretary shall establish deadlines for the submission of applications under this section.

"(d) APPROVAL.—

"(1) IN GENERAL.—The Secretary shall approve an application submitted under this section that—

"(A) except as provided in paragraph (2), is filed by the deadline established under subsection (c); and

"(B) otherwise meets the requirements of this title.

"(2) REDUCTION IN PAYMENT.—The Secretary shall approve an application filed not more than 60 days after a deadline established under subsection (c) that otherwise meets the requirements of this title, except that, notwithstanding section 9003(e), the Secretary shall reduce the payment based on such late application by 10 percent of the amount that would otherwise be paid.

"(3) LATE APPLICATIONS.—The Secretary shall not accept or approve any application that is filed more than 60 days after a deadline established under subsection (c).

"(4) STATE APPLICATION AUTHORITY.—Notwithstanding any provision of law, a State educational agency that had been accepted as an applicant for funds under section 3 of the Act of September 30, 1950 (Public Law 874, 81st Congress) in fiscal year 1994 shall be permitted to continue as an applicant under the same conditions by which such agency made application during such fiscal year only if such State educational agency distributes all funds received for the students for which application is being made by such State educational agency to the local educational agencies providing educational services to such students.

"SEC. 9006. PAYMENTS FOR SUDDEN AND SUBSTANTIAL INCREASES IN ATTENDANCE OF MILITARY DEPENDENTS.

"(a) ELIGIBILITY.—A local educational agency is eligible for a payment under this section if—

"(1) the number of children in average daily attendance during the school year for which the determination is made is at least ten percent or 100 more than the number of children in average daily attendance in the school year preceding the school year for which the determination is made; and

"(2) the number of children in average daily attendance with a parent on active duty (as defined in section 101(18) of title 37, United States Code) in the Armed Forces who are in attendance at such agency because of the assignment of their parent to a new duty station between May 15 and September 30, inclusive, of the fiscal year for which the determination is made, as certified by an appropriate local official of the Department of Defense, is at least ten percent or 100 more than the number of children in average daily attendance in the preceding school year.

"(b) APPLICATION.—A local educational agency that wishes to receive a payment under this section shall file an application with the Secretary by October 15 of the school year for which payment is requested, in such manner and containing such information as the Secretary may prescribe, including information demonstrating that such agency is eligible for such a payment.

"(c) CHILDREN TO BE COUNTED.—For each eligible local educational agency that applies for a payment under this section, the Secretary shall determine the lesser of—

"(1) the increase in the number of children in average daily attendance from the school year preceding the fiscal year for which the determination is made; and

"(2) the number of children described in subsection (a)(2).

"(d) PAYMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), from the amount appropriated for a

fiscal year under section 9014(d), the Secretary shall pay each local educational agency with an approved application an amount equal to one-half of the national average per-pupil expenditure multiplied by the number of such children determined under subsection (c) for that local educational agency.

"(2) RATABLE REDUCTION.—(A) If the amount appropriated to carry out this section for any fiscal year is insufficient to pay the full payment that all eligible local educational agencies are eligible to receive under this section for such year, then the Secretary shall ratably reduce the payments to such agencies for such year.

"(B) If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subparagraph (A) shall be increased on the same basis as such payments were reduced.

"(e) NOTIFICATION PROCESS.—

"(1) ESTABLISHMENT.—The Secretary shall establish, with the Secretary of Defense, a notification process relating to the closure of Department of Defense facilities, or the adjustment of personnel levels assigned to such facilities, which may substantially affect the student enrollment levels of local educational agencies which receive or may receive payments under this title.

"(2) INFORMATION.—Such process shall provide timely information regarding such closures and such adjustments—

"(A) by the Secretary of Defense to the Secretary; and

"(B) by the Secretary to the affected local educational agencies.

"SEC. 9007. CONSTRUCTION.

"(a) PAYMENTS AUTHORIZED.—From the amount appropriated for each fiscal year under section 9014(e), the Secretary shall make payments to each local educational agency—

"(1) that receives a basic payment under section 9003(b); and

"(2)(A) in which the number of children determined under section 9003(a)(1)(C) constituted at least 50 percent of the number of children who were in average daily attendance in the schools of such agency during the preceding school year;

"(B) that receives assistance under section 9003(f); or

"(C) that receives assistance under section 9006.

"(b) AMOUNT OF PAYMENTS.—The amount of a payment to each such agency for a fiscal year shall be equal to—

"(1) the amount appropriated under section 9014(e) for such year; divided by

"(2) the number of children determined under section 9003(a)(2) for all local educational agencies described in subsection (a), but not including any children attending a school assisted or provided by the Secretary under section 9008 or section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress) (as such Act was in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994); multiplied by

"(3) the number of such children determined for such agency.

"(c) USE OF FUNDS.—Any local educational agency that receives funds under this section shall use such funds for construction, as defined in section 9013(3).

"(d) SPECIAL RULE.—In carrying out section 14(c) of the Act of September 23, 1950 (Public Law 815, 81st Congress) (20 U.S.C. 644(c)) or any successor authority, the Secretary of Education shall waive any amount of local effort in excess of $200,000 that would otherwise be required under paragraphs (3) and (4) of such section, or any successor authority, respectively, and any regulations issued thereunder, in awarding funds to the Winona R-III School District, Missouri, with respect to its application #MO-86-C-3601A36.

"SEC. 9008. FACILITIES.

"(a) CURRENT FACILITIES.—From the amount appropriated for any fiscal year under section 9014(f), the Secretary may continue to provide assistance for school facilities that were supported by the Secretary under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress) (as such Act was in effect on the day preceding the date of the enactment of the Improving America's Schools Act of 1994).

"(b) TRANSFER OF FACILITIES.—

"(1) IN GENERAL.—The Secretary shall, as soon as practicable, transfer to the appropriate local educational agency or another appropriate entity all the right, title, and interest of the United States in and to each facility provided under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress), or under section 204 or 310 of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Acts were in effect on January 1, 1958).

"(2) OTHER REQUIREMENTS.—Any such transfer shall be without charge to such agency or entity, and prior to such transfer, the transfer shall be consented to by the local educational agency or other appropriate entity, and may be made on such terms and conditions as the Secretary deems appropriate to carry out the purposes of this title.

"SEC. 9009. TREATMENT OF PAYMENTS BY THE STATES IN DETERMINING ELIGIBILITY FOR, AND THE AMOUNT OF, STATE AID.

"(a) IN GENERAL.—Except as provided in subsection (b), no payments may be made under this title for any fiscal year to any local educational agency in any State if—

"(1) such State has taken into consideration payments under this title in determining—

"(A) the eligibility of any local educational agency in that State for State aid for free public education of children; or

"(B) the amount of such aid with respect to any such agency;

during that fiscal year or the preceding fiscal year; or

"(2) such State makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this title than such agency would receive if such agency were not so eligible.

"(b) EXCEPTION.—

"(1) IN GENERAL.—Notwithstanding subsection (a), if a State has in effect a program of State aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies of that State, payments under this title for any fiscal year may be taken into consideration by such State in determining the relative—

"(A) financial resources available to local educational agencies in that State; and

"(B) financial need of such agencies for the provision of free public education for children served by such agency, provided that a State may consider as local resources funds received under this title only in proportion to the share that local tax revenues covered under a State equalization program are of total local tax revenues.

"(2) SPECIAL RULE.—The portion of payments under sections 9003(b), 9003(d) and 9003(f)(1) for children described in section 9003(a)(1)(C) which are attributable to the difference between the total weighted student units determined under section 9003(a)(2)(B) and the total weighted student units determined under section 9003(a)(2)(A), shall not be taken into consideration by the State for the purpose of this subparagraph. Whenever a State educational agency or local educational agency will be adversely affected by the operation of this section, such agency shall be afforded notice and an opportunity for a hearing prior to the reduction or termination of payments pursuant to this section.

"(3) DEFINITIONS.—The terms 'State aid' and 'equalize expenditures' as used in this section shall be defined by the Secretary by regulation, after consultation with State and local educational agencies affected by this section, provided that the term 'equalize expenditures' shall not be construed in any manner adverse to a program of State aid for free public education which provides for taking into consideration the additional cost of providing free public education for particular groups or categories of pupils in meeting the special educational needs of such children as disabled children, economically disadvantaged children, limited-English proficient children, and gifted and talented children.

"(4) NOTICE AND CERTIFICATION.—(A) If a State desires to take payments under this title into consideration as provided in this subsection for any fiscal year, that State shall, not later than 60 days prior to the beginning of such fiscal year, submit notice to the Secretary of its intention to do so. Such notice shall be in such form and be accompanied by such information as to enable the Secretary to determine the extent to which the program of State aid of that State is consistent with the provisions of paragraph (1). In addition, such notice shall be accompanied by such evidence as the Secretary finds necessary that each local educational agency in that State has been given notice of the intention of the State. If the Secretary determines that the program of State aid of a State submitting notice under this paragraph is consistent with the provisions of paragraph (1), the Secretary shall certify such determination to that State.

"(B) Prior to certifying any determination under subparagraph (A) for any State for any fiscal year, the Secretary shall give the local educational agencies in that State an opportunity for a hearing at which such agencies may present their views with respect to the consistency of the State aid program of that State with the provisions of paragraph (1).

"(C) The Secretary shall not finally deny to any State for any fiscal year certification of a determination under subparagraph (A) without first giving that State an opportunity for a hearing.

"(5) REQUIREMENT.—Any State whose program of State aid was certified by the Secretary under paragraph (4) for fiscal year 1988, but whose program was determined by the Secretary under paragraph (4)(A) not to meet the requirements of paragraph (1) for one or more of the fiscal years 1989 through 1992—

"(A) shall be deemed to have met the requirements of paragraph (1) for each of the fiscal years 1989 through 1992; and

"(B) shall not, beginning with fiscal year 1993, and notwithstanding any other provision of this paragraph, take payments under this title into consideration as provided under paragraph (1) for any fiscal year unless the Secretary has previously certified such State's program for such fiscal year.

"(6) GRANDFATHER CLAUSE.—Notwithstanding any other provision of law, a State shall be deemed to meet the requirements of this subsection if such State—

"(A) met the requirements of section 5(d)(2) of the Act of September 30, 1950 (Public Law 874, 81st Congress) on July 1, 1994; and

"(B) continues to meet the requirements of such section 5(d)(2) for each fiscal year for which the determination is made.

"SEC. 9010. FEDERAL ADMINISTRATION.

"(a) Payments in Whole Dollar Amounts.—The Secretary shall round any payments under this title to the nearest whole dollar amount.

"(b) Other Agencies.—Each Federal agency administering Federal property on which children reside, and each agency principally responsible for an activity that may occasion assistance under this title, shall, to the maximum extent practicable, comply with requests of the Secretary for information the Secretary may require to carry out this title.

"(c) Special Rules.—

"(1) CERTAIN CHILDREN ELIGIBLE UNDER SUBSECTION (a) OR (b) OF SECTION 3 OF PUBLIC LAW 81–874.—Notwithstanding any other provision of law, for any fiscal year before fiscal year 1995, the Secretary shall treat as eligible under subsection (a) or (b) of section 3 of the Act of September 30, 1950 (Public Law 874, 81st Congress), and shall forgive the obligation of a local educational agency to repay any amounts that such agency received under such section for such fiscal year based on, any child who would be eligible under such subsections except that such child does not meet the requirements of subsection (a)(1)(B) or (b)(2)(B), respectively, of such section 3, if such child meets the requirements of paragraph (3) of this subsection.

"(2) CERTAIN CHILDREN ELIGIBLE UNDER SUBPARAGRAPHS (A) AND (G)(ii) OF SECTION 9003(a)(1).—(A) The Secretary shall treat as eligible under subparagraph (A) of section 9003(a)(1) any child who would be eligible under such subparagraph except that the Federal property on which the child resides or on which the child's parent is employed is not in the same State in which the child attends school, if such child meets the requirements of paragraph (3) of this subsection.

"(B) The Secretary shall treat as eligible under subparagraph (G) of section 9003(a)(1) any child who would be eligible under such subparagraph except that such child does not meet the requirements of clause (ii) of such subparagraph, if such child meets the requirements of paragraph (3) of this subsection.

"(3) Requirements.—A child meets the requirements of this paragraph if on the day preceding the date of enactment—

"(A) such child resides—

"(i) in a State adjacent to the State in which the local educational agency serving the school such child attends is located; or

"(ii) with a parent employed on Federal property in a State adjacent to the State in which such agency is located;

"(B) the schools of such agency are within a more reasonable commuting distance of such child's home than the schools of the local educational agency that serves the school attendance area where such child resides;

"(C) attending the schools of the local educational agency that serves the school attendance area where such child resides will impose a substantial hardship on such child; and

"(D) the State in which such child attends school provides funds for the education of such child on the same basis as all other public school children in the State, unless otherwise permitted under section 5(d)(2) of the Act of September 30, 1950 (Public Law 874, 81st Congress) or section 9009(b) of this part.

"SEC. 9011. ADMINISTRATIVE HEARINGS AND JUDICIAL REVIEW.

"(a) Administrative Hearings.—A local educational agency and a State that is adversely affected by any action of the Secretary under this title shall be entitled to a hearing on such action in the same manner as if such agency were a person under chapter 5 of title 5, United States Code.

"(b) Judicial Review of Secretarial Action.—

"(1) In general.—A local educational agency or a State aggrieved by the Secretary's final decision following an agency proceeding under subsection (a) may, within 60 days after receiving notice of such decision, file with the United States court of appeals for the circuit in which such agency or State is located a petition for review of that action. The clerk of the court shall promptly transmit a copy of the petition to the Secretary. The Secretary shall then file in the court the record of the proceedings on which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

"(2) Findings of fact.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) Review.—The court shall have exclusive jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"SEC. 9012. FORGIVENESS OF OVERPAYMENTS.

"Notwithstanding any other provision of law, the Secretary may forgive the obligation of a local educational agency to repay, in whole or in part, the amount of any overpayment received under this title, or under the Act of September 30, 1950 (Public Law 874, 81st Congress) or the Act of September 23, 1950 (Public Law 815, 81st Congress), if the Secretary determines that the overpayment was made as a result of an error made by—

"(1) the Secretary; or

"(2) the local educational agency and repayment of the full amount of the overpayment will result in an undue financial hardship on the agency and seriously harm the agency's educational program.

"SEC. 9013. DEFINITIONS.

"For purposes of this title, the following definitions apply:

"(1) Armed forces.—The term 'Armed Forces' means the Army, Navy, Air Force, and Marine Corps.

"(2) Average per pupil expenditure.—The term 'average per pupil expenditure' means—

"(A) the aggregate current expenditures of all local educational agencies in the State; divided by

"(B) the total number of children in average daily attendance for whom such agencies provided free public education.

"(3) Construction.—The term 'construction' means—

"(A) the preparation of drawings and specifications for school facilities;

"(B) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities;

"(C) inspecting and supervising the construction of school facilities; and

"(D) debt service for such activities.

"(4) Current expenditures.—The term 'current expenditures' means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but does not include expenditures for community services, capital outlay, and debt service, or any expenditures made from funds awarded under part A of title I and title XIII. The determination of whether an expenditure for the replacement of equipment is considered a current expenditure or a capital outlay shall be determined in accordance with generally accepted accounting principles as determined by the State.

"(5) Federal property.—

"(A) In general.—Except as provided in subparagraphs (B) through (F), the term 'Federal property' means real property that is not subject to taxation by any State or any political subdivision of a State due to Federal agreement, law, or policy, and that is—

"(i) owned by the United States or leased by the United States from another entity;

"(ii)(I) held in trust by the United States for individual Indians or Indian tribes;

"(II) held by individual Indians or Indian tribes subject to restrictions on alienation imposed by the United States;

"(III) conveyed at any time under the Alaska Native Claims Settlement Act to a Native individual, Native group, or village or regional corporation;

"(IV) public land owned by the United States that is designated for the sole use and benefit of individual Indians or Indian tribes; or

"(V) used for low-rent housing, as described in paragraph (10) that is located on land described in subclause (I), (II), (III), or (IV) of this clause or on land that met one of those descriptions immediately before such property's use for such housing;

"(iii)(I) part of a low-rent housing project assisted under the United States Housing Act of 1937; or

"(II) used to provide housing for homeless children at closed military installations pursuant to section 501 of the Stewart B. McKinney Homeless Assistance Act; or

"(iv) owned by a foreign government or by an international organization.

"(B) SCHOOLS PROVIDING FLIGHT TRAINING TO MEMBERS OF AIR FORCE.—The term 'Federal property' includes, so long as not subject to taxation by any State or any political subdivision of a State, and whether or not that tax exemption is due to Federal agreement, law, or policy, any school providing flight training to members of the Air Force.

"(C) NON-FEDERAL EASEMENTS, LEASES, LICENSES, PERMITS, IMPROVEMENTS, AND CERTAIN OTHER REAL PROPERTY.—The term 'Federal property' includes, whether or not subject to taxation by a State or a political subdivision of a State—

"(i) any non-Federal easement, lease, license, permit, or other such interest in Federal property as otherwise described in this paragraph, but not including any non-Federal fee-simple interest;

"(ii) any improvement on Federal property as otherwise described in this paragraph; and

"(iii) real property that, immediately before its sale or transfer to a non-Federal party, was owned by the United States and otherwise qualified as Federal property described in this paragraph, but only for one year beyond the end of the fiscal year of such sale or transfer.

"(D) CERTAIN POSTAL SERVICE PROPERTY AND PIPELINES AND UTILITY LINES.—Notwithstanding any other provision of this paragraph, the term 'Federal property' does not include—

"(i) any real property under the jurisdiction of the United States Postal Service that is used primarily for the provision of postal services; or

"(ii) pipelines and utility lines.

"(E) PROPERTY WITH RESPECT TO WHICH STATE OR LOCAL TAX REVENUES MAY NOT BE EXPENDED, ALLOCATED, OR AVAILABLE FOR FREE PUBLIC EDUCATION.—Notwithstanding any other provision of this paragraph, 'Federal property' does not include any property on which children reside that is otherwise described in this paragraph if—

''(i) no tax revenues of the State or of any political subdivision of the State may be expended for the free public education of children who reside on that Federal property; or

''(ii) no tax revenues of the State are allocated or available for the free public education of such children.

''(F) PROPERTY LOCATED IN THE STATE OF OKLAHOMA OWNED BY INDIAN HOUSING AUTHORITY FOR LOW-INCOME HOUSING.—The term 'Federal property' includes any real property located in the State of Oklahoma that—

''(i) is owned by an Indian housing authority and used for low-income housing (including housing assisted under the mutual help ownership opportunity program under section 202 of the United States Housing Act of 1937); and

''(ii) at any time—

''(I) was designated by treaty as tribal land; or

''(II) satisfied the definition of Federal property under section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Act was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994).

''(6) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is provided—

''(A) at public expense, under public supervision and direction, and without tuition charge; and

''(B) as elementary or secondary education, as determined under State law, except that, notwithstanding State law, such term—

''(i) includes preschool education; and

''(ii) does not include any education provided beyond grade 12.

''(7) INDIAN LANDS.—The term 'Indian lands' means any Federal property described in paragraph (5)(A)(ii) or (5)(F).

''(8) LOCAL CONTRIBUTION PERCENTAGE.—

''(A) IN GENERAL.—The term 'local contribution percentage' means the percentage of current expenditures in the State derived from local and intermediate sources, as reported to and verified by the National Center for Education Statistics.

''(B) HAWAII AND DISTRICT OF COLUMBIA.—Notwithstanding subparagraph (A), the local contribution percentage for Hawaii and for the District of Columbia shall be the average local contribution percentage for all States.

''(9) LOCAL EDUCATIONAL AGENCY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'local educational agency'—

''(i) means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent school district, or other school district; and

''(ii) includes any State agency that directly operates and maintains facilities for providing free public education.

''(B) EXCEPTION.—The term 'local educational agency' does not include any agency or school authority that the Secretary determines on a case-by-case basis—

''(i) was constituted or reconstituted primarily for the purpose of receiving assistance under this title or the Act of September 30, 1950 (Public Law 874, 81st Congress) or increasing the amount of such assistance; or

''(ii) is not constituted or reconstituted for legitimate educational purposes.

''(10) LOW-RENT HOUSING.—The term 'low-rent housing' means housing located on property that is described in paragraph (5)(A)(iii).

''(11) REVENUE DERIVED FROM LOCAL SOURCES.—The term 'revenue derived from local sources' means—

''(A) revenue produced within the boundaries of a local educational agency and available to such agency for such agency's use; or

''(B) funds collected by another governmental unit, but distributed back to a local educational agency in the same proportion as such funds were collected as a local revenue source.

''(12) SCHOOL FACILITIES.—The term 'school facilities' includes—

''(A) classrooms and related facilities; and

''(B) equipment, machinery, and utilities necessary or appropriate for school purposes.

"SEC. 9014. AUTHORIZATION OF APPROPRIATIONS.

''(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL PROPERTY.—For the purpose of making payments under section 9002, there are authorized to be appropriated $16,750,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) BASIC PAYMENTS; PAYMENTS FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—For the purpose of making payments under subsections (b) and (f) of section 9003, there are authorized to be appropriated $775,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which 6 percent shall be available, until expended, for each fiscal year to carry out section 9003(f).

''(c) PAYMENTS FOR CHILDREN WITH DISABILITIES.—For the purpose of making payments under section 9003(d), there are authorized to be appropriated $45,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(d) PAYMENTS FOR INCREASES IN MILITARY CHILDREN.—For the purpose of making payments under section 9006, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(e) CONSTRUCTION.—For the purpose of carrying out section 9007, there are authorized to be appropriated $25,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(f) FACILITIES MAINTENANCE.—For the purpose of carrying out section 9008, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART B—EMERGENCY IMMIGRANT EDUCATION PROGRAM

"SEC. 9201. FINDINGS; PURPOSE; DEFINITION.

''(a) FINDINGS.—The Congress finds that—

''(1) the education of our Nation's children and youth is one of the most sacred government responsibilities;

''(2) local educational agencies have struggled to fund adequately education services;

''(3) in the case of Plyler v. Doe, the Supreme Court held that States have a responsibility under the Equal Protection Clause of the Constitution to educate all children, regardless of immigration status; and

''(4) immigration policy is solely a responsibility of the Federal Government.

''(b) PURPOSE.—The purpose of this part is to assist eligible local educational agencies that experience unexpectedly large increases in their student population due to immigration to—

''(1) provide high-quality instruction to immigrant children and youth; and

''(2) help such children and youth—

''(A) with their transition into American society; and

''(B) meet the same challenging State performance standards expected of all children and youth.

''(c) DEFINITION.—For the purpose of this subpart, the term 'immigrant children and youth' means individuals who—

''(1) are aged three through 21;

''(2) were not born in any State; and

''(3) have not been attending one or more schools in any one or more States for more than three full academic years.

"SEC. 9202. STATE ADMINISTRATIVE COSTS.

''For any fiscal year, a State educational agency may reserve not more than 1.5 percent of the amount allocated to such agency under section 9204 to pay the costs of performing such agency's administrative functions under this part.

"SEC. 9203. WITHHOLDING.

''Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirement of any provision of this part, the Secretary shall notify that agency that further payments will not be made to the agency under this part, or in the discretion of the Secretary, that the State educational agency shall not make further payments under this part to specified local educational agencies whose actions cause or are involved in such failure until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made to the State educational agency under this part, or payments by the State educational agency under this part shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

"SEC. 9204. STATE ALLOCATIONS.

''(a) PAYMENTS.—The Secretary shall, in accordance with the provisions of this section, make payments to State educational agencies for each of the fiscal years 1995 through 1999 for the purpose set forth in section 9201(b).

''(b) ALLOCATIONS.—

''(1) IN GENERAL.—Except as provided in subsections (c), (d) and (e), of the amount appropriated for each fiscal year for this part, each State participating in the program assisted under this part shall receive an allocation equal to the proportion of such State's number of immigrant children and youth who are enrolled in elementary and secondary public schools under the jurisdiction of each local educational agency described in paragraph (2) within such State, and in elementary and secondary nonpublic schools within the district served by each such local educational agency, relative to the total number of immigrant children and youth so enrolled in all the States participating in the program assisted under this part.

''(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The local educational agencies referred to in paragraph (1) are those local educational agencies in which the sum of the number of immigrant children and youth who are enrolled in elementary or secondary public schools under the jurisdiction of such agencies, and in elementary or secondary nonpublic schools within the districts served by such agencies, during the fiscal year for which the payments are to be made under this part, is equal to—

''(A) at least 500; or

''(B) at least 3 percent of the total number of students enrolled in such public or nonpublic schools during such fiscal year,

whichever number is less.

''(c) DETERMINATIONS OF NUMBER OF CHILDREN AND YOUTH.—

''(1) IN GENERAL.—Determinations by the Secretary under this section for any period with respect to the number of immigrant children and youth shall be made on the basis of data or estimates provided to the Secretary by each State educational agency in accordance with criteria established by the Secretary, unless the Secretary determines, after notice and opportunity for a hearing to the affected State educational agency, that such data or estimate are clearly erroneous.

''(2) SPECIAL RULE.—No such determination with respect to the number of immigrant children and youth shall operate because of an underestimate or overestimate to deprive any State

educational agency of the allocation under this section that such State would otherwise have received had such determination been made on the basis of accurate data.

"(d) REALLOCATION.—Whenever the Secretary determines that any amount of a payment made to a State under this part for a fiscal year will not be used by such State for carrying out the purpose for which the payment was made, the Secretary shall make such amount available for carrying out such purpose to one or more other States to the extent the Secretary determines that such other States will be able to use such additional amount for carrying out such purpose. Any amount made available to a State from any appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under subsection (b)) for such year, but shall remain available until the end of the succeeding fiscal year.

"(e) RESERVATION OF FUNDS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part, if the amount appropriated to carry out this part exceeds $50,000,000 for a fiscal year, a State educational agency may reserve not more than 20 percent of such agency's payment under this part for such year to award grants, on a competitive basis, to local educational agencies within the State as follows:

"(A) At least one-half of such grants shall be made available to eligible local educational agencies (as described in subsection (b)(2)) within the State with the highest numbers and percentages of immigrant children and youth.

"(B) Funds reserved under this paragraph and not made available under subparagraph (A) may be distributed to local educational agencies within the State experiencing a sudden influx of immigrant children and youth which are otherwise not eligible for assistance under this part.

"(2) USE OF GRANT FUNDS.—Each local educational agency receiving a grant under paragraph (1) shall use such grant funds to carry out the activities described in section 9207.

"(3) INFORMATION.—Local educational agencies with the highest number of immigrant children and youth receiving funds under paragraph (1) may make information available on serving immigrant children and youth to local educational agencies in the State with sparse numbers of such children.

"(4) DURATION.—Grants awarded under paragraph (1) shall be for a period of not more than two years.

"(5) APPLICATIONS.—(A) Each eligible local educational agency desiring a grant under this subsection shall submit to the Secretary an application in such form, at such time, and containing such information and assurances as the Secretary may require.

"(B) Each such application shall—

"(i) describe—

"(I) the need for the proposed program, including data on the number of immigrant children and youth in the local educational agency to be served and their characteristics, such as language spoken, dropout rates, proficiency in English and the native language, and academic standing in relation to their English proficient peers; and

"(II) the program to be implemented and how such program's design relates to the linguistic and academic needs of the immigrant children and youth to be served; and

"(ii) provide an assurance that the applicant will not reduce the level of State and local funds that the applicant expends for instructional programs for immigrant children and youth if the applicant receives an award under this part.

"SEC. 9205. STATE APPLICATIONS.

"(a) SUBMISSION.—No State educational agency shall receive any payment under this part for any fiscal year unless such agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

"(1) provide that the educational programs, services, and activities for which payments under this part are made will be administered by or under the supervision of the agency;

"(2) provide assurances that payments under this part will be used for purposes set forth in sections 9201 and 9207, including a description of how local educational agencies receiving funds under this part will use such funds to meet such purposes, and how the program designs are consistent with other education improvement plans;

"(3) provide an assurance that local educational agencies receiving funds under this part will coordinate the use of such funds with programs assisted under title VII or title I;

"(4) provide assurances that such payments will be distributed among local educational agencies within that State on the basis of the number of immigrant children and youth counted with respect to each such local educational agency under section 9204(b)(1);

"(5) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this part without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

"(6) provide for making such reports as the Secretary may reasonably require to perform the Secretary's functions under this part;

"(7) provide assurances—

"(A) that to the extent consistent with the number of immigrant children and youth enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of such children and youth secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children and youth;

"(B) that the control of funds provided under this part to any materials, equipment, and property repaired, remodeled, or constructed with those funds shall be in a public agency for the uses and purposes provided in this part, and a public agency shall administer such funds and property; and

"(C) that the provision of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds; and

"(8) provide an assurance that State and local educational agencies receiving funds under this part will comply with the requirements of section 1120(b).

"(b) APPLICATION REVIEW.—

"(1) IN GENERAL.—The Secretary shall review all applications submitted pursuant to this section by State educational agencies.

"(2) APPROVAL.—The Secretary shall approve any application submitted by a State educational agency that meets the requirements of this section.

"(3) DISAPPROVAL.—The Secretary shall disapprove any application submitted by a State educational agency which does not meet the requirements of this section, but shall not finally disapprove an application except after reasonable notice, provision of technical assistance, and providing an opportunity for a hearing to the State.

"SEC. 9206. ADMINISTRATIVE PROVISIONS.

"(a) NOTIFICATION OF AMOUNT.—The Secretary, not later than June 1 of each year, shall notify each State educational agency that has an application approved under section 9205 of the amount of such agency's allocation under section 9204 for the succeeding year.

"(b) SERVICES TO CHILDREN ENROLLED IN NONPUBLIC SCHOOLS.—If by reason of any provision of law a local educational agency is prohibited from providing educational services for children enrolled in elementary and secondary nonpublic schools, as required by section 9205(a)(7), or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in such schools, the Secretary may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this part. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with the provisions of title I.

"SEC. 9207. USES OF FUNDS.

"(a) USE OF FUNDS.—Funds awarded under this part shall be used to pay for enhanced instructional opportunities for immigrant children and youth, which may include—

"(1) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

"(2) salaries of personnel, including teacher aides who have been specifically trained, or are being trained, to provide services to immigrant children and youth;

"(3) tutorials, mentoring, and academic or career counseling for immigrant children and youth;

"(4) identification and acquisition of curricular materials, educational software, and technologies to be used in the program;

"(5) basic instructional services which are directly attributable to the presence in the school district of immigrant children, including the costs of providing additional classroom supplies, overhead costs, costs of construction, acquisition or rental of space, costs of transportation, or such other costs as are directly attributable to such additional basic instructional services; and

"(6) such other activities, related to the purposes of this part, as the Secretary may authorize.

"(b) CONSORTIA.—A local educational agency that receives a grant under this part may collaborate or form a consortium with one or more local educational agencies, institutions of higher education, and nonprofit organizations to carry out the program described in an application approved under this part.

"(c) SUBGRANTS.—A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a nonprofit organization, or a consortium of such entities to carry out a program described in an application approved under this part, including a program to serve out-of-school youth.

"(d) CONSTRUCTION.—Nothing in this part shall be construed to prohibit a local educational agency from serving immigrant children simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 9208. REPORTS.

"(a) BIENNIAL REPORT.—Each State educational agency receiving funds under this part shall submit, once every 2 years, a report to the

Secretary concerning the expenditure of funds by local educational agencies under this part. Each local educational agency receiving funds under this part shall submit to the State educational agency such information as the State educational agency determines may be necessary for such report.

"(b) REPORT TO CONGRESS.—The Secretary shall submit, once every 2 years, a report to the appropriate committees of the Congress concerning programs assisted under this part in accordance with section 10701.

"SEC. 9209. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, there are authorized to be appropriated $150,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"SEC. 9210. COMMUNICATIONS BETWEEN FEDERALLY FUNDED GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

"Notwithstanding any other provision of law, no Federal, State, or local government entity receiving Federal funds shall be prohibited or in any way restricted from communicating with the Immigration and Naturalization Service regarding the immigration status, legal or illegal, of an alien in the United States.

"PART C—NATIVE HAWAIIAN EDUCATION

"SEC. 9301. SHORT TITLE.

"This part may be cited as the 'Native Hawaiian Education Act'.

"SEC. 9302. FINDINGS.

"The Congress finds and declares as follows:

"(1) Native Hawaiians are a distinct and unique indigenous people with a historical continuity to the original inhabitants of the Hawaiian archipelago, whose society was organized as a nation and internationally recognized as such by the United States, Britain, France and Japan, as evidenced by treaties governing friendship, commerce, and navigation.

"(2) At the time of the arrival of the first nonindigenous people in Hawai'i in 1778, the Native Hawaiian people lived in a highly organized, self-sufficient subsistence social system based on a communal land tenure system with a sophisticated language, culture, and religion.

"(3) From 1826 until 1893, the United States recognized the sovereignty and independence of the Kingdom of Hawai'i, which was established in 1810 under Kamehameha I, extended full and complete diplomatic recognition to the Kingdom of Hawai'i, and entered into treaties and conventions with the Kingdom of Hawai'i to govern friendship, commerce and navigation in 1826, 1842, 1849, 1875, and 1887.

"(4) In 1893, the sovereign, independent, internationally recognized, and indigenous government of Hawai'i, the Kingdom of Hawai'i, was overthrown by a small group of non-Hawaiians, including United States citizens, who were assisted in their efforts by the United States Minister, a United States naval representative, and armed naval forces of the United States. Because of the participation of United States agents and citizens in the overthrow of the Kingdom of Hawai'i, the Congress, on behalf of the people of the United States, apologized to Native Hawaiians for the overthrow and the deprivation of the rights of Native Hawaiians to self-determination through Public Law 103–150 (107 Stat. 1510).

"(5) In 1898, the joint resolution entitled 'A Joint Resolution to provide for annexing the Hawaiian Islands to the United States', approved July 7, 1898 (30 Stat. 750), ceded absolute title of all lands held by the Republic of Hawai'i, including the government and crown lands of the former Kingdom of Hawai'i, to the United States, but mandated that revenue generated from these lands be used 'solely for the benefit of the inhabitants of the Hawaiian Islands for educational and other public purposes'.

"(6) By 1919, the Native Hawaiian population had declined from an estimated 1,000,000 in 1778 to an alarming 22,600, and in recognition of this severe decline, the Congress in 1921 enacted the Hawaiian Homes Commission Act, 1920, which designated approximately 200,000 acres of ceded public lands for homesteading by Native Hawaiians.

"(7) Through the enactment of the Hawaiian Homes Commission Act, 1920, the Congress affirmed the special relationship between the United States and the Native Hawaiians, as expressed by then Secretary of the Interior Franklin K. Lane, who was quoted in the committee report for the Hawaiian Homes Commission Act, 1920, as saying: 'One thing that impressed me . . . was the fact that the natives of the island who are our wards, I should say, and for whom in a sense we are trustees, are falling off rapidly in numbers and many of them are in poverty.'.

"(8) In 1959, under the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 4), the United States transferred responsibility for the administration of the Hawaiian Home Lands to the State of Hawai'i but reaffirmed the special relationship which existed between the United States and the Hawaiian people by retaining the exclusive power to enforce the trust, including the power to approve land exchanges and legislative amendments affecting the rights of beneficiaries under such Act.

"(9) In 1959, under the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 4), the United States ceded to the State of Hawai'i title to the public lands formerly held by the United States, but mandated that such lands be held by the State 'in public trust' and reaffirmed the special relationship which existed between the United States and the Hawaiian people by retaining the legal responsibility to enforce the public trust responsibility of the State of Hawai'i for the betterment of the conditions of Native Hawaiians, as defined in section 201(a) of the Hawaiian Homes Commission Act, 1920.

"(10) The United States assumed special responsibilities for Native Hawaiian lands and resources at the time of the annexation of the Territory in 1898, upon adoption of the Hawaiian Homes Commission Act, 1920, and upon admission of the State of Hawai'i into the Union in 1959, and has retained certain of those responsibilities.

"(11) In recognition of the special relationship which exists between the United States and the Native Hawaiian people, the Congress has extended to Native Hawaiians the same rights and privileges accorded to American Indian, Alaska Native, Eskimo, and Aleut communities under the Native American Programs Act of 1974, the American Indian Religious Freedom Act, the National Museum of the American Indian Act, the Native American Graves Protection and Repatriation Act, the National Historic Preservation Act, and the Native American Languages Act.

"(12) In recognition of the special relationship which exists between the United States and the Native Hawaiian people, the Congress has enacted numerous special provisions of law for the benefit of Native Hawaiians in the areas of health, education, labor, and housing.

"(13) In 1981, the Senate instructed the Office of Education to submit to the Congress a comprehensive report on Native Hawaiian education. The report, entitled the 'Native Hawaiian Educational Assessment Project', was released in 1983 and documented that Native Hawaiians scored below parity with national norms on standardized achievement tests, were disproportionately represented in many negative social and physical statistics, indicative of special educational needs, and had educational needs which were related to their unique cultural situation, such as different learning styles and low self-image.

"(14) In recognition of the educational needs of Native Hawaiians, in 1988, the Congress enacted title IV of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 to authorize and develop supplemental educational programs to benefit Native Hawaiians.

"(15) In 1993, the Kamehameha Schools Bishop Estate released a ten-year update of the Native Hawaiian Educational Assessment Project, which found that despite the successes of the programs established under title IV of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, many of the same educational needs still exist for Native Hawaiians. For example—

"(A) educational risk factors continue to start even before birth for many Native Hawaiian children, including—

"(i) late or no prenatal care;

"(ii) half of Native Hawaiian women who give birth are unmarried; and

"(iii) high rates of births to teenage parents;

"(B) Native Hawaiian students continue to begin their school experience lagging behind other students in terms of readiness factors such as vocabulary test scores;

"(C) Native Hawaiian students continue to score below national norms on standardized education achievement tests at all grade levels;

"(D) both public and private schools continue to show a pattern of lower percentages of Native Hawaiian students in the uppermost achievement levels and in gifted and talented programs;

"(E) Native Hawaiian students continue to be overrepresented among students qualifying for special education programs provided to students with learning disabilities, mild mental retardation, emotional impairment, and other such disabilities;

"(F) Native Hawaiians continue to be underrepresented in institutions of higher education and among adults who have completed four or more years of college;

"(G) Native Hawaiians continue to be disproportionately represented in many negative social and physical statistics, indicative of special educational needs, for example—

"(i) Native Hawaiian students are more likely to be retained in grade level and to be excessively absent in secondary school;

"(ii) Native Hawaiian students are the highest users of drugs and alcohol; and

"(iii) Native Hawaiian children continue to be disproportionately victimized by child abuse and neglect; and

"(H) Native Hawaiians now comprise over 23 percent of the students served by the State of Hawai'i Department of Education and there are and will continue to be geographically rural, isolated areas with a high Native Hawaiian population density.

"(16) The findings described in paragraphs (1) through (15) are contrary to the high rate of literacy and integration of traditional culture and Western education achieved by Native Hawaiians through a Hawaiian language-based public school system established in 1840 by Kamehameha III.

"(17) After the overthrow of the Kingdom of Hawai'i in 1893, Hawaiian medium schools were banned. After annexation, throughout the territorial and statehood period, and until 1986, use of Hawaiian as a medium of education in public schools was declared unlawful, thereby causing incalculable harm to a culture that placed a

very high value on the power of language, as exemplified in the traditional saying: 'I ka 'ōlelo no ke ola; I ka 'ōlelo no ka make. In the language rests life; In the language rests death.'.

“(18) Despite the consequences of over 100 years of nonindigenous influence, the Native Hawaiian people are determined to preserve, develop, and transmit to future generations their ancestral territory, and their cultural identity in accordance with their own spiritual and traditional beliefs, customs, practices, language, and social institutions.

“(19) The State of Hawai'i, in the constitution and statutes of the State of Hawai'i—

“(A) acknowledges the distinct land rights of Native Hawaiian people as beneficiaries of the public lands trust;

“(B) reaffirms and protects the unique right of the Native Hawaiian people to practice and perpetuate their culture and religious customs, beliefs, practices, and language; and

“(C) recognizes the traditional language of the Native Hawaiian people as an official language of the State of Hawai'i, which may be used as the language of instruction for all subjects and grades in the public school system.

“(20) It continues to be the policy of the Federal Government to encourage the maximum participation of Native Hawaiians in planning and management of Native Hawaiian education programs.

“SEC. 9303. PURPOSE.

“It is the purpose of this part to—

“(1) authorize and develop supplemental educational programs to benefit Native Hawaiians;

“(2) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including resources made available under this part, on Native Hawaiian education, through the establishment of a Native Hawaiian Education Council, and five island councils; and

“(3) supplement and expand existing programs and authorities in the area of Native Hawaiian education to further such purposes.

“SEC. 9304. NATIVE HAWAIIAN CURRICULUM DEVELOPMENT, TEACHER TRAINING AND RECRUITMENT PROGRAM.

“(a) GENERAL AUTHORITY.—The Secretary is authorized to make direct grants, to Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, for the following purposes:

“(1) CURRICULA.—The development of curricula to address the needs of Native Hawaiian students, particularly elementary and secondary school students, which may include programs of instruction conducted in the Native Hawaiian language, and mathematics and science curricula incorporating the relevant application of Native Hawaiian culture and traditions.

“(2) PRETEACHER TRAINING.—The development and implementation of preteacher training programs in order to ensure that student teachers within the State of Hawai'i, particularly student teachers who are likely to be employed in schools with a high concentration of Native Hawaiian students, are prepared to better address the unique needs of Native Hawaiian students, within the context of Native Hawaiian culture, language and traditions.

“(3) INSERVICE TEACHER TRAINING.—The development and implementation of inservice teacher training programs, in order to ensure that teachers, particularly teachers employed in schools with a high concentration of Native Hawaiian students, are prepared to better address the unique needs of Native Hawaiian students, within the context of Native Hawaiian culture, language and traditions.

“(4) TEACHER RECRUITMENT.—The development and implementation of teacher recruitment programs to meet the objectives of—

“(A) enhancing teacher recruitment within communities with a high concentration of Native Hawaiian students; and

“(B) increasing the numbers of teachers who are of Native Hawaiian ancestry.

“(b) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to awarding grants for activities described in subsection (a) that focus on the needs of at-risk youth or that employ a program of instruction conducted in the Native Hawaiian language.

“(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

“SEC. 9305. NATIVE HAWAIIAN COMMUNITY-BASED EDUCATION LEARNING CENTERS.

“(a) GENERAL AUTHORITY.—The Secretary is authorized to make direct grants, to collaborative efforts between community-based Native Hawaiian organizations and community colleges, to develop, establish, and operate a minimum of three community-based education learning centers.

“(b) PURPOSE.—The learning centers described in subsection (a) shall meet the needs of families and communities through interdepartmental and interagency coordination of new and existing public and private programs and services, which may include—

“(1) preschool programs;

“(2) after-school programs; and

“(3) vocational and adult education programs.

“(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

“SEC. 9306. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

“(a) GENERAL AUTHORITY.—The Secretary is authorized to make direct grants, to Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, to expand the operation of Family-Based Education Centers throughout the Hawaiian Islands. The programs of such centers may be conducted in the Hawaiian language, the English language, or a combination thereof, and shall include—

“(1) parent-infant programs for prenatal through three-year-olds;

“(2) preschool programs for four- and five-year-olds;

“(3) continued research and development; and

“(4) a long-term followup and assessment program.

“(b) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

“(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized to be appropriated for the centers described in subsection (a), there are authorized to be appropriated $6,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

“SEC. 9307. NATIVE HAWAIIAN HIGHER EDUCATION PROGRAM.

“(a) GENERAL AUTHORITY.—

“(1) IN GENERAL.—The Secretary is authorized to make direct grants, to Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, to enable such organizations or entities to provide a program of baccalaureate and post-baccalaureate fellowship assistance to Native Hawaiian students.

“(2) MANDATORY ACTIVITIES.—Such program shall include—

“(A) full or partial fellowship support for Native Hawaiian students enrolled at two- or four-year degree granting institutions of higher education with fellowship awards to be based on academic potential and financial need; and

“(B) full or partial fellowship support for Native Hawaiian students enrolled at post-baccalaureate degree granting institutions of higher education with priority given to providing fellowship support for professions in which Native Hawaiians are underrepresented and with fellowship awards to be based on academic potential and financial need;

“(3) PERMITTED ACTIVITIES.—Such program may also include—

“(A) counseling and support services for students receiving fellowship assistance under paragraph (1);

“(B) college preparation and guidance counseling at the secondary school level for students who may be eligible for fellowship support pursuant to subsection (a)(2)(A);

“(C) appropriate research and evaluation of the activities authorized by this section; and

“(D) implementation of faculty development programs for the improvement and matriculation of Native Hawaiian students.

“(b) SPECIAL CONDITIONS REQUIRED.—For the purpose of fellowships awarded under subsection (a), fellowship conditions shall be established whereby fellowship recipients obtain an enforceable contract obligation to provide their professional services, either during the fellowship period or upon completion of a baccalaureate or post-baccalaureate degree program, to the Native Hawaiian community.

“(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

“SEC. 9308. NATIVE HAWAIIAN GIFTED AND TALENTED PROGRAM.

“(a) GENERAL AUTHORITY.—The Secretary is authorized to make a grant, to a Native Hawaiian educational organization or an educational entity with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, for a gifted and talented program designed to—

“(1) address the special needs of Native Hawaiian elementary and secondary school students who are gifted and talented students; and

“(2) provide those support services to the families of such students that are needed to enable such students to benefit from the program.

“(b) USES OF FUNDS.—The program funded under this section may include—

“(1) the identification of the special needs of Native Hawaiian gifted and talented students, particularly with respect to—

"(A) the emotional and psychosocial needs of such students; and

"(B) the provision of those support services to the families of such students that are needed to enable such students to benefit from the program;

"(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such students, including demonstrating and exploring the use of the Native Hawaiian language and exposure to Native Hawaiian cultural traditions;

"(3) leadership programs designed to—

"(A) replicate programs throughout the State of Hawai'i for gifted and talented students who are not served under this section; and

"(B) coordinate with other Native American gifted and talented leadership programs, including the dissemination of information derived from the program conducted under this section; and

"(4) appropriate research, evaluation, and related activities pertaining to—

"(A) the needs of such students; and

"(B) the provision of those support services to the families of such students that are needed to enable such students to benefit from the program.

"(c) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized to be appropriated for the program described in this section, there are authorized to be appropriated $1,500,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 9309. NATIVE HAWAIIAN SPECIAL EDUCATION PROGRAM.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to, or enter into contracts with, Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, to operate a program to address the special education needs of Native Hawaiian students. Such program may include—

"(1) the identification of Native Hawaiian students with learning disabilities, mental or physical disabilities, emotional impairments, or who are otherwise in need of special educational services;

"(2) the identification of the special education needs of such students, particularly with respect to—

"(A) the emotional and psychosocial needs of such students; and

"(B) the provision of those support services to the families of such students that are needed to enable such students to benefit from the program;

"(3) the conduct of educational activities consistent with part B of the Education of Individuals with Disabilities Education Act which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such students;

"(4) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such students, including demonstrating and exploring the use of the Native Hawaiian language and exposure to Native Hawaiian cultural traditions; and

"(5) appropriate research, evaluation, and related activities pertaining to—

"(A) the needs of such students;

"(B) the provision of those support services to the families of such students that are needed to enable such student to benefit from the program; and

"(C) the outcomes and benefits of activities assisted under this section upon such students.

"(b) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized to be appropriated for the program described in this section, there are authorized to be appropriated $2,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 9310. NATIVE HAWAIIAN EDUCATION COUNCIL AND ISLAND COUNCILS.

"(a) ESTABLISHMENT OF NATIVE HAWAIIAN EDUCATION COUNCIL.—In order to better effectuate the purposes of this part through the coordination of educational and related services and programs available to Native Hawaiians, including those programs receiving funding under this part, the Secretary is authorized to establish a Native Hawaiian Education Council (hereafter in this part referred to as the 'Education Council').

"(b) COMPOSITION OF EDUCATION COUNCIL.—The Education Council shall consist of not more than 25 members, including a representative of—

"(1) each recipient of funds from the Secretary under this part;

"(2) the State of Hawai'i Department of Education;

"(3) the State of Hawai'i Office of Hawaiian Affairs;

"(4) Native Hawaiian educational organizations, such as Alu Like, Inc., Kamehameha Schools Bishop Estate, Hawaiian Language Immersion Advisory Council, Aha Punana Leo, and the Queen Lili'uokalani Trust and Children's Center; and

"(5) each Native Hawaiian education island council established under subsection (f).

"(c) CONDITIONS AND TERMS.—At least three-fourths of the members of the Education Council shall be Native Hawaiians. Members of the Education Council shall be appointed for three-year terms.

"(d) ADMINISTRATIVE GRANT FOR THE EDUCATION COUNCIL.—The Secretary shall make a direct grant to the Education Council in order to enable the Education Council to—

"(1) coordinate the educational and related services and programs available to Native Hawaiians, including the programs assisted under this part, and assess the extent to which such services and programs meet the needs of Native Hawaiians; and

"(2) provide direction and guidance, through the issuance of reports and recommendations, to appropriate Federal, State, and local agencies in order to focus and improve the use of resources, including resources made available under this part, on Native Hawaiian education.

"(e) ADDITIONAL DUTIES OF THE EDUCATION COUNCIL.—

"(1) IN GENERAL.—The Education Council shall provide copies of any reports and recommendations issued by the Education Council to the Secretary, the Committee on Indian Affairs of the Senate, and the Committee on Education and Labor of the House of Representatives, including any information that the Education Council provides to the Secretary pursuant to subsection (i)(1).

"(2) ANNUAL REPORT.—The Education Council shall present to the Secretary an annual report on the Education Council's activities.

"(3) ISLAND COUNCIL SUPPORT AND ASSISTANCE.—The Education Council shall provide such administrative support and financial assistance to the island councils established pursuant to subsection (f) as the Secretary deems appropriate.

"(f) ESTABLISHMENT OF ISLAND COUNCILS.—

"(1) IN GENERAL.—In order to better effectuate the purposes of this part and to ensure the adequate representation of island and community interests within the Education Council, the Office of Hawaiian Affairs of the State of Hawai'i is authorized to facilitate the establishment of Native Hawaiian education island councils (hereafter in this part referred to as 'island councils') for the following islands:

"(A) Hawai'i.

"(B) Maui and Lana'i.

"(C) Moloka'i.

"(D) Kaua'i and Ni'ihau.

"(E) O'ahu.

"(2) COMPOSITION OF ISLAND COUNCILS.—Each island council shall consist of parents, students, and other community members who have an interest in the education of Native Hawaiians, and shall be representative of the educational needs of all age groups, from preschool through adulthood. At least three-fourths of the members of each island council shall be Native Hawaiians

"(g) ADMINISTRATIVE PROVISIONS RELATING TO EDUCATION COUNCIL AND ISLAND COUNCILS.—The Education Council and each island council shall meet at the call of the chairperson of the respective council, or upon the request of the majority of the members of the respective council, but in any event not less than four times during each calendar year. The provisions of the Federal Advisory Committee Act shall not apply to the Education Council and each island council.

"(h) COMPENSATION.—Members of the Education Council and each island council shall not receive any compensation for services on the Education Council and each island council, respectively.

"(i) REPORT.—Not later than four years after the date of the enactment of the Improving America's Schools Act of 1994, the Secretary shall prepare and submit to the Committee on Indian Affairs of the Senate, and the Committee on Education and Labor of the House of Representatives, a report which summarizes the annual reports of the Education Council, describes the allocation and utilization of funds under this part, and contains recommendations for changes in Federal, State, and local policy to advance the purposes of this part.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $500,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.

"SEC. 9311. ADMINISTRATIVE PROVISIONS.

"(a) APPLICATION REQUIRED.—No grant may be made under this part, nor any contract be entered into under this part, unless an application is submitted to the Secretary in such form, in such manner, and containing such information as the Secretary may determine necessary to carry out the provisions of this part.

"(b) SPECIAL RULE.—Each application submitted under this part shall be accompanied by the comments of each local educational agency serving students who will participate in the program for which assistance is sought.

"SEC. 9312. DEFINITIONS.

"For the purposes of this part—

"(1) the term 'Native Hawaiian' means any individual who is a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii, as evidenced by—

"(A) genealogical records;

"(B) Kūpuna (elders) or Kama'āina (long-term community residents) verification; or

"(C) certified birth records;

"(2) the term 'Native Hawaiian educational organization' means a private nonprofit organization that—

"(A) serves the interests of Native Hawaiians;

"(B) has a demonstrated expertise in the education of Native Hawaiians; and

"(C) has Native Hawaiians in substantive and policymaking positions within the organization;

"(3) the term 'Native Hawaiian language' means the single Native American language indigenous to the original inhabitants of the State of Hawaii;

"(4) the term 'Office of Hawaiian Affairs' means the Office of Hawaiian Affairs established by the Constitution of the State of Hawaii; and

"(5) the term 'Native Hawaiian community-based organization' means any organization which is composed primarily of Native Hawaiians from a specific community and which assists in the social, cultural and educational development of Native Hawaiians in that community.

"PART D—TERRITORIAL ASSISTANCE

"SEC. 9401. GENERAL ASSISTANCE FOR THE VIRGIN ISLANDS.

"There are authorized to be appropriated $5,000,000 for fiscal year 1995 and for each of the 4 succeeding fiscal years, for the purpose of providing general assistance to improve public education in the Virgin Islands.

"TITLE X—GENERAL PROVISIONS

"PART A—DEFINITIONS

"SEC. 10101. DEFINITIONS.

"Except as otherwise provided, for the purposes of this Act, the following terms have the following meanings:

"(1) AVERAGE DAILY ATTENDANCE.—(A) Except as provided otherwise by State law or this paragraph, the term 'average daily attendance' means—

"(i) the aggregate number of days of attendance of all students during a school year; divided by

"(ii) the number of days school is in session during such school year.

"(B) The Secretary shall permit the conversion of average daily membership (or other similar data) to average daily attendance for local educational agencies in States that provide State aid to local educational agencies on the basis of average daily membership or such other data.

"(C) If the local educational agency in which a child resides makes a tuition or other payment for the free public education of the child in a school located in another school district, the Secretary shall, for purposes of this Act—

"(i) consider the child to be in attendance at a school of the agency making such payment; and

"(ii) not consider the child to be in attendance at a school of the agency receiving such payment.

"(D) If a local educational agency makes a tuition payment to a private school or to a public school of another local educational agency for a child with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act, the Secretary shall, for the purposes of this Act, consider such child to be in attendance at a school of the agency making such payment.

"(2) AVERAGE PER-PUPIL EXPENDITURE.—The term 'average per-pupil expenditure' means, in the case of a State or of the United States—

"(A) without regard to the source of funds—

"(i) the aggregate current expenditures, during the third preceding fiscal year (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State or, in the case of the United States for all States (which, for the purpose of this paragraph, means the 50 States and the District of Columbia); plus

"(ii) any direct current expenditures by the State for operation of such agencies; divided by

"(B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(3) CHARTER SCHOOL.—The term 'charter school' means a public school operated under public supervision and direction, that is nonsectarian, provides elementary or secondary education, or both, does not change tuition, and complies with relevant Federal education laws.

"(4) CHILD.—The term 'child' means any person within the age limits for which the applicable State provides free public education.

"(5) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a public or private nonprofit organization of demonstrated effectiveness that—

"(A) is representative of a community or significant segments of a community; and

"(B) provides educational or related services to individuals in the community.

"(6) CONSOLIDATED STATE APPLICATION.—The term 'consolidated State application' means an application submitted by a State educational agency pursuant to section 10302.

"(7) COUNTY.—The term 'county' means one of those divisions of a State used by the Secretary of Commerce in compiling and reporting data regarding counties.

"(8) COVERED PROGRAM.—The term 'covered program' means each of the programs authorized by—

"(A) part A of title I;

"(B) part D of title I;

"(C) part A of title II (other than section 2114);

"(D) subpart 1 of part A of title V (other than section 5114);

"(E) subpart 2 of part A of title III; and

"(F) title XIII.

"(9) CURRENT EXPENDITURES.—The term 'current expenditures' means expenditures for free public education—

"(A) including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities; but

"(B) not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds received under title I, part A of title II, and title XIII.

"(10) DEPARTMENT.—The term 'Department' means the Department of Education.

"(11) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency' means regional public multiservice agencies authorized by State statute to develop, manage, and provide services or programs to local educational agencies.

"(12) ELEMENTARY SCHOOL.—The term 'elementary school' means a day or residential school that provides elementary education, as determined under State law.

"(13) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is provided—

"(A) at public expense, under public supervision and direction, and without tuition charge; and

"(B) as elementary or secondary school education as determined under applicable State law, except that such term does not include any education provided beyond grade 12.

"(14) GIFTED AND TALENTED.—The term 'gifted and talented', when used with respect to students, children or youth, means students, children or youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

"(15) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given that term in section 1201 of the Higher Education Act of 1965.

"(16) INTEROPERABLE AND INTEROPERABILITY.—The terms 'interoperable' and 'interoperability' refer to the ability to easily exchange data with, and connect to, other hardware and software in order to provide the greatest accessibility to such data for all students.

"(17) LOCAL EDUCATIONAL AGENCY.—(A) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.

"(B) The term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(C) The term includes an elementary or secondary school funded by the Bureau of Indian Affairs but only to the extent that such inclusion makes such school eligible for programs for which specific eligibility is not provided to such school in another provision of law, except that such school shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Affairs.

"(18) OTHER STAFF.—The term 'other staff' means pupil services personnel, librarians, career guidance and counseling personnel, education aides, and other instructional and administrative personnel.

"(19) OUTLYING AREA.—The term 'outlying area' means the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

"(20) PARENT.—The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(21) PUBLIC TELECOMMUNICATION ENTITY.—The term 'public telecommunication entity' has the same meaning given to such term in section 397(12) of the Communications Act of 1934.

"(22) PUPIL SERVICES PERSONNEL; PUPIL SERVICES.—

"(A) The term 'pupil services personnel' means school counselors, school social workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services (including related services as such term is defined in section 602 of the Individuals with Disabilities Education Act) as part of a comprehensive program to meet student needs.

"(B) The term 'pupil services' means the services provided by pupil services personnel.

"(23) SECONDARY SCHOOL.—The term 'secondary school' means a day or residential school that provides secondary education, as determined under State law, except that such term does not include any education beyond grade 12.

"(24) SECRETARY.—The term 'Secretary' means the Secretary of Education.

“(25) State.—The term ‘State’ means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

“(26) State educational agency.—The term ‘State educational agency’ means the agency primarily responsible for the State supervision of public elementary and secondary schools.

“(27) Technology.—The term ‘technology’ means the latest state-of-the-art technology products and services, such as closed circuit television systems, educational television or radio programs and services, cable television, satellite, copper and audio laser and CD-ROM disks, video and audio tapes, including interactive forms of such products and services, or other technologies.

“SEC. 10102. APPLICABILITY OF THIS TITLE.

“Parts B through F of this title do not apply to part A of title IX.

“PART B—FLEXIBILITY IN THE USE OF ADMINISTRATIVE AND OTHER FUNDS

“SEC. 10201. CONSOLIDATION OF STATE ADMINISTRATIVE FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

“(a) Consolidation of Administrative Funds.—

“(1) In general.—A State educational agency may consolidate the amounts specifically made available to such agency for State administration under one or more of the programs specified under paragraph (2).

“(2) Applicability.—This section applies to programs under title I, those covered programs described in subparagraphs (C), (D), (E), and (F) of section 10101(7), and administrative funds under section 308(c) of the Goals 2000: Educate America Act.

“(b) Use of Funds.—

“(1) In general.—A State educational agency shall use the amount available under this section for the administration of the programs included in the consolidation under subsection (a).

“(2) Additional uses.—A State educational agency may also use funds available under this section for administrative activities designed to enhance the effective and coordinated use of funds under the programs included in the consolidation under subsection (a), such as—

“(A) the coordination of such programs with other Federal and non-Federal programs;

“(B) the establishment and operation of peer-review mechanisms under this Act;

“(C) the administration of this title;

“(D) the dissemination of information regarding model programs and practices; and

“(E) technical assistance under programs specified in subsection (a)(2).

“(c) Records.—A State educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual program, to account for costs relating to the administration of programs included in the consolidation under subsection (a).

“(d) Review.—To determine the effectiveness of State administration under this section, the Secretary may periodically review the performance of State educational agencies in using consolidated administrative funds under this section and take such steps as the Secretary finds appropriate to ensure the effectiveness of such administration.

“(e) Unused Administrative Funds.—If a State educational agency does not use all of the funds available to such agency under this section for administration, such agency may use such funds during the applicable period of availability as funds available under one or more programs included in the consolidation under subsection (a).

“(f) Consolidation of Funds for Standards and Assessment Development.—In order to develop State content standards, State student performance standards, or assessments, a State educational agency may consolidate the amounts made available to such agency for such purposes under title I of this Act and title III of the Goals 2000: Educate America Act.

“SEC. 10202. SINGLE LOCAL EDUCATIONAL AGENCY STATES.

“A State educational agency that also serves as a local educational agency, in such agency's applications or State plans under this Act, shall describe how such agency will eliminate duplication in the conduct of administrative functions.

“SEC. 10203. CONSOLIDATION OF FUNDS FOR LOCAL ADMINISTRATION.

“(a) General Authority.—In accordance with regulations issued by the Secretary, a local educational agency, with the approval of its State educational agency, may consolidate and use for the administration of one or more covered programs for any fiscal year not more than the percentage, determined by its State educational agency, of the total amount available to that local educational agency under those covered programs.

“(b) State Procedures.—Within one year from the date of enactment of the Improving America's Schools Act of 1994, a State educational agency, in collaboration with local educational agencies in the State, shall establish procedures for responding to requests from local educational agencies to consolidate administrative funds under subsection (a) and for establishing limitations on the amount of funds under covered programs that may be used for administration on a consolidated basis.

“(c) Conditions.—A local educational agency that consolidates administrative funds under this section for any fiscal year shall not use any other funds under the programs included in the consolidation for administration for that fiscal year.

“(d) Uses of Administrative Funds.—A local educational agency that consolidates administrative funds under this section may use such consolidated funds for the administration of covered programs and for the purposes described in section 10201(b)(2).

“(e) Records.—A local educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual covered program, to account for costs relating to the administration of covered programs included in the consolidation.

“SEC. 10204. ADMINISTRATIVE FUNDS STUDY.

“(a) Study.—

“(1) In general.—The Secretary shall conduct a study of the use of funds under this Act for the administration, by State and local educational agencies, of all covered programs, including the percentage of grant funds used for such purpose in all covered programs.

“(2) Results.—Based on the results of the study described in paragraph (1), the Secretary shall, within one year of the completion of such study, promulgate final regulations regarding the use of funds for administration under all covered programs, including the use of such funds on a consolidated basis and limitations on the amount of such funds that may be used for administration.

“(b) Report.—The Secretary shall complete the study conducted under this section not later than 1 year after the date of enactment of the Improving America's Schools Act of 1994 and shall submit to the President and the appropriate committees of the Congress a report regarding such study within 30 days of the completion of such study.

“SEC. 10205. CONSOLIDATED SET-ASIDE FOR DEPARTMENT OF THE INTERIOR FUNDS.

“(a) General Authority.—

“(1) Transfer.—The Secretary shall transfer to the Department of the Interior, as a consolidated amount for covered programs, the Indian education programs under part A of title VI of this Act, and the education for homeless children and youth program under subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act, the amounts allotted to the Department of the Interior under those programs.

“(2) Agreement.—(A) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of the programs specified in paragraph (1), for the distribution and use of those funds under terms that the Secretary determines best meet the purposes of those programs.

“(B) The agreement shall—

“(i) set forth the plans of the Secretary of the Interior for the use of the amount transferred, the steps to be taken to achieve the National Education Goals, and performance measures to assess program effectiveness, including measurable goals and objectives; and

“(ii) be developed in consultation with Indian tribes.

“(b) Administration.—The Department of the Interior may use not more than 1.5 percent of the funds consolidated under this section for such department's costs related to the administration of the funds transferred under this section.

“SEC. 10206. AVAILABILITY OF UNNEEDED PROGRAM FUNDS.

“With the approval of its State educational agency, a local educational agency that determines for any fiscal year that funds under a covered program other than part A of title I are not needed for the purpose of that covered program may use such funds, not to exceed 5 percent of the total amount of such local educational agency's funds under that covered program, for the purpose of another covered program.

“PART C—COORDINATION OF PROGRAMS; CONSOLIDATED STATE AND LOCAL APPLICATIONS

“SEC. 10301. PURPOSE.

“It is the purpose of this part to improve teaching and learning by encouraging greater cross-program coordination, planning, and service delivery under this Act and enhanced integration of programs under this Act with educational activities carried out with State and local funds.

“SEC. 10302. OPTIONAL CONSOLIDATED STATE APPLICATION.

“(a) General Authority.—

“(1) Simplification.—In order to simplify application requirements and reduce burden for State educational agencies under this Act, the Secretary, in accordance with subsection (b), shall establish procedures and criteria under which a State educational agency may submit a consolidated State plan or application meeting the requirements of this section for each of the covered programs in which the State participates.

“(2) Additional programs.—A State educational agency may also include in its consolidated plan or application—

“(A) the Even Start program under part C of title I;

“(B) the education for neglected and delinquent youth program under part E of title I;

“(C) part A of title II of the Carl D. Perkins Vocational and Applied Technology Education Act; and

“(D) such other programs as the Secretary may designate.

“(3) Consolidated applications and plans.—A State educational agency that submits a consolidated State plan or application under this section shall not be required to submit separate State plans or applications under

any of the programs to which the consolidated application under this section applies.

"(b) COLLABORATION.—

"(1) IN GENERAL.—In establishing criteria and procedures under this section, the Secretary shall collaborate with State educational agencies and, as appropriate, with other State agencies, local educational agencies, public and private nonprofit agencies, organizations, and institutions, private schools, and representatives of parents, students, and teachers.

"(2) CONTENTS.—Through the collaborative process described in subsection (b), the Secretary shall establish, for each program under the Act to which this section applies, the descriptions, information, assurances, and other material required to be included in a consolidated State plan or application.

"SEC. 10303. GENERAL APPLICABILITY OF STATE EDUCATIONAL AGENCY ASSURANCES.

"(a) ASSURANCES.—A State educational agency that submits a State plan or application under this Act, whether separately or under section 10302, shall have on file with the Secretary a single set of assurances, applicable to each program for which a plan or application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency, in a nonprofit private agency, institution, or organization, or in an Indian tribe if the statute authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

"(3) the State will adopt and use proper methods of administering each such program, including—

"(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations and other recipients responsible for carrying out each program;

"(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation; and

"(C) the adoption of written procedures for the receipt and resolution of complaints alleging violations of law in the administration of such programs;

"(4) the State will cooperate in carrying out any evaluation of each such program conducted by or for the Secretary or other Federal officials;

"(5) the State will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each such program;

"(6) the State will—

"(A) make reports to the Secretary as may be necessary to enable the Secretary to perform the Secretary's duties under each such program; and

"(B) maintain such records, provide such information to the Secretary, and afford access to the records as the Secretary may find necessary to carry out the Secretary's duties; and

"(7) before the application was submitted to the Secretary, the State has afforded a reasonable opportunity for public comment on the application and has considered such comment.

"(b) GEPA PROVISION.—Section 435 of the General Education Provisions Act does not apply to programs under this Act.

"SEC. 10304. CONSOLIDATED LOCAL APPLICATIONS.

"(a) GENERAL AUTHORITY.—A local educational agency receiving funds under more than one covered program may submit plans or applications to the State educational agency under such programs on a consolidated basis.

"(b) REQUIRED CONSOLIDATED APPLICATIONS.—A State educational agency that has submitted and had approved a consolidated State plan or application under section 10302 may require local educational agencies in the State receiving funds under more than one program included in the consolidated State plan or application to submit consolidated local plans or applications under such programs.

"(c) COLLABORATION.—A State educational agency shall collaborate with local educational agencies in the State in establishing procedures for the submission of the consolidated plans or applications under this section.

"SEC. 10305. OTHER GENERAL ASSURANCES.

"(a) ASSURANCES.—Any applicant other than a State educational agency that submits a plan or application under this Act, whether separately or pursuant to section 10304, shall have on file with the State educational agency a single set of assurances, applicable to each program for which a plan or application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency or in a nonprofit private agency, institution, organization, or Indian tribe, if the statute authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

"(3) the applicant will adopt and use proper methods of administering each such program, including—

"(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program; and

"(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation;

"(4) the applicant will cooperate in carrying out any evaluation of each such program conducted by or for the State educational agency or the Secretary or other Federal officials;

"(5) the applicant will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to such applicant under each such program;

"(6) the applicant will—

"(A) make reports to the State educational agency and the Secretary as may be necessary to enable such agency and the Secretary to perform their duties under each such program; and

"(B) maintain such records, provide such information, and afford access to the records as the State educational agency or the Secretary may find necessary to carry out the State educational agency's or the Secretary's duties; and

"(7) before the plan or application was submitted, the applicant is afforded a reasonable opportunity for public comment on the plan or application and has considered such comment.

"(b) GEPA PROVISION.—Section 436 of the General Education Provisions Act does not apply to programs under this Act.

"SEC. 10306. RELATIONSHIP OF STATE AND LOCAL PLANS TO PLANS UNDER THE GOALS 2000: EDUCATE AMERICA ACT.

"(a) STATE PLANS.—

"(1) IN GENERAL.—Each State plan submitted under the following programs shall be integrated with each other and the State's plan, if any, either approved or being developed, under title III of the Goals 2000: Educate America Act:

"(A) Part A of title I (making high-poverty schools work).

"(B) Part D of title I (education of migratory children).

"(C) Part E of title I (education of neglected and delinquent youth).

"(D) Part A of title II (professional development).

"(E) Subpart 1 of part A of title V (safe and drug-free schools).

"(F) Part D of title VI (Indian education).

"(2) SPECIAL RULE.—Notwithstanding any other provision of this Act, if a requirement relating to a State plan referred to in paragraph (1) is already satisfied by the State's approved plan under title III of the Goals 2000: Educate America Act, the State plan referred to in paragraph (1) need not separately address that requirement.

"(3) AMENDMENT.—Any State plan referred to in paragraph (1) may, if necessary, be submitted as an amendment to the State's plan under title III of the Goals 2000: Educate America Act.

"(b) LOCAL PLANS.—

"(1) IN GENERAL.—Each local educational agency plan submitted under the following programs shall be integrated with each other and its plan, if any, either approved or being developed, under title III of the Goals 2000: Educate America Act:

"(A) Part A of title I (making high-poverty schools work).

"(B) Part A of title II (professional development).

"(C) Subpart 1 of part A of title V (safe and drug-free schools).

"(D) Part A of title VI (Indian education).

"(E) Subpart 1 of part A of title VII (bilingual education).

"(F) Part B of title IX (emergency immigrant education).

"(2) PLAN OF OPERATION.—Each plan of operation included in an application submitted by an eligible entity under part C of title I (Even Start) shall be consistent with, and promote the goals of, the State and local plans, either approved or being developed, under title III of the Goals 2000: Educate America Act or, if those plans are not approved or being developed, with the State and local plans under sections 1111 and 1112 of this Act.

"(3) SPECIAL RULE.—Notwithstanding any other provision of this Act, if a requirement relating to a local plan referred to in paragraph (1) is already satisfied by the local educational agency's approved plan under title III of the Goals 2000: Educate America Act, the local plan referred to in paragraph (1) need not separately address that requirement.

"(4) SUBMISSION.—Any local plan referred to in paragraph (1) may, if necessary, be submitted as an amendment to the local educational agency's plan under title III of the Goals 2000: Educate America Act.

"PART D—WAIVERS

"SEC. 10401. WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

"(a) WAIVER AUTHORITY.—Except as provided in subsection (c), the Secretary may waive any requirement of this Act or of the General Education Provisions Act, or of the regulations issued under such Acts, for a State educational agency, local educational agency, Indian tribe, or other agency, organization, or institution that receives funds under a program authorized by this Act from the Department and that requests such a waiver, if—

"(1) the Secretary determines that such requirement impedes the ability of the State educational agency or other recipient to achieve more effectively the purposes of this Act;

"(2) in the case of a waiver proposal submitted by a State educational agency, the State educational agency—

"(A) provides all interested local educational agencies in the State with notice and an opportunity to comment on the proposal;

"(B) submits the comments to the Secretary; and

"(C) provides notice and information to the public regarding the waiver proposal in the manner that such agency customarily provides similar notices and information to the public; and

"(3) in the case of a waiver proposal submitted by a local educational agency or other agency, institution, or organization that receives funds under this Act from a State educational agency—

"(A) such request has been reviewed by the State educational agency and is accompanied by the comments, if any, of such State educational agency; and

"(B) notice and information regarding the waiver proposal has been provided to the public by the agency, institution, or organization requesting the waiver in the manner that such agency, institution, or organization customarily provides similar notices and information to the public.

"(b) WAIVER PERIOD.—

"(1) IN GENERAL.—A waiver under this section shall be for a period not to exceed 4 years.

"(2) EXTENSION.—The Secretary may extend the period described in paragraph (1) if the Secretary determines that—

"(A) the waiver has been effective in enabling the State or affected recipients to carry out the activities for which the waiver was requested and the waiver has contributed to improved performance; and

"(B) such extension is in the public interest.

"(c) WAIVERS NOT AUTHORIZED.—The Secretary may not waive, under this section, any statutory or regulatory requirement relating to—

"(1) comparability of services;

"(2) maintenance of effort;

"(3) the equitable participation of students attending private schools;

"(4) parental participation and involvement;

"(5) the distribution of funds to States or to local educational agencies or other recipients of funds under this Act;

"(6) applicable civil rights requirements; or

"(7) the requirements of sections 438 and 439 of the General Education Provisions Act.

"(d) TERMINATION OF WAIVERS.—The Secretary shall terminate a waiver under this section if the Secretary determines that the performance of the State or other recipient affected by the waiver has been inadequate to justify a continuation of the waiver or if the waiver is no longer necessary to achieve its original purposes.

"(e) PUBLICATION.—A notice of the Secretary's decision to grant each waiver under subsection (a) shall be published in the Federal Register and the Secretary shall provide for the dissemination of such notice to State educational agencies, interested parties, including educators, parents, students, advocacy, and civil rights organizations, other interested parties, and the public.

"PART E—UNIFORM PROVISIONS

"SEC. 10501. MAINTENANCE OF EFFORT.

"(a) IN GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

"(b) REDUCTION IN CASE OF FAILURE TO MEET.—

"(1) IN GENERAL.—The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of subsection (a) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency).

"(2) SPECIAL RULE.—No such lesser amount shall be used for computing the effort required under subsection (a) for subsequent years.

"(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that such a waiver would be equitable due to—

"(1) exceptional or uncontrollable circumstances such as a natural disaster; or

"(2) a precipitous decline in the financial resources of the local educational agency.

"SEC. 10502. PROHIBITION REGARDING STATE AID.

"No State shall take into consideration payments under this Act in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

"SEC. 10503. PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.

"(a) PRIVATE SCHOOL PARTICIPATION.—

"(1) IN GENERAL.—Except as otherwise provided in this Act, to the extent consistent with the number of eligible children in a State educational agency, local educational agency, or intermediate educational agency or consortium receiving financial assistance under a program specified in subsection (b), who are enrolled in private elementary and secondary schools in such agency or consortium, such agency or consortium shall, after timely and meaningful consultation with appropriate private school officials, provide such children, their teachers, administrators, and other staff, on an equitable basis, special educational services or other benefits under such program.

"(2) SECULAR, NEUTRAL, AND NONIDEOLOGICAL SERVICES OR BENEFITS.—Educational services or other benefits, including materials and equipment, provided under this section, must be secular, neutral, and nonideological.

"(3) SPECIAL RULE.—Educational services and other benefits provided under this section for such private school children, teachers, and other educational personnel shall be equitable in comparison to services and other benefits for public school children, teachers, administrators, and other staff participating in such program.

"(4) EXPENDITURES.—Expenditures for educational services and other benefits provided under this section to eligible private school children, their teachers, and other educational personnel serving such children shall be equal, taking into account the number and educational needs of the children to be served, to the expenditures for participating public school children.

"(5) PROVISION OF SERVICES.—Such agency or consortium may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

"(b) APPLICABILITY.—

"(1) IN GENERAL.—This section applies to—

"(A) part A of title I;

"(B) part D of title I;

"(C) part A of title II (other than section 2114);

"(D) part A of title III;

"(E) part B of title III;

"(F) part D of title III;

"(G) subpart 1 of part A of title V (other than section 5114);

"(H) title VII;

"(I) part B of title IX; and

"(J) title XIII.

"(2) DEFINITION.—For the purposes of this section, the term 'eligible children' means children eligible for services under a program described in paragraph (1).

"(c) CONSULTATION.—

"(1) IN GENERAL.—To ensure timely and meaningful consultation, such agency or consortium shall consult with appropriate private school officials during the design and development of the programs under this Act, on issues such as—

"(A) how the children's needs will be identified;

"(B) what services will be offered;

"(C) how and where the services will be provided; and

"(D) how the services will be assessed.

"(2) TIMING.—Such consultation shall occur before the agency or consortium makes any decision that affects the opportunities of eligible private school children, teachers, and other educational personnel to participate in programs under this Act.

"(3) DISCUSSION REQUIRED.—Such consultation shall include a discussion of service delivery mechanisms that an agency or consortium could use to provide equitable services to eligible private school children, teachers, administrators, and other staff.

"(d) PUBLIC CONTROL OF FUNDS.—

"(1) IN GENERAL.—The control of funds used to provide services under this section, and title to materials, equipment, and property purchased with such funds, shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

"(2) PROVISION OF SERVICES.—(A) The provision of services under this section shall be provided—

"(i) by employees of a public agency; or

"(ii) through contract by such public agency with an individual, association, agency, or organization.

"(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency.

"(C) Funds used to provide services under this section shall not be commingled with non-Federal funds.

"SEC. 10504. STANDARDS FOR BY-PASS.

"If, by reason of any provision of law, a State, local, or intermediate educational agency or consortium of such agencies is prohibited from providing for the participation in programs of children enrolled in, or teachers or other educational personnel from, private elementary and secondary schools, on an equitable basis, or if the Secretary determines that such agency or consortium has substantially failed or is unwilling to provide for such participation, as required by section 10503, the Secretary shall—

"(1) waive the requirements of that section for such agency or consortium; and

"(2) arrange for the provision of equitable services to such children, teachers, or other educational personnel through arrangements that shall be subject to the requirements of this section and of sections 10503, 10505, and 10506.

"SEC. 10505. COMPLAINT PROCESS FOR PARTICIPATION OF PRIVATE SCHOOL CHILDREN.

"(a) PROCEDURES FOR COMPLAINTS.—The Secretary shall develop and implement written procedures for receiving, investigating, and resolving complaints from parents, teachers, or other individuals and organizations concerning violations by an agency or consortium of section

10503 of this Act. Such individual or organization shall submit such complaint to the State educational agency for a written resolution by such agency within a reasonable period of time.

''(b) APPEALS TO THE SECRETARY.—Such resolution may be appealed by an interested party to the Secretary within 30 days after the State educational agency resolves the complaint or fails to resolve the complaint within a reasonable period of time. Such appeal shall be accompanied by a copy of the State educational agency's resolution, and a complete statement of the reasons supporting the appeal. The Secretary shall investigate and resolve each such appeal within 120 days after receipt of the appeal.

"SEC. 10506. BY-PASS DETERMINATION PROCESS.

''(a) REVIEW.—

''(1) IN GENERAL.—(A) The Secretary shall not take any final action under section 10504 until the agency or consortium affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

''(B) Pending final resolution of any investigation or complaint that could result in a determination under this section, the Secretary may withhold from the allocation of the affected State or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of those services.

''(2) PETITION FOR REVIEW.—(A) If such affected agency or consortium is dissatisfied with the Secretary's final action after a proceeding under paragraph (1), such agency or consortium may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action.

''(B) A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary.

''(C) The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based this action, as provided in section 2112 of title 28, United States Code.

''(3) FINDINGS OF FACT.—(A) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings.

''(B) Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

''(4) JURISDICTION.—(A) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part.

''(B) The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

''(b) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines, in consultation with such agency or consortium and representatives of the affected private school children, teachers, or other educational personnel that there will no longer be any failure or inability on the part of such agency or consortium to meet the applicable requirements of section 10503 or any other provision of this Act.

''(c) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allocation or allocations under this Act.

''(d) PRIOR DETERMINATION.—Any by-pass determination by the Secretary under this Act as in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994 shall remain in effect to the extent the Secretary determines that such determination is consistent with the purpose of this section.

"SEC. 10507. PROHIBITION AGAINST FUNDS FOR RELIGIOUS WORSHIP OR INSTRUCTION.

''Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction.

"PART F—OTHER PROVISIONS

"SEC. 10601. STATE RECOGNITION OF EXEMPLARY PERFORMANCE.

''(a) RECOGNITION.—

''(1) IN GENERAL.—A State educational agency may implement a program of State recognition awards under one or more covered programs (other than parts A and C of title I).

''(2) RECIPIENTS.—Such recognition awards shall be made by the State educational agency to recipients of assistance under this Act in the State that the State educational agency determines have carried out grant-related activities in an exemplary fashion and have demonstrated outstanding performance measured in accordance with this section.

''(3) FUNDING.—A State desiring to make monetary awards under this section may reserve a portion of the total amount available for grants within the State under such programs for any fiscal year, not to exceed 1 percent, for the purpose of making recognition awards to qualifying recipients under such programs. In implementing this section, a State may reduce the amount of funds the State would otherwise allocate to recipients in accordance with the applicable statute governing such allocation to the extent necessary.

''(b) CONDITIONS.—A State educational agency may make recognition awards under this section if—

''(1) in selecting awardees, such agency takes into account improvements in performance (rather than comparisons with other schools and school districts), and successful cooperative efforts among teachers, administrators, and other school personnel in achieving educational reform;

''(2) such agency employs peer review procedures in identifying recipients eligible for awards, the identity of the awardees, and the amount of the awards;

''(3) such agency determines that the awardee is in compliance with applicable civil rights requirements; and

''(4) such agency submits to the Secretary a description of the criteria used in making such awards.

"SEC. 10602. APPLICABILITY TO HOME SCHOOLS.

''Nothing in this Act shall be construed to affect home schools.

"SEC. 10603. GENERAL PROVISION REGARDING NONRECIPIENT NONPUBLIC SCHOOLS.

''Nothing in this Act shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under this Act.

"SEC. 10604. PROHIBITION ON FEDERAL MANDATES, DIRECTION, AND CONTROL.

''Nothing in this Act shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's curriculum, program of instruction, or allocation of State or local resources, or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act.

"SEC. 10605. REPORT.

''The Secretary shall report to the Congress within 180 days of the date of enactment of the Improving America's Schools Act of 1994 regarding how the Secretary shall ensure that audits conducted by Department employees of activities assisted under this Act comply with changes to this Act made by the Improving America's Schools Act of 1994, particularly with respect to permitting children with similar educational needs to be served in the same educational settings, where appropriate.

"SEC. 10606. REQUIRED PARTICIPATION PROHIBITED.

''Notwithstanding any other provision of law, no State shall be required to participate in any program under the Goals 2000: Education America Act, or to have content standards or student performance standards approved or certified under such Act, in order to receive assistance under this Act.

"SEC. 10607. SCHOOL PRAYER.

''Any State or local education agency that is adjudged by a Federal court of competent jurisdiction to have willfully violated a Federal court order mandating that such local educational agency remedy a violation of the constitutional right of any student with respect to prayer in public schools, in addition to any other judicial remedies, shall be ineligible to receive Federal funds until such time as the local educational agency complies with such order. Funds that are withheld under this section shall not be reimbursed for the period during which the local educational agency was in willful noncompliance.

"SEC. 10608. PRIVATELY MANAGED SCHOOLS.

''Nothing in this Act shall be construed to deny States or local educational agencies the opportunity to use Federal funds to contract with private management firms.

"SEC. 10609. POLICY REGARDING CRIMINAL JUSTICE SYSTEM REFERRAL.

''(a) IN GENERAL.—No funds shall be made available under this Act to any local educational agency unless such agency has a policy requiring referral to the criminal justice or juvenile delinquency system of any student who brings a firearm or weapon to a school served by such agency.

''(b) DEFINITIONS.—For the purpose of this section, the terms 'firearm' and 'school' have the same meaning given to such terms by section 921(a) of title 18, United States Code.

"PART G—EVALUATIONS

"SEC. 10701. EVALUATIONS.

''(a) EVALUATIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary is authorized to reserve not more than 0.50 percent of the amount appropriated to carry out each program authorized under this Act—

''(A) to carry out program evaluations and studies of program effectiveness under this Act in accordance with subsection (b);

''(B) to evaluate the aggregate short- and long-term effects and cost efficiencies across Federal programs authorized under this Act and related preschool, elementary and secondary Federal programs under other Federal law;

''(C) to evaluate the short- and long-term effects of demonstration projects that show the most promise of enabling children served under this Act to meet challenging standards in accordance with subsection (c); and

''(D) to strengthen the usefulness of grant recipient evaluations for continuous program progress through improving the quality, timeliness, efficiency, and utilization of program information on program performance.

"(2) SPECIAL RULE.—(A) Paragraph (1) shall not apply to any program under title I.

"(B) If funds are made available under any program assisted under this Act (other than a program under title I) for evaluation activities, then the Secretary shall use such funds to carry out paragraph (1).

"(b) NATIONAL EVALUATIONS.—

"(1) IN GENERAL.—The Secretary shall use not more than 90 percent of the funds made available under subsection (a) to carry out—

"(A) independent studies of programs authorized under this Act that are coordinated with research supported through the Office of Educational Research and Improvement, and use rigorous methodological designs and techniques, including longitudinal designs, control groups, and random assignment as appropriate, to determine—

"(i) the success of such programs in meeting the measurable goals and objectives, through appropriate targeting, quality services, and efficient administration, and in contributing to achieving the National Education Goals, with a priority on assessing program impact on student performance;

"(ii) the short- and long-term effects of program participation on program participants, as appropriate;

"(iii) the cost and efficiency of such programs; and

"(iv) to the extent feasible, the cost of serving all students eligible to be served under such programs;

"(B) in collaboration with the national assessment conducted pursuant to section 1601, conduct a comprehensive evaluation of how the Federal Government has assisted the States to reform their educational systems through the various education laws enacted during the 103d Congress, which evaluation shall—

"(i) encompass the changes made in Federal programs pursuant to the Improving America's Schools Act of 1994 as well as in any other law enacted during the 103d Congress that amended a Federal program assisting preelementary, elementary, or secondary education;

"(ii) encompass new initiatives such as initiatives under the Goals 2000: Educate America Act, and the School-to-Work Opportunities Act of 1994, and be coordinated with evaluations of such Acts;

"(iii) include a comprehensive review of the programs developed under the Acts described in clauses (i) and (ii) to determine such programs' overall effect on—

"(I) the readiness of children for schooling;

"(II) the improvement in educational attainment of students in elementary and secondary education; and

"(III) the improvement in skills needed by students to obtain employment or pursue further education upon completion of secondary school or further education;

"(iv) include a comprehensive review of the programs under the Acts described in clauses (i) and (ii) to determine such programs' overall effect—

"(I) on school reform efforts undertaken by States; and

"(II) on student populations that have been the traditional beneficiaries of Federal assistance in order to determine whether such population's educational attainment has been improved as a result of such programs;

"(v) evaluate how the National Assessment Governing Board, the Advisory Council on Education Statistics, the National Education Goals Panel, and the National Education Statistics and Improvement Council (and any other Federal board established to analyze, address, or approve education standards and assessments) coordinate, interact, or duplicate efforts to assist the States in reforming the educational systems of States; and

"(vi) include a review of the programs under the Acts described in clauses (i) and (ii) in such detail as the Secretary deems appropriate, and may involve cooperation with other Federal departments and agencies in order to incorporate evaluations and recommendations of such departments and agencies; and

"(C) a study of the waivers granted under section 10401, which study shall include—

"(i) data on the total number of waiver requests that were granted and the total number of such requests that were denied, disaggregated by the statutory or regulatory requirement for which the waivers were requested; and

"(ii) an analysis, based on an appropriate sample of agencies, tribes, organizations, and institutions receiving waivers, of the effectiveness of such waivers in improving student performance outcomes.

"(2) INDEPENDENT PANEL.—The Secretary shall appoint an independent panel to review the plan for the evaluation described in paragraph (1), to advise the Secretary on such evaluation's progress, and to comment, if the panel so wishes, on the final report described in paragraph (3).

"(3) REPORT.—The Secretary shall submit a final report on the evaluation described in this subsection by January 1, 1998, to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate.

"(c) EVALUATION OF DEMONSTRATIONS OF INNOVATIVE PRACTICES.—The Secretary shall use at least 10 percent of funds reserved under subsection (a) for evaluation of demonstration projects assisted under this Act in order to improve student achievement. Such evaluation shall—

"(1) identify specific intervention strategies and implementation of such strategies that, based on theory, research and evaluation, offer the promise of improved achievement of program objectives;

"(2) use rigorous methodological designs and techniques, including longitudinal designs, control groups, and random assignment, to the extent feasible, to produce reliable evidence of effectiveness;

"(3) assess at the end the reauthorization period of each demonstration project the knowledge gained in identifying and disseminating effective management and educational practices; and

"(4) to the extent feasible, the cost of serving all students eligible to be served under such demonstration projects.

"(d) RECIPIENT EVALUATION AND QUALITY ASSURANCE IMPROVEMENT.—The Secretary is authorized to provide guidance, technical assistance, and model programs to recipients of assistance under this Act to strengthen information for quality assurance and performance information feedback at State and local levels. Such guidance and assistance shall promote the development, measurement and reporting of valid, reliable, timely and consistent performance indicators within a program in order to promote continuous program improvement. Nothing in this subsection shall be construed to establish a national data system.

"TITLE XI—CULTURAL PARTNERSHIPS FOR AT-RISK CHILDREN AND YOUTH

"SEC. 11101. SHORT TITLE.

"This title may be cited as the 'Cultural Partnerships for At-Risk Children and Youth Act of 1994'.

"SEC. 11102. FINDINGS.

"The Congress finds that—

"(1) with local school budget cuts there are inadequate arts and cultural programs available for children and youth in schools, especially at the elementary school level;

"(2) children and youth who receive instruction in the arts and humanities, or who are involved in cultural activities, remain in school longer and are more successful than children who do not receive such instruction;

"(3) school-university partnerships that upgrade teacher training in the arts and humanities have significantly contributed to improved instruction and achievement levels of school-aged children; and

"(4) museum outreach, cultural activities and informal education for at-risk children and youth have contributed significantly to the educational achievement and enhanced interest in learning of at-risk children and youth.

"SEC. 11103. DEMONSTRATION PROGRAM.

"(a) GRANTS AUTHORIZED.—

"(1) GRANT FROM SECRETARY.—(A) The Secretary, by grant, shall award all funds appropriated under section 11108 to the Committee established under subsection (b) to enable such Committee to award subgrants in accordance with paragraph (2).

"(B) The Committee established under subsection (b) may reserve not more than 5 percent of the grant funds received under paragraph (1) in each fiscal year for the costs of administration.

"(2) SUBGRANTS.—(A) From grant funds received under paragraph (1)(A) and not reserved under paragraph (1)(B), the Committee established under subsection (b) shall award subgrants to eligible entities to enable such entities to improve the educational performance and potential of at-risk children and youth by providing comprehensive and coordinated educational and cultural services to such children and youth.

"(B) Each eligible recipient may reserve not more than 5 percent of any subgrant funds received under this part in each fiscal year for the costs of administration.

"(3) ELIGIBLE ENTITIES.—For purposes of this title, the term 'eligible entity' means—

"(A) for purposes of determining eligibility for a subgrant under this title to serve in-school children and youth, a partnership between—

"(i) a local educational agency or an individual school that is eligible to participate in a schoolwide program under section 1114; and

"(ii) at least 1 institution of higher education, museum, local arts agency, or cultural entity that is accessible to individuals within the school district of such local educational agency or school, and that has a history of providing quality services to the community, which may include—

"(I) a nonprofit institution of higher education, local arts agency, cultural institution, or zoological or botanical facility; or

"(II) a private for-profit entity with an effective history of training children and youth in the arts or humanities; and

"(B) for purposes of determining eligibility for a subgrant under this title to serve out-of-school youth, a partnership between—

"(i) at least 1 entity described in clause (i) or (ii) of subparagraph (A); and

"(ii) at least 1 entity described in clause (ii) of subparagraph (A).

"(b) NATIONAL COMMITTEE ON CULTURAL PARTNERSHIPS FOR AT-RISK CHILDREN AND YOUTH.—

"(1) ESTABLISHMENT.—There is established a committee to be known as the National Committee on Cultural Partnerships for At-Risk Children and Youth (referred to in this title as the 'Committee').

"(2) MEMBERSHIP.—The Committee shall be comprised of 8 members, of whom—

"(A) 2 members shall be appointed by the Secretary of Education;

"(B) 2 members shall be appointed by the Chairperson of the National Endowment for the Humanities;

"(C) 2 members shall be appointed by the Chairperson of the National Endowment for the Arts; and

"(D) 2 members shall be appointed by the Director of the Institute of Museum Services.

"(c) AWARD OF SUBGRANTS.—

"(1) IN GENERAL.—The Committee shall award subgrants under this title to eligible entities seeking to carry out programs designed to—

"(A) promote and enhance educational and cultural activities;

"(B) provide integration of community cultural resources into the regular curriculum and school day;

"(C) focus school and cultural resources in the community on coordinated cultural services to address the needs of at-risk children and youth;

"(D) provide effective cultural programs to facilitate the transition from preschool programs to elementary school programs, including programs under the Head Start Act and part H of the Individuals with Disabilities Education Act;

"(E) facilitate school-to-work transition from secondary schools and alternative schools to job training, higher education, and employment through educational programs and activities that utilize school resources;

"(F) increase parental and community involvement in the educational, social, and cultural development of at-risk children and youth; or

"(G) develop programs and strategies that—

"(i) provide high-quality coordinated educational and cultural services; and

"(ii) are designed to integrate such coordination into the regular curriculum and to replicate the services in other schools.

"(2) SPECIAL RULE.—Subgrants awarded under this title shall be of sufficient size, scope, and quality to be effective.

"(3) COORDINATION.—(A) The Committee shall award subgrants under this title only to eligible entities that agree to coordinate activities carried out under this part with other Federal, State, and local programs designed to serve the purposes and target populations described in this title.

"(B) The Committee shall award subgrants under this title so as to ensure nonduplication of services provided by subgrant recipients and services provided by—

"(i) the National Endowment for the Humanities;

"(ii) the National Endowment for the Arts; and

"(iii) the Institute for Museum Services.

"(4) GEOGRAPHIC DISTRIBUTION.—In awarding subgrants under this title the Committee, to the extent feasible, shall ensure an equitable geographic distribution of such subgrants.

"(5) PRIORITY.—In awarding subgrants under this title the Committee may give priority to eligible entities that provide comprehensive services that extend beyond traditional school or service hours.

"(6) RENEWAL.—The recipient of a subgrant under this title may be eligible for funding for a maximum of 5 years, if the Committee determines that the eligible recipient has made satisfactory progress toward the achievement of the program goals described in the application.

"(7) CRITERIA AND PROCEDURES.—The Committee shall establish and transmit to the Secretary criteria and procedures for awarding subgrants under this title. The Secretary shall publish such criteria and procedures in the Federal Register.

"(d) APPLICATION.—

"(1) IN GENERAL.—Each eligible entity seeking a subgrant under this title shall submit an application to the Committee at such time, in such manner, and accompanied by such information as the Committee may reasonably require.

"(2) CONTENTS.—Each application submitted to the Committee pursuant to paragraph (1) shall—

"(A) describe the cultural entity or entities that will participate in the partnership;

"(B) describe the target population to be served;

"(C) describe the services to be provided;

"(D) describe a plan for evaluating the success of the program;

"(E) in the case of each local educational agency or school participating in the eligible recipient partnership, describe how the activities assisted under this title will be perpetuated beyond the duration of the subgrant;

"(F) describe the manner in which the eligible entity will seek to improve the educational achievement or future potential of at-risk children and youth through more effective coordination of cultural services in the community;

"(G) describe the overall and operational goals of the program; and

"(H) describe training that will be provided to individuals who are not trained to work with children and youth, and how teachers will be involved.

"(e) TARGET POPULATION.—To be eligible for a subgrant under this title, an eligible entity shall serve—

"(1) students enrolled in schools participating in a schoolwide program under section 1114 and the families of such students to the extent practicable;

"(2) out-of-school children and youth at risk of disadvantages resulting from teenage parenting, substance abuse, recent migration, disability, limited-English proficiency, illiteracy, being the child of a teenage parent, living in a single parent household, or dropping out of school; or

"(3) any combination of in-school and out-of-school at-risk children and youth.

"SEC. 11104. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—Subgrants awarded under this title may be used—

"(1) to plan, develop, acquire, expand, and improve school-based or community-based coordinated educational and cultural programs to strengthen the educational performance and future potential of in-school or out-of-school at-risk children and youth through grants, cooperative agreements, contracts for services, or administrative coordination;

"(2) to provide at-risk students with integrated cultural activities designed to develop a love of learning that fosters the smooth transition of preschool children to elementary school;

"(3) to design collaborative cultural activities for students in secondary or alternative schools that ensure the smooth transition to job training, higher education, or full employment;

"(4) to provide child care for children of at-risk students who would not otherwise be able to participate in the program;

"(5) to provide transportation necessary for participation in the program;

"(6) to develop curriculum materials in the arts;

"(7) for staff development activities that encourage the integration of the arts into the curriculum;

"(8) for stipends that allow local arts and humanities professionals to work with at-risk children and youth in schools;

"(9) for training individuals who are not trained to work with children and youth;

"(10) for cultural programs that encourage the active participation of parents in the education of their children;

"(11) for programs that use the arts and culture to reform current school practices, including lengthening the school day or academic year;

"(12) for equipment or supplies that the Committee determines appropriate; and

"(13) for evaluation, administration, and supervision.

"(b) TEACHERS.—Each recipient of a subgrant under this title serving in-school children and youth shall carry out the activities described in the application with the involvement of a certified teacher or trained instructor.

"SEC. 11105. PLANNING SUBGRANTS.

"(a) IN GENERAL.—The Committee may award planning subgrants to eligible entities under this title.

"(b) AMOUNT.—A planning subgrant shall be in an amount not to exceed $50,000.

"(c) DURATION.—A planning subgrant shall be for a period of not more than 1 year.

"(d) LIMITATIONS.—An eligible entity may receive not more than 1 planning subgrant under this section.

"SEC. 11106. PAYMENTS; AMOUNTS OF AWARD; COST SHARE; LIMITATIONS.

"(a) PAYMENTS.—The Secretary shall pay to each eligible entity having an application approved under section 11103, the Federal share of the cost of the activities described in the application.

"(b) COST SHARE.—

"(1) FEDERAL SHARE.—The Federal share of a subgrant under this title shall be 80 percent of the cost of carrying out the activities described in the application.

"(2) NON-FEDERAL SHARE.—The non-Federal share of a subgrant under this title shall be 20 percent of the cost of carrying out the activities described in the application and may be in cash or in kind, fairly evaluated, including the provision of equipment, services, or facilities.

"(c) LIMITATIONS.—

"(1) NONINSTRUCTIONAL SERVICES.—Not more than 25 percent of the subgrant funds provided in any fiscal year under this title may be used for noninstructional activities such as the activities described in paragraphs (4), (5), and (12) of section 11104(a).

"(2) SUPPLEMENT AND NOT SUPPLANT.—Subgrant funds awarded under this title shall be used to supplement and not supplant the amount of funds made available from non-Federal sources, for the activities assisted under this title.

"SEC. 11107. MODELS.

"The Secretary, in consultation with the Committee, shall disseminate information concerning successful models under this title through the National Diffusion Network.

"SEC. 11108. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORIZATION.—Subject to subsection (b), there are authorized to be appropriated to carry out this title, $20,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) LIMITATIONS.—

"(1) CONTINGENT APPROPRIATIONS.—Notwithstanding any other provision of law, no amounts shall be made available to carry out this title in any fiscal year unless there is appropriated—

"(A) not less than $177,000,000 for the National Endowment for the Humanities under the National Foundation on the Arts and the Humanities Act of 1965;

"(B) not less than $170,000,000 for the National Endowment for the Arts under such Act; and

"(C) not less than $28,000,000 for the Institute for Museum Services under the Museum Services Act.

"(2) PLANNING SUBGRANTS.—Not more than 10 percent of the amount appropriated in each fiscal year pursuant to subsection (a) shall be used for planning subgrants under section 11105.

"TITLE XII—DISCLOSURE REQUIREMENTS

"SEC. 12001. DEFINITIONS.

"As used in this title:

"(1) DISABILITY.—The term 'disability' has the same meaning given to such term by section 3(2) of the Americans with Disabilities Act of 1990.

"(2) EDUCATIONAL ORGANIZATION.—(A) Except as provided in subparagraphs (B) and (C), the term 'educational organization' means any organization or entity that—

"(i) provides an educational program for a fee; and

"(ii) recruits students through means such as commercial media, direct mailings, school recruitment programs, school administrators, teachers or staff, or current or former participants in an educational program offered by such organization or entity.

"(B) Such term does not include—

"(i) a local educational agency, a State educational agency, a State department of education, or an elementary or secondary school;

"(ii) an institution of higher education; or

"(iii) a local organization sponsored by an elementary or secondary school, a recreational organization, an entertainment organization, a local sports activity group, or a social club.

"(C) For the purpose of section 12002 only, such term—

"(i) except as provided in clause (ii), does not include an organization or entity that provides an educational program if such organization or entity recruits, for participation in such program, solely through a local school official; and

"(ii) includes any such organization or entity that offers a local school official, teacher or other school personnel compensation or any other benefit for such recruitment, except that payment of the expenses incurred by a local school official, teacher or other school personnel in performing chaperone activities related to such program shall not be considered compensation or a benefit for such recruitment.

"(3) EDUCATIONAL PROGRAM.—(A) Except as provided in subparagraph (B), the term 'educational program' means a special honors program, seminar, citizenship experience, government study program, educational vacation, student exchange program, or other educational experience or honor—

"(i) that is generally directed toward minors or secondary school students;

"(ii) for which a tuition or enrollment fee is charged;

"(iii) that is offered away from a student's regular place of school attendance;

"(iv) that includes not less than 1 supervised night away from home; and

"(v) that is intended to enhance a student's regular course of study.

"(B) Such term does not include a recreational program, or a social or religious activity.

"(4) LOCAL SCHOOL OFFICIAL.—The term 'local school official' means the highest administrative official serving a school district, or such individual's designee.

"(5) MINOR.—The term 'minor' means an individual who has not attained the age of 18.

"(6) MEMBERSHIP ORGANIZATION.—The term 'membership organization' includes any organization that maintains a membership list or collects dues or membership fees from its members.

"(7) RECREATIONAL ORGANIZATION.—The term 'recreational organization' includes any organization or entity that has as its primary function pleasure, amusement, or sports activities.

"(8) RECREATIONAL PROGRAM.—The term 'recreational program' includes any activity or service that is intended as an entertainment pastime.

"SEC. 12002. DISCLOSURE REQUIREMENTS.

"Each educational organization, prior to enrolling a minor and prior to accepting funds for the cost of a minor's participation in an educational program operated by such organization, shall disclose the following information in written form to the minor or the minor's parent:

"(1) METHOD OF SOLICITATION AND SELECTION.—The method of solicitation and selection of participants in the educational program, including—

"(A) the origin of any mailing list used for such solicitation and selection;

"(B) any recruitment through a local school official, teacher or school personnel, including any compensation or other benefit offered to such official, teacher or personnel for the recommendation of a minor for participation in the educational program;

"(C) any open enrollment activity, including the method of outreach; and

"(D) any cooperation with, or sponsorship by, a membership organization, including a description of the cooperation or sponsorship and the name of each such organization.

"(2) COSTS AND FEES.—Information regarding the cost of the educational program and information regarding the distribution of any enrollment fee, including—

"(A) the amount paid for, and the percentage of the total educational program cost of, each feature of the educational program, including—

"(i) food;

"(ii) lodging;

"(iii) transportation;

"(iv) program staffing;

"(v) textbooks, syllabi, or other scholastic educational program materials;

"(vi) speaker fees; and

"(vii) administrative expenses, including expenses related to—

"(I) the preparation of non-scholastic educational program materials;

"(II) the provision of financial assistance;

"(III) mailing list rental or other recruitment activity; and

"(IV) administrative salaries and consulting fees;

"(B) the identity of the organization or business providing each of the features described in clauses (i) through (vii) of subparagraph (A); and

"(C) the nature of any relationship of any board member, officer, or employee of the educational organization to any organization or business described in subparagraph (B), including the salary or other compensation paid by such organization or business to such Board member, officer, or employee.

"SEC. 12003. NONDISCRIMINATORY ENROLLMENT AND SERVICE POLICY.

"(a) IN GENERAL.—Each educational organization shall include a verifiable statement in all enrollment or recruitment material that the educational organization does not—

"(1) fail or refuse to hire, or discharge, any individual, or otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment; or

"(2) exclude any student from participation in an educational program, discriminate against any student in providing the benefits associated with such program (including any scholarship or financial assistance, and use of any facility), or subject the student to discrimination under such program,

on the basis of race, disability, or residence in a low-income area.

"(b) CONSTRUCTION.—Nothing in this section shall be construed to entitle a student to—

"(1) participation in an educational program or any benefit associated with such program; or

"(2) a waiver of any fee charged for such participation or benefit.

"SEC. 12004. ENFORCEMENT.

"The Secretary shall—

"(1)(A) widely disseminate information about the requirements of this title to State and local school officials and parents; and

"(B) require educational organizations to submit appropriate information or assurances regarding such organizations' compliance with this title; and

"(2) take whatever other steps the Secretary determines are appropriate to enforce this title, including—

"(A) promulgating regulations;

"(B) establishing a complaint process;

"(C) referring complaints to the relevant Federal, State, or local authorities for appropriate action;

"(D) alerting educational agencies, schools, and parents to the practices of educational organizations that violate the provisions of this title; and

"(E) imposing civil fines (not to exceed $1,000 per violation) on educational organizations that knowingly violate this title.

"TITLE XIII—TARGETED ASSISTANCE PROGRAM

"PART A—GENERAL PROVISIONS

"SEC. 13101. ALLOTMENT TO STATES.

"(a) RESERVATIONS.—From the sums appropriated to carry out this title in any fiscal year, the Secretary shall reserve not to exceed 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Northern Mariana Islands, and Palau, to be allotted in accordance with their respective needs for assistance under this title.

"(b) ALLOTMENT.—From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to one-half of 1 percent of such remainder.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'school-age population' means the population aged 5 through 17.

"(2) The term 'States' includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 13102. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

"(a) DISTRIBUTION RULE.—From the sum made available each year under section 13101, the State educational agency shall distribute not less than 80 percent to local educational agencies within such State according to the relative enrollments in public and private, nonprofit schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

"(1) children living in areas with high concentrations of low-income families;

"(2) children from low-income families; and

"(3) children living in sparsely populated areas.

"(b) CALCULATION OF ENROLLMENTS.—

"(1) IN GENERAL.—The calculation of relative enrollments under subsection (a) shall be on the basis of the total of—

"(A) the number of children enrolled in public schools; and

"(B) the number of children enrolled in private nonprofit schools that desire that their children participate in programs or projects assisted under this title,

for the fiscal year preceding the fiscal year in which the determination is made. Nothing in this subsection shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within the areas served by such agencies in order to determine whether such schools desire that their children participate in programs assisted under this title.

"(2) ADJUSTMENTS.—(A) Relative enrollments under subsection (a) shall be adjusted, in accordance with criteria approved by the Secretary under subparagraph (B), to provide higher per pupil allocations only to local educational agencies which serve the greatest numbers or percentages of—

"(i) children living in areas with high concentrations of low-income families;

"(ii) children from low-income families; or

"(iii) children living in sparsely populated areas.

"(B) The Secretary shall review criteria submitted by a State educational agency for adjusting allocations under paragraph (1) and shall approve such criteria only if the Secretary determines that such criteria are reasonably calculated to produce an adjusted allocation that reflects the relative needs within the State's local educational agencies based on the factors set forth in subparagraph (A).

"(c) PAYMENT OF ALLOCATIONS.—

"(1) DISTRIBUTION.—From the funds paid to a State educational agency pursuant to section 13101 for a fiscal year, such agency shall distribute to each eligible local educational agency which has submitted an application as required in section 13303 the amount of its allocation as determined under subsection (a).

"(2) ADDITIONAL FUNDS.—(A) Additional funds resulting from higher per pupil allocations provided to a local educational agency on the basis of adjusted enrollments of children described in subsection (a), may, at the discretion of the local educational agency, be allocated for expenditures to provide services for children enrolled in public and private nonprofit schools in direct proportion to the number of children described in subsection (a) and enrolled in such schools within the local educational agency.

"(B) In any fiscal year, any local educational agency that elects to allocate such additional funds in the manner described in subparagraph (A) shall allocate all additional funds to schools within the local educational agency in such manner.

"(C) The provisions of subparagraphs (A) and (B) may not be construed to require any school to limit the use of such additional funds to the provision of services to specific students or categories of students.

"PART B—STATE PROGRAMS

"SEC. 13201. STATE USES OF FUNDS.

"(a) AUTHORIZED ACTIVITIES.—A State educational agency may use funds reserved for State use under this title only for—

"(1) State administration of programs under this title including—

"(A) supervision of the allocation of funds to local educational agencies;

"(B) planning, supervision, and processing of State funds; and

"(C) monitoring and evaluation of programs and activities under this title; and

"(2) technical assistance and direct grants to local educational agencies and statewide activities which assist local educational agencies to provide targeted assistance as provided in section 13301.

"(b) LIMITATIONS AND REQUIREMENTS.—Not more than 25 percent of funds available for State programs under this title in any fiscal year may be used for State administration under subsection (a)(1).

"SEC. 13202. STATE APPLICATIONS.

"(a) APPLICATION REQUIREMENTS.—Any State which desires to receive grants under this title shall submit to the Secretary an application which—

"(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this title;

"(2) sets forth planned allocation of funds reserved for State use under section 13102(a) among the targeted assistance programs described in section 13301 and describes programs, projects, and activities which are designed to carry out such targeted assistance, together with the reasons for the selection of such programs, projects, and activities;

"(3) provides for timely public notice and public dissemination of the information provided pursuant to paragraph (2);

"(4)(A) provides for a biennial submission of data on the use of funds, the types of services furnished, and the students served under this title;

"(B) provides for an evaluation of the effectiveness of programs assisted under this title;

"(5) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this title);

"(6) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this title, the State educational agency has not exercised and will not exercise any influence in the decisionmaking processes of local educational agencies as to the expenditures made pursuant to an application under section 13301;

"(7) provides the following information: (A) how the State will adjust its formula to comply with section 13102(b)(2), (B) how children under section 13102(b)(2)(A) are defined, (C) the basis on which a determination of the local educational agencies under section 13102(b)(2)(A) is made, and (D) the percentage of the State grant which is proposed to be allotted on an adjusted basis under section 13102; and

"(8) contains assurances that there is compliance with the specific requirements of this title.

"(b) PERIOD OF APPLICATION.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

"(c) AUDIT RULE.—Notwithstanding section 1745 of the Omnibus Budget Reconciliation Act of 1981, local educational agencies receiving less than an average $5,000 each year under this title need not be audited more frequently than once every 5 years.

"PART C—LOCAL TARGETED ASSISTANCE PROGRAMS

"SEC. 13301. TARGETED USE OF FUNDS.

"(a) GENERAL RULE.—Funds allocated for use under this title shall be used by State and local educational agencies for targeted assistance described in subsection (b).

"(b) TARGETED ASSISTANCE.—The targeted assistance programs referred to in subsection (a) are—

"(1) programs for the acquisition and use of instructional and educational materials, including library books, reference materials, computer software and hardware for instructional use, and other curricular materials that will be used to improve student achievement;

"(2) programs to improve the higher order thinking skills of economically disadvantaged elementary and secondary school students and to prevent students from dropping out of school;

"(3) programs to combat illiteracy in the student and adult population, including parent illiteracy;

"(4) programs to provide for the educational needs of gifted and talented children;

"(5) school facility repair, renovation, improvement and construction;

"(6) school reform activities that are consistent with the Goals 2000: Educate America Act for local educational agencies that do not receive assistance under that Act;

"(7) school improvement programs or activities under sections 1118 and 1119; and

"(8) efforts to implement school uniform policies to ensure the health and safety of students and the school environment.

"SEC. 13302. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—Activities authorized under this part may include the planning, development, or operation and expansion of programs, projects, and activities which are designed to carry out the targeted assistance described in section 13301. Such activities may include—

"(1) training of educational personnel and education policymakers in any of the targeted assistance programs described in section 13301;

"(2) guidance and pupil services; and

"(3) any other education or related activities which the State or local educational agency determines will contribute to improving the programs described in section 13301.

"(b) ADMINISTRATIVE AUTHORITY.—In order to conduct the activities authorized by this title, each State or local educational agency may use funds reserved for this title to make grants to and to enter into contracts with local educational agencies, educational service agencies, institutions of higher education, libraries, museums, and other public and private nonprofit agencies, organizations, and institutions.

"SEC. 13303. LOCAL APPLICATIONS.

"(a) CONTENTS OF APPLICATION.—A local educational agency or consortia of local educational agencies may receive an allocation of funds under this title for any year for which an application is submitted to the State educational agency and such application is certified to meet the requirements of this section. The State educational agency shall certify any such application if such application—

"(1) sets forth the planned allocation of funds among targeted assistance programs described in section 13301 and describes the programs, projects, and activities designed to carry out such targeted assistance which the State educational agency intends to support, together with the reasons for the selection of such programs, projects, and activities;

"(2) describes how assistance under this title will contribute to the goals of the program of improving student achievement or improving the quality of education for students;

"(3) agrees to keep such records, and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this title; and

"(4) provides, in the allocation of funds for the assistance authorized by this title, and in the design, planning, and implementation of such programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups involved in the implementation of this title (such as librarians, school counselors, and other pupil services personnel) as may be considered appropriate by the local educational agency.

"(b) PERIOD OF APPLICATION.—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds among programs and purposes authorized by this title for a period of 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

"(c) LOCAL EDUCATIONAL AGENCY DISCRETION.—Subject to the limitations and requirements of this title, a local educational agency shall have complete discretion in determining how funds under this part shall be divided among the areas of targeted assistance of this part. In exercising such discretion, a local educational agency shall ensure that expenditures

under this part carry out the purposes of this title and are intended to meet the educational needs within the schools of that local educational agency.

"PART D—AUTHORIZATION OF APPROPRIATIONS

"SEC. 13401. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $325,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this title.

"TITLE XIV—NATIONAL EDUCATION STATISTICS

"SEC. 14001. SHORT TITLE.

"This part may be cited as the 'National Education Statistics Act of 1994'.

"SEC. 14002. FINDINGS; PURPOSE; DEFINITIONS.

"(a) FINDINGS.—The Congress finds that—

"(1) a Department Office of Education was established in 1867 'for the purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and Territories, and of diffusing such information respecting the organization and management of schools and school systems and methods of teaching as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country';

"(2) today, while the role of the current Department of Education is much broader, the National Center for Education Statistics within the Office of Educational Research and Improvement continues to perform those crucial original purposes; and

"(3) looking to the 21st Century, the National Center for Education Statistics must be able to design and undertake, effectively and efficiently, statistical activities that will aid in the reform of our Nation's educational systems.

"(b) PURPOSE.—It is the purpose of this part to ensure the continuation of an effective mechanism for collecting and reporting statistics and information showing the condition and progress of education in the United States and other nations in order to promote and accelerate the improvement of American education.

"(c) DEFINITIONS.—For the purpose of this part, the term—

"(1) 'Assistant Secretary' means the Assistant Secretary for Educational Research and Improvement provided for under section 202(b)(1)(E) of the Department of Education Organization Act; and

"(2) 'State' and 'United States'—

"(A) other than for the purpose of section 14011, mean each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico; and

"(B) for the purpose of section 14011, include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

"SEC. 14003. NATIONAL CENTER FOR EDUCATION STATISTICS.

"(a) ESTABLISHMENT.—There is established, within the Office of Educational Research and Improvement established under section 209 of the Department of Education Organization Act, a National Center for Education Statistics (hereafter in this part referred to as the 'Center').

"(b) COMMISSIONER AND ASSOCIATE COMMISSIONERS.—

"(1) COMMISSIONER.—The Center shall be headed by a Commissioner of Education Statistics (hereafter in this part referred to as the 'Commissioner') who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall—

"(A) have substantial knowledge of programs encompassed by under the authority of the Center;

"(B) be paid in accordance with section 5315 of title 5, United States Code; and

"(C) serve for a term of 4 years, with the terms to expire every fourth June 21, beginning in 1995.

"(2) ASSOCIATE COMMISSIONERS.—The Commissioner may appoint such Associate Commissioners as the Commissioner determines are necessary and appropriate.

"SEC. 14004. DUTIES OF THE CENTER.

"(a) DUTIES.—The Center shall collect, analyze, and disseminate statistics and other information related to education in the United States and in other nations, including—

"(1) acquiring, compiling (where appropriate, on a State-by-State basis), and disseminating full and complete statistics on the condition and progress of education in the United States, including data on—

"(A) State and local education reform;

"(B) student achievement and other educational outcomes, including data on secondary school completions, dropouts, and adult literacy, which education statistics and data, whenever feasible, shall be collected, analyzed, cross-tabulated and reported by sex, race or ethnicity, and socioeconomic status;

"(C) educational access and opportunity, including data on financial aid to postsecondary students;

"(D) teaching, including data on curriculum, instruction, the conditions of the education workplace, and the supply of, and demand for, teachers, which may include data on the proportions of women and men cross-tabulated by race or ethnicity, teaching in subjects in which such individuals have been historically underrepresented;

"(E) the learning environment, including data on libraries and the incidence of crime, violence, and substance abuse;

"(F) the financing and management of education, including data on revenues and expenditures; and

"(G) the social and economic status of children;

"(2) conducting and publishing reports and analyses of the meaning and significance of such statistics;

"(3) conducting longitudinal studies, as well as regular and special surveys and data collections, necessary to report on the condition and progress of education;

"(4) assisting public and private educational agencies, organizations, and institutions in improving and automating their statistical and data collection activities; and

"(5) acquiring and disseminating data on educational activities and student achievement in the United States compared with those in foreign nations.

"(b) SPECIAL RULE.—The Center shall ensure that education statistics and data described in subsection (a)(1), whenever feasible, are collected, analyzed, cross-tabulated and reported by sex, race or ethnicity, and socioeconomic status;

"(c) TRAINING PROGRAM.—The Commissioner may establish a program to train employees of public and private educational agencies, organizations, and institutions in the use of the Center's standard statistical procedures and concepts and may establish a fellows program to temporarily appoint such employees as temporary fellows at the Center in order to assist the Center in carrying out its duties.

"SEC. 14005. PERFORMANCE OF DUTIES.

"(a) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—

"(1) IN GENERAL.—In carrying out the Commissioner's duties under this part, the Commissioner may enter into grants, contracts, and cooperative agreements.

"(2) SPECIAL RULE.—Notwithstanding any other provision of law, the grants, contracts, and cooperative agreements awarded competitively under this section may be awarded for a period of not more than 5 years, and may be renewed at the discretion of the Commissioner for an additional period of not more than 5 years.

"(b) GATHERING INFORMATION.—

"(1) SAMPLING.—The Commissioner may use the statistical method known as sampling to carry out the purpose of this part.

"(2) SOURCE OF INFORMATION.—The Commissioner may, as the Commissioner considers appropriate, use information collected—

"(A) from States, local educational agencies, schools, institutions of higher education, libraries, administrators, teachers, students, the general public, and such other individuals, organizations, agencies, and institutions as the Commissioner may consider appropriate; and

"(B) by other offices within the Department and by other Federal departments, agencies, and instrumentalities.

"(3) COLLECTION.—The Commissioner may—

"(A) enter into interagency agreements for the collection of statistics;

"(B) arrange with any agency, organization, or institution for the collection of statistics; and

"(C) assign employees of the Center to any such agency, organization, or institution to assist in such collection.

"(4) TECHNICAL ASSISTANCE AND COORDINATION.—In order to maximize the effectiveness of Federal efforts to serve the educational needs of children and youth, the Commissioner shall—

"(A) provide technical assistance to Department offices that gather data for statistical purposes; and

"(B) coordinate closely with other Department offices in the collection of data.

"SEC. 14006. REPORTS.

"(a) REPORT ON THE CONDITION AND PROGRESS OF EDUCATION.—The Commissioner shall, not later than June 1, 1995, and each succeeding June 1 thereafter, submit to the President and the Congress a statistical report on the condition and progress of education in the United States.

"(b) STATISTICAL REPORTS.—The Commissioner shall issue regular statistical reports to the President and Congress on such education topics as the Commissioner determines to be appropriate.

"(c) SPECIAL REPORTS.—The Commissioner may, whenever the Commissioner considers it appropriate, issue special reports on particular education topics.

"SEC. 14007. ADVISORY COUNCIL ON EDUCATION STATISTICS.

"(a) ESTABLISHMENT.—There is established, within the Center, an Advisory Council on Education Statistics (hereafter in this Act referred to as the 'Council').

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Council shall be composed of—

"(A) 15 voting members who are users of education data and who are appointed by the Secretary on the basis of their experience and eminence within the field of education statistics, of whom at least—

"(i) three shall be educators;

"(ii) three shall be education policymakers;

"(iii) three shall be professional statisticians; and

"(iv) three shall be education researchers;

"(B) the Director of the Bureau of the Census and the Commissioner of the Bureau of Labor Statistics, as voting, ex officio members; and

"(C) the Assistant Secretary and the Commissioner, as nonvoting, ex officio members.

"(2) PRESIDING OFFICER.—The Secretary shall appoint the presiding officer of the Council from among the voting members of the Council.

"(3) TERMS.—Members of the Council appointed under paragraph (1)(A) shall be appointed for 3-year terms except that, in the case of initial appointments, the Secretary shall make appointments for shorter terms to the extent necessary to avoid the expiration of the terms of more than 5 members in the same calendar year.

"(4) MEETINGS.—

"(A) IN GENERAL.—The Council shall meet at the call of the presiding officer, except that the Council shall meet—

"(i) at least 2 times during each calendar year; and

"(ii) in addition, whenever 8 voting members request in writing that the presiding officer call a meeting.

"(B) QUORUM.—Nine voting members of the Council shall constitute a quorum.

"(5) SPECIAL RULE.—The Council shall review general policies for the operation of the Center and shall advise the Commissioner on standards to ensure that statistics and other information disseminated by the Center are of high quality and are not subject to partisan political influence.

"SEC. 14008. CONFIDENTIALITY.

"(a) CONFIDENTIALITY STANDARDS.—

"(1) IN GENERAL.—The Center shall develop and enforce standards designed to protect the confidentiality of persons in the collection, reporting, and publication of data under this section. This section shall not be construed to protect the confidentiality of information about institutions, organizations, and agencies that receive grants from, or have contracts or cooperative agreements with, the Federal Government.

"(2) PROHIBITION.—No person may—

"(A) use any individually identifiable information furnished under this part for any purpose other than a statistical purpose;

"(B) make any publication whereby the data furnished by any particular person under this part can be identified; or

"(C) permit anyone other than the individuals authorized by the Commissioner to examine the individual reports.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—No department, bureau, agency, officer, or employee of the Federal Government, except the Commissioner in carrying out the purposes of this part, shall require, for any reason, copies of reports that have been filed under this part with the Center or retained by any individual respondent. Copies of such reports that have been so filed or retained with the Center or any of its employees, contractors, or agents shall be immune from legal process, and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding. This paragraph shall apply only to individually identifiable information (as defined in paragraph (4)(A)).

"(2) EMPLOYEE OR STAFF VIOLATIONS.—Whoever, being or having been an employee or staff member of the Department, having taken or subscribed the oath of office, or having sworn to observe the limitations imposed by subsection (a)(2), knowingly publishes or communicates any individually identifiable information (as defined in paragraph (4)(A)), the disclosure of which is prohibited by subsection (a)(2), and that comes into such employee or staff's possession by reason of employment (or otherwise providing services) under this part, shall be found guilty of a class E felony and imprisoned for not more than 5 years, or fined as specified in section 3571 of title 18, United States Code, or both.

"(3) TEMPORARY STAFF.—The Commissioner may utilize temporary staff, including employees of Federal, State, or local agencies or instrumentalities (including local educational agencies), and employees of private organizations to assist the Center in performing its responsibilities, but only if such temporary staff are sworn to observe the limitations imposed by this section.

"(4) DEFINITIONS.—For the purposes of this section—

"(A) the term 'individually identifiable information' means any record, response form, completed survey, or aggregation thereof from which information about particular individuals may be revealed; and

"(B) the term 'report' means a response provided by or about an individual to an inquiry from the Center and does not include a statistical aggregation from which individually identifiable information cannot be revealed.

"(5) VIOLATIONS.—Any person who uses any data provided by the Center, in conjunction with any other information or technique, to identify any individual student, teacher, administrator, or other individual and who knowingly discloses, publishes, or uses such data for a purpose other than a statistical purpose, or who otherwise violates subparagraph (A) or (B) of subsection (a)(2), shall be found guilty of a class E felony and imprisoned for not more than 5 years, or fined as specified in section 3571 of title 18, United States Code, or both.

"(6) ACCESS TO REPORTS OR RECORDS.—Nothing in this section shall restrict the right of the Secretary, the Comptroller General of the United States, the Director of the Congressional Budget Office, and the Librarian of Congress to gain access to any reports or other records, including information identifying individuals, in the Center's possession, except that the same restrictions on disclosure that apply under paragraphs (1) and (5) of subsection (b) shall apply to such individuals.

"SEC. 14009. DISSEMINATION.

"(a) GENERAL REQUESTS.—

"(1) IN GENERAL.—The Center may furnish transcripts or copies of tables and other statistical records and make special statistical compilations and surveys for State and local officials, public and private organizations, and individuals.

"(2) COMPILATIONS.—The Center shall provide State and local educational agencies opportunities to suggest the development of particular compilations of statistics, surveys, and analyses that would assist those educational agencies.

"(b) CONGRESSIONAL REQUESTS.—The Center shall furnish such special statistical compilations and surveys as the Congress may request.

"(c) JOINT STATISTICAL PROJECTS.—The Secretary may engage in joint statistical projects related to the purposes of this part, or other statistical purposes authorized by law, with nonprofit organizations or agencies, and the cost of such projects shall be shared equitably as determined by the Secretary.

"(d) FEES.—

"(1) IN GENERAL.—Statistical compilations and surveys under this section, other than those carried out pursuant to subsections (b) and (c), may be made subject to the payment of the actual or estimated cost of such work.

"(2) FUNDS RECEIVED.—All funds received in payment for work or services described in this subsection may be used to pay directly the costs of such work or services, to repay appropriations that initially bore all or part of such costs, or to refund excess sums when necessary.

"(e) ACCESS.—

"(1) OTHER FEDERAL AGENCIES.—The Center shall, consistent with section 14008, participate with other Federal agencies having a need for educational data in providing access to educational data received by the Center.

"(2) INTERESTED PARTIES.—The Center shall, in accordance with such terms and conditions as the Secretary may prescribe, provide all interested parties, including public and private agencies and individuals, direct access to data collected by the Center for the purposes of research and acquiring statistical information.

"SEC. 14010. COOPERATIVE EDUCATION STATISTICS SYSTEMS.

"(a) IN GENERAL.—The Commissioner may establish one or more national cooperative education statistics systems for the purpose of producing and maintaining, with the cooperation of the States, comparable and uniform information and data on elementary and secondary education, postsecondary education, and libraries, that are useful for policymaking at the Federal, State, and local levels. In carrying out this section, the Commissioner may provide technical assistance, and make grants and enter into contracts and cooperative agreements.

"(b) MODEL DATA SYSTEM.—

"(1) STUDY; DESIGN; PILOT.—The Commissioner, working through the cooperative education statistics system, shall study, design, and pilot a model data system that will yield information about spending for administration at the school, local educational agency, and State educational agency levels, which system shall be completed by January 1, 1997.

"(2) STUDY AND REPORT.—Upon the date of completion of the pilot model data system described in paragraph (1), the Secretary shall study the information obtained through the use of such data system and other relevant information, as well as any other data systems which are in use on such date that account for administrative expenses at the school, local educational agency, and State educational agency level, and shall report to the Congress not later than July 1, 1997, regarding—

"(A) the potential for the reduction of administrative expenses at the school, local educational agency, and State educational agency levels;

"(B) the potential usefulness of such data system to reduce such administrative expenses;

"(C) any other methods which may be employed by schools, local educational agencies or State educational agencies to reduce administrative expenses and maximize the use of funds for functions directly affecting student learning; and

"(D) if appropriate, steps which may be taken to assist schools, local educational agencies and State educational agencies to account for and reduce administrative expenses.

"SEC. 14011. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.

"(a) ESTABLISHMENT.—The Commissioner shall, with the advice of the National Assessment Governing Board established by section 14012, carry out, through grants, contracts, or cooperative agreements with one or more qualified organizations, or consortia thereof, a National Assessment of Educational Progress (hereafter in this part referred to as the 'National Assessment').

"(b) PURPOSE; STATE ASSESSMENTS.—

"(1) PURPOSE.—The purpose of the National Assessment is to provide a fair and accurate presentation of educational achievement in reading, writing, and the other subjects included in the third National Education Goal, regarding student achievement and citizenship. The Commissioner, in carrying out the National Assessment, shall use sampling techniques that produce data that are representative on a national and regional basis and on a State basis pursuant to paragraph (2). In addition, the Commissioner shall—

"(A) collect and report data on a periodic basis, but at least once every 2 years, on students at ages 9, 13, and 17 and in grades 4, 8, and 12;

"(B) report achievement data on a basis that ensures valid and reliable trend reporting;

"(C) include, whenever feasible, information collected, cross-tabulated, analyzed, and reported by sex, race or ethnicity and socioeconomic status;

"(D) collect and report data on students receiving services under part A of title I; and

"(E) ensure that achievement data are made available on a timely basis following official reporting, in a manner that facilitates further analysis.

"(2) STATE ASSESSMENTS.—

"(A) IN GENERAL.—The Commissioner, in carrying out the National Assessment, may conduct State assessments of student achievement in grades 4, 8, and 12.

"(B) STATE PARTICIPATION.—States wishing to participate in State assessments shall enter into an agreement with the Secretary pursuant to subsection (d)(2). Such agreement shall contain information sufficient to give States full information about the process for consensus decisionmaking on objectives to be tested, required in section 14012(e)(5), and of the standards for sampling, test administration, test security, data collection, validation, and reporting.

"(C) STATE REVIEW AND RELEASE OF RESULTS.—A participating State shall review and give permission for the release of results from any test of its students administered as a part of a State assessment prior to the release of such data. Refusal by a State to release its data shall not restrict the release of data from other States that have approved the release of such data.

"(3) PROHIBITED DATA.—In carrying out the National Assessment, the Commissioner shall not collect any data that are not directly related to the appraisal of educational performance, achievement, and traditional demographic reporting variables, or to the fair and accurate presentation of such information.

"(4) TECHNICAL ASSISTANCE.—In carrying out the National Assessment, the Commissioner may provide technical assistance to States, localities, and other parties.

"(c) ACCESS.—

"(1) PUBLIC ACCESS.—Except as provided in paragraph (2), the public shall have access to all data, questions, and test instruments of the National Assessment.

"(2) PERSONALLY IDENTIFIABLE INFORMATION.—

"(A) IN GENERAL.—The Commissioner shall ensure that all personally identifiable information about students, their educational performance, and their families, and that information with respect to individual schools, remains confidential, in accordance with section 552a of title 5, United States Code.

"(B) SPECIAL RULE.—Notwithstanding any other provision of law, the Secretary may decline to make available to the public for a period, not to exceed 10 years following their initial use, cognitive questions that the Secretary intends to reuse in the future.

"(d) PARTICIPATION.—

"(1) NATIONAL AND REGIONAL.—Participation in the national and regional assessments by State and local educational agencies shall be voluntary.

"(2) STATE.—Participation in assessments made on a State basis shall be voluntary. The Secretary shall enter into an agreement with any State that desires to carry out an assessment for the State under this subsection. Each such agreement shall contain provisions designed to ensure that the State will—

"(A) participate in the assessment; and

"(B) pay from non-Federal sources the non-Federal share of participation.

"(3) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—For each fiscal year, the non-Federal share for the purpose of paragraph (2)(B) shall be—

"(i) the cost of conducting the assessment at the school level for all public schools in the State sample;

"(ii) the cost of coordination within the State; and

"(iii) other reasonable costs specified by the Secretary in the agreement described in paragraph (2).

"(B) SPECIAL RULE.—The non-Federal share of payments under this paragraph may be in cash or in kind, fairly valued.

"(C) ADMINISTRATIVE COSTS.—The agreement described in paragraph (2) shall describe the manner in which the costs of administering the assessment to private nonprofit schools included in the State sample may be met.

"(e) REVIEW OF NATIONAL AND STATE ASSESSMENTS.—The Secretary shall provide for continuing reviews of both national and State assessments, including evaluation studies by the Center and solicitation of public comment on the conduct and usefulness of the National Assessment. The Secretary shall report to the Congress, the President, and the Nation on the findings and recommendations of such reviews. The Commissioner shall consider the findings and recommendations in designing the competition to select the organization, or organizations, through which the Office carries out the National Assessment.

"(f) COVERAGE AGREEMENTS.—

"(1) DEPARTMENT OF DEFENSE SCHOOLS.—The Secretary and the Secretary of Defense may enter into an agreement, including such terms as are mutually satisfactory, to include in the National Assessment elementary and secondary schools operated by the Department of Defense.

"(2) BUREAU OF INDIAN AFFAIRS SCHOOLS.—The Secretary and the Secretary of the Interior may enter into an agreement, including such terms as are mutually satisfactory, to include in the National Assessment schools for Indian children operated or supported by the Bureau of Indian Affairs.

"SEC. 14012. NATIONAL ASSESSMENT GOVERNING BOARD.

"(a) ESTABLISHMENT.—There is established the National Assessment Governing Board (hereafter in this part referred to as the 'Board'), which shall formulate policy guidelines for the National Assessment.

"(b) MEMBERSHIP.—

"(1) APPOINTMENT AND COMPOSITION.—The Board shall be appointed by the Secretary and be composed of—

"(A) two Governors, or former Governors, who shall not be members of the same political party;

"(B) two State legislators, who shall not be members of the same political party;

"(C) two chief State school officers;

"(D) one superintendent of a local educational agency;

"(E) one member of a State board of education;

"(F) one member of a local board of education;

"(G) three classroom teachers representing the grade levels at which the National Assessment is conducted;

"(H) one representative of business or industry;

"(I) two curriculum specialists;

"(J) three testing and measurement experts, who shall have training and experience in the field of testing and measurement;

"(K) one nonpublic school administrator or policymaker;

"(L) two school principals, of whom one shall be an elementary school principal and one shall be a secondary school principal; and

"(M) four additional members who are representatives of the general public, including parents.

"(2) ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH.—The Assistant Secretary for Educational Research and Improvement shall serve as an ex officio, nonvoting member of the Board.

"(3) SPECIAL RULE.—The Secretary and the Board shall ensure at all times that the membership of the Board reflects regional, racial, gender, and cultural balance and diversity and that the Board exercises its independent judgment, free from inappropriate influences and special interests.

"(c) TERMS.—Members of the Board shall serve for terms not to exceed 4 years which shall be staggered, as determined by the Secretary. Any appointed member of the Board who changes status under subsection (b) during the term of the appointment of the member may continue to serve as a member until the expiration of such term.

"(d) VACANCIES.—As vacancies occur, new members of the Board shall be appointed by the Secretary from among individuals who are nominated by the Board after consultation with representatives of the groups listed in subsection (b)(1). For each vacancy, the Board shall nominate at least 3 individuals who, by reason of experience or training, are qualified in that particular Board vacancy.

"(e) DUTIES.—

"(1) IN GENERAL.—In carrying out its functions under this section the Board shall—

"(A) select subject areas to be assessed (consistent with section 14011(b)(1));

"(B) identify appropriate achievement goals for each age and grade in each subject area to be tested under the National Assessment;

"(C) develop assessment objectives;

"(D) develop test specifications;

"(E) design the methodology of the assessment;

"(F) develop guidelines for analysis plans and for reporting and disseminating results;

"(G) develop standards and procedures for interstate, regional, and national comparisons; and

"(H) take appropriate actions needed to improve the form and use of the National Assessment.

"(2) DELEGATION.—The Board may delegate any of the Board's procedural and administrative functions to its staff.

"(3) COGNITIVE ITEMS.—The Board shall have final authority on the appropriateness of cognitive items.

"(4) BIAS.—The Board shall take steps to ensure that all items selected for use in the National Assessment are free from racial, cultural, gender, or regional bias.

"(5) GOALS STATEMENTS.—Each learning area assessment shall have goal statements devised through a national consensus approach, providing for active participation of teachers, curriculum specialists, local school administrators, parents, and concerned members of the general public.

"(f) PERSONNEL.—

"(1) IN GENERAL.—In the exercise of its responsibilities, the Board shall be independent of the Secretary and the other offices and officers of the Department.

"(2) STAFF.—The Secretary may appoint, at the direction of the Board, such staff as the Board requires. Such appointments may include, for terms not to exceed 3 years, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 6 technical employees to administer this subsection, who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(g) COMMISSIONER REPORTS.—The Commissioner shall report to the Board at regular intervals on the Department's actions to implement the decisions of the Board.

"(h) ADMINISTRATION.—

"(1) LIMITATION.—Not to exceed 10 percent of the funds available for the National Assessment for any fiscal year may be used for administrative expenses (including staff, consultants, and contracts) and to carry out the Board's duties described in subsection (e).

"(2) APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—For the purposes of its administrative functions, the Board shall have the authorities authorized by the Federal Advisory Committee Act and shall be subject to the open meeting provisions of that law.

"SEC. 14013. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $100,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this title.

"TITLE XV—EDUCATION INFRASTRUCTURE

"SEC. 15001. SHORT TITLE.

"This title may be cited as the 'Education Infrastructure Act of 1994'.

"SEC. 15002. FINDINGS.

"The Congress finds that—

"(1) improving the quality of public elementary and secondary school libraries, media centers, and facilities will help our Nation meet the National Education Goals;

"(2) Federal, State, and local funding for the repair, renovation, alteration and construction of public elementary and secondary school libraries, media centers, and facilities has not adequately reflected need; and

"(3) the challenges facing our Nation's public elementary and secondary schools require the concerted and collaborative efforts of all levels of government and all sectors of the community.

"SEC. 15003. PURPOSE.

"It is the purpose of this title to help our Nation meet the National Education Goals through the repair, renovation, alteration, and construction of public elementary and secondary school libraries, media centers, and facilities, used for academic or vocational instruction.

"SEC. 15004. DEFINITIONS.

"For the purpose of this title—

"(1) the term 'alteration' means any change to an existing property for use for a different purpose or function;

"(2) the term 'construction' means the erection of a building, structure, or facility, including the concurrent installation of equipment, site preparation, associated roads, parking, and utilities, which provides area or cubage not previously available, including—

"(A) freestanding structures, additional wings, or floors, enclosed courtyards or entryways, and any other means to provide usable program space that did not previously exist; and

"(B) the complete replacement of an existing facility, but only if such replacement is less expensive than alteration, renovation, or repair of the facility;

"(3) the term 'eligible local education agency' means a local educational agency in which—

"(A) at least 15 percent of the children that reside in the geographic area served by such agency are eligible to be counted under section 1123(c)(1) of this Act; or

"(B) the United States owns Federal property described in paragraph (5) of section 9014 that has an assessed value (determined as of the time or times when acquired) aggregating 90 percent or more of the assessed value of all real property in such agency (determined as of the time or times when so acquired); and

"(C) demonstrates in the application submitted under section 15006 that such agency has urgent repair, renovation, alteration and construction needs for its public elementary or secondary school libraries, media centers, and facilities used for academic or vocational instruction;

"(4) the term 'renovation' means any change to an existing property to allow its more efficient use within such property's designated purpose; and

"(5) the term 'repair' means the restoration of a failed or failing real property facility, component, or a building system to such a condition that such facility, component, or system may be used effectively for its designated purpose, if, due to the nature or extent of the deterioration or damage to such facility, component, or system, such deterioration or damage cannot be corrected through normal maintenance.

"SEC. 15005. IMPROVEMENT OF PUBLIC ELEMENTARY AND SECONDARY EDUCATION FACILITIES PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORITY.—

"(1) IN GENERAL.—From amounts appropriated under subsection (b) for any fiscal year, the Secretary shall award grants to eligible local educational agencies with applications approved under section 15006 to carry out the authorized activities described in section 15008.

"(2) SPECIAL RULE.—The Secretary may reserve not more than 1 percent of the amount appropriated under subsection (b) to provide assistance to Indian schools in accordance with this title.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $400,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this title.

"SEC. 15006. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Each eligible local educational agency desiring to receive a grant under this title shall submit an application to the Secretary.

"(b) APPLICATION CONTENTS.—Each application described in subsection (a) shall contain—

"(1) an assurance that the application was developed in consultation with parents and classroom teachers;

"(2) a description of each architectural, civil, structural, mechanical, or electrical deficiency to be corrected with funds provided under this title, including the priority for the repair of the deficiency;

"(3) a description of the criteria used by the applicant to determine the type of corrective action necessary to meet the purpose of this title;

"(4) a description of the corrective action to be supported with funds provided under this title;

"(5) a cost estimate of the proposed corrective action;

"(6) an identification of other resources, including unused bonding capacity, that are available to carry out the activities for which funds are requested under this title;

"(7) a description of how activities supported with funds provided under this title will promote energy conservation; and

"(8) such other information and assurances as the Secretary may reasonably require.

"SEC. 15007. AWARD OF GRANTS.

"(a) CRITERIA.—The Secretary shall award grants under this title on the basis of—

"(1) high numbers or percentages of the total number of children aged 5 to 17, inclusive, residing in the geographic area served by an eligible local educational agency who are counted under section 1123(c)(1);

"(2) the extent to which the eligible local educational agency lacks the fiscal capacity, including the ability to raise funds through the full use of such agency's bonding capacity and otherwise, to undertake the project without Federal assistance; and

"(3) such other criteria as the Secretary may prescribe by regulation.

"(b) SPECIAL RULE.—The Secretary shall only award grants under this title if the Secretary determines that sufficient funds will be provided under this title or from other sources, including the issuance of bonds, to carry out the activities for which assistance is sought.

"(c) AWARD CATEGORIES.—

"(1) IN GENERAL.—From the funds appropriated to carry out this title for each fiscal year, the Secretary shall award grants to eligible local educational agencies in each of the following categories:

"(A) Eligible local educational agencies in which the number of students enrolled is less than 2,500.

"(B) Such agencies in which such number is 2,500 or greater but less than 5,000.

"(C) Such agencies in which such number is 5,000 or greater but less than 10,000.

"(D) Such agencies in which such number is 10,000 or greater but less than 25,000.

"(E) Such agencies in which such number is 25,000 or greater but less than 50,000.

"(F) Such agencies in which such number is 50,000 or greater.

"(2) ALLOCATION AMONG CATEGORIES.—The Secretary shall allocate funds under this title among the categories described in paragraph (1) on such basis as the Secretary determines is appropriate, after considering such factors as—

"(A) the relative numbers or percentages of students counted under section 1123(c)(1); and

"(B) the relative costs of carrying out activities under this title in eligible local educational agencies in each such category.

"(d) MAXIMUM AWARD AMOUNTS.—The Secretary shall annually set the maximum award amounts for each category described in subsection (c)(1).

"(e) FREQUENCY OF AWARDS.—No local educational agency may receive more than one grant under this title in any five-year period.

"SEC. 15008. AUTHORIZED ACTIVITIES.

"(a) IN GENERAL.—Each eligible local educational agency receiving a grant under this title shall use the grant funds only to—

"(1) ensure the health and safety of students through the repair, renovation, alteration, and construction of a public elementary or secondary school library, media center, or facility, used for academic or vocational instruction; or

"(2) upgrade or alter such library, center, or facility in order to accommodate new instructional technology.

"(b) PARTICULAR ACTIVITIES.—Subject to subsection (a), each eligible local educational agency receiving a grant under this title may use the grant funds for activities such as—

"(1) meeting the requirements of section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990;

"(2) removal or containment of severely hazardous material such as asbestos, lead, and radon using a cost-effective method;

"(3) meeting Federal, State, or local codes related to fire, air, light, noise, waste disposal, building height, or other codes passed since the initial construction of such library, center, or facility; and

"(4) replacing an old such library, center, or facility that is more cost-effective to tear down than to renovate.

"SEC. 15009. REQUIREMENTS.

"(a) SPECIAL RULES.—

"(1) MAINTENANCE OF EFFORT.—An eligible local educational agency may receive a grant under this title for any fiscal year only if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by such local educational agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the fiscal year for which the determination is made.

"(2) SUPPLEMENT NOT SUPPLANT.—An eligible local educational agency shall use funds received under this title only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the repair, renovation, alteration, and construction of school facilities used for educational purposes, and not to supplant such funds.

"(b) GENERAL LIMITATIONS.—

"(1) REAL PROPERTY.—No part of any grant funds under this title shall be used for the acquisition of any interest in real property.

"(2) MAINTENANCE.—Nothing in this title shall be construed to authorize the payment of maintenance costs in connection with any projects constructed in whole or in part with Federal funds provided under this title.

"(3) ENVIRONMENTAL SAFEGUARDS.—All projects carried out with Federal funds provided under this title shall comply with all relevant Federal, State, and local environmental laws and regulations.

"(4) ATHLETIC AND SIMILAR FACILITIES.—No funds received under this title shall be used for stadiums or other facilities that are primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

"SEC. 15010. FAIR WAGES.

"All laborers and mechanics employed by contractors or subcontractors in the performance of any contract and subcontract for the repair, renovation, alteration, or construction, including painting and decorating, of any building or work that is financed in whole or in part by a grant under this title, shall be paid wages not less than those determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (commonly known as the Davis-Bacon Act); as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor shall have the authority and functions set forth in reorganization plan of No. 14 of 1950 (15 FR 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934 (commonly known as the Copeland Anti-Kickback Act) as amended (40 U.S.C. 276c, 48 Stat. 948).

"SEC. 15011. FEDERAL ASSESSMENT.

"The Secretary shall reserve not more than 1 percent of funds appropriated for each fiscal year under section 15005(b)—

"(1) to collect such data as the Secretary determines necessary at the school, local, and State levels; and

"(2) to conduct studies and evaluations, including national studies and evaluations, in order to—

"(A) monitor the progress of projects supported with funds provided under this title; and

"(B) evaluate the state of American public elementary and secondary school libraries, media centers, and facilities; and

"(3) to report to the Congress by July 1, 1997, regarding the findings of the studies and evaluations described in paragraph (2).

"TITLE XVI—URBAN AND RURAL EDUCATION

"SEC. 16001. DEFINITIONS.

"Except as otherwise provided, for the purposes of this title:

"(1) CENTRAL CITY.—The term 'central city' has the same meaning used by the Bureau of the Census.

"(2) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization that is representative of a community or significant segments of a community and which has a proven record of providing effective educational or related services to individuals in the community.

"(3) COMMUNITY AS SCHOOL CONCEPT.—The term 'community as school concept' means the mutual sharing of the local public school's and the local community's human, financial, technical, and environmental resources to help meet each others needs;

"(4) METROPOLITAN STATISTICAL AREA.—The term 'metropolitan statistical area' has the same meaning used by the Bureau of the Census.

"(5) POVERTY LEVEL.—The term 'poverty level' means the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index for All Urban Consumers.

"(6) RURAL ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'rural eligible local educational agency' means a local educational agency—

"(A)(i) in which at least 15 percent of the children enrolled in the schools served by such agency are eligible to be counted under section 1123(c); and

"(ii) which is not in a metropolitan statistical area; or

"(B) in which the total enrollment in the schools served by such agency is less than 2,500 students and that does not serve schools located in a metropolitan statistical area.

"(7) STATE.—The term 'State' means each of the several States and the District of Columbia, but does not include Guam, American Samoa, the Commonwealth of Puerto Rico, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

"(8) URBAN ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term 'urban eligible local educational agency' means a local educational agency that—

"(A) serves the largest central city in a State;

"(B) enrolls more than 30,000 students and serves a central city with a population of at least 200,000 in a metropolitan statistical area; or

"(C) enrolls between 25,000 and 30,000 students and serves a central city with a population of at least 140,000 in a metropolitan statistical area.

"PART A—URBAN SCHOOLS

"SEC. 16101. SHORT TITLE.

"This part may be cited as the 'Urban Schools of America (USA) Act of 1994'.

"SEC. 16102. FINDINGS.

"The Congress finds that—

"(1) the ability of the Nation's major urban public school systems to meet the Nation's educational goals will determine the country's economic competitiveness and academic standing in the world community;

"(2) the quality of public education in the Nation's major urban areas has a direct effect on the economic development of the Nation's inner cities;

"(3) the success of urban public schools in boosting the achievement of its minority youth attending such schools will determine the ability of the Nation to close the gap between the 'haves and the have-nots' in society;

"(4) the cost to America's businesses to provide remedial education to secondary school graduates is approximately $30,000,000,000 per year;

"(5) urban public schools enroll a disproportionately large share of the Nation's poor and at-risk youth;

"(6) urban public schools enroll approximately one-third of the Nation's poor, 40 percent of the Nation's African-American children, and 30 percent of the Nation's Hispanic youth;

"(7) nearly 20 percent of the Nation's limited-English proficient children and 15 percent of the Nation's disabled youth are enrolled in urban public schools;

"(8) the academic performance of students in the average inner-city public school system is below that of students in most other kinds of school systems;

"(9) urban public school systems have higher dropout rates, more problems with health care, and less parental participation than other kinds of school systems;

"(10) urban preschoolers have one-half the access to early childhood development programs as do other children;

"(11) shortages of teachers in urban public school systems are 2.5 times greater than such shortages in other kinds of school systems;

"(12) declining numbers of urban minority secondary school graduates are pursuing postsecondary educational opportunities;

"(13) urban public school systems have greater problems with teenage pregnancy, discipline, drug abuse, and gangs than do other kinds of school systems;

"(14) 75 percent of urban public school buildings are over 25 years old, 33 percent of such buildings are over 50 years old, and such buildings are often in serious disrepair and create poor and demoralizing working and learning conditions;

"(15) solving the challenges facing our Nation's urban schools will require the concerted and collaborative efforts of all levels of government and all sectors of the community;

"(16) Federal and State funding of urban public schools has not adequately reflected need; and

"(17) Federal funding that is well-targeted, flexible, and accountable would contribute significantly to addressing the comprehensive needs of inner-city public schools.

"SEC. 16103. PURPOSE.

"It is the purpose of this part to provide financial assistance to—

"(1) assist urban public schools in meeting National Education Goals;

"(2) improve the educational and social well-being of urban public school children;

"(3) close the achievement gap between urban and nonurban public school children, while improving the achievement level of all children nationally;

"(4) conduct coordinated research on urban public education problems, solutions, and promising practices;

"(5) improve the Nation's global economic and educational competitiveness by improving the Nation's urban schools; and

"(6) encourage community, parental, and business collaboration in the improvement of urban schools.

"Subpart 1—Urban School Improvement

"SEC. 16121. ALLOCATION OF FUNDS.

"(a) RESERVATION.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall reserve 5 percent of the amounts appropriated or otherwise made available to carry out this subpart for any fiscal year, to provide incentive awards in accordance with section 16126.

"(2) INAPPLICABILITY.—Paragraph (1) shall not apply for the first year for which funds are appropriated to carry out this subpart.

"(b) FEDERAL ALLOTMENT.—From the remainder of the sums not reserved under subsection (a), the Secretary shall allot to each urban eligible local educational agency with an approved application in each fiscal year an amount which bears the same relationship to such funds as the amount such urban eligible local educational agency was allocated under section 1123 (or for fiscal year 1995 only, such section's predecessor authority) in the preceding fiscal year bears to the total amount received under such section in such preceding fiscal year by all urban eligible local educational agencies.

"(c) RESERVATION FOR COMMUNITY-BASED ORGANIZATIONS AND NONPROFIT PARTNERSHIPS.—Each urban eligible local educational agency shall reserve not more than 5 percent of the amounts allotted under subsection (b) for any fiscal year, to make as many grants as practicable for the activities described in section 16124 to—

"(1) community-based organizations; or

"(2) nonprofit partnerships between the urban eligible local educational agency and city-wide collaboratives of private sector businesses or universities.

"(d) PAYMENTS.—The Secretary shall make annual payments only to urban eligible local educational agencies that—

"(1) comply with the provisions of section 16125; and

"(2) demonstrate to the satisfaction of the Secretary that the data submitted pursuant to section 16125 shows progress toward meeting National Education Goals.

"(e) ADMINISTRATIVE COSTS.—Not more than 5 percent of any allotment or grant made under this subpart may be used for administrative costs.

"SEC. 16122. APPLICATION.

"(a) APPLICATION REQUIRED.—

"(1) URBAN LOCAL EDUCATIONAL AGENCIES.—

"(A) IN GENERAL.—Any urban local educational agency desiring to receive an allotment from the Secretary to carry out this subpart shall—

"(i) develop and prepare an application;

"(ii) submit to the State educational agency the application for review and comment; and

"(iii) submit the application described in clause (i) to the Secretary for approval.

"(B) DURATION.—Except as provided in section 16125, the application described in clause (i) may be for a period of not more than 5 years.

"(2) COMMUNITY-BASED ORGANIZATIONS AND NONPROFIT PARTNERSHIPS.—Any community-based organization or nonprofit partnership referred to in section 16121(c) desiring to receive a grant from an urban eligible local educational agency pursuant to section 16126 shall—

"(A) submit an application to the urban eligible local educational agency;

"(B) describe in the application the collaborative efforts undertaken with the urban eligible local educational agency in designing a program to meet the purposes of this subpart; and

"(C) describe in the application how funds will be used to help meet the education goals selected by the urban eligible local educational agency pursuant to subsection (b).

"(b) CONTENTS OF URBAN LOCAL EDUCATIONAL AGENCY APPLICATION.—Each application submitted by an urban eligible local educational agency shall include a description of—

"(1) the ranking of all schools in the urban eligible local educational agency by achievement, poverty, and racial isolation and how such schools will be served in accordance with section 16127(a);

"(2) the community served by the urban eligible local educational agency and the effects of the community on the educational conditions within the schools served by the urban eligible local educational agency;

"(3) the academic and other goals selected by the urban eligible local educational agency and their relationship to the standards set for all students under the Goals 2000: Educate America Act or title I of this Act;

"(4) how funds received under this subpart will be used to meet the National Education Goals selected by the urban eligible local educational agency;

"(5) how promising or successful models or programs will be replicated in designing activities assisted under this subpart; and

"(6) the statistical indicators and other criteria that the urban eligible local educational agency will use to measure progress toward meeting National Education Goals, and a description of what the urban eligible local educational agency has done to ensure that any assessments used to measure such progress will not have a negative effect on minority or language minority students.

"SEC. 16123. PLANNING PERIOD.

"Any urban eligible local educational agency requiring additional planning efforts to meet the provisions of this subpart may use the first 6 months of the initial program year for planning purposes, subject to approval by the Secretary, except that not more than 15 percent of the first year's allotment shall be used for such purposes. A written report of the results of such planning shall be submitted to the Secretary not later than the end of the first project year.

"SEC. 16124. USES OF FUNDS.

"(a) IN GENERAL.—Funds allotted under this subpart shall be used by urban eligible local educational agencies, community-based organizations, or nonprofit partnerships to meet National Education Goals through programs designed to—

"(1) increase the academic achievement of urban public school children to at least the national average, such as—

"(A) effective public schools programs;

"(B) tutoring, mentoring, and other activities to improve academic achievement directly;

"(C) activities designed to increase the participation of minority and female students in entry level and advanced courses in mathematics and science;

"(D) supplementary academic instruction;

"(E) efforts to improve problem-solving and higher-order thinking skills;

"(F) programs to increase student motivation for learning; and

"(G) efforts to lengthen the school day or school year, or to reduce class sizes;

"(2) ensure the readiness of all urban public school children for school, such as—

"(A) full workday, full calendar-year comprehensive early childhood development programs;

"(B) parenting classes and parent involvement activities;

"(C) activities designed to coordinate prekindergarten and child care programs;

"(D) efforts to integrate developmentally appropriate prekindergarten services into the overall public school program;

"(E) upgrading the qualifications of early childhood education staff and standards for programs;

"(F) collaborative efforts with health and social service agencies to provide comprehensive services and to facilitate the transition from home to school;

"(G) establishment of comprehensive child care centers in public secondary schools for students who are parents and their children; and

"(H) augmenting early childhood development programs to meet the special educational and cultural needs of limited-English proficient preschool children;

"(3) increase the graduation rates of urban public school students to at least the national average, such as—

"(A) dropout prevention activities and support services for public school students at-risk of dropping out of school;

"(B) reentry, outreach, and support activities to recruit students who have dropped out of school to return to school;

"(C) development of systemwide policies and practices that encourage students to stay in school;

"(D) efforts to provide individualized student support, such as mentoring programs;

"(E) collaborative activities between schools, parents, community groups, agencies, and institutions of higher education aimed at preventing individuals from dropping out of school;

"(F) programs to increase student attendance; and

"(G) alternative programs for students, especially bilingual and special education students, who have dropped out of school or are at risk of dropping out of school;

"(4) prepare urban public school students to enter higher education, pursue careers, and exercise their responsibilities as citizens, such as—

"(A) activities designed to increase the number and percentages of students, particularly minority students, enrolling in postsecondary educational institutions after graduation from public secondary schools;

"(B) in-school youth employment, vocational education, and career education programs that improve the transition from school to work;

"(C) activities designed in collaboration with colleges and universities to assist urban public school graduates in completing higher education;

"(D) efforts to increase voter registration among eligible public secondary school students;

"(E) activities designed to promote community service and volunteerism among students, parents, teachers, and the community; and

"(F) civic education and other programs designed to enhance responsible citizenship and understanding of the political process;

"(5) recruit and retain qualified teachers, such as—

"(A) school-based management projects and activities;

"(B) programs designed to test efforts to increase the professionalization of teachers or to bring teachers up to national voluntary standards;

"(C) alternative routes to certification for qualified individuals from business, the military, and other fields;

"(D) efforts to recruit and retain teachers in critical shortage areas, including early childhood teachers, mathematics and science teachers, and special education and bilingual teachers;

"(E) upgrading the skills of teacher aides and paraprofessionals to permit such individuals to become certified teachers;

"(F) activities specifically designed to increase the number of minority teachers in urban schools;

"(G) programs designed to 'grow your own' teachers;

"(H) incentives for teachers to work in inner-city public schools; and

"(I) collaborative activities with urban universities to revise and upgrade teacher training programs; or

"(6) decrease the use of drugs and alcohol among urban public school students and enhance the physical and emotional health of such students, such as—

"(A) activities designed to improve the self-esteem and self-worth of urban public school students;

"(B) the provision of health care services and other social services and the coordination of such services with other health care providers;

"(C) programs designed to improve safety and discipline and reduce in-school violence, vandalism, and gang activity;

"(D) activities that begin in the early grades and are designed to prevent drug and alcohol abuse and smoking among students and teachers;

"(E) collaborative activities with other agencies, businesses, and community groups to discourage the advertisement and glorification of drugs and alcohol;

"(F) efforts to enhance health education and nutrition education; and

"(G) alternative public schools, and schools-within-schools programs, including bilingual and special education programs for public school students with special needs.

"(b) SPECIAL RULE.—Funds allotted under this subpart may be used for the planning, development, operation, or expansion of programs and activities that are designed to assist urban public schools in meeting National Education Goals, and may include—

"(1) training of teachers and other educational personnel in subject areas, or in instructional technology and methods that will improve the delivery of services in urban settings and assist in the achievement of the National Education Goals, including staff development efforts that emphasize multicultural and gender and disability bias-free curricula;

"(2) coordination and collaboration with other municipal agencies, child care organizations, universities, or the private sector;

"(3) parental involvement and outreach efforts and other activities designed to enhance parental encouragement of student learning;

"(4) guidance and psychological counseling, social work, and other support services that contribute to progress in achieving National Education Goals;

"(5) efforts to acquire and improve access to educational technology;

"(6) programs to serve homeless children, children in desegregation programs, immigrants, migrants, or other highly mobile populations, even if such individuals do not attend a public school assisted under this subpart; and

"(7) efforts to improve and strengthen the curriculum and coordinate services across grade levels.

"(c) PRIORITY.—Each urban eligible local educational agency submitting an application shall give priority in designing the program assisted under this subpart to activities that replicate successful efforts in other urban local educational agencies or expand successful programs within the urban eligible local educational agency.

"SEC. 16125. ACCOUNTABILITY.

"(a) IN GENERAL.—The Secretary may award an allotment under this subpart to an urban eligible local educational agency to enable such an agency to operate a program under this subpart for a period of not more than 5 years. If an urban eligible local educational agency receiving an allotment under this subpart meets the accountability requirements described in subsection (b) at the end of the 5-year period, and the requirements described in subsection (c) at the end of each year, as determined by the Secretary, such agency shall be eligible to continue the project with funds under this subpart for an additional 3-year period.

"(b) REQUIREMENTS TO MOVE TOWARD NATIONAL EDUCATION GOALS.—

"(1) PROGRAM CONTINUATION.—Except as provided in paragraph (2), if after 5 years of receiving an allotment under this subpart an urban eligible local educational agency is able to demonstrate to the satisfaction of the Secretary that such agency has increased the achievement level of urban public school students in the lowest 2 quartiles in the schools served by such agency and assisted under this subpart as measured by the statistical indicators and other criteria specified in the application in excess of the average such achievement of such students in the 3-year period prior to the initiation of the project, then such agency shall be eligible to continue the project with funds under this title for an additional 5-year period upon reapplication under section 16122.

"(2) SPECIAL RULE.—If after 5 years of receiving an allotment under this subpart an urban eligible local educational agency is able to demonstrate to the Secretary that it has made significant progress in school improvement, given changes in the student population or other factors beyond such agency's control, then such agency shall be considered to have met the requirements of paragraph (1) so long as the achievement level of the schools served by such agency and assisted under this subpart did not decline over the 5-year period.

"(c) COLLECTION OF DATA.—Each urban eligible local educational agency, community-based organization, university, or nonprofit partnership receiving an allotment under this subpart shall annually collect and submit to the Secretary data based on the statistical indicators and other criteria described in the application submitted by such urban eligible local educational agency for the purposes of monitoring progress in achieving National Education Goals. Such data shall include multiple measures or indicators of each variable, and may take into consideration the mobility of students in the schools served under this subpart.

"SEC. 16126. INCENTIVE AWARDS TO EXEMPLARY PROGRAMS.

"From amounts reserved pursuant to section 16121(a) or otherwise made available, the Secretary is authorized to make competitive awards to individual public schools participating in a program assisted under this subpart that demonstrate to the satisfaction of the Secretary success in at least 3 of the following areas:

"(1) Unusual or exemplary progress in achieving the National Education Goals through programs described in section 16124.

"(2) Exemplary or unusually effective collaborative arrangements between public schools, community-based organizations, agencies, parent groups, colleges and businesses.

"(3) Identification, review, and removal of potential barriers to student performance in achieving National Education Goals, including a decrease in suspensions, expulsions, in-grade retentions, and ability groupings, and lack of access to course offerings in pre-algebra and introductory algebra.

"(4) Substantial expansion of the hours that public schools remain open for community use or student after-school recreation.

"SEC. 16127. SPECIAL RULES.

"(a) RANKING OF SCHOOLS TO DETERMINE RELATIVE NEED.—

"(1) IN GENERAL.—In order to determine which public schools are most in need of services, each urban eligible local educational agency desiring to receive an allotment under this subpart shall separately rank all public elementary and secondary schools under the jurisdiction of such agency on the basis of—

"(A) low achievement;

"(B) high poverty; and

"(C) racial isolation.

"(2) PERCENTAGE OF SCHOOLS TO BE SERVED.—Each urban eligible local educational agency that receives an allotment under this subpart shall serve at least 10 percent, but not more than 20 percent, of the public schools under the jurisdiction of such agency.

"(3) CRITERIA FOR SCHOOLS TO BE SERVED.—Subject to paragraph (2) of this subsection, each urban eligible local educational agency that receives an allotment under this subpart—

"(A) shall serve any public school that is determined to be most in need with respect to all 3 rankings described in paragraph (1);

"(B) may serve any public school that is determined to be most in need with respect to any 1 or more of such rankings; and

"(C) may serve any public school that received assistance under this title in a previous fiscal year.

"(b) FLEXIBILITY.—Each urban eligible local educational agency shall have the flexibility to serve homeless children, children in schools undergoing desegregation, immigrants, migrants, or other highly mobile populations within the program assisted under this subpart.

"Subpart 2—General Provisions

"SEC. 16131. WHITE HOUSE CONFERENCE ON URBAN EDUCATION.

"(a) AUTHORIZATION TO CALL CONFERENCE.—

"(1) IN GENERAL.—The President is authorized to call and conduct a White House Conference on Urban Education (referred to in this section as the 'Conference') which shall be held not earlier than November 1, 1995, and not later than October 30, 1996.

"(2) PURPOSE.—The purpose of the Conference shall be to—

"(A) develop recommendations and strategies for the improvement of urban education;

"(B) marshal the forces of the private sector, governmental agencies at all levels, parents, teachers, communities, and education officials to assist urban public schools in achieving National Education Goals; and

"(C) conduct the initial planning for a permanent national advisory commission on urban education.

"(b) COMPOSITION OF CONFERENCE.—

"(1) IN GENERAL.—The Conference shall be comprised of 12 individuals, including—

"(A) representatives of urban public school systems, including members of the governing body of local educational agencies, and school superintendents;

"(B) representatives of the Congress, the Department of Education, and other Federal agencies;

"(C) State elected officials and representatives from State educational agencies; and

"(D) individuals with special knowledge of and expertise in urban education.

"(2) SELECTION.—The President shall select one-third of the participants of the Conference, the Majority Leader of the Senate shall select one-third of such participants, and the Speaker of the House of Representatives shall select the remaining one-third of such participants.

"(3) REPRESENTATION.—In selecting the participants of the Conference, the President, the Majority Leader of the Senate, and the Speaker of the House of the House of Representatives shall ensure that the participants are as representative of the ethnic, racial, and linguistic diversity of cities as is practicable.

"(c) REPORT.—

"(1) IN GENERAL.—Not later than 120 days following the termination of the Conference, a final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President. The final report shall be made public and, not later than 90 days after receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations for implementing the report.

"(2) PUBLICATION AND DISTRIBUTION.—The Conference is authorized to publish and distribute the report described in this section. Copies of the report shall be provided to the Federal depository libraries and made available to local urban public school leaders.

"PART B—RURAL SCHOOLS

"SEC. 16201. SHORT TITLE.

"This part may be cited as the 'Rural Schools of America (RSA) Act of 1994'.

"SEC. 16202. FINDINGS.

"The Congress finds that—

"(1) the ability of America's rural public school systems to meet the National Education Goals will contribute to the economic competitiveness and academic standing of the Nation in the world community;

"(2) the quality of public education in the rural areas of the Nation has a direct effect on the economic development of the rural communities of the Nation;

"(3) the success of rural public schools in boosting the achievement of minority youth attending such schools will determine the ability of the Nation to close the gap between the haves and the have-nots in society;

"(4) the cost to America's businesses to provide remedial education to secondary public school graduates is approximately $21,000,000,000 per year;

"(5) rural public schools enroll a disproportionately large share of the Nation's poor and at-risk youth;

"(6) approximately 60 percent of the Nation's public school districts are rural with a population of less than 2,500;

"(7) approximately one out of every four of America's rural children are living below the poverty line;

"(8) the academic performance of students in the average rural public school system is below that of students in most suburban school systems;

"(9) rural preschoolers have less access to early childhood development programs than other children;

"(10) shortages of teachers for rural public school systems is greater than in other kinds of school systems;

"(11) a declining number of rural public secondary school graduates are pursuing postsecondary education opportunities;

"(12) the average age of rural public school buildings is more than 45 years old and such buildings are often in serious disrepair, creating poor and demoralizing working and learning conditions;

"(13) solving the challenges facing the Nation's rural public schools will require the concerted and collaborative efforts of all levels of government and all sectors of the community;

"(14) Federal and State funding of rural public schools has not adequately reflected need; and

"(15) Federal funding that is well-targeted, flexible, and accountable would contribute significantly to addressing the comprehensive needs of rural public schools.

"SEC. 16203. PURPOSE.

"It is the purpose of this part to provide financial assistance to rural public schools most in need, to encourage the comprehensive restructuring of America's rural schools, the appropriate use of telecommunications technologies for learning, and to support innovative programs which improve performance through programs and projects designed to—

"(1) assist rural public schools in meeting National Education Goals;

"(2) encourage rural public schools to engage in school reform;

"(3) develop pilot projects that experiment with innovative ways to teach rural public school children more effectively;

"(4) improve the educational and social well-being of rural public school children;

"(5) close the achievement gap between children attending rural public schools and other children, while improving the achievement level of all children nationally;

"(6) conduct coordinated research on rural education problems, solutions, promising practices, and distance learning technologies;

"(7) improve the Nation's global economic and educational competitiveness by improving the Nation's rural public schools;

"(8) encourage community, parental, and business collaboration in the improvement of rural public schools;

"(9) encourage rural school consortia for the purpose of increasing efficiency and course offerings;

"(10) encourage a positive role for rural public schools in local rural entrepreneurship and the identification of rural community economic development opportunities;

"(11) encourage community-as-school concepts, which include the role public schools can play to assist with rural community economic revitalization; and

"(12) provide meaningful inservice opportunities for rural public school teachers.

"Subpart 1—Rural School Improvement

"SEC. 16221. ALLOTMENT OF FUNDS.

"(a) RESERVATION.—From the amount appropriated or otherwise made available to carry out this subpart for any fiscal year after the first fiscal year in which the Secretary awards allotments to State educational agencies under this subpart, the Secretary shall reserve 5 percent of such funds to provide incentive awards in accordance with section 16226.

"(b) ALLOTMENTS.—

"(1) FEDERAL ALLOTMENT.—From the remainder of the funds not reserved under subsection (a), the Secretary shall allot to each State educational agency with an approved application in each fiscal year an amount which bears the same relationship to such funds as the amount all rural eligible local educational agencies with approved applications in the State were allocated under section 1123 (or for fiscal year 1995 only, such section's predecessor authority) in the preceding fiscal year bears to the total amount received under such section (or predecessor authority) in such preceding fiscal year by all rural eligible local educational agencies with approved applications in all States.

"(2) STATE ALLOTMENT.—

"(A) RESERVATION FOR ADMINISTRATIVE EXPENSES.—From amounts received pursuant to paragraph (1), each State educational agency may reserve not more than 1 percent of such amount for administrative expenses.

"(B) RESERVATION FOR COMMUNITY-BASED ORGANIZATIONS AND NONPROFIT PARTNERSHIPS.—From amounts received under paragraph (1) for any fiscal year, each State educational agency shall reserve not more than 5 percent to make as many grants as practicable for activities in accordance with the National Education Goals and described in section 16224 to—

"(i) community-based organizations; or

"(ii) nonprofit partnerships among rural eligible local educational agencies, local colleges or universities, private sector businesses, or any combination thereof, that enter into a written agreement with at least one rural eligible local educational agency.

"(C) FORMULA.—From the remainder of amounts received pursuant to paragraph (1) and not reserved pursuant to subparagraphs (A) and (B) in each fiscal year, each State educational agency shall allot to each rural eligible local educational agency with an approved application an amount which bears the same relationship to such funds as the amount such rural eligible local educational agency was allocated under section 1123 (or for fiscal year 1995 only, such section's predecessor authority) in the preceding fiscal year bears to the total amount received under such section (or predecessor authority) in such preceding fiscal year by all rural eligible local educational agencies with approved applications in the State.

"(D) ADMINISTRATIVE COSTS.—Not more than 5 percent of any rural eligible local educational agency's allotment under this subsection may be used for administrative costs.

"(c) REALLOTMENT.—Any amounts available for reallotment pursuant to subsections (a) and (b) shall be reallotted in the same manner as the original allotments were made.

"SEC. 16222. APPLICATION.

"(a) STATE APPLICATION.—

"(1) IN GENERAL.—Each State educational agency desiring to receive an allotment in any fiscal year to carry out the provisions of this subpart shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the State's approach to improving education in rural public schools;

"(B) contain such information as the Secretary may reasonably require in order to make the allotment described in section 16221(b)(1); and

"(C) contain such other information or assurances as the Secretary determines necessary to ensure compliance with this subpart.

"(b) LOCAL APPLICATION.—

"(1) IN GENERAL.—Any rural eligible local educational agency desiring to receive an allotment to carry out this subpart, shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require.

"(2) CONTENTS OF LOCAL EDUCATIONAL AGENCY APPLICATION.—Each application submitted by a rural eligible local educational agency pursuant to paragraph (1) shall include a description of—

"(A) the community served by the rural eligible local educational agency and the effects of the community on the educational conditions within the public schools served by the rural eligible local educational agency;

"(B) the academic and other goals selected by the rural eligible local educational agency and their relationship to the standards set for all students under the Goals 2000: Educate America Act or title I of this Act;

"(C) how funds received under this subpart will be used to meet the National Educational Goals selected by the rural eligible local educational agency;

"(D) how promising or successful models or programs will be replicated in designing activities assisted under this subpart;

"(E) which federally funded programs and activities are being expanded under this subpart; and

"(F) the statistical indicators and other criteria that the rural eligible local educational agency will use to measure progress toward meeting National Education Goals.

"(3) DURATION.—Except as provided in section 16225, the application described in paragraph (1) may be for a period of not more than 5 years.

"(c) COMMUNITY-BASED ORGANIZATIONS AND NONPROFIT PARTNERSHIPS.—Any community-based organization or nonprofit partnership described in section 16221(b)(2)(B) desiring to receive a grant from a State educational agency pursuant to such section shall—

"(1) prepare and submit an application to the State educational agency;

"(2) describe in the application the collaborative efforts undertaken with a rural eligible local educational agency in designing a program to meet the purposes of this part; and

"(3) describe in the application how funds will be used to help meet the education goals selected by a rural eligible local educational agency pursuant to subsection (b) of this section.

"SEC. 16223. PLANNING PERIOD.

"Any rural eligible local educational agency requiring additional planning efforts to meet the requirements of this subpart may use the first 3 months of the initial program year for planning purposes, subject to approval by the State educational agency, except that not more than 10 percent of the first year's allotment shall be used for such purposes. A written report of the results of the plan shall be submitted to the State educational agency.

"SEC. 16224. USES OF FUNDS.

"(a) IN GENERAL.—Funds allotted under section 16221(b)(2) shall be used by rural eligible local educational agencies, or community-based organizations or nonprofit partnerships described in section 16221(b)(2)(B), to meet National Education Goals through programs designed to—

"(1) increase the academic achievement of rural public school children to at least the national average, including education reform initiatives, such as—

"(A) effective public schools programs;

"(B) tutoring, mentoring, and other activities to improve academic achievement directly;

"(C) supplementary academic instruction;

"(D) efforts to improve problem-solving and higher-order critical thinking skills;

"(E) programs to increase student motivation for learning;

"(F) efforts to lengthen the school day, school year, or reduce class sizes; and

"(G) encouraging the establishment of rural school consortia to increase efficiency and course offerings;

"(2) ensure the readiness of all rural children for school, such as—

"(A) full workday, full calendar-year comprehensive early childhood development programs;

"(B) parenting classes, including parenting classes for teenage parents, and parent involvement activities;

"(C) activities designed to coordinate prekindergarten and child care programs;

"(D) efforts to integrate developmentally appropriate prekindergarten services into the overall public school program;

"(E) improving the skills of early childhood education staff and standards for programs;

"(F) collaborative efforts with health and social service agencies to provide comprehensive services and to facilitate the transition from home to school;

"(G) establishment of comprehensive child care centers in public secondary schools for student-parents and their children; and

"(H) augmenting early childhood development programs to meet the special educational and cultural needs of limited-English proficient and migrant preschool children;

"(3) increase the graduation rates of rural public school students to at least the national average, when funds are used to serve secondary schools, such as—

"(A) dropout prevention activities and support services for students at-risk of dropping out of school;

"(B) reentry, outreach and support activities to recruit students who have dropped out of school to return to school;

"(C) development of systemwide policies and practices that encourage students to stay in school;

"(D) efforts to provide individualized student support;

"(E) collaborative activities between schools, parents, community groups, agencies, and institutions of higher education aimed at preventing individuals from dropping out of school;

"(F) programs to increase student attendance; and

"(G) alternative programs for students, especially bilingual, special education, and migrant students, who have dropped out of school or are at risk of dropping out of school;

"(4) prepare rural public school students to enter higher education, pursue careers, and exercise their responsibilities as citizens, such as—

"(A) activities designed to increase the number and percentages of students, enrolling in postsecondary educational institutions after graduation from secondary schools;

"(B) in-school youth employment, vocational education, and career education programs that improve the transition from school to work;

"(C) activities designed in collaboration with colleges and universities to assist rural public school graduates in completing higher education;

"(D) activities designed in conjunction with community colleges to provide a kindergarten through grade 14 experience for rural public school secondary school students;

"(E) efforts to increase voter registration among eligible public secondary school students attending schools served by rural eligible local educational agencies;

"(F) activities designed to promote community service and volunteerism among students, parents, teachers, and the community;

"(G) civic education, law-related education, and other programs designed to enhance responsible citizenship and understanding of the political process; and

"(H) encouraging a positive role for rural public schools in local rural entrepreneurship and the identification of rural community economic development opportunities;

"(5) recruit and retain qualified teachers, such as—

"(A) school-based management projects and activities;

"(B) programs designed to increase the status of the teaching profession;

"(C) alternative routes to certification for qualified individuals from business, the military, and other fields;

"(D) efforts to recruit and retain teachers in critical shortage areas, including early childhood teachers, mathematics and science teachers, foreign language teachers, and special education and bilingual teachers;

"(E) upgrading the skills of existing classroom teachers through the use of year-round, systematic, comprehensive inservice training programs;

"(F) upgrading the skills of teacher aides and paraprofessionals to assist such individuals in becoming certified teachers;

"(G) efforts specifically designed to increase the number of minority teachers in rural public schools;

"(H) programs designed to encourage parents and students to enter the teaching profession;

"(I) incentives for teachers to work in rural public schools;

"(J) collaborative activities with colleges and universities to revise and upgrade teacher training programs to meet the needs of rural public school students; and

"(K) training activities for the purpose of incorporating distance learning technologies; or

"(6) decrease the use of drugs and alcohol among rural public school students, and to enhance the physical and emotional health of such students, such as—

"(A) activities designed to improve the self-esteem and self-worth of rural students;

"(B) the provision of health care services and other social services and the coordination of such services with other health care providers;

"(C) programs designed to improve safety and discipline and reduce in-school violence and vandalism;

"(D) activities that begin in the early grades and are designed to prevent drug and alcohol abuse and smoking among students;

"(E) collaborative activities with other agencies, businesses, and community groups;

"(F) efforts to enhance health education and nutrition education; and

"(G) alternative public schools, and schools-within-schools programs, including bilingual, migrant, and special education programs for students with special needs.

"(b) SPECIAL RULE.—Funds allotted under section 16221(b)(2) may be used by rural eligible local educational agencies, or community-based organizations or nonprofit partnerships, described in section 16221(b)(2)(B), for the planning, development, operation, or expansion of programs and activities that are designed to assist rural public schools in meeting National Education Goals, and may include—

"(1) training of teachers and other educational personnel in subject areas, or instructional technology and methods, that will improve the delivery of services in rural settings in any of the National Education Goal areas, including staff development efforts which emphasize multicultural, gender, and disability bias-free curricula;

"(2) coordination and collaboration with other rural agencies, including State rural development councils, child care organizations, universities, or the private sector;

"(3) parental involvement and outreach efforts and other activities designed to enhance parental encouragement of student learning;

"(4) guidance counseling, psychological, social work, and other support services that contribute to progress in achieving National Education Goals;

"(5) efforts to acquire and improve access to educational technology, including distance learning technologies;

"(6) programs to serve homeless children, children in schools undergoing desegregation, immigrants, migrants, or other highly mobile populations, even if such individuals do not attend a rural public school assisted under this subpart;

"(7) efforts to improve, reform and strengthen the curriculum, especially efforts to enhance critical thinking skills among rural students, and efforts to coordinate services across grade levels; and

"(8) other activities designed to assist in achieving the National Education Goals.

"(c) PRIORITY.—Each eligible rural local educational agency submitting an application under this section shall give priority in designing the program assisted under this subpart to activities that replicate successful efforts in other local educational agencies or expand successful programs within the rural eligible local educational agency.

"SEC. 16225. ACCOUNTABILITY.

"(a) IN GENERAL.—The State educational agency may award an allotment under this subpart to a rural eligible local educational agency to enable such an agency to operate a program under this subpart for a period of not more than 5 years. If a rural eligible local educational agency receiving an allotment under this subpart meets the accountability requirements described in subsection (b) at the end of 5 years

and the requirements described in subsection (c) at the end of each year, as determined by the State educational agency, such local educational agency shall be eligible to continue the project with funds under this subpart for an additional 3 years if such local educational agency so desires.

"(b) REQUIREMENTS TO MOVE TOWARD NATIONAL EDUCATION GOALS.—

"(1) PROGRAM CONTINUATION.—If, after 5 years of receiving an allotment under this subpart, a rural eligible local educational agency is able to demonstrate to the satisfaction of the State educational agency that such rural eligible local educational agency has increased the achievement within the lowest 2 quartiles of students in rural public schools assisted under this subpart as measured by the statistical indicators and other criteria specified in the application in comparison to the year prior to the initiation of the project, then such agency shall be eligible to continue the project with funds under this subpart for an additional 5 years upon reapplication under section 16222.

"(2) SPECIAL RULE.—If, after 5 years of receiving an allotment under this subpart, a rural eligible local educational agency is able to demonstrate to the Secretary that it has made significant progress in school improvement, given changes in the student population or other factors beyond such agency's control, then such agency shall be deemed to have met the requirements of paragraph (1) so long as the average achievement level of the public schools assisted under this subpart did not decline over the previous 5-year period.

"(c) COLLECTION OF DATA AND CERTIFICATION.—

"(1) IN GENERAL.—Each rural eligible local educational agency, community-based organizations or nonprofit partnerships described in section 16221(b)(2)(B), receiving assistance under this subpart shall annually collect and submit to the State educational agency data based on the statistical indicators and other criteria described in the application submitted by such rural eligible local educational agency for the purposes of monitoring progress in achieving the National Education Goals in accordance with paragraph (2). Such data shall include multiple measures or indicators of each variable, and may take into consideration the mobility of students in the public schools served under this subpart or other special factors.

"(2) CERTIFICATION.—Each rural eligible local educational agency receiving an allotment pursuant to section 16221(b)(2) shall annually certify to the State educational agency that such rural eligible local educational agency has—

"(A) complied with the provisions of this subsection; and

"(B) made progress toward meeting National Education Goals and the goals described in section 16222(b)(2)(D).

"SEC. 16226. INCENTIVE AWARDS TO EXEMPLARY PROGRAMS.

"From amounts reserved pursuant to section 16221(a) or otherwise made available, the Secretary is authorized to make competitive awards to rural eligible local educational agencies to enable such agencies to provide assistance to individual schools participating in a program assisted under this subpart that demonstrate to the satisfaction of the Secretary at least 3 of the following:

"(1) Unusual or exemplary progress in achieving the National Education Goals through programs described in section 16224.

"(2) Exemplary or unusually effective collaborative arrangements between the schools, community-based organizations, agencies, parent groups, colleges, and businesses.

"(3) Identification, review and removal of potential barriers to student performance in the National Education Goal areas, such as suspensions and expulsions, in-grade retentions, ability grouping, lack of access to course offerings, and other such barriers.

"Subpart 2—General Provisions

"SEC. 16231. WHITE HOUSE CONFERENCE ON RURAL EDUCATION.

"(a) AUTHORIZATION TO CALL CONFERENCE.—

"(1) IN GENERAL.—The President is authorized to call and conduct a White House Conference on Rural Education (referred to in this section as the 'Conference').

"(2) DATE.—The Conference described in paragraph (1) shall be held not earlier than November 1, 1995, and not later than October 30, 1996.

"(3) PURPOSE.—The purposes of the Conference shall be to—

"(A) develop recommendations and strategies for the improvement of rural public education;

"(B) marshal the forces of the private sector, governmental agencies at all levels, parents, teachers, communities, and education officials to assist rural public schools in achieving National Education Goals, and make recommendations on the roles rural public schools can play to assist with local rural community economic revitalization; and

"(C) conduct the initial planning for a permanent national commission on rural public education.

"(b) COMPOSITION OF CONFERENCE.—

"(1) IN GENERAL.—The Conference shall be comprised of—

"(A) representatives of eligible public school systems, including members of the governing body of local educational agencies, school superintendents, and classroom teachers;

"(B) representatives of the Congress, the Department of Education, and other Federal agencies;

"(C) State elected officials and representatives from State educational agencies;

"(D) individuals with special knowledge of, and expertise in, rural education, including individuals involved with rural postsecondary education; and

"(E) individuals with special knowledge of, and expertise in, rural business.

"(2) SELECTION.—The President shall select one-third of the participants of the Conference, the Majority Leader of the Senate shall select one-third of such participants, and the Speaker of the House of Representatives shall select the remaining one-third of such participants.

"(3) REPRESENTATION.—In selecting the participants of the Conference, the President, the Majority Leader of the Senate, and the Speaker of the House of Representatives shall ensure that the participants are as representative of the ethnic, racial, and language diversity of rural areas as is practicable.

"(c) REPORT.—

"(1) IN GENERAL.—Not later than 120 days following the termination of the Conference, a final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President. The final report shall be made public and, not later than 90 days after receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations for implementing the report.

"(2) PUBLICATION AND DISTRIBUTION.—The Conference is authorized to publish and distribute the report described in this section. Copies of the report shall be provided to the Federal depository libraries and made available to local rural school leaders and teachers.

"PART C—AUTHORIZATION OF APPROPRIATIONS

"SEC. 16301. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated $50,000,000 for fiscal year 1995, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out this title, of which—

"(1) 50 percent shall be made available to carry out part A; and

"(2) 50 percent shall be made available to carry out part B.

"(b) FEDERAL FUNDS TO SUPPLEMENT NOT SUPPLANT NON-FEDERAL FUNDS.—An eligible local educational agency may use funds received under this title only to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of students participating in activities assisted under this title, and in no such case may such funds be used to supplant funds from non-Federal sources.

"TITLE XVII—GUN-FREE SCHOOLS

"SEC. 17001. GUN-FREE REQUIREMENTS.

"(a) SHORT TITLE.—This section may be cited as the "Gun-Free Schools Act of 1994".

"(b) REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), no assistance may be provided to any local educational agency under this Act unless such agency has in effect a policy requiring the expulsion from school for a period of not less than one year of any student who is determined to have brought a weapon to a school under the jurisdiction of such agency, except that such policy may allow the chief administering officer of such agency to modify such expulsion requirement for a student on a case-by-case basis.

"(2) CONSTRUCTION.—Nothing in this title shall be construed to prevent a local educational agency that has expelled a student from such student's regular school setting from providing educational services to such student in an alternative setting, as provided by State law, policy, or otherwise determined by such local educational agency.

"(3) SPECIAL RULE.—(A) Any local educational agency serving a State that has enacted a State law prior to the date of enactment of the Improving America's Schools Act of 1994 which is in conflict with the not less than 1 year expulsion requirement described in paragraph (1) shall have the period of time described in subparagraph (B) to comply with such requirement.

"(B) The period of time shall be the period beginning on the date of enactment of the Improving America's Schools Act and ending 1 year after such date.

"(4) DEFINITION.—For the purpose of this section, the term 'weapon' means a firearm as such term is defined in section 921 of title 18, United States Code.

"(c) REPORT TO STATE.—Each local educational agency requesting assistance from the State educational agency that is to be provided from funds made available to the State under this Act shall provide to the State, in the application requesting such assistance—

"(1) an assurance that such local educational agency has in effect the policy required by subsection (b); and

"(2) a description of the circumstances surrounding any expulsions imposed under the policy required by subsection (b), including—

"(A) the name of the school concerned;

"(B) the number of students expelled from such school; and

"(C) the types of weapons concerned.".

TITLE II—AMENDMENTS TO THE GENERAL EDUCATION PROVISIONS ACT

PART A—APPLICABILITY OF THE GENERAL EDUCATION PROVISIONS ACT

SEC. 211. TITLE; APPLICABILITY; DEFINITIONS.

Section 400 of the General Education Provisions Act (20 U.S.C. 1221 et seq.) (hereafter in this title (other than part G) referred to as the "Act") is amended to read as follows:

"SHORT TITLE; APPLICABILITY; DEFINITIONS

"SEC. 400. (a) This title may be cited as the 'General Education Provisions Act'.

"(b)(1) Except as otherwise provided, this title applies to each applicable program of the Department of Education.

"(2) Except as otherwise provided, this title does not apply to any contract made by the Department of Education.

"(c) As used in this title, the following terms have the following meanings:

"(1) The term 'applicable program' means any program for which the Secretary or the Department has administrative responsibility as provided by law or by delegation of authority pursuant to law. The term includes each program for which the Secretary or the Department has administrative responsibility under the Department of Education Organization Act or under Federal law effective after the effective date of that Act.

"(2) The term 'applicable statute' means—

"(A) the Act or the title, part, section, or any other subdivision of an Act, as the case may be, that authorizes the appropriation for an applicable program;

"(B) this title; and

"(C) any other statute that by its terms expressly controls the administration of an applicable program.

"(3) The term 'Department' means the Department of Education.

"(4) The term 'Secretary' means the Secretary of Education.

"(d) Nothing in this title shall be construed to affect the applicability of title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, title V of the Rehabilitation Act of 1973, the Age Discrimination Act, or other statutes prohibiting discrimination, to any applicable program.".

SEC. 212. REPEAL.

Section 400A of the Act (20 U.S.C. 1221–3) is repealed.

PART B—THE DEPARTMENT OF EDUCATION

SEC. 221. NEW HEADING FOR PART A.

The heading for part A of the Act is amended to read as follows:

"PART A—FUNCTIONS OF THE DEPARTMENT OF EDUCATION".

SEC. 222. GENERAL AUTHORITY OF THE SECRETARY.

Section 408 of the Act (20 U.S.C. 1221e–3) is amended to read as follows:

"GENERAL AUTHORITY OF THE SECRETARY

"SEC. 408. The Secretary, in order to carry out functions otherwise vested in the Secretary by law or by delegation of authority pursuant to law, and subject to limitations as may be otherwise imposed by law, is authorized to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of operation of, and governing the applicable programs administered by, the Department.".

SEC. 223. REPEALS.

Sections 401, 402, 403 (20 U.S.C. 1221c), 406 (20 U.S.C. 1221e–1), 406A (20 U.S.C. 1221e–1a), 406B (20 U.S.C. 1221e–1b), 406C (20 U.S.C. 1221e–1c), and 407 (20 U.S.C. 1221e–2) of the Act are repealed.

PART C—APPROPRIATIONS AND EVALUATIONS

SEC. 231. AVAILABILITY OF APPROPRIATIONS.

(a) AMENDMENT TO HEADING.—The heading for section 412 of the Act (20 U.S.C. 1225) is amended to read as follows:

"AVAILABILITY OF APPROPRIATIONS ON ACADEMIC OR SCHOOL-YEAR BASIS; ADDITIONAL PERIOD FOR OBLIGATION OF FUNDS".

(b) AMENDMENT TO TEXT.—Section 412 of the Act (20 U.S.C. 1225) is further amended—

(1) in subsection (a)—

(A) by striking "to educational agencies or institutions";

(B) by striking "expenditure" and inserting "obligation"; and

(C) by striking "agency or institution concerned" and inserting "recipient";

(2) in subsection (b)—

(A) by amending the matter preceding paragraph (2) to read as follows:

"(b)(1)(A) Notwithstanding any other provision of law, unless enacted in express limitation of this subsection, any funds from appropriations to carry out any applicable State formula grant program that are not obligated by a recipient by the end of the fiscal year for which such funds were appropriated shall remain available for obligation by such recipient during the succeeding fiscal year.

"(B) As used in this subsection, the term 'applicable State formula grant program' means an applicable program the authorizing statute or implementing regulations of which provide a formula for allocating program funds among eligible States."; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A)—

(I) by striking "applicable program" and inserting "applicable State formula grant program"; and

(II) by striking "and expenditure" and inserting "and expended"; and

(ii) in subparagraph (B), by striking "such educational agencies or institutions" and inserting "the recipients of such funds"; and

(3) by striking subsection (c).

SEC. 232. CONTINGENT EXTENSION OF PROGRAMS.

Section 414 of the Act (20 U.S.C. 1226a) is amended to read as follows:

"CONTINGENT EXTENSION OF PROGRAMS

"SEC. 414. (a) The authorization of appropriations for, or duration of, an applicable program shall be automatically extended for two additional fiscal years unless the Congress, in the regular session that ends prior to the terminal fiscal year of such authorization or duration has passed legislation that becomes law and extends, or has rejected legislation that would have extended, the authorization or duration of such program.

"(b) The amount authorized to be appropriated for the period of automatic extension under subsection (a) of an applicable program shall be the amount authorized to be appropriated for such program for the terminal fiscal year of the applicable program.

"(c) If the Secretary is required, in the terminal fiscal year of an applicable program, to carry out certain acts or make certain determinations that are necessary for the continuation of such program, such acts or determinations shall be required to be carried out or made during the period of automatic extension under subsection (a).".

SEC. 233. BIENNIAL EVALUATION REPORT.

Section 417 of the Act (20 U.S.C. 1226c) is amended to read as follows:

"BIENNIAL EVALUATION REPORT

"SEC. 417. Not later than March 31, 1995, and every 2 years thereafter, the Secretary shall transmit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate an evaluation report on the effectiveness of applicable programs in achieving their legislated intent and purposes during the 2 preceding fiscal years. Such report shall—

"(1) contain program profiles that include legislative citations, multiyear funding histories, and legislated purposes;

"(2) contain recent information on the progress being made toward the achievement of program objectives, including listings of program performance indicators, data from performance measurement based on the indicators, and information on the costs and benefits of the applicable programs being evaluated;

"(3) address significant program activities, such as initiatives for program improvement, regulations, and program monitoring and evaluation;

"(4) list the principal analyses and studies supporting the major conclusions in the report;

"(5) include available data to indicate the effectiveness of the programs and projects by the race, sex, disability and age of the beneficiaries of such programs and projects; and

"(6) include the results of the program evaluations conducted in accordance with section 10107 of the Elementary and Secondary Education Act of 1965.".

SEC. 234. TECHNICAL AMENDMENTS.

(a) PAYMENTS.—Section 415 of the Act (20 U.S.C. 1226a–1) is amended by striking "Commissioner" and inserting "Secretary".

(b) PROGRAM PLANNING AND EVALUATION.—Section 420 of the Act (20 U.S.C. 1228) is amended—

(1) by striking "title I of" and all that follows through "Congress)" and inserting "title IX of the Elementary and Secondary Education Act of 1965"; and

(2) by striking "subparagraph (C) of section 3(d)(2) or section 403(1)(C) of that Act" and inserting "subsections (d) and (g) of section 9004 of such Act or residing on property described in section 9014(10) of such Act".

SEC. 235. REPEALS.

Sections 411 (20 U.S.C. 1223), 413 (20 U.S.C. 1226), 416 (20 U.S.C. 1226b), and 419 (20 U.S.C. 1227) of the Act are repealed.

PART D—ADMINISTRATION OF EDUCATION PROGRAMS

SEC. 241. JOINT FUNDING OF PROGRAMS.

Section 421A of the Act (20 U.S.C. 1231) is amended to read as follows:

"JOINT FUNDING OF PROGRAMS

"SEC. 421A. (a)(1) The Secretary is authorized to enter into arrangements with other Federal agencies to jointly carry out projects of common interest, to transfer to such agencies funds appropriated under any applicable program, and to receive and use funds from such agencies, for projects of common interest.

"(2) Funds transferred or received pursuant to paragraph (1) shall be used only in accordance with the Federal law authorizing the appropriation of such funds and the Federal law appropriating such funds, and shall be made available only to parties eligible to receive such funds under such law.

"(3) If the Secretary enters into a agreement under this subsection for the administration of a project, the agency administering the project shall use such agency's procedures to select recipients of funds under such project and to administer the awards, unless the parties to the agreement specify the use of procedures of another agency that is a party to the agreement.

"(4) If the Secretary has entered into an agreement authorized under this subsection and the Secretary and the heads of the other agencies participating in the agreement determine that joint funding is necessary to address a special need consistent with the purposes and authorized activities of each program that provides funding under the joint project, the Secretary and the heads of the other participating agencies may develop a single set of criteria for the jointly funded project and require each applicant for such project to submit a single application for review by the participating agencies.

"(b) The Secretary may develop the criteria for, and require the submission of, joint applications under two or more applicable programs *under which funds are awarded on a competitive basis, and may jointly review and approve such applications separately from other applications under such programs, when the Secretary determines that such joint awards are necessary to address a special need consistent with the purposes and authorized activities of each such program. Any applicant for such a joint award shall meet the eligibility requirements of each such program.".*

SEC. 242. COLLECTION AND DISSEMINATION OF INFORMATION.

Section 422 of the Act (20 U.S.C. 1231a) is amended to read as follows:

"COLLECTION AND DISSEMINATION OF INFORMATION

"SEC. 422. The Secretary shall—

"(1) prepare and disseminate to State and local educational agencies and institutions information concerning applicable programs, and cooperate with other Federal officials who administer programs affecting education in disseminating information concerning such programs;

"(2) inform the public regarding federally supported education programs; and

"(3) collect data and information on applicable programs for the purpose of obtaining objective measurements of the effectiveness of such programs in achieving the intended purposes of such programs.".

SEC. 243. REVIEW OF APPLICATIONS.

Section 425 of the Act (20 U.S.C. 1231b–2) is amended—

(1) in subsection (a)—

(A) by striking "Commissioner" and inserting "Secretary";

(B) by striking "and in the case of the program provided for in title I of the Elementary and Secondary Education Act of 1965,";

(C) in the third sentence, by inserting a comma after "the hearing"; and

(D) in the fourth sentence—

(i) by striking the comma after "guidelines"; and

(ii) by inserting a comma after "program";

(2) in subsection (b), by striking "Commissioner" each place such term appears and inserting "Secretary"; and

(3) in subsection (d)—

(A) by striking "Commissioner" each place such term appears and inserting "Secretary"; and

(B) by inserting before the period "or issue such other orders as the Secretary may deem appropriate to achieve such compliance".

SEC. 244. USE OF FUNDS WITHHELD.

Section 428 of the Act (20 U.S.C. 1231e) is amended to read as follows:

"USE OF FUNDS WITHHELD

"SEC. 428. (a) At any time that the Secretary makes an allotment or reallotment to any State under any applicable program, the Secretary shall reduce such allotment or reallotment by such amount as the Secretary determines such allotment or reallotment would have been reduced, had the data on which the allotment or reallotment is based excluded all data relating to local educational agencies of the State that, on the date of the Secretary's action, are ineligible to receive the Federal financial assistance involved because of failure to comply with title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975.

"(b) The Secretary may use any funds withheld under subsection (a)—

"(1) to increase the allotments or reallotments of local educational agencies within the State that are not described in subsection (a), or the allotments or reallotment of all States, in accordance with the Federal law governing the program; or

"(2) for grants to local educational agencies of that State in accordance with section 405 of the Civil Rights Act of 1964, or for any other program administered by the Department that is designed to enhance equity in education or redress discrimination on the basis of race, color, national origin, sex, age, or disability.".

SEC. 245. APPLICATIONS.

Subsection (a) of section 430 of the Act (20 U.S.C. 1231g) is amended by striking "for three fiscal years" and inserting "for more than 1 fiscal year".

SEC. 246. REGULATIONS.

Section 431 of the Act (20 U.S.C. 1232) is amended to read as follows:

"REGULATIONS

"SEC. 431. (a) For the purpose of this section, the term 'regulation' means any generally applicable rule, regulation, guideline, interpretation, or other requirement that—

"(1) is prescribed by the Secretary or the Department; and

"(2) has legally binding effect in connection with, or affecting, the provision of financial assistance under any applicable program.

"(b) Regulations issued by the Secretary or the Department shall contain, immediately following each substantive provision of such regulations, citations to the particular section or sections of statutory law or other legal authority on which such provision is based.

"(c) All such regulations shall be uniformly applied and enforced throughout the 50 States.

"(d) The Secretary shall promulgate regulations in accordance with chapter 5 of title 5, United States Code, except that the exemption in section 553(a)(2) of such chapter for public property, loans, grants, and benefits shall apply only to regulations—

"(1) that govern a grant competition for the first year of a new program; or

"(2) where the Secretary determines that the requirements of this subsection will cause extreme hardship to the intended beneficiaries of the program affected by such regulations.

"(e)(1) Following the enactment of any Act, or any part of any Act, affecting the administration of any applicable program, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a schedule in accordance with which the Secretary plans to promulgate final regulations that the Secretary determines are necessary to implement such Act or part of such Act. Subject to paragraph (2) of this subsection, such schedule shall provide that all such final regulations shall be promulgated within 480 days after the date of enactment of such Act or part of such Act.

"(2) If in developing such schedule the Secretary determines in an exceptional case, for good cause, that a final regulation cannot be promulgated within the period specified in paragraph (1), the Secretary shall include in such schedule the date by which such regulation will be promulgated and the reasons for such determination.

"(3) Except as provided in the following sentence, all such final regulations shall be promulgated in accordance with such schedule. If the Secretary, for good cause, later determines that the Secretary cannot comply with such schedule for reasons unforeseen at the time such schedule was submitted, the Secretary shall notify such committees of the reasons for such finding and submit a new schedule. All such final regulations shall be promulgated in accordance with such new schedule.

"(f) Concurrently with the publication of any final regulations, the Secretary shall transmit a copy of such final regulations to the Speaker of the House of Representatives and the President pro tempore of the Senate.".

SEC. 247. RECORDS; REDUCTION IN RETENTION REQUIREMENTS.

Section 437 of the Act (20 U.S.C. 1232f) is amended—

(1) in subsection (a)—

(A) by striking "grant, subgrant, contract, subcontract, loan, or other arrangement (other than procurement contracts awarded by an administrative head of an educational agency)" and inserting "grant, subgrant, cooperative agreement, loan or other arrangement";

(B) by inserting "financial or programmatic" before "audit."; and

(C) by striking the last sentence; and

(2) in subsection (b), by striking "to any records of a recipient which may be related, or pertinent to, the grants, subgrants, contracts, subcontracts, loans, or other arrangements" and inserting "to any records maintained by a recipient that may be related, or pertinent to, grants, subgrants, cooperative agreements, loans, or other arrangements".

SEC. 247A. PRIVACY RIGHTS.

Section 438 of the Act (20 U.S.C. 1232g) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) No funds under any applicable program shall be made available to any State educational agency (whether or not that agency is an educational agency or institution under this section) that has a policy of denying, or effectively prevents, the parents of students the right to inspect and review the education records maintained by the State educational agency on their children who are or have been in attendance at any school of an educational agency or institution that is subject to the provisions of this section.";

(iii) in clause (iii) of subparagraph (C) (as redesignated by clause (i)), by striking "(C)" and inserting "(D)"; and

(iv) in subparagraph (D) (as redesignated by clause (i)), by striking "(B)" and inserting "(C)"; and

(B) in paragraph (2), by striking "or other rights" and inserting "rights";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ", including the educational interests of the child for whom consent would otherwise be required" before the semicolon;

(ii) in subparagraph (H), by striking "and" after the semicolon;

(iii) in subparagraph (I), by striking the period and inserting "; and"; and

(iv) by adding at the end the following new subparagraph:

"(J)(i) the entity or persons designated in a Federal grand jury subpoena, in which case the court shall order, for good cause shown, the educational agency or institution (and any officer, director, employee, agent, or attorney for such agency or institution) on which the subpoena is served, to not disclose to any person the existence or contents of the subpoena or any information furnished to the grand jury in response to the subpoena; and

"(ii) the entity or persons designated in any other subpoena issued for a law enforcement purpose, in which case the court or other issuing agency may order, for good cause shown, the educational agency or institution (and any officer, director, employee, agent, or attorney for such agency or institution) on which the subpoena is served, to not disclose to any person the existence or contents of the subpoena or any information furnished in response to the subpoena.";

(B) in paragraph (2)—

(i) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(ii) in clause (ii) (as redesignated by clause (i)), by inserting "except as provided in paragraph (1)(J)," before "such information"; and

(iii) by adding at the end the following new subparagraph:

"(B) If a third party outside the educational agency or institution permits access to information in violation of subparagraph (A)(i), or fails to destroy information in violation of paragraph (1)(F), the educational agency or institution shall be prohibited from permitting access to information from education records to that third party for a period of at least 5 years.";

(3) in subsection (c), by striking "The Secretary shall adopt appropriate regulations to" and inserting "Not later than 240 days after the date of enactment of the Improving America's Schools Act of 1994, the Secretary shall adopt appropriate regulations, or identify existing regulations, which";

(4) in subsection (e), by inserting "effectively" before "informs"; and

(5) by adding at the end the following new subsection:

"(h) Nothing in this section shall prohibit an educational agency or institution from—

"(1) including appropriate information in the education record of any student whose presence at school is determined by school officials to pose a significant risk to the safety or well-being of that student, other students, or other members of the school community; or

"(2) disclosing such information to teachers and school officials, including teachers and school officials in other schools, who have legitimate educational interests in the behavior of the student.".

SEC. 248. TECHNICAL AMENDMENTS.

(a) HEADING FOR PART C.—The heading for part C of the Act (20 U.S.C. 1230 et seq.) is amended by striking "COMMISSIONER OF EDUCATION" and inserting "SECRETARY".

(b) SECTION 427.—Section 427 of the Act (20 U.S.C. 1231d) is amended—

(1) by striking "Commissioner" and inserting "Secretary"; and

(2) in the second sentence of the matter preceding paragraph (1), by inserting "is made" after "such determination".

(c) SECTION 430.—Section 430 of the Act (20 U.S.C. 1231g) is amended by striking "Commissioner" each place such term appears and inserting "Secretary".

(d) SECTION 433.—Section 433 of the Act (20 U.S.C. 1232b) is amended by striking "Except for emergency relief under section 7 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), all laborers" and inserting "All laborers".

(e) SECTION 434.—

(1) AMENDMENT TO HEADING.—The heading for section 434 of the Act (20 U.S.C. 1232c) is amended by striking "EDUCATIONAL".

(2) AMENDMENT TO TEXT.—Section 434 of the Act (20 U.S.C. 1232c) is amended—

(A) by striking "Commissioner" each place such term appears and inserting "Secretary";

(B) by redesignating the matter following paragraph (3) of subsection (b) as subsection (c); and

(C) in subsection (c) (as redesignated by subparagraph (B)), by striking "paragraph (3)" and inserting "subsection (b)(3)".

(f) SECTION 435.—Section 435 of the Act (20 U.S.C. 1232d) is amended—

(1) by striking "Commissioner" each place such term appears and inserting "Secretary"; and

(2) in subsection (a)—

(A) by striking the comma after "submits a plan";

(B) by striking ", in the case of programs under chapter 1 and chapter 2 of title I of the Elementary and Secondary Education Act of 1965,"; and

(C) by striking "title V of such Act" and inserting "part A of title V of the Elementary and Secondary Education Act of 1965" before "title V".

(g) SECTION 436.—Section 436 of the Act (20 U.S.C. 1232e) is amended—

(1) in subsection (a), by striking "that local education agency" and inserting "that local educational agency"; and

(2) in subsection (b)—

(A) in paragraph (2), by inserting a comma after "program";

(B) in paragraph (4), by striking "Commissioner" each place such term appears and inserting "Secretary"; and

(C) in paragraph (7)(B), by striking "handicapped individuals" and inserting "individuals with disabilities".

(h) SECTION 438.—Section 438 of the Act (20 U.S.C. 1232g) is amended—

(1) in subsection (a)(4)(B)(ii), by striking the period and inserting a semicolon;

(2) in subsection (b)—

(A) in paragraph (1)(C), by striking "(iii) an administrative head of an education agency (as defined in section 408(c)), or (iv)" and inserting "or (iii)";

(B) in paragraph (1)(H), by striking "1954" and inserting "1986"; and

(C) in paragraph (3)—

(i) by striking "(C) an administrative head of an education agency or (D)" and inserting "or (C)"; and

(ii) by striking "education program" and inserting "education programs";

(3) in subsection (d), by inserting a comma after "education";

(4) in subsection (f)—

(A) by striking ", or an administrative head of an education agency,";

(B) by striking "enforce provisions of this section" and inserting "enforce this section";

(C) by striking "according to the provisions of" and inserting "in accordance with"; and

(D) by striking "comply with the provisions of this section" and inserting "comply with this section"; and

(5) in subsection (g)—

(A) by striking "of Health, Education, and Welfare"; and

(B) by striking "the provisions of".

SEC. 249. REPEALS.

Sections 421 (20 U.S.C. 1230), 423 (20 U.S.C. 1231b), 424 (20 U.S.C. 1231b–1), 426 (20 U.S.C. 1231c), 426A (20 U.S.C. 1231c–1), and 429 (20 U.S.C. 1231f) of the Act are repealed.

SEC. 250. EQUITY FOR STUDENTS, TEACHERS, AND OTHER PROGRAM BENEFICIARIES.

Subpart 1 of part C of the Act (20 U.S.C. 1231 et seq.) is further amended by inserting after section 425 the following new section:

"EQUITY FOR STUDENTS, TEACHERS, AND OTHER PROGRAM BENEFICIARIES

"SEC. 426. (a) The purpose of this section is to assist the Department in implementing its mission to ensure equal access to education and to promote educational excellence throughout the Nation, by ensuring equal opportunities to participate for all eligible students, teachers and other program beneficiaries in any project or activity carried out under an applicable program and promoting the ability of such students, teachers and beneficiaries to meet high standards.

"(b) The Secretary shall require each applicant for assistance under an applicable program (other than an individual) to develop and describe in such applicant's application the steps such applicant proposes to take to ensure equitable access to, and equitable participation in, the project or activity to be conducted with such assistance, by addressing the special needs of students, teachers, and other program beneficiaries in order to overcome barriers to equitable participation, including barriers based on gender, race, color, national origin, disability, and age.

"(c) The Secretary may establish criteria and provide technical assistance for meeting the requirements of this section.

"(d) Nothing in this section shall be construed to alter in any way the rights or responsibilities established under the statutes cited in section 400(d) of this Act.".

PART E—ADVISORY COMMITTEES

SEC. 251. REPEAL.

Part D of the Act (20 U.S.C. 1233 et seq.) is repealed.

PART F—RELATED AMENDMENTS TO OTHER ACTS

SEC. 261. DEPARTMENT OF EDUCATION ORGANIZATION ACT.

(a) OFFICE OF PRIVATE EDUCATION.—Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following new section:

"OFFICE OF PRIVATE EDUCATION

"SEC. 216. Subject to section 413, there shall be in the Department an Office of Private Education to ensure the maximum participation of nonpublic school students in all applicable programs, as such term is defined in section 400(c)(1) of the General Education Provisions Act, for which such children are eligible.".

(b) RULES; ACQUISITION AND MAINTENANCE OF PROPERTY.—Part B of title IV of the Department of Education Organization Act (20 U.S.C. 3471 et seq.) is amended—

(1) in section 414—

(A) by striking "(a)"; and

(B) by striking subsection (b);

(2) in section 421, by inserting "and to accept donations of services" after "personal,"; and

(3) by repealing section 427.

PART G—CONFORMING AMENDMENTS

SEC. 271. THE REHABILITATION ACT OF 1973.

(a) SECTION 9.—Section 9 of the Rehabilitation Act of 1973 (29 U.S.C. 706) is repealed.

(b) SECTION 100.—Section 100 of the Rehabilitation Act of 1973 (29 U.S.C. 720) is amended by striking subsection (d).

TITLE III—AMENDMENTS TO OTHER ACTS

PART A—AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

SEC. 311. ALLOCATIONS UNDER SECTION 611 OF THE IDEA.

(a) MAXIMUM AMOUNT.—Subsection (a) of section 611 of the Individuals with Disabilities Education Act (hereafter in this part referred to as the "Act") (20 U.S.C. 1141(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Except as provided in paragraph (5), the maximum amount of the grant for which a State is entitled under this section for any fiscal year is—

"(A) the sum of—

"(i) the number of children with disabilities in the State, aged 6 through 21, who are receiving special education and related services, as determined under paragraph (3); and

"(ii) if the State is eligible for a grant under section 619, the number of such children in the State, aged 3 through 5; multiplied by

"(B) 40 percent of the average per-pupil expenditure in public elementary and secondary schools in the United States.";

(2) by amending paragraph (2) to read as follows:

"(2) For the purpose of this section, the term 'State' means each of the 50 States, the District *of Columbia, and the Commonwealth of Puerto Rico."; and*

(3) in paragraph (5)(A)—

(A) in clause (i), by striking "and the State" and inserting ", or the combined percentage of such children counted by the Secretary for the purpose of making fiscal year 1994 allocations under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994), whichever is greater, if the State";

(B) in clause (ii)—

(i) by striking "and the State" and inserting ", or the combined percentage of such children counted by the Secretary for the purpose of making fiscal year 1994 allocations under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994), whichever is greater, if the State"; and

(ii) by striking "; and" and inserting a period; and

(C) by striking clause (iii).

(b) STATE USES.—Subsection (b) of section 611 of the Act (20 U.S.C. 1141(b)) is amended to read as follows:

"(b)(1) Notwithstanding subsections (a) and (g), no State shall receive an amount under this section for any of the fiscal years 1995 through 1999 that is less than the sum of the amount such State received for fiscal year 1994 under—

"(A) this section; and

"(B) subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) for children with disabilities aged 3 through 21.

"(2) If, for fiscal year 1998 or 1999, the number of children determined under subsection (a)(3) for any State is less than the total number of children with disabilities, aged 3 through 21, counted for that State's fiscal year 1994 grants under this section and under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994), then the amount determined under paragraph (1) for that State shall be reduced by the same percentage by which the number of those children so declined.

"(3)(A) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under paragraphs (1) and (2) for such year, the Secretary shall ratably reduce the allocations to such States for such year.

"(B) If additional funds become available for making payments under paragraphs (1) and (2) for such fiscal year, allocations that were reduced under subparagraph (A) shall be increased on the same basis as such allocations were reduced.".

(c) DISTRIBUTION.—Subsection (c) of section 611 of the Act (20 U.S.C. 1141(c)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Of the funds received under subsection (a) by any State for any fiscal year—

"(A) a State may use not more than 25 percent of such funds in accordance with paragraph (2); and

"(B) except as provided in paragraph (4), the State shall distribute at least 75 percent of such funds to local educational agencies and intermediate educational units, in accordance with subsection (d), for use in accordance with priorities established under section 612(3)."; and

(2) in paragraph (2), by amending subparagraph (A) to read as follows:

"(A) From the funds that any State may use under paragraph (1)(A) for any fiscal year, the State—

"(i) may use 5 percent of the funds received under this section or $450,000, whichever is greater, for administrative costs related to carrying out sections 612 and 613; and

"(ii) shall use the remainder—

"(I) to provide support services and direct services, subject to subparagraph (B), in accordance with priorities established under section 612(3); and

"(II) for the administrative costs of monitoring and complaint investigation, but only to the extent that such costs exceed the costs of administration incurred during fiscal year 1985.".

(d) FORMULA.—Subsection (d) of section 611 of the Act (20 U.S.C. 1141(d)) is amended to read as follows:

"(d)(1) From the total amount of funds available for any fiscal year under subsection (c)(1)(B), the State shall provide to each local educational agency or intermediate educational unit an amount that bears the same ratio to such total amount as the number of children, aged 3 through 21, determined under subsection (a)(3) for such agency or unit bears to the total number of such children determined for all such agencies and units that apply for such funds.

"(2)(A) To the extent necessary, the State—

"(i) shall use funds available under subsection (c)(2)(A)(ii) to ensure that each State agency that received funds for fiscal year 1994 under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) receives, from the sum of such funds and funds provided under paragraph (1), an amount equal to—

"(I) the number of children, aged 6 through 21, determined under subsection (a)(3) for such agency; multiplied by

"(II) the per-child amount provided under such subpart for fiscal year 1994; and

"(ii) shall use such funds, for fiscal years 1995 and 1996, and may use such funds for fiscal years 1997, 1998 and 1999, to ensure that each local educational agency that received funds for fiscal year 1994 under such subpart for children who had transferred from a State-operated or State-supported school or program assisted under such subpart receives, from the sum of such funds and funds provided under paragraph (1), an amount for each such child, aged 3 through 21, determined under subsection (a)(3) for such agency, equal to the per-child amount the agency received under such subpart for fiscal year 1994.

"(B) For the purpose of subparagraph (A), the number of children determined under subsection (a)(3) for any State agency or local educational agency shall not exceed the number of children aged 3 through 21 for whom such agency received funds under such subpart for such fiscal year.".

(e) JURISDICTIONS.—Paragraph (1) of section 611(e) of the Act (20 U.S.C. 1141(e)(1)) is amended to read as follows:

"(1) The jurisdictions to which this subsection applies are Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau.".

(f) INSUFFICIENT APPROPRIATIONS.—Subsection (g) of section 611 of the Act (20 U.S.C. 1141(g)) is amended to read as follows:

"(g)(1)(A) If the sums appropriated under subsection (h) for any fiscal year are not sufficient to pay in full the total of the amounts that all States are eligible to receive under subsection (a), each such amount shall be ratably reduced.

"(B) If additional funds become available for making such payments for any fiscal year, such reduced amounts shall be increased on the same basis as such payments were reduced.

"(C) Any State that receives any such additional funds shall distribute such funds in accordance with this section, except that any State that has used funds available under subsection (c)(2)(A)(ii) for the purposes described in subsection (d)(2) may—

"(i) deduct, from the amount that the State would otherwise be required to make available to local educational agencies and intermediate educational units, the same amount of such additional funds as the State so used; and

"(ii) use such funds in accordance with subsection (c)(2)(A)(ii).

"(2)(A) In any fiscal year for which payments have been reduced and additional funds have not been made available under paragraph (1) to pay in full the amounts for which all States are eligible under this section, each State educational agency shall fix dates by which each local educational agency or intermediate educational unit shall report to the State agency the amount of funds available to such agency under this section that such agency estimates such agency will expend.

"(B) The State educational agency shall, in accordance with this section, reallocate any funds that the State educational agency determines will not be used during the period of availability by local educational agencies and intermediate educational units, and by any such agency or unit to which such funds would be available if such agency or unit applied for such funds under this part, to those local educational agencies and intermediate educational units that the State educational agency determines will need, and be able to use, additional funds to carry out approved programs.".

SEC. 312. TREATMENT OF CHAPTER 1 STATE AGENCIES.

Part B of the Act (20 U.S.C. 1141 et seq.) is further amended by inserting after section 614 the following new section:

"TREATMENT OF CHAPTER 1 STATE AGENCIES

"SEC. 614A. (a) For the purpose of making payments under sections 611 and 619 of this Act, any State agency that received funds for fiscal year 1994 under subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) shall be treated as if the State agency were a local educational agency.

"(b) Any State agency which desires to receive payments under section 611(d) and section 619(c)(3) for any fiscal year shall submit an application to the State educational agency. Such application shall—

"(1) include an assurance that all children with disabilities who are participating in programs and projects funded under this part receive a free appropriate public education, and that such children and their parents are provided all the rights and procedural safeguards described in this part; and

"(2) meet those requirements of section 614 that the Secretary finds appropriate.

"(c) Section 611(c)(4) shall not apply with respect to a State agency that is eligible for a payment under this part by application of this section.".

SEC. 313. INFANTS AND TODDLERS WITH DISABILITIES.

(a) AMENDMENT.—Subsection (c) of section 684 of the Act (20 U.S.C. 1484) is amended—

(1) by redesignating paragraph (2) as paragraph (6);

(2) by amending paragraph (1) to read as follows:

"(1) Except as provided in paragraphs (3), (4), and (5) from the funds remaining for each fiscal

year after the reservation and payments under subsections (a) and (b), the Secretary shall first allot to each State an amount that bears the same ratio to the amount of such remainder as the number of infants and toddlers in the State bears to the number of infants and toddlers in all States.''; and

(3) by inserting after paragraph (1) the following new paragraphs:

''(2) For fiscal year 1995 only, the Secretary shall allot $34,000,000 of the remaining funds described in paragraph (1) among the States in proportion to their relative numbers of infants and toddlers with disabilities who—

''(A) are counted on December 1, 1994; and

''(B) would have been eligible to be counted under section 1221(c)(1) of the Elementary and Secondary Education Act of 1965 (as such section was in effect on the day preceding the date of the enactment of the Improving America's Schools Act of 1994).

''(3) Except as provided in paragraphs (4) and (5), no State shall receive an amount under this section for any fiscal year that is less than the greater of—

''(A) one-half of one percent of the remaining amount described in paragraph (1), excluding any amounts allotted under paragraph (2); or

''(B) $500,000.

''(4)(A) Except as provided in paragraph (5), no State shall receive an amount under this section for any of the fiscal years 1995 through 1999 that is less than the sum of the amount such State received for fiscal year 1994 under—

''(i) this part; and

''(ii) subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (as such subpart was in existence on the day preceding the date of enactment of the Improving America's Schools Act of 1994) for children with disabilities from birth through age 2.

''(B) If, for fiscal year 1998 or 1999, the number of infants and toddlers in any State, as determined under paragraph (1), is less than the number of infants and toddlers so determined for fiscal year 1994, the amount determined under subparagraph (A) for that State shall be reduced by the same percentage by which the number of those infants and toddlers so declined.

''(5)(A) If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under this subsection for such year, the Secretary shall ratably reduce the allocations to such States for such year.

''(B) If additional funds become available for making payments under this subsection for such fiscal year, allocations that were reduced under subparagraph (A) shall be increased on the same basis as such allocations were reduced.''.

(b) EFFECTIVE DATE.—Subsection (a) and the amendments made by subsection (a) shall take effect on October 1, 1994.

SEC. 314. FAMILY SUPPORT FOR FAMILIES OF CHILDREN WITH DISABILITIES.

(a) SHORT TITLE.—This section may be cited as the ''Support for Families of Children With Disabilities Act of 1994''.

(b) FAMILY SUPPORT FOR FAMILIES OF CHILDREN WITH DISABILITIES.—

The Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) is amended by adding at the end the following new part:

"PART I—FAMILY SUPPORT

"SEC. 701. SHORT TITLE.

''This part may be cited as the 'Families of Children With Disabilities Support Act of 1994'.

"SEC. 702. FINDINGS, PURPOSES, AND POLICY.

''(a) FINDINGS.—The Congress makes the following findings:

''(1) It is in the best interest of our Nation to preserve, strengthen, and maintain the family.

''(2) Families are the greatest natural resource available to their children and are the major providers of support, care, and training of their children.

''(3) Families of children with disabilities enrich the lives of all citizens through the contributions of such families to the economic, health, and social fabric of their community, State, and Nation.

''(4) A growing number of families are searching for ways to empower themselves to raise their children with disabilities at home and in their communities. Supporting such families to enable them to care for their children with disabilities at home is efficient and can be cost-effective.

''(5) Children, including children with disabilities, benefit from enduring family relationships in a nurturing home environment.

''(6) Many families experience exceptionally high financial outlays and significant physical and emotional challenges in meeting the special needs of their children with disabilities.

''(7) There are financial disincentives for families to care for their children with disabilities at home.

''(8) Most families of children with disabilities do not have access to family-centered and family-directed services to support such families in their efforts to care for their children with disabilities at home.

''(9) There is a need in each State for a comprehensive, coordinated, interagency system of family support for families of children with disabilities that is family-centered and family-directed, is easily accessible, avoids duplication, uses existing resources more efficiently, and prevents gaps in services to families in all areas of the State.

''(10) The goals of the Nation properly include the goal of providing families of children with disabilities the family support necessary to accomplish the following:

''(A) To support the family.

''(B) To enable families of children with disabilities to nurture and enjoy their children at home.

''(C) To enable families of children with disabilities to make informed choices and decisions regarding the nature of services, supports, and resources made available to such families.

''(b) PURPOSES.—The purposes of this part are as follows:

''(1) To provide financial assistance to the States to support systems change λactivities designed to assist each State to develop and implement, or expand and enhance, a family-centered and family-directed, culturally competent, community-centered, comprehensive, statewide system of family support for families of children with disabilities that is designed to—

''(A) ensure the full participation, choice and control of families of children with disabilities in decisions related to the provision of such family support for their family;

''(B) ensure the active involvement of families of children with disabilities in the planning, development, implementation, and evaluation of such a statewide system;

''(C) increase the availability of, funding for, access to, and provision of family support for families of children with disabilities;

''(D) promote training activities that are family-centered and family-directed and that enhance the ability of family members of children with disabilities to increase participation, choice, and control in the provision of family support for families of children with disabilities;

''(E) increase and promote interagency coordination among State agencies, and between State agencies and private entities that are involved in carrying out activities under section 708; and

''(F) increase the awareness of laws, regulations, policies, practices, procedures, and organizational structures, which facilitate or impede the availability or provision of family support for families of children with disabilities.

''(2) To enhance the ability of the Federal Government to—

''(A) identify Federal policies that facilitate or impede family support for families of children with disabilities, and that are consistent with the principles in subsection (c);

''(B) provide States with technical assistance and information relating to the provision of family support for families of children with disabilities;

''(C) conduct an evaluation of the program of grants to States; and

''(D) provide funding for model demonstration and innovation projects.

''(c) POLICY.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this part shall be family-centered and family-directed and shall be carried out in a manner consistent with the following principles:

''(1) Family support for families of children with disabilities must focus on the needs of the entire family.

''(2) Families of children with disabilities should be supported in determining their needs and in making decisions concerning necessary, desirable, and appropriate services.

''(3) Families should play decisionmaking roles in policies and programs that affect the lives of such families.

''(4) Family needs change over time and family support for families of children with disabilities must offer options that are flexible and responsive to the unique needs and strengths and cultural values of individual families.

''(5) Family support for families of children with disabilities is proactive and not solely in response to a crisis.

''(6) Families must be supported in their efforts to promote the integration and inclusion of their children with disabilities into all aspects of community life.

''(7) Family support for families of children with disabilities should promote the use of existing social networks, strengthen natural sources of support, and help build connections to existing community resources and services.

''(8) Youth with disabilities should be involved in decisionmaking about their own lives, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of each such youth.

''(9) Services and supports must be provided in a manner that demonstrates respect for individual dignity, personal responsibility, self-determination, personal preferences, and cultural differences of families.

''(d) RULE OF CONSTRUCTION.—Nothing in this part shall be construed to prevent families from choosing an out-of-home placement for their children with disabilities, including institutional placement for such children.

"SEC. 703. DEFINITIONS.

''For the purposes of this part, only the following definitions shall apply:

''(1) CHILD WITH A DISABILITY.—The term 'child with a disability' means an individual who from birth through 21 years of age meets the definition of disability under paragraph (4).

''(2) COUNCIL.—The term 'Council' means a State Policy Council for Families of Children with Disabilities established by a State under section 707.

''(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, supports, or other assistance that is conducted or provided in a manner that—

''(A) is responsive to the beliefs, interpersonal styles, attitudes, language, and behaviors of those individuals receiving services; and

''(B) has the greatest likelihood of ensuring maximum participation of such individuals.

"(4) DISABILITY.—The term 'disability' means—

"(A) in the case of an individual 6 years of age or older, a significant physical or mental impairment as defined pursuant to State policy to the extent that such policy is established without regard to type of disability; and

"(B) in the case of infants and young children, birth to age 5, inclusive, a substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in a disability if services are not provided.

"(5) EXISTING COUNCIL.—The term 'existing Council' means an entity or a committee of an entity that—

"(A) is established by a State prior to the date on which the State submits an application for funding under this part;

"(B) has authority to advise the State with respect to family support for families of children with disabilities; and

"(C) may have the authority to carry out other responsibilities and duties.

"(6) FAMILY.—The term 'family' means a group of interdependent persons residing in the same household that consists of a child with a disability and one or more of the following:

"(A) A mother, father, brother, sister or any combination.

"(B) Extended blood relatives, such as a grandparent, aunt, or uncle.

"(C) An adoptive parent.

"(D) One or more persons to whom legal custody of a child with a disability has been given by a court.

"(E) A person providing short-term foster care that includes a family reunification plan with the biological family.

"(F) A person providing long-term foster care for a child with a disability.

The term does not include employees who, acting in their paid employment capacity, provide services to children with disabilities in out-of-home settings such as hospitals, nursing homes, personal care homes, board and care homes, group homes, or other facilities.

"(7) FAMILY-CENTERED AND FAMILY-DIRECTED.—The term 'family-centered and family-directed' means, with respect to a service or program, that the service or program—

"(A) facilitates the full participation, choice, and control by families of children with disabilities in—

"(i) decisions relating to the supports that will meet the priorities of the family; and

"(ii) the planning, development, implementation, and evaluation of the statewide system of family support for families of children with disabilities;

"(B) responds to the needs of the entire family of a child with a disability in a timely and appropriate manner; and

"(C) is easily accessible to and usable by families of children with disabilities.

"(8) FAMILY SATISFACTION.—The term 'family satisfaction' means the extent to which a service or support meets a need, solves a problem, or adds value for a family, as determined by the individual family.

"(9) FAMILY SUPPORT FOR FAMILIES OF CHILDREN WITH DISABILITIES.—The term 'family support for families of children with disabilities'—

"(A) means supports, resources, services, and other assistance provided to families of children with disabilities that are designed to—

"(i) support families in the efforts of such families to raise their children with disabilities in the family home;

"(ii) strengthen the role of the family as primary caregiver;

"(iii) prevent inappropriate and unwanted out-of-the-home placement and maintain family unity; and

"(iv) reunite families with children with disabilities who have been placed out of the home, whenever possible; and

"(B) includes—

"(i) service coordination that includes individualized planning and brokering for services with families in control of decisionmaking;

"(ii) goods and services, which may include specialized diagnosis and evaluation, adaptive equipment, respite care (in and out of the home), personal assistance services, homemaker or chore services, behavioral supports, assistive technology services and devices, permanency or future planning, home and vehicle modifications and repairs, equipment and consumable supplies, transportation, specialized nutrition and clothing, counseling services and mental health services for family members, family education or training services, communication services, crisis intervention, day care and child care for a child with a disability, supports and services for integrated and inclusive community activities, parent or family member support groups, peer support, sitter service or companion service, and education aids; and

"(iii) financial assistance, which may include discretionary cash subsidies, allowances, voucher or reimbursement systems, low-interest loans, or lines of credit.

"(10) INTEGRATION AND INCLUSION.—The term 'integration and inclusion' with respect to children with disabilities and their families means—

"(A) the use of the same community resources that are used by and available to other individuals and families;

"(B) the full and active participation in the same community activities and utilization of the same community resources as individuals without disabilities, living, learning, working, and enjoying life in regular contact with individuals without disabilities; and

"(C) having friendships and relationships with individuals and families of their own choosing.

"(11) LEAD ENTITY.—The term 'lead entity' means an office or entity described in section 706.

"(12) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(13) SERVICE COORDINATION.—The term 'service coordination'—

"(A) means those family-centered and family-directed activities that assist and enable families to receive rights and procedural safeguards and to gain access to social, medical, legal, educational, and other supports and services; and

"(B) includes—

"(i) follow-along services that assure, through a continuing relationship between a family of a child with a disability and an individual or entity, that the changing needs of the child and family are recognized and appropriately met;

"(ii) the coordination and monitoring of services provided to children with disabilities and their families;

"(iii) the provision of information to children with disabilities and their families about the availability of services and assistance to such children and their families in obtaining appropriate services; and

"(iv) the facilitation and organization of existing social networks, and natural sources of support, and community resources and services.

"(14) STATEWIDE SYSTEM OF FAMILY SUPPORT.—The term 'statewide system of family support for families of children with disabilities' means a family-centered and family-directed, culturally competent, community-centered, comprehensive, statewide system of family support for families of children with disabilities developed and implemented by a State under this part that—

"(A) addresses the needs of all families of children with disabilities, including unserved and underserved populations; and

"(B) addresses such needs without regard to the age, type of disability, race, ethnicity, or gender of such children or the particular major life activity for which such children need the assistance.

"(15) SYSTEMS CHANGE ACTIVITIES.—The term 'systems change activities' means efforts that result in laws, regulations, policies, practices, or organizational structures—

"(A) that are family-centered and family-directed;

"(B) that facilitate and increase access to, provision of, and funding for, family support services for families of children with disabilities; and

"(C) that otherwise accomplish the purposes of this part.

"(16) UNSERVED AND UNDERSERVED POPULATIONS.—The term 'unserved and underserved populations' includes populations such as individuals from racial and ethnic minority backgrounds, disadvantaged individuals, individuals with limited-English proficiency, individuals from underserved geographic areas (rural or urban), and specific groups of individuals within the population of individuals with disabilities, including individuals with disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments.

"SEC. 704. GRANTS TO STATES.

"(a) IN GENERAL.—The Secretary shall make grants to States on a competitive basis, in accordance with the provisions of this part, to support systems change activities designed to assist States to develop and implement, or expand and enhance, a statewide system of family support for families of children with disabilities that accomplishes the purposes described in section 702.

"(b) AWARD PERIOD AND GRANT LIMITATION.—No grant shall be awarded for a period greater than 3 years. A State shall be eligible for not more than one grant.

"(c) AMOUNT OF GRANTS.—

"(1) GRANTS TO STATES.—From amounts appropriated under section 716(a), the Secretary shall pay to each State that has an application approved under section 705, for each year of the grant period, an amount that is not less than $200,000 and not more than $500,000.

"(2) GRANTS TO TERRITORIES.—From amounts appropriated under section 716(a) for any fiscal year, the Secretary shall pay to each territory that has an application approved under section 705 not more than $100,000.

"(3) CALCULATION OF AMOUNTS.—The Secretary shall calculate a grant amount described in paragraph (1) or (2) on the basis of the following:

"(A) The amounts available for making grants under this section.

"(B) The child population of the State or territory concerned.

"(4) DEFINITIONS.—As used in this subsection:

"(A) STATE.—The term 'State' means each of the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(B) TERRITORY.—The term 'territory' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau (upon the entry into force and effect of the Compact of Free Association between the United States and the Republic of Palau).

"(d) PRIORITY FOR PREVIOUSLY PARTICIPATING STATES.—Amounts appropriated for purposes of carrying out the provisions of this section in each of the 2 fiscal years succeeding the fiscal year in which amounts are first appropriated for such purposes shall first be made available to a State that—

"(1) received a grant under this section during the fiscal year preceding the fiscal year concerned; and

“(2) is making significant progress in accordance with section 710.

“(e) PRIORITIES FOR DISTRIBUTION.—To the extent practicable, the Secretary shall award grants to States under this section in a manner that—

“(1) is geographically equitable; and

“(2) distributes the grants among States that have differing levels of development of statewide systems of family support for families of children with disabilities.

“SEC. 705. APPLICATION.

“A State that desires to receive a grant under this part shall submit an application to the Secretary that contains the following information and assurances:

“(1) FAMILY-CENTERED AND FAMILY-DIRECTED APPROACH.—An assurance that the State will use funds made available under this part to accomplish the purposes described in section 702 and the goals, objectives, and family-centered outcomes described in section 709(b) by carrying out systems change activities in partnership with families and in a manner that is family-centered and family-directed.

“(2) DESIGNATION OF THE LEAD ENTITY.—Information identifying the lead entity, and evidence documenting the abilities of such entity.

“(3) STATE POLICY COUNCIL FOR FAMILIES OF CHILDREN WITH DISABILITIES.—An assurance of the following:

“(A) The State has established a Council that meets the criteria set forth in section 707.

“(B) The lead entity will seek and consider on a regular and ongoing basis advice from the Council regarding the development and implementation of the strategic plan under section 709, and other policies and procedures of general applicability pertaining to the provision of family support for families of children with disabilities in the State.

“(C) The lead entity will include, in its annual progress reports, a summary of advice provided by the Council, including recommendations from the annual report of the Council and the response of the lead entity to such advice and recommendations.

“(D) The lead entity will transmit to the Council any other plans, reports, and other information required under this part.

“(4) FAMILY INVOLVEMENT.—A description of the following:

“(A) The nature and extent of the involvement of families of children with disabilities and individuals with disabilities in the development of the application.

“(B) Strategies for actively involving families of children with disabilities and individuals with disabilities in the development, implementation, and evaluation of the statewide system of family support for families of children with disabilities.

“(C) Strategies for actively involving families of children with disabilities who use family support services in decisions relating to such services.

“(5) AGENCY INVOLVEMENT.—A description of the nature and extent of involvement of various State agencies or units within State agencies in the preparation of the application and the continuing role of each agency in the statewide system of family support for families of children with disabilities.

“(6) STATE RESOURCES.—A description of the State resources and other resources that are available to commit to the statewide system of family support for families of children with disabilities.

“(7) UNMET NEEDS.—A description of unmet needs for family support for families of children with disabilities within the State.

“(8) PRELIMINARY PLAN.—A preliminary plan that contains information on the program to be carried out under the grant with respect to the goals and objectives of the State for the program and the activities that the State plans to carry out under the program (including the process for appointing individuals to the Council) and that is consistent with the purposes of this part.

“(9) ACTIVITIES.—An assurance that, except for the first year of the grant, the State shall expend not less than 65 percent of the funds made available to a State under this part for grants and contracts to conduct the activities described in section 708.

“(10) LIMIT ON ADMINISTRATIVE COSTS.—An assurance that the lead entity that receives funding under this part in any fiscal year shall use not more than 5 percent of such funds in such year for administrative expenses. Such administrative expenses shall not include expenses related to the activities of the Council.

“(11) STRATEGIC PLAN.—A description of the measures that will be taken by the State to develop a strategic plan in accordance with section 709.

“(12) EVALUATION.—An assurance that the State will conduct an annual evaluation of the statewide system of family support for families of children with disabilities in accordance with section 710.

“(13) COORDINATION WITH STATE AND LOCAL COUNCILS.—An assurance that the lead entity will coordinate the activities funded through a grant made under this part with the activities carried out by other relevant councils within the State.

“(14) SUPPLEMENT OTHER FUNDS.—An assurance, with respect to amounts received under a grant, of the following:

“(A) Such grant will be used to supplement and not supplant amounts available from other sources that are expended for programs of family support for families of children with disabilities, including the provision of family support.

“(B) Such grant will not be used to pay a financial obligation for family support for families of children with disabilities that would have been paid with amounts available from other sources if amounts under such grant had not been available.

“(15) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the Secretary may reasonably require.

“SEC. 706. DESIGNATION OF THE LEAD ENTITY.

“(a) DESIGNATION.—The Chief Executive Officer of a State that desires to receive a grant under section 704, shall designate the office or entity (referred to in this part as the “lead entity ”) responsible for—

“(1) submitting the application under section 705 on behalf of the State;

“(2) administering and supervising the use of the amounts made available under the grant;

“(3) coordinating efforts related to and supervising the preparation of the application;

“(4) coordinating the planning, development, implementation (or expansion and enhancement), and evaluation of a statewide system of family support services for families of children with disabilities among public agencies and between public agencies and private agencies, including coordinating efforts related to entering into interagency agreements; and

“(5) coordinating efforts related to the meaningful participation by families in activities carried out under a grant awarded under this part.

“(b) QUALIFICATIONS.—In designating the lead entity, the Chief Executive Officer may designate—

“(1) an office of the Chief Executive Officer;

“(2) a commission appointed by the Chief Executive Officer;

“(3) a public agency;

“(4) a council established under Federal or State law; or

“(5) another appropriate office, agency, or entity.

“(c) CAPABILITIES OF THE LEAD ENTITY.—The State shall provide, in accordance with the requirements of section 705, evidence that the lead entity has the capacity—

“(1) to promote a statewide system of family support for families of children with disabilities throughout the State;

“(2) to promote and implement systems change activities;

“(3) to maximize access to public and private funds for family support services for families of children with disabilities;

“(4) to implement effective strategies for capacity building, family and professional training, and access to and funding for family support services for families of children with disabilities across agencies;

“(5) to promote and facilitate the implementation of family support services for families of children with disabilities that are family-centered and family-directed, and flexible, and that provide families with the greatest possible decisionmaking authority and control regarding the nature and use of services and supports;

“(6) to promote leadership by families in planning, policy development, implementation, and evaluation of family support services for families of children with disabilities, and parent-professional partnerships; and

“(7) to promote and develop interagency coordination and collaboration.

“SEC. 707. STATE POLICY COUNCIL FOR FAMILY SUPPORT FOR FAMILIES OF CHILDREN WITH DISABILITIES.

“(a) ESTABLISHMENT.—A State that desires to receive financial assistance under this part shall, prior to the receipt of funds under this part, establish a State Policy Council for Families of Children with Disabilities.

“(b) APPOINTMENTS.—

“(1) MEMBERS.—Members of the Council shall be appointed by the Chief Executive Officer of the State or the appropriate official within the State responsible for making appointments in accordance with subsection (c). The appointing authority shall select members after soliciting recommendations from the State Developmental Disabilities Council, parent or family organizations, and other organizations representing the full range of disabilities covered under this part. The appointing authority shall ensure that the membership of the Council reasonably represents the population of the State and shall establish guidelines for terms of Council members.

“(2) CHAIRPERSON.—The Council shall elect a member of the Council to serve as the Chairperson of the Council. The Chairperson shall be a family member, as described in subsection (c)(1).

“(c) COMPOSITION.—The Council shall be composed of—

“(1) a majority of members who are—

“(A) individuals who are family members of children with disabilities, are eligible for family support, and represent the diversity of families within the State; and

“(B) children with disabilities, from age 18 to 21, and are representative of the demographics of the State;

“(2) members—

“(A) who are from State agencies with significant responsibility for the provision of, or payment for, family support services to families of children with disabilities, and who have sufficient authority to engage in policy planning and implementation on behalf of such agencies; and

“(B) who are from the office of the Chief Executive Officer of the State with responsibility with respect to budget and finance; and

“(3) such additional members as the appointing authority considers appropriate.

“(d) FUNCTIONS.—The Council shall—

“(1) establish formal policies regarding the operation of the Council;

"(2) advise and assist the lead entity in the performance of responsibilities described in section 706(a), particularly the promotion of interagency agreements and the promotion of meaningful participation by families in all aspects of the statewide system of family support for families of children with disabilities;

"(3) advise and assist State agencies in the development of policies and procedures relating to the provision of family support for families of children with disabilities in the State;

"(4) advise and assist the lead entity in the development of all aspects of a strategic plan under section 709, including—

"(A) the mission, purpose, and principles of the statewide system of family support for families of children with disabilities;

"(B) the statement of family-centered outcomes;

"(C) the goals, objectives, and activities;

"(D) the quality improvement or quality enhancement system;

"(E) the appeals process;

"(F) the eligibility criteria to be used for all programs, projects, and activities carried out under this part;

"(G) the analysis of the extent to which family support for families of children with disabilities is defined as a benefit and not as income; and

"(H) the approach to the evaluation of the statewide system of family support for families of children with disabilities;

"(5) advise and assist the lead entity in the implementation of systems change activities;

"(6) advise and assist the lead entity in assessing family satisfaction with the statewide system of family support for families of children with disabilities;

"(7) review, analyze, and comment on the strategic plan and updates to the plan, progress reports, and annual budgets;

"(8) advise and assist the lead entity in the identification of Federal and State barriers that impede the development of a statewide system of family support for families of children with disabilities; and

"(9) prepare and submit to the Chief Executive Officer of the State, the State legislature, and to the Secretary an annual report on the status of family support services for families of children with disabilities, and make such report available to the public.

"(e) HEARINGS AND FORUMS.—The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

"(f) CONFLICT OF INTEREST.—No member of the Council shall cast a vote on any matter that would provide direct financial benefit to such member or otherwise give the appearance of a conflict of interest under applicable State law.

"(g) COMPENSATION AND EXPENSES.—The Council may, consistent with State law, use such resources to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing Council duties.

"(h) USE OF EXISTING COUNCIL.—

"(1) IN GENERAL.—To the extent that a State has an existing Council, the existing Council shall be considered in compliance with this section if the existing Council meets the requirements under paragraph (2).

"(2) REQUIREMENTS.—An existing Council shall—

"(A) include a majority of members who are family members of children with disabilities and who are children with disabilities (from age 18 to 21);

"(B) in the case in which the existing Council does not represent the full range of families and individuals described in subsection (c)(1), adopt strategies that will ensure the full participation of such families and individuals in all activities carried out by the Council; and

"(C) carry out functions and authorities that are comparable to the functions and authorities described in subsections (d) through (g).

"(3) DOCUMENTATION OF COMPLIANCE.—Any State that has an existing Council shall include in a grant application submitted under section 705 and in subsequent annual progress reports submitted to the Secretary under section 710, a description of the measures that are being taken or that are planned, to ensure that the existing Council of the State complies with this section.

"SEC. 708. AUTHORIZED ACTIVITIES.

"A State that receives a grant under section 704 may use the funds made available through the grant to carry out systems change activities, which accomplish the purposes described in section 702, such as the following activities:

"(1) TRAINING AND TECHNICAL ASSISTANCE.—The State may support training and technical assistance activities for family members, service providers, community members, professionals, members of the Council, students and others that will do the following:

"(A) Increase family participation, choice, and control in the provision of family support for families of children with disabilities.

"(B) Promote partnerships with families of children with disabilities at all levels of the service system.

"(C) Develop or strengthen family-centered and family-directed approaches to services, including service coordination services, service planning services, and respite care services.

"(D) Assist families of children with disabilities in accessing natural and community supports and in obtaining benefits and services.

"(2) INTERAGENCY COORDINATION.—The State may support activities that conduct the following:

"(A) Identification and coordination of Federal and State policies, resources, and services, relating to the provision of family support services for families of children with disabilities, including entering into interagency agreements.

"(B) Interagency work groups to enhance public funding options and coordinate access to funding for family support services for families of children with disabilities, with special attention to the issues of family involvement in the identification, planning, use, delivery, and evaluation of such services.

"(C) Documentation and dissemination of information about interagency activities that promote coordination with respect to family support services for families of children with disabilities, including evidence of increased participation of State and local health, maternal and child health, social service, mental health, mental retardation and developmental disabilities, child protection, education, early intervention, developmental disabilities councils, agencies, and departments.

"(3) LOCAL OR REGIONAL COUNCILS.—The State may support the development or enhancement of local or regional councils to review the status of family support for families of children with disabilities in the local or regional area, to advise and assist with the planning, development, implementation, and evaluation of family support for families of children with disabilities in such local or regional area, and to provide recommendations to the State regarding improvements and plans.

"(4) OUTREACH.—The State may conduct outreach activities to locate families who are eligible for family support for families of children with disabilities and to identify groups who are unserved or underserved. Such activities may involve the creation or maintenance of, support of, or provision of, assistance to statewide and community parent organizations, and organizations that provide family support to families of children with disabilities.

"(5) POLICY STUDIES.—The State may support policy studies that relate to the development and implementation, or expansion and enhancement, of a statewide system of family support for families of children with disabilities. Such studies may address issues regarding eligibility and access to services.

"(6) HEARINGS AND FORUMS.—The State may conduct hearings and forums to solicit input from families of children with disabilities regarding family support programs, policies, and plans for such families. Such hearings and forums may be conducted in collaboration with other statewide councils.

"(7) PUBLIC AWARENESS AND EDUCATION.—The State may develop and disseminate information relating to family support for families of children with disabilities designed to provide information to such families, parent groups and organizations, public and private agencies that are in contact with children with disabilities and families of such children, students, policymakers, and the public. Such information may relate to the nature, cost, and availability of, and accessibility to, family support for families of children with disabilities, the impact of family support for families of children with disabilities on other benefits, and the efficacy of family support for families of children with disabilities with respect to enhancing the quality of family life.

"(8) NEEDS ASSESSMENT.—The State may conduct a needs assessment, which may, in part, be based on existing State data.

"(9) PROGRAM DATA.—The State may support the compilation and evaluation of appropriate data related to the statewide system of family support for families of children with disabilities.

"(10) PILOT DEMONSTRATION PROJECTS.—The State may support pilot demonstration projects to demonstrate new approaches to the provision of family support for families of children with disabilities. Such projects may include the demonstration of family-centered and family-directed service coordination, approaches to improve access to services, including independent service coordination, peer support networks, and voucher programs.

"(11) OTHER ACTIVITIES.—The State may support other systems change activities that accomplish the purposes described in section 702.

"SEC. 709. STRATEGIC PLAN.

"(a) IN GENERAL.—Not later than 6 months after the date on which assistance is received by a State under this part, the lead entity of the State, in conjunction with the Council, shall prepare and submit to the Secretary a strategic plan designed to achieve the purposes and policy of this part.

"(b) CONTENTS.—The strategic plan shall include—

"(1) a statement of the mission, purpose, and principles of the statewide system of family support for families of children with disabilities in the State;

"(2) a statement of family-centered outcomes to be achieved by the statewide system of family support for families of children with disabilities;

"(3) specific goals and objectives for developing and implementing, or expanding and improving, the system for providing family support services for families of children with disabilities, and for achieving the family-centered outcomes;

"(4) systemic approaches for accomplishing the objectives and achieving the family-centered outcomes, including interagency coordination and cooperation, that builds upon state-of-the-art practices and research findings;

"(5) a description of the specific programs, projects, and activities funded under this part

and the manner in which the programs, projects, and activities accomplish the objectives and achieve the family-centered outcomes;

"(6) a description of an ongoing quality improvement or quality enhancement system, which utilizes information from ongoing measurements of the extent to which family-centered outcomes are achieved, to improve the system;

"(7) a description of an appeals process that will be used in resolving any disputes families of children with disabilities may have regarding the determination of eligibility or the provision of family support services to the family or to the child with a disability;

"(8) a description of the eligibility criteria to be used to carry out programs, projects, and activities under this part that includes all eligible families;

"(9) an analysis of the extent to which family support for a family of a child with a disability is defined as a benefit and not as income; and

"(10) a description of the plan to conduct an annual evaluation of the statewide system of family support for families of children with disabilities, in conjunction with the Council, to improve such statewide system and to document progress as required by section 710.

"(c) PERIOD AND UPDATES.—The strategic plan shall cover the period of the grant and shall be reviewed and updated on an annual basis to reflect actual experience and family satisfaction information over the preceding year and input from the Council, families of children with disabilities, and other interested parties.

"(d) RECOMMENDATIONS.—Prior to developing the strategic plan, the State shall solicit input and recommendations from interested members of the public, either by holding public hearings or through an alternative method or methods determined by the lead entity in consultation with the Council. The lead entity shall also obtain the comments and recommendations of the Council. The lead entity, in conjunction with the Council, shall consider the recommendations and attempt to reach a consensus with respect to such recommendations. If the lead entity and the Council are unable to reach a consensus, the lead entity shall include a written explanation of the reason a consensus was not reached in the strategic plan.

"(e) COMMENT.—The State shall develop a procedure for ensuring ongoing comment from the Council.

"(f) DISSEMINATION.—The State shall widely disseminate the strategic plan to families of children with disabilities, parent organizations, and other interested persons.

"(g) CONSTRUCTION.—Nothing in this section shall be construed to prevent a State from using an existing statewide strategic plan or parts thereof to meet the requirements of this section as long as such plan or the applicable parts thereof are comparable to the specifications of this section.

"SEC. 710. PROGRESS CRITERIA AND REPORTS.

"(a) GUIDELINES.—The Secretary shall develop guidelines to be used in assessing the extent to which a State that received a grant under section 704 is making significant progress in developing and implementing, or expanding and enhancing, a statewide system of family support for families of children with disabilities consistent with the purposes of this part.

"(b) PROGRESS REPORTS.—A State that receives a grant under section 704 shall submit annually to the Secretary a report that documents progress in developing and implementing, or expanding and enhancing, a statewide system of family support for families of children with disabilities consistent with this part. Such report shall include—

"(1) the results of the annual evaluation of the statewide system of family support for families of children with disabilities;

"(2) a description of the unanticipated problems with the achievement of the goals, objectives, and family-centered outcomes described in the application or strategic plan and the measures the State has taken to rectify such problems;

"(3) for the annual progress report concerning the first year of the grant period, the strategic plan developed by the State during the first year; and

"(4) for the annual progress report concerning subsequent years of the grant period, the updated strategic plan.

"SEC. 711. ADMINISTRATIVE PROVISIONS.

"(a) EVALUATION OF GRANT APPLICATIONS.—

"(1) PANELS.—The Secretary shall convene panels of experts who are competent, by virtue of their training or experience, to evaluate grant applications under this part.

"(2) COMPOSITION OF PANELS.—Panels shall be composed of a majority of family members of children with disabilities and individuals with disabilities, and may include service providers, State administrative personnel, and professionals. Panels shall include a majority of individuals who are not Federal employees.

"(3) EXPENSES AND FEES OF THE PANEL.—A member of the Panel who is not a Federal employee shall receive travel, per diem and consultant fees not to exceed the rate provided to other consultants used by the Secretary. The Secretary may use funds available under section 716 to pay expenses and fees of a member of a Panel who is not a Federal employee.

"(b) PROVISION OF INFORMATION.—To assist the Secretary in carrying out the responsibilities of the Secretary under this section, the Secretary may require States to provide relevant information, including recommendations and relevant reports of the Council.

"(c) APPEALS.—The Secretary shall establish appeals procedures for States that are found in noncompliance with the provisions of this part as the result of failure to supply information required under section 705 or 710. The Secretary shall take into consideration the comments of the Council.

"(d) EFFECT ON OTHER ASSISTANCE.—This part may not be construed as authorizing a Federal or State agency to reduce medical or other assistance available, or to alter eligibility, under any Federal law.

"(e) UNOBLIGATED FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the next fiscal year for the purposes for which such amount was paid.

"SEC. 712. TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary shall make grants, or enter into contracts or cooperative agreements, with appropriate public or private agencies and organizations, including institutions of higher education, with documented experience, expertise, and capacity, for the purpose of providing technical assistance and information with respect to the development and implementation, or expansion and enhancement, of a statewide system of family support for families of children with disabilities.

"(b) PURPOSE.—With respect to States receiving assistance under this part, the technical assistance and information described under subsection (a) shall be provided to the State agency designated as the lead entity, the Council, family members of children with disabilities, organizations, service providers, and policymakers involved with children with disabilities and their families. Such technical assistance shall also be available to States that do not receive assistance under this part. Such technical assistance and information shall—

"(1) facilitate effective systems change activities;

"(2) promote effective approaches to the development and implementation, or expansion and enhancement of, the statewide systems of family support for families of children with disabilities that increase access to, funding for, and awareness of family support for families of children with disabilities;

"(3) promote partnerships with families at all levels of the service system;

"(4) foster awareness and understanding of Federal, State, and local laws, regulations, policies, practices, procedures, and organizational structures, that facilitate, and overcome barriers to, funding for, and access to family support for families of children with disabilities;

"(5) foster the development and replication of effective approaches to strategic plan development, interagency coordination, training, outreach to underserved groups, and public awareness activities;

"(6) facilitate service delivery capacity, training, and the improvement of data collection and evaluation systems;

"(7) promote effective approaches to the development of family-centered and family-directed services, including approaches to the development and measurement of family-centered outcomes described in section 709(b)(2), and the assessment of family satisfaction; and

"(8) coordinate and facilitate an annual meeting of the chairpersons of the Councils.

"(c) REQUEST FOR TECHNICAL ASSISTANCE.—A request for technical assistance by a lead entity in a State receiving assistance under this part shall be made in conjunction with the Council.

"(d) REPORTS TO THE SECRETARY.—An entity providing the technical assistance under this section shall submit periodic reports to the Secretary regarding Federal policies and procedures identified within the States that facilitate or impede the delivery of family support to families of children with disabilities. The report shall include recommendations to the Secretary regarding the delivery of services, coordination with other programs, and integration of the policies and principles described in section 702 in other Federal legislation.

"SEC. 713. EVALUATION.

"(a) IN GENERAL.—The Secretary shall make grants, or enter into contracts or cooperative agreements, with appropriate public or private agencies and organizations, including institutions of higher education, with documented experience, expertise, and capacity for the purpose of conducting a national evaluation of the program of grants to States authorized by this part.

"(b) PURPOSE.—The purpose of an evaluation under subsection (a) shall be to assess the status and effects of State efforts to develop and implement, or expand and enhance, statewide systems of family support for families of children with disabilities in a manner consistent with the provisions of this part, particularly in terms of the impact of such efforts on families of children with disabilities, and to recommend amendments to this part that are necessary to assist States to fully accomplish the purposes of this part. The Secretary or recipient of assistance under this section shall work with the States to consider and develop an information system designed to report and compile, from information provided by the States, including the Council, a qualitative and quantitative description of the impact of the program of grants to States authorized by this part on—

"(1) families of children with disabilities, including families from ethnic and racial minority backgrounds;

"(2) access to and funding for family support for families of children with disabilities; and

"(3) the involvement of families at all levels of the service system.

"(c) REPORT TO CONGRESS.—Not later than 2½ years after the date of enactment of this part, *the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the results of the evaluation conducted under this section.*

"(d) CONFLICT OF INTEREST.—The Secretary shall assure that a recipient of a grant, contract, or cooperative agreement under this section is independent from, and free from, any financial or personal relationships with the recipient of a grant, contract, or cooperative agreement selected to provide technical assistance under section 712.

"SEC. 714. PROJECTS OF NATIONAL SIGNIFICANCE.

"(a) STUDY BY THE SECRETARY.—The Secretary shall review Federal programs to determine the extent to which such programs facilitate or impede access to, provision of, and funding for family support for families of children with disabilities, consistent with the policies described in section 702.

"(b) DEMONSTRATION AND INNOVATION PROJECTS.—The Secretary shall make grants or enter into contracts for projects of national significance to support the development of national and State policies and practices related to the development and implementation, or expansion and enhancement, of family-centered and family-directed systems of family support for families of children with disabilities.

"SEC. 715. CONSTRUCTION.

"Notwithstanding any other provision of this title, nothing in parts A through H of this title shall be construed to apply to this part.

"SEC. 716. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, $10,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 and 1997.

"(b) RESERVATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall reserve for each fiscal year 10 percent, or $600,000 (whichever is greater), of the amount appropriated pursuant to the authority of subsection (a) to carry out—

"(A) section 712, with respect to the provision of technical assistance and information to States;

"(B) section 713, with respect to the conduct of the evaluations;

"(C) section 711(a), with respect to the evaluation of grant applications; and

"(D) section 714, with respect to the conduct of projects of national significance.

"(2) SPECIAL RULE.—The Secretary shall only use funds reserved under paragraph (1) for a fiscal year to carry out section 714 for such year if the amount of funds reserved under such paragraph for such fiscal year is $700,000 or greater.".

PART B—AMENDMENTS TO THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

SEC. 321. STATE LITERACY INITIATIVES.

Section 702 of the Stewart B. McKinney Homeless Assistance Act (hereafter in this part referred to as "the Act") (42 U.S.C. 11421) is amended to read as follows:

"STATE LITERACY INITIATIVES

"SEC. 702. (a) GENERAL AUTHORITY.—

"(1) GRANTS.—The Secretary of Education is authorized to make grants to State educational agencies to enable each such agency to implement, either directly or through contracts and grants, a program of literacy training and academic remediation for adult homeless individuals within the State, which program shall—

"(A) include outreach activities; and

"(B) be coordinated with other agencies or organizations, such as community-based organizations, nonprofit literacy-action organizations, and recipients of funds under the Adult Education Act, title II of the Job Training Partnership Act, the Youth Fair Chance program under part H of title IV of the Job Training Partnership Act, the Volunteers in Service to America program under part A of title I of the Domestic Volunteer Service Act of 1973, part C of this title, or the Job Opportunity and Basic Skills program under part F of title IV of the Social Security Act.

"(2) ESTIMATES AND AMOUNTS.—The Secretary of Education, in awarding grants under this section, shall give special consideration to the estimates submitted in the application submitted under subsection (b) and make such awards in whatever amounts such Secretary determines will best serve the purposes of this section.

"(b) APPLICATION.—Each State educational agency desiring to receive a grant under this section shall submit to the Secretary of Education an application at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall include an estimate of the number of homeless individuals in the State and the number of such individuals expected to be served.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the adult literacy and academic remediation programs authorized by this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1999.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).".

SEC. 322. EDUCATION FOR HOMELESS CHILDREN AND YOUTH.

Subtitle B of title VII of the Act (42 U.S.C. 11431 et seq.) is amended to read as follows:

"Subtitle B—Education for Homeless Children and Youth

"STATEMENT OF POLICY

"SEC. 721. It is the policy of the Congress that—

"(1) each State educational agency shall ensure that each child of a homeless individual and each homeless youth has equal access to the same free, appropriate public education, including a public preschool education, as provided to other children and youth;

"(2) in any State that has a compulsory residency requirement as a component of the State's compulsory school attendance laws or other laws, regulations, practices, or policies that may act as a barrier to the enrollment, attendance, or success in school of homeless children and youth, the State will review and undertake steps to revise such laws, regulations, practices, or policies to ensure that homeless children and youth are afforded the same free, appropriate public education as provided to other children and youth;

"(3) homelessness alone should not be sufficient reason to separate students from the mainstream school environment; and

"(4) homeless children and youth should have access to the education and other services that such children and youth need to ensure that such children and youth have an opportunity to meet the same challenging State student performance standards to which all students are held.

"GRANTS FOR STATE AND LOCAL ACTIVITIES FOR THE EDUCATION OF HOMELESS CHILDREN AND YOUTH

"SEC. 722. (a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to States in accordance with the provisions of this section to enable such States to carry out the activities described in subsections (d), (e), (f), and (g).

"(b) APPLICATION.—No State may receive a grant under this section unless the State educational agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(c) ALLOCATION AND RESERVATIONS.—(1) Subject to paragraph (2) and section 724(c), from the amounts appropriated for each fiscal year under section 726, the Secretary is authorized to allot to each State an amount that bears the same ratio to the amount appropriated for such year under section 726 as the amount allocated under section 1122 of the Elementary and Secondary Education Act of 1965 to the State for that year bears to the total amount allocated under section 1122 to all States for that year, except that no State shall receive less than $100,000.

"(2)(A) The Secretary is authorized to reserve 0.1 percent of the amount appropriated for each fiscal year under section 726 to be allocated by the Secretary among the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau), according to their respective need for assistance under this subtitle, as determined by the Secretary.

"(B)(i) The Secretary is authorized to transfer one percent of the amount appropriated for each fiscal year under section 726 to the Department of the Interior for programs for Indian students served by schools funded by the Secretary of the Interior, as determined under the Indian Self-Determination and Education Assistance Act, that are consistent with the purposes of this Act.

"(ii) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of this part, for the distribution and use of the funds described in clause (i) under terms that the Secretary determines best meet the purposes of the programs described in such clause. Such agreement shall set forth the plans of the Secretary of the Interior for the use of the amounts transferred, including appropriate goals, objectives and milestones.

"(3) As used in this subsection, the term 'State' shall not include the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or Palau.

"(d) MANDATED ACTIVITIES.—Grants under this section shall be used—

"(1) to carry out the policies set forth in section 721 in the State;

"(2) to provide activities for, and services to, homeless children, including preschool-aged children, and homeless youth that enable such children and youth to enroll in, attend, and succeed in school, or, if appropriate, in preschool programs;

"(3) to establish or designate an Office of Coordinator of Education of Homeless Children and Youth in the State educational agency in accordance with subsection (f);

"(4) to prepare and carry out the State plan described in subsection (g); and

"(5) to develop and implement professional development programs for school personnel to heighten their awareness of, and capacity to respond to, specific problems in the education of homeless children and youth.

"(e) STATE AND LOCAL GRANTS.—(1)(A) Subject to subparagraph (B), if the amount allotted to the State educational agency for any fiscal year under this subtitle exceeds the amount such agency received for fiscal year 1990 under this subtitle, such agency shall use such funds as exceed the amount such agency received for fiscal year 1990 under this subtitle to provide grants to local educational agencies in accordance with section 723.

"(B) The State educational agency may reserve not more than the greater of 5 percent of

the amount such agency receives under this subtitle for any fiscal year, or the amount such agency received under this subtitle for fiscal year 1990, to conduct activities under subsection (f) directly or through grants or contracts.

"(2) If the amount allotted to a State educational agency for any fiscal year under this subtitle is less than the amount such agency received for fiscal year 1990 under this subtitle, such agency, at such agency's discretion, may provide grants to local educational agencies in accordance with section 723 or may conduct activities under subsection (f) directly or through grants or contracts.

"(f) FUNCTIONS OF THE OFFICE OF COORDINATOR.—The Coordinator of Education of Homeless Children and Youth established in each State shall—

"(1) estimate the number of homeless children and youth in the State and the number of such children and youth served with assistance provided under the grants or contracts under this subtitle;

"(2) gather, to the extent possible, reliable, valid, and comprehensive information on the nature and extent of the problems homeless children and youth have in gaining access to public preschool programs and to public elementary and secondary schools, the difficulties in identifying the special needs of such children and youth, any progress made by the State educational agency and local educational agencies in the State in addressing such problems and difficulties, and the success of the program under this subtitle in allowing homeless children and youth to enroll in, attend, and succeed in, school;

"(3) develop and carry out the State plan described in subsection (g);

"(4) prepare and submit to the Secretary not later than October 1, 1997, and on October 1 of every third year thereafter, a report on the information gathered pursuant to paragraphs (1) and (2) and such additional information as the Secretary may require to carry out the Secretary's responsibilities under this subtitle;

"(5) facilitate coordination between the State educational agency, the State social services agency, and other agencies providing services to homeless children and youth, including homeless children and youth who are preschool age, and families of such children and youth; and

"(6) develop relationships and coordinate with other relevant education, child development, or preschool programs and providers of services to homeless children, homeless families, and runaway and homeless youth (including domestic violence agencies, shelter operators, transitional housing facilities, runaway and homeless youth centers, and transitional living programs for homeless youth), to improve the provision of comprehensive services to homeless children and youth and their families.

"(g) STATE PLAN.—(1) Each State shall submit to the Secretary a plan to provide for the education of homeless children and youth within the State, which plan shall describe how such children and youth are or will be given the opportunity to meet the same challenging State performance standards all students are expected to meet, shall describe the procedures the State educational agency will use to identify such children and youth in the State and to assess their special needs, and shall—

"(A) describe procedures for the prompt resolution of disputes regarding the educational placement of homeless children and youth;

"(B) describe programs for school personnel (including principals, attendance officers, teachers and enrollment personnel), to heighten the awareness of such personnel of the specific needs of runaway and homeless youth;

"(C) describe procedures that ensure that homeless children and youth who meet the relevant eligibility criteria are able to participate in Federal, State, or local food programs;

"(D) describe procedures that ensure that—

"(i) homeless children have equal access to preschool programs provided to other children; and

"(ii) homeless children and youth who meet the relevant eligibility criteria are able to participate in Federal, State, or local before- and after-school care programs;

"(E) address problems set forth in the report provided to the Secretary under subsection (f)(4);

"(F) address other problems with respect to the education of homeless children and youth, including problems caused by—

"(i) transportation issues; and

"(ii) enrollment delays that are caused by—

"(I) immunization requirements;

"(II) residency requirements;

"(III) lack of birth certificates, school records, or other documentation; or

"(IV) guardianship issues;

"(G) demonstrate that the State educational agency and local educational agencies in the State have developed, and will review and revise, policies to remove barriers to the enrollment and retention of homeless children and youth in schools in the State; and

"(H) contain an assurance that the State educational agency and local educational agencies in the State will adopt policies and practices to ensure that homeless children and youth are not isolated or stigmatized.

"(2) Each plan adopted under this subsection shall also show how the State will ensure that local educational agencies in the State will comply with the requirements of paragraphs (3) through (9).

"(3)(A) The local educational agency of each homeless child and youth shall, according to the child's or youth's best interest, either—

"(i) continue the child's or youth's education in the school of origin—

"(I) for the remainder of the academic year; or

"(II) in any case in which a family becomes homeless between academic years, for the following academic year; or

"(ii) enroll the child or youth in any school that nonhomeless students who live in the attendance area in which the child or youth is actually living are eligible to attend.

"(B) In determining the best interests of the child or youth under subparagraph (A), the local educational agency shall comply, to the extent feasible, with the request made by a parent or guardian regarding school selection.

"(C) For purposes of this paragraph, the term 'school of origin' means the school that the child or youth attended when permanently housed, or the school in which the child or youth was last enrolled.

"(D) The choice regarding placement shall be made regardless of whether the child or youth lives with the homeless parents or has been temporarily placed elsewhere by the parents.

"(4) Each homeless child or youth shall be provided services comparable to services offered to other students in the school selected according to the provisions of paragraph (3), including—

"(A) transportation services, except as required by paragraph (9);

"(B) educational services for which the child or youth meets the eligibility criteria, such as services provided under title I of the Elementary and Secondary Education Act of 1965 or similar State or local programs, educational programs for children with disabilities, and educational programs for students with limited-English proficiency;

"(C) programs in vocational education;

"(D) programs for gifted and talented students; and

"(E) school meals programs.

"(5) Any record ordinarily kept by the school, including immunization records, academic records, birth certificates, guardianship records, and evaluations for special services or programs, of each homeless child or youth shall be maintained—

"(A) so that the records are available, in a timely fashion, when a child or youth enters a new school district; and

"(B) in a manner consistent with section 438 of the General Education Provisions Act.

"(6) Each local educational agency serving homeless children and youth that receives assistance under this subtitle shall coordinate with local social services agencies and other agencies or programs providing services to such children or youth and their families.

"(7)(A) Each local educational agency that receives assistance under this subtitle shall designate a homelessness liaison to ensure that—

"(i) homeless children and youth enroll and succeed in the schools of that agency; and

"(ii) homeless families, children, and youth receive educational services for which such children and youth are eligible, including preschool programs, and referrals to health care services, dental services, mental health services, and other appropriate services.

"(B) State coordinators and local educational agencies shall inform school personnel, service providers, and advocates working with homeless families of the duties of the liaisons.

"(8) Each State educational agency and local educational agency shall review and revise any policies that may act as barriers to the enrollment of homeless children and youth in schools selected in accordance with paragraph (3). In reviewing and revising such policies, consideration shall be given to issues concerning transportation, immunization, residency, birth certificates, school records, and other documentation, and guardianship. Special attention shall be given to ensuring the enrollment and attendance of homeless children and youth who are not currently attending school.

"(9) Each plan adopted under this subsection shall—

"(A) demonstrate that transportation, to the extent possible, will be provided at no cost to homeless children and youth attending the school in which such children are enrolled; and

"(B) contain procedures for resolving disputes between local educational agencies or within a local educational agency concerning transportation costs for such children and youth.

"(10) Where applicable, each State and local educational agency shall coordinate with State and local housing agencies responsible for developing the comprehensive housing affordability strategy described in section 105 of the Cranston-Gonzalez National Affordable Housing Act to minimize educational disruption for children who become homeless.

"LOCAL EDUCATIONAL AGENCY GRANTS FOR THE EDUCATION OF HOMELESS CHILDREN AND YOUTH

"SEC. 723. (a) GENERAL AUTHORITY.—(1) The State educational agency shall, in accordance with section 722(e) and from amounts made available to such agency under section 726, make grants to local educational agencies for the purpose of facilitating the enrollment, attendance, and success in school of homeless children and youth.

"(2) Unless otherwise specified, services under paragraph (1) may be provided through programs on school grounds or at other facilities. Where services are provided through programs on school grounds, such services may also be made available to children and youth who are determined by the local educational agency to be at risk of failing in, or dropping out of, schools, except that priority for such services shall be given to homeless children and youth.

To the maximum extent practicable, services shall be provided through existing programs and mechanisms that integrate homeless individuals with nonhomeless individuals.

"(3) Services provided under this section shall be designed to expand upon or improve services provided as part of the school's regular academic program.

"(b) APPLICATION.—A local educational agency that desires to receive a grant under this section shall submit an application to the State educational agency at such time, in such manner, and containing or accompanied by such information as the State educational agency may reasonably require according to guidelines issued by the Secretary. Each such application shall include—

"(1) a description of the services and programs for which assistance is sought and the problems to be addressed through the provision of such services and programs;

"(2) an assurance that the local educational agency's combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year;

"(3) an assurance that the applicant complies with, or will use requested funds to come into compliance with, paragraphs (3) through (9) of section 722(g); and

"(4) a description of policies and procedures that the agency will implement to ensure that activities carried out by the agency will not isolate or stigmatize homeless children and youth.

"(c) AWARDS.—(1) The State educational agency shall, in accordance with section 722(g) and from amounts made available to such agency under section 726, award grants under this section to local educational agencies submitting an application under subsection (b) on the basis of the need of such agencies.

"(2) In determining need under paragraph (1), the State educational agency may consider the number of homeless children and youth enrolled in preschool, elementary, and secondary schools within the area served by the agency, and shall consider the needs of such children and youth and the ability of the agency to meet such needs. Such agency may also consider—

"(A) the extent to which the proposed use of funds would facilitate the enrollment, retention, and educational success of homeless children and youth;

"(B) the extent to which the application reflects coordination with other local and State agencies that serve homeless children and youth, as well as the State plan required by section 722(g);

"(C) the extent to which the applicant exhibits in the application and in current practice a commitment to education for all homeless children and youth; and

"(D) such other criteria as the agency determines appropriate.

"(3) Grants awarded under this section shall be for terms not to exceed three years.

"(d) AUTHORIZED ACTIVITIES.—(1) A local educational agency may use funds awarded under this section for activities to carry out the purpose of this subtitle, including—

"(A) the provision of tutoring, supplemental instruction, and enriched educational services that are linked to the achievement of the same challenging State content standards and challenging State student performance standards the State establishes for other children or youth;

"(B) the provision of expedited evaluations of the strengths and needs of homeless children and youth, including needs and eligibility for programs and services (such as educational programs for gifted and talented students, children with disabilities, and students with limited-English proficiency, services provided under title I of the Elementary and Secondary Education Act of 1965 or similar State or local programs, programs in vocational education, and school meals programs);

"(C) professional development and other activities for educators and pupil services personnel that are designed to heighten the understanding and sensitivity of such personnel to the needs of homeless children and youth, the rights of such children and youth under this Act, and the specific educational needs of runaway and homeless youth;

"(D) the provision of referral services to homeless children and youth for medical, dental, mental, and other health services;

"(E) the provision of assistance to defray the excess cost of transportation for students pursuant to sections 722(g)(4) or 722(g)(9), not otherwise provided through Federal, State, or local funding, where necessary to enable students to attend the school selected under section 722(g)(3);

"(F) the provision of developmentally appropriate early childhood education programs, not otherwise provided through Federal, State, or local funding, for preschool-aged children;

"(G) the provision of before- and after-school and summer enrichment programs for homeless children and youth in which a teacher or other qualified individual provides tutoring, homework assistance, and supervision of educational activities;

"(H) where necessary, the payment of fees and other costs associated with tracking, obtaining, and transferring records necessary to enroll homeless children and youth in school, including birth certificates, immunization records, academic records, guardianship records, and evaluations for special programs or services;

"(I) the provision of education and training to the parents of homeless children and youth about the rights of, and resources available to, such children and youth;

"(J) the development of coordination between schools and agencies providing services to homeless children and youth;

"(K) the provision of pupil services (including violence prevention counseling) and referrals for such services;

"(L) activities to address the particular needs of homeless children and youth that may arise from domestic violence;

"(M) the adaptation of space and purchase of supplies for nonschool facilities made available under subsection (a)(2) to provide services under this subsection;

"(N) the provision of school supplies to be distributed at shelters or temporary housing facilities, or other appropriate locations; and

"(O) the provision of other extraordinary or emergency assistance needed to enable homeless children and youth to attend school.

"SECRETARIAL RESPONSIBILITIES

"SEC. 724. (a) REVIEW OF PLANS.—In reviewing the State plans submitted by the State educational agencies under section 722(g), the Secretary shall use a peer review process and shall evaluate whether State laws, policies, and practices described in such plans adequately address the problems of homeless children and youth relating to access to education and placement as described in such plans.

"(b) TECHNICAL ASSISTANCE.—The Secretary shall provide support and technical assistance to the State educational agencies to assist such agencies to carry out their responsibilities under this subtitle.

"(c) EVALUATION AND DISSEMINATION.—The Secretary shall conduct evaluation and dissemination activities of programs designed to meet the educational needs of homeless elementary and secondary school students, and may use funds appropriated under section 726 to conduct such activities.

"(d) REPORTS.—The Secretary shall prepare and submit a report to Congress on the programs and activities authorized by this subtitle by December 31, 1997, and every third year thereafter.

"DEFINITIONS

"SEC. 725. For the purpose of this subtitle, the following terms have the following meanings:

"(1) The term 'Secretary' means the Secretary of Education.

"(2) The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 726. For the purpose of carrying out this subtitle, there are authorized to be appropriated $30,000,000 for fiscal year 1995 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

PART C—REPEAL OF IMPACT AID STATUTES

SEC. 331. REPEAL OF IMPACT AID STATUTES.

(a) PUBLIC LAW 81–815.—The Act entitled "An Act relating to the construction of school facilities in areas affected by Federal activities, and for other purposes", approved September 23, 1950 (64 Stat. 967; 20 U.S.C. 631 et seq.) is repealed.

(b) PUBLIC LAW 81–874.—The Act entitled "An Act to provide assistance for local educational agencies in areas affected by Federal activities, and for other purposes", approved September 30, 1950 (64 Stat. 1100; 20 U.S.C. 236 et seq.) is repealed.

PART D—OTHER ACTS

SEC. 341. GOALS 2000: EDUCATE AMERICA ACT.

(a) REPEALS.—Sections 231, 232, 234, and 235 of the Goals 2000: Educate America Act are repealed.

(b) GIFT AUTHORITY.—

(1) NATIONAL EDUCATION GOALS PANEL.—Section 204 of the Goals 2000: Educate America Act is amended by adding at the end the following new subsection:

"(f) GIFTS.—The Goals Panel may accept, administer, and utilize gifts or donations of services, money, or property, whether real or personal, tangible or intangible.".

(2) NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL.—Section 215 of the Goals 2000: Educate America Act is amended by adding at the end the following new subsection:

"(f) GIFTS.—The Council may accept, administer, and utilize gifts or donations of services, money, or property, whether real or personal, tangible or intangible.".

(c) LOCAL AGENCY PLAN APPROVAL.—Paragraph 4 of section 309(a) of the Goals 2000: Educate America Act is amended by inserting the words "made by the local educational agency" after the word "modifications".

(d) SAFE SCHOOLS.—Paragraph (2) of section 702(b) of the Safe Schools Act of 1994 (20 U.S.C. 5962(b)(2)) is amended by striking "10 percent" and inserting "5 percent".

(e) STATE PLANNING FOR IMPROVING STUDENT ACHIEVEMENT THROUGH INTEGRATION OF TECHNOLOGY INTO THE CURRICULUM.—Subsection (b) of section 317 of the Goals 2000: Educate America Act (20 U.S.C. 5897(b)) is amended by adding at the end the following new paragraph:

"(3) OUTLYING AREAS.—(A) From the amount appropriated pursuant to the authority of subsection (f) for fiscal year 1994, the Secretary shall reserve a total of 1 percent to provide assistance under this section to the outlying areas.

"(B) The funds reserved under subparagraph (A) shall be distributed among the outlying areas by the Secretary according to the relative need of such areas for assistance under this section.".

SEC. 342. EDUCATION COUNCIL ACT OF 1991.

Title II of the Education Council Act of 1991 (20 U.S.C. 1221–1 note) is repealed.

SEC. 343. AUGUSTUS F. HAWKINS-ROBERT T. STAFFORD ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT AMENDMENTS OF 1988.

Title IV of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4901 et seq.) is repealed.

SEC. 344. STAR SCHOOLS PROGRAM ASSISTANCE ACT.

The Star Schools Program Assistance Act (20 U.S.C. 4081 et seq.) is repealed.

SEC. 345. FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING ACT.

The Fund for the Improvement and Reform of Schools and Teaching Act (20 U.S.C. 4801) is repealed.

SEC. 346. TECHNOLOGY-RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988.

(a) IN GENERAL.—Title II of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2231 et seq.) is amended by striking part E.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the Technology-Related Assistance for Individuals With Disabilities Act Amendments of 1994.

SEC. 347. OFFICE OF INDIAN EDUCATION.

Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) (as amended by section 271) is further amended by adding at the end the following new section:

"OFFICE OF INDIAN EDUCATION

"SEC. 217. (a) There shall be in the Department an Office of Indian Education (hereafter in this section referred to as the 'Office').

"(b)(1) The Office shall be headed by a Director of Indian Education (hereafter in this section referred to as the 'Director') who shall—

"(A) be appointed by the Secretary; and

"(B) report directly to the Assistant Secretary for Elementary and Secondary Education.

"(2) The Director shall—

"(A) be responsible for administering title VI of the Elementary and Secondary Education Act of 1965;

"(B) be involved in, and be primarily responsible for, the development of all policies affecting Indian children and adults under programs administered by the Office;

"(C) coordinate the development of policy and practice for all programs in the Department relating to Indian persons; and

"(D) assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to the education of Indian persons.

"(3) The Director shall be a career appointee in the Senior Executive Service, and shall be paid at a level determined by the Secretary.

"(c)(1) The Secretary shall give preference to Indian individuals with respect to all personnel actions of the Office.

"(2) Such preference shall be implemented in the same fashion as the preference given to any Indian under section 2609 of the Revised Statutes (25 U.S.C. 45).".

SEC. 348. INDIAN EDUCATION ACT OF 1988.

The Indian Education Act of 1988 (25 U.S.C. 2601 note) is repealed.

SEC. 349. HIGHER EDUCATION ACT OF 1965.

(a) SHORT TITLE.—This section may be cited as the "Equity in Athletics Disclosure Act".

(b) FINDINGS.—The Congress finds that—

(1) participation in athletic pursuits plays an important role in teaching young Americans how to work on teams, handle challenges and overcome obstacles;

(2) participation in athletic pursuits plays an important role in keeping the minds and bodies of young Americans healthy and physically fit;

(3) there is increasing concern among citizens, educators, and public officials regarding the athletic opportunities for young men and women at institutions of higher education;

(4) a recent study by the National Collegiate Athletic Association found that in Division I–A institutions, only 20 percent of the average athletic department operations budget of $1,310,000 is spent on women's athletics; 15 percent of the average recruiting budget of $318,402 is spent on recruiting female athletes; the average scholarship expenses for men is $1,300,000 and $505,246 for women; and an average of 143 grants are awarded to male athletes and 59 to women athletes;

(5) female college athletes receive less than 18 percent of the athletics recruiting dollar and less than 24 percent of the athletics operating dollar;

(6) male college athletes receive approximately $179,000,000 more per year in athletic scholarship grants than female college athletes;

(7) prospective students and prospective student athletes should be aware of the commitments of an institution to providing equitable athletic opportunities for its men and women students; and

(8) knowledge of an institution's expenditures for women's and men's athletic programs would help prospective students and prospective student athletes make informed judgments about the commitments of a given institution of higher education to providing equitable athletic benefits to its men and women students.

(c) AMENDMENT.—Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) is amended by adding at the end the following new subsection:

"(g) DISCLOSURE OF ATHLETIC PROGRAM PARTICIPATION RATES AND FINANCIAL SUPPORT DATA.—

"(1) DATA REQUIRED.—Each institution of higher education that participates in any program under this title, and has an intercollegiate athletic program, shall annually submit a report to the Secretary that contains the following information:

"(A) For each men's team, women's team, and any team that includes both male and female athletes, the following data:

"(i) The total number of participants and their gender.

"(ii) The total athletic scholarship expenditures.

"(iii) A figure that represents the total athletic scholarship expenditures divided by the total number of participants.

"(iv) The total number of contests for the team.

"(v) The per capita operating expenses for the team.

"(vi) The per capita recruiting expenses for the team.

"(vii) The per capita personnel expenses for the team.

"(viii) Whether the head coach is male or female and whether the head coach is full time or part time.

"(ix) The number of assistant coaches that are male and the number of assistant coaches that are female and whether each particular coach is full time or part time.

"(x) The number of graduate assistant coaches that are male and the number of graduate assistant coaches that are female.

"(xi) The number of volunteer assistant coaches that are male and the number of volunteer assistant coaches that are female.

"(xii) The ratio of participants to coaches.

"(xiii) The average annual institutional compensation of the head coaches of men's sports teams, across all offered sports, and the average annual compensation of the head coaches of women's sports teams, across all offered sports.

"(xiv) The average annual institutional compensation of each of the assistant coaches of men's sports teams, across all offered sports, and the average annual compensation of the assistant coaches of women's sports teams, across all offered sports.

"(xv) The total annual revenues generated from attendance at athletic contests across all men's teams and women's teams.

"(B) A statement of the following data:

"(i) The ratio of male participants to female participants in the entire athletic program.

"(ii) The ratio of male athletic scholarship expenses to female athletic scholarship expenses in the entire athletic program.

"(2) DISCLOSURE TO PROSPECTIVE STUDENTS.—An institution of higher education described in paragraph (1) that offers admission to a potential student shall provide to such student, upon request, the information contained in the report submitted by such institution to the Secretary under paragraph (1), except that all such students shall be informed of their right to request such information.

"(3) DISCLOSURE TO THE PUBLIC.—An institution of higher education described in paragraph (1) shall make available to the public, upon request, the information contained in the report submitted by such institution to the Secretary under paragraph (1).

"(4) SECRETARY'S DUTY TO PUBLISH A REPORT OF THE DATA.—On or before July 1, 1995, and each July 1 thereafter, the Secretary, using the reports submitted under this subsection, shall compile, publish, and submit to the appropriate committees of the Congress, a report that includes the information contained in such reports identified by (A) the individual institutions, and (B) by the athletic conferences recognized by the National Collegiate Athletic Association and the National Association of Intercollegiate Athletics.

"(5) DEFINITION.—For the purposes of this subsection, the term 'operating expenses' means all nonscholarship expenditures.".

(d) EFFECTIVE DATE.—The amendment made by subsection (c) shall take effect on July 1, 1994.

SEC. 350. RURAL COMMUNITY SERVICE.

Title XI of the Higher Education Act of 1965 (20 U.S.C. 1136 et seq.) is amended by adding at the end the following new part:

"PART C—RURAL COMMUNITY SERVICE

"SEC. 1171. FINDINGS; PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) the Nation's rural centers are facing increasingly pressing problems and needs in the areas of economic development, community infrastructure and service, social policy, public health, housing, crime, education, environmental concerns, planning and work force preparation;

"(2) there are, in the Nation's rural institutions, people with underutilized skills, knowledge, and experience who are capable of providing a vast range of services toward the amelioration of the problems described in paragraph (1);

"(3) the skills, knowledge, and experience in these rural institutions, if applied in a systematic and sustained manner, can make a significant contribution to the solution of such problems; and

"(4) the application of such skills, knowledge, and experience is hindered by the limited funds available to redirect attention to solutions to such rural problems.

"(b) PURPOSE.—It is the purpose of this part to provide incentives to rural academic institutions to enable such institutions to work with private and civic organizations to devise and implement solutions to pressing and severe problems in their communities.

"SEC. 1172. PROGRAM.

"The Secretary is authorized to carry out a program of providing assistance to eligible institutions to enable such institutions to carry out

the authorized activities described in section 1174 in accordance with the provisions of this part.

"SEC. 1173. APPLICATIONS FOR RURAL COMMUNITY SERVICE GRANTS.

"(a) APPLICATION.—

"(1) IN GENERAL.—Each eligible institution desiring a grant under this part shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances, as the Secretary may require by regulation.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought; and

"(B) contain assurances that the eligible institution will enter into a consortium to carry out the provisions of this part that includes, in addition to the eligible institution, one or more of the following entities:

"(i) A community college.

"(ii) A rural local educational agency.

"(iii) A local government.

"(iv) A business or other employer.

"(v) A nonprofit institution.

"(3) WAIVER.—The Secretary may waive the consortium requirements described in paragraph (2) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan which meets the purpose of this part.

"(b) SELECTION PROCEDURES.—The Secretary, by regulation, shall develop a formal procedure for the submission of applications under this part and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this part.

"SEC. 1174. AUTHORIZED ACTIVITIES.

"Grant funds made available under this part shall be used to support planning, applied research, training, resource exchanges or technology transfers, the delivery of services, or other activities the purpose of which is to design and implement programs to assist rural communities to meet and address their pressing and severe problems, such as any of the following:

"(1) Work force preparation.

"(2) Rural poverty and the alleviation of such poverty.

"(3) Health care, including health care delivery and access as well as health education, prevention and wellness.

"(4) Underperforming school systems and students.

"(5) Problems faced by the elderly and individuals with disabilities in rural settings.

"(6) Problems faced by families and children.

"(7) Campus and community crime prevention, including enhanced security and safety awareness measures as well as coordinated programs addressing the root causes of crime.

"(8) Rural housing.

"(9) Rural infrastructure.

"(10) Economic development.

"(11) Rural farming and environmental concerns.

"(12) Other problem areas which participants in the consortium described in section 1173(a)(2)(B) concur are of high priority in rural areas.

"(13)(A) Problems faced by individuals with disabilities and economically disadvantaged individuals regarding accessibility to institutions of higher education and other public and private community facilities.

"(B) Amelioration of existing attitudinal barriers that prevent full inclusion of individuals with disabilities in their community.

"SEC. 1175. PEER REVIEW.

"The Secretary shall designate a peer review panel to review applications submitted under this part and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary may consult with other appropriate Cabinet-level Federal officials and with non-Federal organizations, to ensure that the panel will be geographically balanced and be composed of representatives from public and private institutions of higher education, labor, business, and State and local government, who have expertise in rural community service or in education.

"SEC. 1176. DISBURSEMENT OF FUNDS.

"(a) MULTIYEAR AVAILABILITY.—Subject to the availability of appropriations, grants under this part may be awarded on a multiyear basis, except that no institution, individually or as a participant in a consortium, may receive a grant under this part for more than 5 years.

"(b) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this part in a manner that achieves an equitable geographic distribution of such grants.

"(c) MATCHING REQUIREMENT.—An applicant under this part and the local governments associated with its application shall contribute to the conduct of the program supported by the grant an amount from non-Federal funds equal to at least one-fourth of the amount grant, which contribution may be in cash or in kind, fairly evaluated.

"(d) The Secretary shall, to the maximum extent possible, coordinate this program with the Corporation for National and Community Service.

"SEC. 1177. DESIGNATION OF RURAL GRANT INSTITUTIONS.

"The Secretary shall publish a list of eligible institutions and shall designate such institutions of higher education as 'Rural Grant Institutions'. The Secretary shall establish a national network of Rural Grant Institutions so that the results of individual projects achieved in 1 rural area can be generalized, disseminated, replicated and applied throughout the Nation.

"SEC. 1178. DEFINITIONS.

"As used in this part:

"(1) RURAL AREA.—The term 'rural area' means any area that—

"(A) is outside an urban area, as such term is defined by the Bureau of the Census; and

"(B) contains a population of 75,000 or less.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution of higher education, or a consortium of such institutions any one of which meets all the requirements of this paragraph, which—

"(A) draws a substantial portion of its undergraduate students from the rural area served by such institution or consortium, or from contiguous areas;

"(B) carries out programs to make postsecondary educational opportunities more accessible to residents of such rural areas, or contiguous areas;

"(C) has the present capacity to provide resources responsive to the needs and priorities of such rural areas and contiguous areas;

"(D) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources; and

"(E) has demonstrated and sustained a sense of responsibility to such rural area and contiguous areas and the people of such areas.

"SEC. 1179. AUTHORIZATION OF APPROPRIATIONS; FUNDING RULE.

"There are authorized to be appropriated $5,000,000 for fiscal year 1995 and such sums as may be necessary in each of the 4 succeeding fiscal years to carry out the provisions of this part.".

SEC. 350A. REHABILITATION ACT.

(a) Notwithstanding any other provision of the Rehabilitation Act of 1973, the amount otherwise payable to a State under section 111 of such Act shall be reduced—

(1) for fiscal years 1987 and 1988, by the amount by which expenditures from non-Federal sources under the State plan under title I of such Act for such year are less than the total of such expenditures for fiscal year 1972; and

(2) for fiscal year 1989, the lesser of—

(A) the amount by which expenditures from non-Federal sources under the State plan under title I of such Act for fiscal year 1989 are less than average of the total of such expenditures for fiscal years 1986, 1987, and 1988; or

(B) the amount by which expenditures from non-Federal sources under the State plan under title I of such Act for fiscal year 1988 are less than the average of the total of such expenditures for fiscal years 1985, 1986, and 1987.

(b) This section shall take effect on September 1, 1994.

SEC. 350B. HIGHER EDUCATION AMENDMENTS TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

(a) AMENDMENT.—The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in paragraph (2) of section 232(d)—

(A) by inserting ", notwithstanding section 427(b)(2) of the Higher Education Amendments of 1992," before "has"; and

(B) by inserting "as such section was in effect on July 22, 1992" before the semicolon; and

(2) in subparagraph (B) of section 404(a)(4)—

(A) by inserting ", notwithstanding section 427(b)(2) of the Higher Education Amendments of 1992," before "has"; and

(B) by inserting "as such section was in effect on July 22, 1992" before the period.

(b) EFFECTIVE DATE.—Subsection (a) and the amendments made by subsection (a) shall take effect on the date of enactment of this Act, except that a State that, prior to such date, distributed funds under section 232 of the Carl D. Perkins Vocational and Applied Technology Education Act from funds appropriated for fiscal year 1994 for such program to proprietary institutions of higher education, as such term is defined in section 481(b) of the Higher Education Act of 1965, may continue to distribute such funds to such institutions until July 1, 1995.

SEC. 350C. TECHNICAL AMENDMENTS TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 101A—

(A) in paragraph (2) of subsection (a), by striking "and Palau" and all that follows through the end of the subsection, and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau."; and

(B) in the matter preceding paragraph (1) of subsection (b), by inserting "the Republic of" immediately before "Palau";

(2) in clause (ii) of section 112(f)(1)(B), by striking "Palau" and all that follows through "99-658)", and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau"; and

(3) in paragraph (33) of section 521, by striking "and Palau" and all that follows through the end of the paragraph, and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.".

SEC. 350D. TECHNICAL AMENDMENT TO THE SECOND MORRILL ACT.

Section 5 the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 326a) (commonly known as the "Second Morrill Act") is amended by striking "and the Trust Territory of the Pacific Islands or its successor governments" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau".

SEC. 350E. DEFINITIONS FOR PART A OF TITLE III.

Section 312 of the Higher Education Act of 1965 (20 U.S.C. 1058) is amended—

(1) in paragraph (1) of subsection (b)—

(A) in subparagraph (D), by striking "and" after the semicolon; and

(B) by adding after subparagraph (E) the following new subparagraph:

"(F) located in a State; and";

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following new subsection:

"(f) STATE.—For the purpose of this part the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.".

SEC. 350F. AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL EARLY INTERVENTION SCHOLARSHIP AND PARTNERSHIP PROGRAM.

Section 404G of the Higher Education Act of 1965 (20 U.S.C. 1070a–27) is amended by striking the second sentence thereof.

SEC. 350G. LENDER-OF-LAST-RESORT PROGRAMS.

(a) AMENDMENT.—Paragraph (1) of subsection (c) of section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078(c)(1)) is amended by adding at the end the following new subparagraph:

"(G) Notwithstanding any other provision of this section, the Secretary shall exclude a loan made pursuant to a lender-of-last-resort program when making reimbursement payment calculations under subparagraphs (B) and (C).".

(b) EFFECTIVE DATE.—Subsection (a) and the amendment made by subsection (a) shall take effect on August 10, 1993.

SEC. 350H. FEDERAL CONSOLIDATION LOANS.

Paragraph (4) of section 428C(a) of the Higher Education Act of 1965 (20 U.S.C. 1078–3(a)(4)) is amended—

(1) in subparagraph (B), by striking "or" after the semicolon;

(2) in subparagraph (C), by striking the period and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(D) made under subpart II of part B of title VIII of the Public Health Service Act.".

SEC. 350I. FACILITIES AUTHORITY OF THE STUDENT LOAN MARKETING ASSOCIATION.

Section 439 of the Higher Education Act of 1965 (20 U.S.C. 1087–2) is amended—

(1) in subparagraph (C) of subsection (d)(1)—

(A) in the matter preceding clause (i), by inserting "(including related equipment, instrumentation, and furnishings)" after "materials";

(B) in clause (ii), by striking the semicolon and inserting ", athletic facilities, dining halls, and student unions; and";

(C) in clause (iii), by striking "and" after the semicolon;

(D) in the matter following clause (iv)—

(i) by striking "15 percent" and inserting "30 percent"; and

(ii) by striking "type" and inserting "types"; and

(E) by striking clause (iv); and

(2) in subsection (n), by striking "a report of its operations and activities during each year" and inserting "a report of the Association's operations and activities, including a report with respect to all facilities transactions, during each year".

SEC. 350J. CLOCK AND CREDIT HOUR TREATMENT OF DIPLOMA NURSING SCHOOLS.

(a) AMENDMENT.—Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by inserting after section 481 the following new section:

"SEC. 481A. CLOCK AND CREDIT HOUR TREATMENT OF DIPLOMA NURSING SCHOOLS.

"Notwithstanding any other provision of this Act, any regulations promulgated by the Secretary concerning the relationship between clock hours and semester, trimester, or quarter hours in calculating student grant, loan, or work assistance under this title, shall not apply to a public or private nonprofit hospital-based school of nursing that awards a diploma at the completion of the school's program of education.".

(b) EFFECTIVE DATE.—Subsection (a) and the amendment made by subsection (a) shall take effect on July 1, 1994.

SEC. 350K. ELIGIBILITY FOR STUDENTS FROM PALAU.

Subsection (j) of section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091(j)) is amended to read as follows:

"(j) ASSISTANCE UNDER SUBPARTS 1, 2, 3, 4, AND 6 OF PART A AND PART C.—Notwithstanding any other provision of law, a student shall be eligible, if otherwise qualified, for assistance under subparts 1, 2, 3, 4, and 6 of part A, and part C, of this title, if the student—

"(1) is a citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, and attends an institution of higher education in a State or a public or nonprofit private institution of higher education in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau; or

"(2) meets the requirements of subsection (a)(5) and attends a public or nonprofit private institution of higher education in the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau.".

SEC. 350L. FEDERAL INSURANCE FOR BONDS.

Subsection (b) of section 723 of the Higher Education Act of 1965 (20 U.S.C. 1132–c(b)) is amended—

(1) in paragraph (8)—

(A) in clause (i), by striking "and" after the semicolon;

(B) by amending clause (ii) to read as follows:

"(ii) shall be maintained in an amount not less than 10 percent of the outstanding principal of all loans under this part, with each eligible institution required to maintain in the escrow account an amount equal to 10 percent of the outstanding principal of all loans made to such institution under this part; and"; and

(C) by adding at the end the following new clause:

"(iii) shall be used to return to an eligible institution an amount equal to any remaining portion of such institution's 10 percent deposit of loan proceeds following scheduled repayment of such institution's loan;"; and

(2) in paragraph (11), by striking "regulations" and inserting "conditions".

SEC. 350M. DEFINITION OF ECONOMIC HARDSHIP.

Paragraph (1) of section 435(o) of the Higher Education Act of 1965 (20 U.S.C. 1085(o)(1)) is amended—

(1) in clause (ii) of subparagraph (A), by striking "or" after the semicolon;

(2) by redesignating subparagraph (B) as subparagraph (C);

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) such borrower does not have disposable income that is more than four times the amount specified in subparagraph (A) for a borrower who is working full-time and such borrower's Federal educational debt burden equals or exceeds 20 percent of such borrower's disposable income; or"; and

(4) in paragraph (2), by striking "(1)(B)" and inserting "(1)(C)".

SEC. 350N. AUTHORITY TO AWARD NEED-BASED AID.

Section 1544 of the Higher Education Amendments of 1992 (20 U.S.C. 1088, note) is amended to read as follows:

"SEC. 1544. AUTHORITY TO AWARD NEED-BASED AID.

"(a) EFFECT ON PENDING CASES PROHIBITED.—Nothing in this section shall in any way be construed to affect any antitrust litigation pending on the date of enactment of this Act.

"(b) IN GENERAL.—Except as provided in subsection (c), an institution of higher education that practices need-blind admissions may—

"(1) voluntarily agree with any other institution or institutions of higher education to award financial aid not awarded under the Higher Education Act of 1965 to students attending those institutions only on the basis of demonstrated financial need for such aid;

"(2) jointly discuss and voluntarily agree upon principles of need analysis for determining student financial need for aid not awarded under the Higher Education Act of 1965, provided that individual financial aid officers may exercise professional judgment with regard to individual applicants for financial aid;

"(3) use common aid application forms for aid not awarded under the Higher Education Act of 1965, provided that each such institution of higher education shall be free to request and use additional or different data from such institution's applicants; and

"(4) exchange through an independent third-party data on commonly admitted applicants regarding family and student assets, income, allowances against assets and income, number of family members, and the number of siblings in college, provided that each participating institution may retrieve such data only once for each commonly admitted applicant.

"(c) EXCEPTION.—Institutions of higher education shall not discuss or agree with each other on the prospective financial aid award to a specific applicant for financial aid.

"(d) RELATIONSHIP TO HIGHER EDUCATION ACT.—Nothing in this section shall be construed to affect the rights or obligations of an institution of higher education under sections 479A and 483.

"(e) RELATED MATTER.—No inference of unlawful conduct, combination or conspiracy shall be drawn from the fact that an institution of higher education engages in conduct authorized by this section.

"(f) DEFINITION.—For the purpose of this section the term 'institution of higher education that practices need-blind admissions' means an institution of higher education that admits as full-time students all United States citizens or aliens lawfully admitted for permanent residence (within the meaning of section 101(a)(20) of the Immigration and Nationality Act) to the undergraduate programs of such institution without regard to family financial circumstances, other than such citizens or aliens admitted from a waiting list.

"(g) SUNSET PROVISION.—This section shall expire on September 30, 1999.".

SEC. 350O. DEFERMENT ELIGIBILITY.

Subsection (f) of section 455 of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended by adding at the end the following new paragraphs:

"(2) DEFINITION OF BORROWER.—For the purpose of this paragraph, the term "borrower" means an individual who is a new borrower on the date such individual applies for a loan under this part for which the first disbursement is made on or after July 1, 1993.

"(3) DEFERMENTS FOR PREVIOUS PART B LOAN BORROWERS.—A borrower of a loan made under this part, who at the time such individual applies for such loan, has an outstanding balance *of principal or interest owing on any loan made, insured, or guaranteed under part B of Title IV of the Act prior to July 1, 1993, shall be eligible for a deferment under section 427(a)(2)(C) or section 428(b)(1)(M) as such sections were in effect on July 22, 1992.''.*

SEC. 350P. FAMILY SUPPORT CENTER PROGRAM.

(a) ADMINISTRATIVE PROVISIONS.—Section 772(f) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11482(f)) is amended—

(1) in paragraph (1), to read as follows:

''(1) ADMINISTRATIVE COSTS.—Two percent of the amounts appropriated under this title may be used by the Secretary to administer the programs established under this title and three percent of the amounts appropriated under this title may be used by the Secretary to evaluate such program and to provide technical assistance to entities for the development and submission of applications for grants under this section.'';

(2) in paragraph (3), by striking ''2 years'' and inserting ''3 years''; and

(3) by adding at the end thereof the following new paragraph:

''(4) MINIMUM AMOUNT.—No grant made under subsection (a) may be less than $200,000 per year.''.

(b) REPORT.—Section 777 of such Act (42 U.S.C. 11487) is amended by striking ''1992'' and inserting ''1995''.

(c) AUTHORIZATION FOR APPROPRIATIONS.—Section 779 of such Act (42 U.S.C. 11489) is amended by striking ''for fiscal year 1993'' and inserting ''for each of the fiscal years 1993 through 1998''.

(d) TECHNICAL AMENDMENT.—Section 774(a) of such Act (42 U.S.C. 11484(a)) is amended by striking ''subsection (e)'' and inserting ''subsection (d)''.

SEC. 350Q. THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965.

Subsection (c) of section 11 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)) is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking ''any fiscal year'' and inserting ''fiscal year 1995''; and

(B) by striking ''$50,000'' and inserting ''$100,000''; and

(2) in the second sentence of paragraph (2)—

(A) by striking ''any fiscal year'' and inserting ''fiscal year 1995''; and

(B) by striking ''$50,000'' and inserting ''$100,000''.

PART E—LIBRARY SERVICES AND CONSTRUCTION REAUTHORIZATION

SEC. 351. REFERENCES.

Except as otherwise specifically provided, whenever in this part an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Library Services and Construction Act (20 U.S.C. 351 et seq.).

SEC. 352. AUTHORIZATIONS.

(a) IN GENERAL.—Subsection (a) of section 4 (20 U.S.C. 351b(a)) is amended—

(1) by striking ''for fiscal year 1990 and such sums as may be necessary for each of the 4 succeeding fiscal years'' each place the phrase appears and inserting ''for fiscal year 1995''; and

(2) in the matter following paragraph (7), by striking ''each of the fiscal years 1990, 1991, 1992, 1993, and 1994'' and inserting ''fiscal year 1995''.

(b) FAMILY LEARNING CENTERS.—Section 806 (20 U.S.C. 385e) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 806. There are authorized to be appropriated such sums as may be necessary for fiscal year 1995 to carry out this part.''.

(c) LIBRARY LITERACY CENTERS.—Section 818 (20 U.S.C. 386g) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 818. There are authorized to be appropriated such sums as may be necessary for fiscal year 1995 to carry out this part.''.

PART F—BUREAU OF INDIAN AFFAIRS

SEC. 361. GOALS 2000: EDUCATE AMERICA ACT.

(a) ASSISTANCE TO THE SECRETARY OF THE INTERIOR.—Section 315 of the Goals 2000: Educate America Act is amended—

(1) by amending subsection (c) to read as follows:

''(c) BUREAU OF INDIAN AFFAIRS COST ANALYSIS AND STUDIES.—

''(1) IN GENERAL.—The Secretary of the Interior shall reserve from the funds received pursuant to section 304(a)(1)(B) in the first and second fiscal year for which the Secretary of the Interior receives such funds an amount not to exceed $500,000 for each such year to provide, through a contract executed, after open solicitation, with an organization or institution having extensive experience in school finance, for an analysis of—

''(A) the costs associated with meeting the academic, home-living, and residential standards of the Bureau for each Bureau funded school and annual projections of such costs; and

''(B) the feasibility and desirability of changing the method of financing for Bureau funded schools from the weighted student unit formula method in effect on the date of enactment of this Act to a school-based budget system or other alternative system of financial support.

''(2) COST ANALYSIS PURPOSE.—The purpose of the cost analysis provided for in paragraph (1)(A) shall be to provide the Bureau and the panel described in subsection (b)(4) with baseline data regarding the current state of operations funded by the Bureau and to provide a framework for the implementation of opportunity-to-learn standards or strategies. Such analysis shall evaluate the costs of providing a program in each school operated or supported by the Bureau for the next succeeding academic year and shall be based on—

''(A) the standards either published in the Federal Register and effective for schools funded by the Bureau on the date of enactment of this Act, or the State or regional standards in effect on such date for a Bureau-funded school;

''(B) the best projections of student counts and demographics as provided by the Bureau and as independently reviewed by the organization or institution selected by the Secretary to perform the analysis described in this section; and

''(C) the pay and benefit schedules and other personnel requirements for each school operated by the Bureau, as such pay and benefit schedules and requirements existed on the date of enactment of this Act.

''(3) FEASIBILITY STUDY PURPOSE.—(A) The purpose of the feasibility analysis provided for in paragraph (1)(B) shall be to determine whether it is feasible and desirable for the Bureau to replace or modify the weighted student unit formula system in effect on the date of enactment of this Act.

''(B) For the purposes of the feasibility analysis described in paragraph (1)(B), the term 'school-based budget system' means a system based upon an initial determination, at each school site, of the number of students who shall be served at the site, the needs of those students, the standards which will best meet those needs (including any standards or conditions reflecting local community input and such community's program), the personnel profile necessary to establish such program and the cost (determined on an actual basis) of funding such a program. Such a system shall include procedures to aggregate the determinations for each school site to determine the amount needed to fund all Bureau funded schools, to prepare a budget submission based upon such aggregate, and to provide for a mechanism for distributing such sums as may be appropriated based upon the determination at each school site.

''(4) RESULTS REPORT.—The contractor selected shall be required to report the results of analyses provided for in this section, in aggregate and school-specific form to the chairpersons and ranking minority members of the Committee on Education and Labor and the Committee on Appropriations of the House of Representatives and the Committee on the Indian Affairs and the Committee on Appropriations of the Senate, and to the Secretary of the Interior, not later than six months after the date of enactment of the Improving America's Schools Act of 1994. The contractor shall also be required to provide an estimate of the costs of meeting the academic and residential standards of the Bureau for each Bureau funded school for each of the three succeeding forward-funded fiscal years following the date of submission of such report. The contractor shall provide an estimate of such costs to such persons and members not later than January 1 of each succeeding fiscal year.''; and

(2) by adding at the end the following new subsections:

''(e) GRANTS.—The Secretary of the Interior may use not more than one percent of the funds received pursuant to section 304(a)(1)(B) in the first and second fiscal year for which the Secretary of the Interior receives such funds for the purpose of providing grants, if requested by Bureau funded school boards, to enable such school boards to carry out activities of reform planning as such activities are described for States in section 308(b)(2)(J), or to evaluate the feasibility of becoming a contract school pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.), or a grant school pursuant to the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988.

''(f) STUDY.—In cooperation with the panel established in subsection (b)(4), the Secretary of the Interior shall conduct a study to evaluate the feasibility of contracting with a private management firm for the operation of one or more Bureau operated schools to facilitate the achievement of the National Education Goals and the efficient use of funds in the education of Indian children, and to report to the persons identified in subsection (c)(4) and to the panel described in subsection (b)(4) not later than 12 months after the date of enactment of the Improving America's Schools Act of 1994.''.

(b) SYSTEMIC TECHNOLOGY PLANNING.—Subsection (b) of section 317 of the Goals 2000: Educate America Act is amended by adding at the end the following new paragraph:

''(3) SECRETARY OF THE INTERIOR.—From the amount appropriated pursuant to the authority of subsection (f) in each fiscal year, the Secretary shall reserve $75,000 for the Secretary of the Interior to enable the Secretary of the Interior to conduct, directly or through a contract, systemic technology planning for Bureau funded schools.''.

SEC. 362. TRIBALLY CONTROLLED SCHOOLS ACT OF 1988.

(a) NEW CONSTRUCTION.—The second sentence of paragraph (4) of section 5205(b) of the Tribally Controlled Schools Act of 1988 (25 U.S.C.

2504(b)(4)) is amended by striking "were received." and inserting "were received, except that a school receiving a grant under this part for facilities improvement and repair may use such grant funds for new construction if the tribal government or other organization provides funding for the new construction equal to at least one-fourth of the total cost of such new construction.".

(b) Composition of Grants.—Subsection (b) of section 5205 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2504(b)) is further amended by adding at the end the following new paragraph:

"(5) If the Secretary fails to make a determination within 180 days of a request filed by an Indian tribe or tribal organization to include in such tribe or organization's grant the funds described in subsection (a)(2), the Secretary shall be deemed to have approved such request and the Secretary shall immediately amend the grant accordingly. Such tribe or organization may enforce its rights under subsection (a)(2) and this paragraph, including any denial of or failure to act on such tribe or organization's request, pursuant to the disputes authority described in section 5209(e).".

(c) Payments.—Subsection (a) of section 5208 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2507(a)) is amended to read as follows:

"(a) Payments.—

"(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in 2 payments, of which—

"(A) the first payment shall be made not later than July 1 of each year in an amount equal to one-half of the amount which the grantee was entitled to receive during the preceding academic year; and

"(B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made not later than December 1 of each year.

"(2) For any school for which no payment under this part was made from Bureau funds in the preceding academic year, full payment of the amount computed for the first academic year of eligibility under this part shall be made not later than December 1 of the academic year.

"(3) With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which such funds are appropriated, the Secretary shall make payments to grantees not later than December 1 of the fiscal year.

"(4) The provisions of the Prompt Payment Act (31 U.S.C. 3901 et seq.) shall apply to the payments required to be made by paragraphs (1), (2), and (3).

"(5) Paragraphs (1), (2), and (3) shall be subject to any restriction on amounts of payments under this part that are imposed by a continuing resolution or other Act appropriating the funds involved.".

(d) Applicability.—Subsection (a) of section 5209 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2508(a)) is amended to read as follows:

"(a) Certain Provisions To Apply to Grants.—All provisions of section 5, 6, 7, 104, 105(f), 106(f), 109, and 111 of the Indian Self-Determination and Education Assistance Act, except those provisions relating to indirect costs and length of contract, shall apply to grants provided under this part.".

(e) Exceptions, Problems, and Disputes.—Subsection (e) of section 5209 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2508(e)) is amended—

(1) by striking "the amount of a grant under section 5205 (and the amount of any funds referred to in that section), and payments to be made under section 5208 of this Act," and inserting "a grant authorized to be made pursuant to this part or any amendment to such grant,";

(2) by striking "the amount of, or payment of, the administrative grant" and inserting "an administrative cost grant"; and

(3) by adding at the end the following new sentence: "The Equal Access to Justice Act shall apply to administrative appeals filed after September 8, 1988, by grantees regarding a grant under this part, including an administrative cost grant.".

SEC. 363. EDUCATION AMENDMENTS OF 1978.

(a) Bureau of Indian Affairs.—Subsections (a) through (f) of section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001 et seq.) are amended to read as follows:

"(a)(1) The purpose of the standards developed under this section shall be to afford Indian students being served by a Bureau funded school with the same opportunities as all other students to achieve the high goals embodied in the Goals 2000: Educate America Act. Consistent with the provisions of this section and section 1131, the Secretary shall take such actions as are necessary to coordinate standards developed and implemented under this section with those in the State plans developed and implemented pursuant to the Goals 2000: Educate America Act for the States in which each Bureau funded school operates. In developing and reviewing such standards and such coordination, the Secretary shall utilize the findings and recommendations of the panel established in section 315(b)(4) of the Goals 2000: Educate America Act.

"(2) The Secretary shall take immediate steps to encourage school boards of Bureau funded schools to engage their communities in adopting declarations of purposes of education in their communities, analyzing the implications of such purposes for their schools, and determining how such purposes may be made to motivate students and faculties and otherwise animate their schools by May 1, 1995. Such declarations shall represent the aspirations of a community for the kinds of persons such community wants its children to increasingly become, and shall include such purposes as assuring that all learners are becoming accomplished in ways important to themselves and respected by their parents and communities, shaping worthwhile and satisfying lives for themselves, exemplifying the best values of the community and humankind, and becoming increasingly effective in shaping the character and quality of the world all learners share.

"(b) Within 18 months of the publication of the voluntary national content standards described in section 213(a) of the Goals 2000: Educate America Act, the Secretary, in consultation with the Secretary of Education and Indian organizations and tribes, shall carry out or cause to be carried out by contract with an Indian organization a review of the standards in effect on the date of enactment of the Improving America's Schools Act of 1994 for the basic education of Indian children attending Bureau funded schools. Such review shall take into account the voluntary national content standards and other factors such as academic needs, local cultural differences, type and level of language skills, geographic isolation, and appropriate teacher-student ratios for such children, and shall be directed toward the attainment of equal educational opportunity for such children.

"(c)(1) The Secretary shall revise the minimum academic standards published in the Federal Register on September 9, 1985 (50 Fed. Reg. 174) for the basic education of Indian children based upon the review conducted under subsection (b). The Secretary shall publish such proposed standards in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. The Secretary shall establish final standards, distribute such final standards to all the tribes and publish such final standards in the Federal Register. The Secretary shall revise such final standards periodically as necessary. Prior to any revision of such final standards, the Secretary shall distribute such proposed revision to all the tribes, and publish such proposed revision in the Federal Register, for the purpose of receiving comments from the tribes and other interested parties.

"(2) The standards described in paragraph (1) shall apply to Bureau schools, and subject to subsection (f), to contract and grant schools, and may also serve as a model for educational programs for Indian children in public schools. In establishing and revising such standards, the Secretary shall take into account the special needs of Indian students and the support and reinforcement of the specific cultural heritage of each tribe.

"(d) The Secretary shall provide alternative or modified standards in lieu of the standards established under subsection (c), where necessary, so that the programs of each school shall be in compliance with the minimum standards required for accreditation of schools in the State where the school is located.

"(e) A tribal governing body, or the local school board so designated by the tribal governing body, shall have the local authority to waive, in part or in whole, the standards established under subsection (c), where such standards are deemed by such body to be inappropriate. The tribal governing body or designated school board shall, within 60 days thereafter, submit to the Secretary a proposal for alternative standards that take into account the specific needs of the tribe's children. Such revised standards shall be established by the Secretary unless specifically rejected by the Secretary for good cause and in writing to the affected tribes or local school board, which rejection shall be final and unreviewable.

"(f) The Secretary, through contracting and grant-making procedures, shall assist school boards of contract and grant schools in the implementation of the standards established under subsections (c) and (d), if the school boards request that such standards, in part or in whole, be implemented. At the request of a contract or grant school board, the Secretary shall provide alternative or modified standards for the standards established under subsections (c) and (d) to take into account the needs of the Indian children and the contract or grant school.".

(b) Counselors for Boarding Schools and Dormitories.—Subsection (a) of section 1128 of the Education Amendments of 1978 (25 U.S.C. 2008(a)) is amended by adding at the end the following: "Prior to January 1, 1996, the Secretary shall review the formula established under this section and shall take such steps as may be necessary to increase the availability of counseling services for students in off-reservation boarding schools and other Bureau funded residential facilities. Concurrent with such action, the Secretary shall review the standards established under section 1121 to be certain that adequate provision is made for parental notification regarding, and consent for, such counseling services.".

(c) School Board Training.—Subparagraph (A) of section 1128(c)(2) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(2)(A)) is amended by striking "fiscal year 1986" and inserting "fiscal year 1992, except that the contracts for distribution of such funds shall require that such funds be distributed by the recipient organizations in a manner that assures the same pro rata share is made available for training for each school board in the system.".

(d) Formula Adjustment.—Subsection (c) of section 1128 of the Education Amendments of

1978 (25 U.S.C. 2008(c)) is further amended by adding at the end thereof the following new paragraph:

"(4)(A) The Secretary shall adjust the formula established under subsection (a) to use a weighted unit of 0.25 for each eligible Indian student who is enrolled in a year-long credit course in an Indian or Native language as part of the regular curriculum of a school, in considering the number of eligible Indian students served by such school.

"(B) The adjustment required under subparagraph (A) shall be used for such school after—

"(i) the certification of the Indian or Native language curriculum by the school board of such school to the Secretary, together with an estimate of the number of full-time students expected to be enrolled in the curriculum in the second school year following the school year for which the certification is made; and

"(ii) the funds appropriated for allotment under this section are designated by the appropriations Act appropriating such funds as the amount necessary to implement such adjustment at such school without reducing allotments made under this section to any school by virtue of such adjustment.".

(e) GRANT SCHOOLS.—Paragraph (3) of section 1128(g) of the Education Amendments of 1978 (25 U.S.C. 2008(g)(3)) is amended by inserting "or grant school" after "contract school" each time such term appears.

(f) AVAILABILITY.—Subsection (h) of section 1128 of the Education Amendments of 1978 (25 U.S.C. 2008(h)) is amended by inserting "of a Bureau school" after "board".

(g) SPECIAL RULE.—Section 1128 of the Education Amendments of 1978 (25 U.S.C. 2008) is amended by adding at the end the following new subsection:

"(i) Beginning with academic year 1994-1995, tuition for the out-of-State students boarding at the Richfield Dormitory in Richfield, Utah, who attend Sevier County high schools in Richfield, Utah, shall be paid from the Indian school equalization program funds at a rate not to exceed the amount per weighted student unit for that year for the instruction of such students. Such payment shall be in lieu of payments that might otherwise be paid to Bureau funded or public schools on their reservations. No additional administrative cost funds will be added to the grant.".

(h) UNIFORM DIRECT FUNDING AND SUPPORT.—Subsection (a) of section 1129 of the Education Amendments of 1978 (25 U.S.C. 2009(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Within six months after the date of enactment of the Improving America's Schools Act of 1994, the Secretary shall establish, by regulation adopted in accordance with section 1138, a system for the direct funding and support of all Bureau funded schools. Such system shall allot funds in accordance with section 1128. All amounts appropriated for distribution under this section shall be made available as provided in paragraph (2).";

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph:

"(2)(A) For the purpose of affording adequate notice of funding available pursuant to the allotments made by section 1128, amounts appropriated in an appropriation Act for any fiscal year shall become available for obligation by the affected schools on July 1 of the fiscal year in which such funds are appropriated without further action by the Secretary, and shall remain available for obligation through the succeeding fiscal year.

"(B) The Secretary shall, on the basis of the amount appropriated in accordance with this paragraph—

"(i) publish, on July 1 of the fiscal year for which the funds are appropriated, the allotments to be made under section 1128 to each affected school of 85 percent of such appropriation; and

"(ii) publish, not later than October 30 of such fiscal year, the allotments to be made under section 1128 of the remaining 15 percent of such appropriation, adjusted to reflect actual student attendance.";

(3) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(4) in paragraph (3) (as redesignated by paragraph (3)) by striking "$25,000" and inserting "$35,000".

(i) STUDENT PROJECTS AND MATCHING FUNDS.—Section 1129 of the Education Amendments of 1978 (25 U.S.C. 2009) is amended by adding at the end the following new subsections:

"(g) Notwithstanding any other provision of law, where there is agreement on action between the superintendent and the school board of a Bureau funded school, the product or result of a project conducted in whole or in major part by a student may be given to that student upon the completion of such project.

"(h) Notwithstanding any other provision of law, funds received by a Bureau funded school under this title shall not be considered Federal funds for purposes of meeting a matching funds requirement in any Federal program.".

SEC. 364. STAFF OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT.

Subsection (f) of section 1509 of the Higher Education Amendments of 1986 (20 U.S.C. 4416(f)) is amended to read as follows:

"(f) APPLICABILITY.—

"(1) This section shall apply to any individual appointed after October 17, 1986, for employment in the Institute. Except as provided in subsection (d) and (g), the enactment of this title shall not affect—

"(A) the continued employment of any individual employed immediately before October 17, 1986; or

"(B) such individual's right to receive the compensation attached to such position.

"(2) This section shall not apply to an individual whose services are procured by the Institute pursuant to a written procurement contract.

"(3) This section shall not apply to employees of an entity performing services pursuant to a written contract with the Institute.".

SEC. 365. ENDOWMENT FUNDS.

Section 302 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1832) is amended—

(1) in subsection (a), by striking "section 333" and inserting in lieu thereof "section 331"; and

(2) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

"(1) provides for the investment and maintenance of a trust fund, the corpus and earnings of which shall be invested in the same manner as funds are invested under paragraph (2) of section 331(c) of the Higher Education Act of 1965, except that for purposes of this paragraph, the term 'endowment fund' means a fund established by an institution of higher education or by a foundation that is exempt from taxation and is maintained for the purpose of generating income for the support of the institution, and may include real estate;"; and

(B) in paragraph (3) by striking "same" the first time such term appears.

SEC. 366. STUDY.

The Secretary of the Interior shall conduct a study, in consultation with the board of regents of the Haskell Indian Junior College to evaluate the possible need for alternative institutional and administrative systems at Haskell Indian Junior College to support the transition of such college to a four year university. If the study's conclusions require legislation to be implemented, the study shall be accompanied by appropriate draft legislation. Such study shall be transmitted to the Committee on Indian Affairs of the Senate and the Committee on Education and Labor of the House of Representatives by June 1, 1995.

PART G—CROSS REFERENCES AND CONFORMING AMENDMENTS

SEC. 381. CROSS REFERENCES.

(a) REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—(1) Paragraph (1) of section 101 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "section 198(a)" and inserting "section 10101".

(2) Paragraph (2) of section 201(b) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "(other than section 303 of the Elementary and Secondary Education Act of 1965)".

(3) Paragraph (3) of section 301(b) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking ", except that no reduction under this paragraph shall be made for any funds made available to the State under section 303 of the Elementary and Secondary Education Act of 1965".

(4) Paragraph (2) of section 401(b) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "(other than section 303 of the Elementary and Secondary Education Act of 1965)".

(b) TITLE 10.—(1) Subparagraph (A) of section 1151(b)(2) of title 10, United States Code, is amended by striking "chapter 1 of".

(2) Subparagraph (A) of section 1151(b)(3) of title 10, United States Code, is amended by striking "chapter 1 of".

(3) Subparagraph (A) of section 1598(a)(2) of title 10, United States Code, is amended by striking "chapter 1 of".

(4) Section 2194 of title 10, United States Code, is amended—

(A) in subsection (a), by striking "education agency" and inserting "educational agency"; and

(B) in subsection (e)—

(i) by striking "education agency" and inserting "educational agency";

(ii) by striking "section 1471(12)" and inserting "section 10101"; and

(iii) by striking "(20 U.S.C. 1058(b)".

(5) Subparagraph (A) of section 2410j(a)(2) of title 10, United States Code, is amended by striking "chapter 1 of".

(c) TOXIC SUBSTANCES CONTROL ACT.—(1) Subparagraph (A) of section 202(7) of the Toxic Substances Control Act (15 U.S.C. 2642(7)(A)) is amended—

(A) by striking "section 198" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 3381)".

(2) Paragraph (9) of section 202 of the Toxic Substances Control Act (15 U.S.C. 2642(9)) is amended—

(A) by striking "section 198" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 2854)".

(3) Paragraph (12) of section 202 of the Toxic Substances Control Act (15 U.S.C. 2642(12)) is amended—

(A) by striking "section 198" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 2854)".

(4) Section 302(1) of the Toxic Substances Control Act (15 U.S.C. 2662(1)(A)) is amended—

(A) in subparagraph (A)—

(i) by striking "section 198" and inserting "section 10101"; and

(ii) by striking "(20 U.S.C. 3381)"; and

(B) in subparagraph (C), by inserting "or successor authority" after "1107)".

(d) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Paragraph (1) of section 386(h) of the National Defense Authorization Act for Fiscal Year 1993 (20 U.S.C. 238 note) is amended—

(1) by striking "section 1471(12)" and inserting "section 10101"; and

(2) by striking "(20 U.S.C. 2891(12))".

(e) HIGHER EDUCATION ACT OF 1965.—(1) Paragraph (1) of section 404(c) (20 U.S.C. 1070a–23(c)(1)) is amended by striking "section 1005(c)" and inserting "section 1123(c)(1)".

(2) Clause (ii) of section 418A(b)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1070d–2(b)(1)(B)(ii)) is amended by striking "subpart 1 of part D of chapter 1" and inserting "part D".

(3) Subparagraph (A) of section 418A(c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1070d–2(c)(1)(A)) is amended—

(A) by striking "subpart 1 of part D of chapter 1" and inserting "part D"; and

(B) by inserting "(or such part's predecessor authority)" after "1965".

(4) Subparagraph (A) of section 465(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)(2)(A)) is amended—

(A) by striking "chapter 1 of the Education Consolidation and Improvement Act of 1981" and inserting "title I of the Elementary and Secondary Education Act of 1965"; and

(B) by striking "section 111(c)" and inserting "section 1123(c)(1)".

(5) Subsection (a) of section 469 of the Higher Education Act of 1965 (20 U.S.C. 1087ii(a)) is amended by striking "chapter 1 of".

(6) Subsection (b) of section 501 of the Higher Education Act of 1965 (20 U.S.C. 1102(b)) is amended—

(A) in subparagraph (B) of paragraph (1), by striking "sections 1005 and 1006 of chapter 1 of title I" and inserting "section 1123"; and

(B) in subclause (II) of paragraph (2)(A)(ii), by striking "sections 1005 and 1006" and inserting "section 1123".

(7) Subsection (b) of section 572 of the Higher Education Act of 1965 (20 U.S.C. 1111a(b)) is amended by striking "of chapter 1".

(8) Paragraph (1) of section 581(b) of the Higher Education Act of 1965 (20 U.S.C. 1113(b)(1)) is amended by striking "part A or subpart 1 of part D of chapter 1" and inserting "part A or D".

(9) Paragraph (3) of section 581(c) of the Higher Education Act of 1965 (20 U.S.C. 1113(c)(3)) is amended by striking "chapter 1 of".

(10) Subparagraph (C) of section 586(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1114(d)(1)(C)) is amended by striking "chapter 1 of".

(11) Subparagraph (D) of section 586(d)(1) of the Higher Education Act of 1965 (20 U.S.C. 1114(d)(1)(D)) is amended by striking "chapter 1 of".

(12) Subclause (I) of section 1144(b)(1)(B)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1138c(b)(1)(B)(iv)(I)) is amended by striking "chapter 1 of".

(f) EDUCATION AMENDMENTS OF 1978.—Subsection (h) of section 1203 of the Education Amendments Act of 1978 (20 U.S.C. 1221–1 note) is amended by striking "section 183" and inserting "part F of title I".

(g) INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—(1) Clause (ii) of section 602(a)(21)(A) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(21)(A)(ii)) is amended by striking "chapter 1 of".

(2) Paragraph (2) of section 613(a) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(2)) is amended by striking ", including subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965,".

(3) Subparagraph (B) of section 622(c)(2) of the Individuals with Disabilities Education Act (20 U.S.C. 1422(c)(2)) is amended by striking "and subpart 2 of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965,".

(h) EDUCATION AMENDMENTS OF 1972.—Subparagraph (B) of section 908(2) of the Education Amendments of 1972 (20 U.S.C. 1687(2)(B)) is amended by striking "section 198(a)(10)" and inserting "section 10101".

(i) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 204 of the Department of Education Organization Act (20 U.S.C. 3414) is amended by striking "subpart 1 of part B" and inserting "part D".

(j) EDUCATION AND TRAINING FOR A COMPETITIVE AMERICA ACT OF 1988.—The Education and Training for a Competitive America Act of 1988 (20 U.S.C. 5001 et seq.) is repealed.

(k) EDUCATIONAL PARTNERSHIPS ACT OF 1988.—The Educational Partnerships Act of 1988 (20 U.S.C. 5031 et seq.) is repealed.

(l) SECONDARY SCHOOLS BASIC SKILLS DEMONSTRATION ASSISTANCE ACT OF 1988.—The Secondary Schools Basic Skills Demonstration Assistance Act of 1988 (20 U.S.C. 5061 et seq.) is repealed.

(m) EXCELLENCE IN MATHEMATICS, SCIENCE AND ENGINEERING EDUCATION ACT OF 1990.—The Excellence in Mathematics, Science and Engineering Education Act of 1990 (20 U.S.C. 5311 et seq.) is repealed.

(n) NATIONAL ENVIRONMENTAL EDUCATION ACT.—Paragraph (5) of section 3 of the National Environmental Education Act (20 U.S.C. 5502(5)) is amended—

(1) by striking "local education" and inserting "local educational"; and

(2) by striking "section 198" and inserting "section 10101".

(o) JOB TRAINING PARTNERSHIP ACT.—(1) Paragraph (23) of section 4 of the Job Training Partnership Act (29 U.S.C. 1503(23)) is amended by striking "section 1471(23)" and inserting "section 10101".

(2) Subparagraph (B) of section 263(a)(2) of the Job Training Partnership Act (29 U.S.C. 1643(a)(2)(B)) is amended by striking "chapter 1 of".

(3) Subparagraph (B) of section 263(g)(1) of the Job Training Partnership Act (29 U.S.C. 1643(g)(1)(B)) is amended by striking "chapter 1 of".

(4) Paragraph (2) of section 265(b) of the Job Training Partnership Act (29 U.S.C. 1645(b)(2)) is amended by striking "parts A through D of chapter 1" and inserting "parts A through C".

(p) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Paragraph (3) of section 1091(l) of the National Defense Authorization Act for Fiscal Year 1993 (32 U.S.C. 501 note) is amended by inserting "(as such section was in effect on the day preceding the date of enactment of this Act)" after "1965".

(q) SAFE DRINKING WATER ACT.—Section 1461 of the Safe Drinking Water Act (42 U.S.C. 300j–21(6)) is amended—

(1) in subparagraph (A) of paragraph (3)—

(A) by striking "section 198" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 3381)"; and

(2) in paragraph (6)—

(A) by striking "section 198" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 2854)".

(r) CIVIL RIGHTS ACT OF 1964.—Subparagraph (B) of section 606(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000d–4a(2)(B)) is amended by striking "section 198(a)(10)" and inserting "section 10101".

(s) OLDER AMERICANS ACT OF 1965.—(1) Section 338(a) of the Older Americans Act of 1965 (42 U.S.C. 3030g–11(a)) is amended—

(A) by striking "section 1005(d)(2)" and inserting "1121(c)(1)(A)"; and

(B) by striking "(20 U.S.C. 2711(d)(2))".

(2) Section 338A of the Older Americans Act of 1965 (42 U.S.C. 3030g–12(a)(1)) is amended—

(A) in paragraph (1) of subsection (a)—

(i) by striking "section 1471" and inserting "section 10101"; and

(ii) by striking "(20 U.S.C. 2891)"; and

(B) in paragraph (3) of subsection (b)—

(i) by striking "projects under section 1015" and inserting "programs under section 1114"; and

(ii) by striking (20 U.S.C. 2025)".

(3) Subparagraph (B) of section 363(5) of the Older Americans Act of 1965 (42 U.S.C. 3030o(5)(B)) is amended—

(A) by striking "section 1471" and inserting "section 10101"; and

(B) by striking "(20 U.S.C. 2891)".

(t) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—(1) Subsection (d) of section 111 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(d)) is amended by striking "chapter 1 of".

(2) Paragraph (14) of section 113(b) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2323(b)(14)) is amended by striking "chapter 1 of".

(3) Subsection (a) of section 115 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2325(a)) is amended—

(A) by striking "chapter 1 of"; and

(B) by inserting "of 1965" after "Secondary Education Act".

(4) Paragraph (1) of section 231(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2341(a)(1)) is amended by striking "section 1005" and inserting "section 1124 or such section's predecessor authority".

(5) Clause (iv) of section 231(d)(3)(A) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2341(d)(3)(A)(iv)) is amended by striking "chapter 1 of".

(6) Section 352 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2395a) is amended by striking "section 1006" and inserting "section 1124".

(7) Subsection (b) of section 353 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2396b) is amended by striking "section 1006" and inserting "section 1124".

(8) Paragraph (1) of section 368 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2396f(1)) is amended by striking "section 1006" and inserting section 1124".

(9) Paragraph (3) of section 420(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2420(a)(3)) is amended by striking "section 1562" and inserting "subpart 2 of part C of title II".

(10) Paragraph (20) of section 521 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(20) is amended by striking "section 1471(5)" and inserting "section 10101".

(11) Paragraph (21) of section 521 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(21)) is amended by striking "section 703(a)(1)" and inserting "section 7104".

(u) JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974.—Paragraph (2) of section 288E(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5667e–5(a)(2)) is amended by striking "chapter 1 of".

(v) AGE DISCRIMINATION ACT OF 1975.—Clause (ii) of section 309(4)(B) of the Age Discrimination Act of 1975 (42 U.S.C. 6107(4)(B)(ii)) is amended by striking "section 198(a)(10)," and inserting "section 10101".

(w) HEAD START TRANSITIONAL PROJECT ACT.—(1) Paragraph (4) of section 132 of the Head Start Transition Project Act (42 U.S.C. 9855(4)) is amended by striking "section 1471(12)" and inserting "section 10101".

(2) Subsection (a) of section 134 of the Head Start Transition Project Act (42 U.S.C. 9855b(a)) is amended by striking "of chapter 1".

(3) Subsection (b) of section 134 of the Head Start Transition Project Act (42 U.S.C. 9855b(b)) is amended by striking "of chapter 1".

(4) Subsection (d) of section 135 of the Head Start Transition Project Act (42 U.S.C. 9855c(d)) is amended by striking "schoolwide project under section 1015(a)" and inserting "schoolwide program under section 1114".

(5) Subparagraph (C) of section 136(a)(4) of the Head Start Transition Project Act (42 U.S.C. 9855d(a)(4)(C)) is amended—

(A) by striking "Follow Through Act, chapter 1 of"; and

(B) by striking "part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965".

(6) Paragraph (8) of section 136(a) of the Head Start Transition Project Act (42 U.S.C. 9855d(a)(8)) is amended by striking "part B of chapter 1" and inserting "part C".

(7) Paragraph (10) of section 136(a) of the Head Start Transition Project Act (42 U.S.C. 9855d(a)(10)) is amended by striking "part B of chapter 1" and inserting "part C".

(x) FOLLOW THROUGH ACT.—The Follow Through Act (42 U.S.C. 9861 et seq.) is repealed.

(y) COMPREHENSIVE CHILD DEVELOPMENT ACT.—Paragraph (5) of section 670S of the Comprehensive Child Development Act (42 U.S.C. 9886(5)) is amended by striking "section 1471(12)" and inserting "section 10101".

(z) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subparagraph (B) of section 112(b)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12524(b)(2)(B)) is amended by striking "chapter 1 of".

(aa) TRAINING TECHNOLOGY TRANSFER ACT OF 1988.—Paragraph (1) of section 6144 of the Training Technology Transfer Act of 1988 (20 U.S.C. 5124(1)) is amended by striking "section 405(d)(4)(A)(i) of the General Education Provisions Act (20 U.S.C. 1221e(d)(4)(A)(i))" and inserting "section 941(h) of the Educational Research, Development, Dissemination, and Improvement Act of 1994".

SEC. 382. ADDITIONAL REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS REGARDING IMPACT AID.

(a) ADDITIONAL REPEALS.—

(1) OMNIBUS BUDGET RECONCILIATION ACT OF 1981.—Subsection (c) of section 505 of the Omnibus Budget Reconciliation Act of 1981 is repealed.

(2) EDUCATION AMENDMENTS OF 1984.—Section 302 of the Education Amendments of 1984 is repealed.

(3) DEPARTMENT OF EDUCATION APPROPRIATIONS ACT, 1991.—Section 306 of the Department of Education Appropriations Act, 1991, is repealed.

(4) NATIONAL ASSESSMENT OF CHAPTER 1 ACT.—Paragraph (2) of section 3(a) of the 1992 National Assessment of Chapter 1 Act is repealed.

(5) PUBLIC LAW 92–277.—Section 2 of Public Law 92–277 (86 Stat. 124) is repealed.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1966.—Section 182 of the Elementary and Secondary Education Amendments of 1966 is amended by striking "by the Act of September 23, 1950 (Public Law 815, 81st Congress),".

(2) TOXIC SUBSTANCES CONTROL ACT.—Subparagraph (C) of section 302(1) of the Toxic Substances Control Act (15 U.S.C. 2662(1)(C)) is amended by inserting "as in effect before enactment of the Improving America's Schools Act of 1994" after "section 6 of the Act of September 30, 1950 (64 Stat. 1107),".

SEC. 383. INDIAN EDUCATION.

(a) ADULT EDUCATION ACT.—Paragraph (4) of section 322(a) of the Adult Education Act (20 U.S.C. 1203a(a)) is amended by striking "the Indian Education Act" and inserting "title VI of the Elementary and Secondary Education Act of 1965".

(b) EDUCATION AMENDMENTS OF 1978.—Paragraph (3) of section 1128(c) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(3)) is amended—

(1) in clause (i) of subparagraph (A), by striking "(as determined pursuant to section 5324 of the Indian Education Act of 1988)"; and

(2) in subparagraph (B)—

(A) by striking "the later of the following" and all that follows through "(ii)"; and

(B) by inserting ", and for each fiscal year thereafter" before the period at the end thereof.

(c) INDIAN EDUCATION ASSISTANCE ACT.—Section 209 of the Indian Education Assistance Act (25 U.S.C. 458e) is amended by striking "title IV of the Act of June 23, 1972 (86 Stat. 235)" and inserting "title VI of the Elementary and Secondary Education Act of 1965".

(d) JOHNSON-O'MALLEY ACT.—Subsection (a) of section 5 of the Act of April 16, 1934, commonly known as the "Johnson-O'Malley Act" (25 U.S.C. 456(a)) is amended by striking "section 305(b)(2)(B)(ii) of the Act of June 23, 1972 (86 Stat. 235)" and inserting "section 6104(c)(4) of the Elementary and Secondary Education Act of 1965".

SEC. 384. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) ADULT EDUCATION ACT.—Paragraph (7) of section 342(c) of the Adult Education Act (20 U.S.C. 1206a(c)) is amended by striking "section 7004(a) of title VII" and inserting "section 7104(5)".

(b) AGE DISCRIMINATION ACT OF 1975.—Clause (ii) of section 309(4)(B) of the Age Discrimination Act of 1975 (42 U.S.C. 6107(4)(B)(ii)) is amended by striking "section 198(a)(10)" and inserting in lieu thereof "section 9101(13)".

(c) ANTI-DRUG ABUSE ACT OF 1988.—Subparagraph (A) of section 3521(d)(8) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841(d)(8)(A)) is amended by striking "the Drug-Free Schools and Communities Act of 1986" and inserting "part A of title V of the Elementary and Secondary Education Act of 1965".

(d) ASBESTOS SCHOOL HAZARD ABATEMENT ACT.—Section 511 of the Asbestos School Hazard Abatement Act of 1984 (20 U.S.C. 4020) is amended—

(1) in subparagraph (A) of paragraph (4), by striking "section 198(a)(10)" and inserting "section 10101"; and

(2) in subparagraph (A) of paragraph (5), by striking "section 198(a)(7)" and inserting "section 10101".

(e) CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—Subsection (c) of section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f(c)) is amended by striking "section 1006" and inserting "section 1124".

(f) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Paragraph (10) of section 457 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899f(10)) is amended by striking "section 7003 of the Bilingual Education Act" and inserting "section 7104(5) of the Elementary and Secondary Education Act of 1965".

(g) FAMILY AND MEDICAL LEAVE ACT OF 1993.—Subparagraph (A) of section 108(a)(1) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2618(a)(1)(A)) is amended by striking "section 1471(12) (20 U.S.C. 2891(12))" and inserting "section 10101".

(h) GOALS 2000: EDUCATION AMERICA ACT.—The Goals 2000: Educate America Act is amended—

(1) in section 3—

(A) in subsection (a)—

(i) in paragraph (6), by striking "section 1471" and inserting "section 10101"; and

(ii) in paragraph (10), by striking "section 602" and inserting "section 602(a)(17)"; and

(B) in paragraph (1) of subsection (b), by striking "section 1471" and inserting "section 10101";

(2) in paragraph (7) of section 231, by striking "chapter 1 of";

(3) in subsection (b) of section 232—

(A) in subparagraph (A) of paragraph (2), by striking "Star Schools Program Assistance Act" and inserting "Star Schools program authorized by part B of title III of the Elementary and Secondary Education Act of 1965"; and

(B) in subparagraph (F) of paragraph (3), by striking "the evaluation undertaken pursuant to section 908 of the Star Schools Program Assistance Act" and inserting "any evaluation of the Star School program undertaken by the Secretary";

(4) in subsection (b) of section 310, by striking "section 1017" and inserting "sections 1117 and 10503"; and

(5) in subsection (b) of section 311, by amending paragraphs (1) through (6) to read as follows:

"(1) Title I of the Elementary and Secondary Education Act of 1965.

"(2) Part A of title II of the Elementary and Secondary Education Act of 1965.

"(3) Part A of title V of the Elementary and Secondary Education Act of 1965.

"(4) Title VIII of the Elementary and Secondary Education Act of 1965.

"(5) Part B of title IX of the Elementary and Secondary Education Act of 1965.

"(6) The Carl D. Perkins Vocational and Applied Technology Education Act.".

(i) IMMIGRATION AND NATIONALITY ACT.—Subparagraph (D) of section 245A(h)(4) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(D)) is amended to read as follows:

"(D) Title I of the Elementary and Secondary Education Act of 1965.".

(j) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The National and Community Service Act of 1990 is amended—

(1) in section 101—

(A) in paragraph (8), by striking "section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8))" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965";

(B) in paragraph (14), by striking "section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12))" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965;

(C) in paragraph (22), by striking "section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21))" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965"; and

(D) in paragraph (28), by striking "section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23))" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965";

(2) in subparagraph (B) of section 112(b)(2), by inserting "or its successor authority" after "(20 U.S.C. 2711 et seq.)"; and

(3) in subsection (b) of section 115A, by inserting ", as in effect on the day preceding the date of enactment of the Improving America's Schools Act of 1994" after "(20 U.S.C. 2727(b))".

(k) REHABILITATION ACT OF 1973.—The Rehabilitation Act of 1973 is amended—

(1) in section 202(b)(4)(A)(i), by striking "paragraphs (8) and (21), respectively, of section 1471 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891 (8) and (21))" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965"; and

(2) in subparagraph (B) of section 504(b)(2), by striking "section 1471(12)" and inserting "section 10101".

(l) SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—The School-to-Work Opportunities Act of 1994 is amended—

(1) in paragraph (15) of section 4, by striking "section 602(17)" and inserting "section 602(a)(17)"; and

(2) in subsection (b) of section 502, by amending paragraphs (1) through (6) to read as follows:

"(1) title I of the Elementary and Secondary Education Act of 1965;

"(2) part A of title II of the Elementary and Secondary Education Act of 1965;

"(3) part A of title V of the Elementary and Secondary Education Act of 1965;

"(4) part B of title IX of the Elementary and Secondary Education Act of 1965;

"(5) title XIII of the Elementary and Secondary Education Act of 1965; and

"(6) the Carl D. Perkins Vocational and Applied Technology Education Act.".

(m) SOCIAL SECURITY ACT.—Paragraph (7) of section 402(g) of the Social Security Act (42 U.S.C. 602(g)(7)) is amended by striking "chapter 1 of the Education Consolidation and Improvement Act of 1981" and inserting "title I of the Elementary and Secondary Education Act of 1965".

(n) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Section 670G of the State Dependent Care Development Grants Act (42 U.S.C. 9877) is amended—

(1) in paragraph (6), by striking "section 198(a)(10)" and inserting "section 10101 of the Elementary and Secondary Education Act of 1965"; and

(2) in paragraph (11), by striking "section 198(a)(17)" and inserting "section 10101".

(o) TRIBALLY CONTROLLED SCHOOLS ACT OF 1988.—The Tribally Controlled Schools Act of 1988 is amended—

(1) in subparagraph (C) of section 5204(a)(3), by striking "chapter 1 of"; and

(2) in section 5205—

(A) in subparagraph (A) of subsection (a)(3), by striking "chapter 1 of"; and

(B) in subsection (b)—

(i) in subparagraph (A) of paragraph (2), by striking "chapter 1 of"; and

(ii) in clause (i) of paragraph (3)(A), by striking "chapter 1 of".

TITLE IV—MISCELLANEOUS

SEC. 401. DOCUMENTS TRANSMITTED TO CONGRESS.

In documents transmitted to Congress explaining the President's budget request for the Special Education account, the Department of Education shall display amounts included in the request to offset the termination of part D of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 by the Improving America's Schools Act of 1994.

SEC. 402. PARENTAL INVOLVEMENT.

It is the policy of the Congress that the States, in cooperation with local educational agencies, schools, and parent groups, should be encouraged to involve parents of children who display criminal or violent behavior toward teachers, students, or others on school property in disciplinary actions affecting such children.

SEC. 403. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS.

(a) FINDINGS.—The Congress finds the following:

(1) Over 150,000 youth offenders age 21 and younger are incarcerated in the Nation's jails, juvenile facilities, and prisons.

(2) Most youth offenders who are incarcerated have been sentenced as first-time adult felons.

(3) Approximately 75 percent of youth offenders are high school dropouts who lack basic literacy and life skills, have little or no job experience, and lack marketable skills.

(4) The average incarcerated youth has attended school only through grade 10.

(5) Most of these youths can be diverted from a life of crime into productive citizenship with available educational, vocational, work skills, and related service programs.

(6) If not involved with educational programs while incarcerated, almost all of these youths will return to a life of crime upon release.

(7) The average length of sentence for a youth offender is about 3 years. Time spent in prison provides a unique opportunity for education and training.

(8) Even with quality education and training provided during incarceration, a period of intense supervision, support, and counseling is needed upon release to ensure effective reintegration of youth offenders into society.

(9) Research consistently shows that the vast majority of incarcerated youths will not return to the public schools to complete their education.

(10) There is a need for alternative educational opportunities during incarceration and after release.

(b) DEFINITION.—The term "youth offender" means a male or female offender under the age of 25, who is incarcerated in a State prison, including a prerelease facility.

(c) GRANT PROGRAM.—The Secretary shall establish a program in accordance with this section to provide grants to the States to assist and encourage incarcerated youths to acquire functional literacy, life, and job skills, through the pursuit of a postsecondary education certificate, or an associate of arts or bachelor's degree while in prison, and employment counseling and other related services which start during incarceration and continue through prerelease and while on parole.

(d) APPLICATION.—To be eligible for a grant under this section, a State agency shall submit to the Secretary a proposal for a youth offender program that—

(1) identifies the scope of the problem, including the number of incarcerated youths in need of postsecondary education and vocational training;

(2) lists the accredited public or private educational institution or institutions that will provide postsecondary educational services;

(3) lists the cooperating agencies, public and private, or businesses that will provide related services, such as counseling in the areas of career development, substance abuse, health, and parenting skills;

(4) describes the evaluation methods and performance measures that the State will employ, provided that such methods and measures are appropriate to meet the goals and objectives of the proposal, and that they include measures of—

(A) program completion;

(B) student academic and vocational skill attainment;

(C) success in job placement and retention; and

(D) recidivism;

(5) describes how the proposed programs are to be integrated with existing State correctional education programs (such as adult education, graduate education degree programs, and vocational training) and State industry programs;

(6) addresses the educational needs of youth offenders who are in alternative programs (such as boot camps); and

(7) describes how students will be selected so that only youth offenders eligible under subsection (f) will be enrolled in postsecondary programs.

(e) PROGRAM REQUIREMENTS.—Each State agency receiving a grant under this section shall—

(1) integrate activities carried out under the grant with the objectives and activities of the school-to-work programs of such State, including—

(A) work experience or apprenticeship programs;

(B) transitional worksite job training for vocational education students that is related to the occupational goals of such students and closely linked to classroom and laboratory instruction;

(C) placement services in occupations that the students are preparing to enter;

(D) employment-based learning programs; and

(E) programs that address State and local labor shortages;

(2) annually report to the Secretary and the Attorney General on the results of the evaluations conducted using the methods and performance measures contained in the proposal; and

(3) provide to each State not more than $1,500 annually for tuition, books, and essential materials, and not more than $300 annually for related services such as career development, substance abuse counseling, parenting skills training, and health education, for each eligible incarcerated youth.

(f) STUDENT ELIGIBILITY.—A youth offender shall be eligible for participation in a program receiving a grant under this section if the youth offender—

(1) is eligible to be released within 5 years (including a youth offender who is eligible for parole within such time); and

(2) is 25 years of age or younger.

(g) LENGTH OF PARTICIPATION.—A program receiving a grant under this section shall provide educational and related services to each participating youth offender for a period not to exceed 5 years, 1 year of which may be devoted to study in a graduate education degree program or to remedial education services for students who have obtained a high school diploma. Educational and related services shall start during the period of incarceration in prison or prerelease and may continue during the period of parole.

(h) EDUCATION DELIVERY SYSTEMS.—Correctional education agencies and cooperating institutions shall, to the extent practicable, use high-tech applications in developing programs to meet the requirements and goals of this program.

(i) ALLOCATION OF FUNDS.—From the amounts appropriated pursuant to subsection (j), the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of eligible students in such State bears to the total number of eligible students in all States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $18,000,000 for fiscal year 1995; and

(2) such sums as may be necessary for fiscal year 1996 and each fiscal year thereafter.

SEC. 404. LOCAL CONTROL OVER SCHOOL VIOLENCE.

(a) IN GENERAL.—In any school that receives Federal funds, if a student brings to or possesses on school property or at a school-sponsored event a weapon as such term is defined in, and in contravention of, school policy, or has demonstrated life threatening behavior in the classroom or on school premises, then the student shall be subjected to the disciplinary actions as determined by the local educational agency.

(b) INDIVIDUALS WITH DISABILITIES.—Paragraph (3) of section 615(e) of the Act (20 U.S.C. 1415(e)(3)) is amended—

(1) by striking "During" and inserting "(A) Except as provided in subparagraph (B), during", and

(2) by adding at the end the following new subparagraph:

"(B)(i) Except as provided in clause (iii), if the proceedings conducted pursuant to this section involve a child with a disability who brings to or possesses on school property or at a school-sponsored event a weapon as such term is defined in, and in contravention of, school policy, or a child with a disability who has demonstrated life threatening behavior in the classroom or on school premises, then the child may be placed in an interim alternative educational setting for not more than 90 days.

"(ii) The interim alternative educational setting described in clause (i) shall be decided by the individuals described in section 602(a)(20).

"(iii) If a parent or guardian of a child described in clause (i) requests a due process hearing pursuant to paragraph (2) of subsection (b), then the child shall remain in the alternative educational setting described in such clause during the pendency of any proceedings conducted pursuant to this section, unless the parents and the local educational agency agree otherwise.".

(c) SUNSET PROVISION.—This section, and the amendments made by this section, shall be effective during the period beginning on the date of enactment of this Act and ending on the date of enactment of an Act (enacted after the date of the enactment of this Act) that reauthorizes the Individuals With Disabilities Education Act.

(d) DEFINITIONS.—For the purposes of this section, the term "life threatening behavior" is defined as "an injury involving a substantial risk of death; loss or substantial impairment of the function of a bodily member, organ, or mental faculty that is likely to be permanent; or an obvious disfigurement that is likely to be permanent.".

SEC. 405. LOCAL CONTROL OVER VIOLENCE.

(a) AMENDMENTS.—

(1) IN GENERAL.—In paragraph (3) of section 615(e) of the Individuals with Disabilities Education Act (20 U.S.C. 1415(e)(3)) is amended—

(A) by striking 'During' and inserting '(A) Except as provided in subparagraph (B), during'; and

(B) by adding at the end the following new subparagraph:

"(B)(i) Except as provided in clause (iii), if the proceedings conducted pursuant to this section involve a child with a disability who is determined to have brought a weapon to school under the jurisdiction of such agency, then the child may be placed in an interim alternative educational setting for not more than 90 days, consistent with State law.

"(ii) The interim alternative educational setting described in clause (i) shall be decided by the individuals described in section 602(a)(20).

"(iii) If a parent or guardian of a child described in clause (i) requests a due process hearing pursuant to paragraph (2) of subsection (b), then the child shall remain in the alternative educational setting described in such clause during the pendency of any proceedings conducted pursuant to this section, unless the parents and the local educational agency agree otherwise.".

(2) EFFECTIVE DATE.—Paragraph (1) and the amendments made by paragraph (1) shall be effective during the period beginning on the date of enactment of this Act and ending on the date of enactment of an Act (enacted after the date of the enactment of this Act) that reauthorizes the Individuals with Disabilities Education Act.

(b) Nothing in the Individuals with Disabilities Education Act shall supersede the provisions of the Gun-Free Schools Act (section 17001 of the Elementary and Secondary Education Act) when the child's behavior is unrelated to his or her disability.

SEC. 406. PROHIBITION AGAINST FUNDS FOR HOMOSEXUAL SUPPORT.

(a) PROHIBITION.—No local educational agency that receives funds under this Act shall implement or carry out a program or activity that has either the purpose or effect of encouraging or supporting homosexuality as a positive lifestyle alternative.

(b) DEFINITION.—A program or activity, for purposes of this section, includes the distribution of instructional materials, instruction, counseling, or other services on school grounds, or referral of a pupil to an organization that affirms a homosexual lifestyle.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect one day following the enactment of this Act.

SEC. 407. YOUTH PROGRAMS LIMITATION.

None of the funds authorized under this Act shall be used to develop materials or programs directed at youth that are designed to directly promote or encourage sexual activity, whether homosexual or heterosexual.

SEC. 408. LIMITATION.

None of the funds authorized to be appropriated under this Act may be used to make condoms available in a public school.

SEC. 409. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

Notwithstanding any other provision of law, beginning on June 1, 1994, and ending on the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), the Secretary shall not issue any new final regulations to implement such Act.

SEC. 410. THERAPEUTIC MODEL DEMONSTRATION SCHOOLS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary of the Interior, acting through the Bureau of Indian Affairs, is authorized to establish demonstration schools based on the therapeutic model described in this section, to provide services necessary to achieve positive changes in the attitudes, behavior, and academic performance of Indian youth attending off-reservation boarding schools.

(2) PURPOSE.—The purpose of the therapeutic model demonstration schools shall be—

(A) to provide a program, based on an annual written plan, linking clinicians, counselors, and mental health professionals with academic program personnel in a culturally sensitive residential program tailored to the particular needs of Indian students;

(B) to provide for a continued evaluation of the planning and implementation of the therapeutic model in the designated schools; and

(C) to determine what steps the Bureau of Indian Affairs must take and what resources are required to transform existing off-reservation boarding schools to meet the needs of chemically dependent, emotionally disturbed, socially troubled, or other at-risk Indian youth who attend such schools.

(b) LOCATION.—The Secretary shall initiate the therapeutic model at two schools in school years 1994 through 1996, and shall give priority to—

(1) one school that is the recipient of a grant under section 5204 of the August F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 during the 1994–1995 school year; and

(2) one school operated by the Bureau of Indian Affairs during the 1995–1996 school year.

(c) SERVICES.—The demonstration schools shall provide an integrated residential environment that may include—

(1) mental health services;

(2) education;

(3) recreation therapy;

(4) social service programs;

(5) substance abuse education and prevention; and

(6) other support services for aftercare.

(d) STAFFING.—The demonstration schools shall be staffed with health and social service professionals, and educators, and may include, but not be limited to—

(1) clinical psychologists;

(2) child psychologists;

(3) substance abuse counselors;

(4) social workers; and

(5) health educators.

(e) ENROLLMENT.—Notwithstanding any other provision of law, the Secretary of the Interior may limit the enrollment at the demonstration schools.

(f) ASSISTANCE.—The Secretary is authorized to enter into agreements with other organizations and agencies, including the Indian Health Service, to carry out this section.

(g) REPORT.—Not later than July 31 of each year, the Secretary of the Interior shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Education and Labor of the House of Representatives on the progress of the Department of the Interior in the development of the demonstration schools.

SEC. 411. CRIMINAL HISTORY INVESTIGATIONS OF SCHOOL BUS DRIVERS.

(a) REQUIREMENT FOR INVESTIGATIONS.—(1) Notwithstanding any other provision of law, a local educational agency may not employ a person as a driver of a school bus of or on behalf of the agency until the agency conducts a background check under procedures that meet the guidelines set forth in section 3(b) of the National Child Protection Act of 1993 (Public Law 103–209; 107 Stat. 2491; 42 U.S.C. 5119a(b)).

(2) Subject to paragraph (3), the prohibition set forth in paragraph (1) shall take effect on the date of the enactment of this Act.

(b) INTERIM REQUIREMENT.—Prior to the establishment of the procedures referred to in subsection (a)(1), or a State's participation in the procedures referred to in subsection (a)(1), local educational agencies shall conduct a fingerprint based check through the criminal history files maintained by the Criminal Justice Information Services Division of the Federal Bureau of Investigation.

(c) DEFINITION.—In this section, the term "local educational agency" has the meaning given such term in section 10101 of the Elementary and Secondary Education Act of 1965, as amended by title I of this Act.

SEC. 412. RATE OF PAY FOR THE DEPUTY DIRECTOR OF THE NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH.

Notwithstanding section 202(c)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 761a(c)(2)), the Secretary of Education is authorized to compensate anyone appointed during calendar year 1994 to be the Deputy Director of the National Institute on Disability and Rehabilitation Research at the rate of pay for level 5 of the Senior Executive Service Schedule.

TITLE V—WORKERS TECHNOLOGY SKILL DEVELOPMENT

SEC. 501. SHORT TITLE.

This title may be cited as the "Workers Technology Skill Development Act".

SEC. 502. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations that lead in the rapid development, commercialization, and application of new and advanced technologies, and in the high-quality, competitively priced production of goods and services, will lead in

economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done well in rapidly making the transition from achievement in its research laboratories to high-quality, competitively priced production of goods and services. This lag and the unprecedented competitive challenge that the United States has faced from abroad have contributed to a drop in real wages and living standards.

(3) Companies that are successfully competitive in the rapid development, commercialization, application, and implementation of advanced technologies, and in the successful delivery of goods and services, recognize that worker participation and labor-management cooperation in the deployment, application, and implementation of advanced workplace technologies make an important contribution to high-quality, competitively priced production of goods and services and in maintaining and improving real wages for workers.

(4) The Federal Government has an important role in encouraging and augmenting private sector efforts relating to the development, application, manufacture, and deployment of new and advanced technologies. The role should be to—

(A) work with private companies, States, worker organizations, nonprofit organizations, and institutions of higher education to ensure the development, application, production, and implementation of new and advanced technologies to promote the improvement of workers' skills, wages, job security, and working conditions, and a healthy environment;

(B) encourage worker and worker organization participation in the development, commercialization, evaluation, selection, application, and implementation of new and advanced technologies in the workplace; and

(C) promote the use and integration of new and advanced technologies in the workplace that enhance workers' skills.

(5) In working with the private sector to promote the technological leadership and economic growth of the United States, the Federal Government has a responsibility to ensure that Federal technology programs help the United States to remain competitive and to maintain and improve living standards and to create and retain secure jobs in economically stable communities.

SEC. 503. PURPOSES.

The purposes of this title are to—

(1) improve the ability of workers and worker organizations to recognize, develop, assess, and improve strategies for successfully integrating workers and worker organizations into the process of evaluating, selecting, and implementing advanced workplace technologies, and advanced workplace practices in a manner that creates and maintains stable well-paying jobs for workers; and

(2) assist workers and worker organizations in developing the expertise necessary for effective participation with employers in the development of strategies and programs for the successful evaluation, selection, and implementation of advanced workplace technologies and advanced workplace practices through the provision of a range of education, training, and related services.

SEC. 504. DEFINITIONS.

As used in this title:

(1) ADVANCED WORKPLACE PRACTICES.—The term "advanced workplace practices" means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relationships between suppliers and customers, widely diffused decisionmaking and work teams, and effective integration of production technology, worker skills and training, and workplace organization, and such other characteristics as determined appropriate by the Secretary of Labor, in consultation with the Secretary of Commerce.

(2) ADVANCED WORKPLACE TECHNOLOGIES.—The term "advanced workplace technologies" includes—

(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving the manufacturing and industrial production of goods and commercial services, which advance the state-of-the-art; or

(B) novel industrial and commercial techniques and processes not previously generally available that improve quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, inventory management, upgraded worker skills, communications with customers and suppliers, and promotion of sustainable economic growth.

(3) DEPARTMENT.—The term "Department" means the Department of Labor.

(4) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means a tax-exempt organization, as described in paragraph (3), (4), or (5) of section 501(c) of the Internal Revenue Code of 1986.

(5) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(6) WORKER ORGANIZATION.—The term "worker organization" means a labor organization within the meaning of section 501(c)(5) of the Internal Revenue Code of 1986.

SEC. 505. GRANTS.

(a) IN GENERAL.—The Secretary of Labor, after consultation with the Secretary of Commerce, shall, to the extent appropriations are available, award grants to eligible entities to carry out the purposes described in section 503.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

(1) be a nonprofit organization, or a partnership consortium of such institutions or organizations;

(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a description of the activities that the entity will carry out using amounts received under the grant; and

(3) agree to make available (directly or through donations from public or private entities) non-Federal contributions toward the costs of the activities to be conducted with grant funds, in an amount equal to the amount required under subsection (d).

(c) USE OF AMOUNTS.—An entity shall use amounts received under a grant awarded under this section to carry out the purposes described in section 503 through activities such as—

(1) the dissemination of information to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers regarding successful practices relating to the effective deployment of advanced workplace technologies, and advanced workplace practices;

(2) the provision of technical assistance to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers to identify advanced workplace practices and strategies that enhance the effective evaluation, selection, and implementation of advanced workplace technologies;

(3) the researching and identification of new and advanced workplace technologies, and advanced workplace practices that promote the improvement of workers' skills, wages, working conditions, and job security, that research the link between advanced workplace practices and long-term corporate performance, and that are consistent with the needs of local communities and the need for a healthy environment; and

(4) the development and dissemination of training programs and materials relating to the services provided pursuant to paragraphs (1) through (3).

(d) TERMS OF GRANTS AND NON-FEDERAL SHARES.—

(1) TERMS.—Grants awarded under this section shall be for a term not to exceed 6 years.

(2) NON-FEDERAL SHARE.—Amounts required to be contributed by an entity under subsection (b)(3) shall equal—

(A) an amount equal to 15 percent of the amount provided under the grant in the first year for which the grant is awarded;

(B) an amount equal to 20 percent of the amount provided under the grant in the second year for which the grant is awarded;

(C) an amount equal to 33 percent of the amount provided under the grant in the third year for which the grant is awarded;

(D) an amount equal to 40 percent of the amount provided under the grant in the fourth year for which the grant is awarded; and

(E) an amount equal to 50 percent of the amount provided under the grant in the fifth and sixth years for which the grant is awarded.

(e) EVALUATION.—The Department shall develop mechanisms for evaluating the effectiveness of the use of a grant awarded under this section in carrying out the purposes under section 503 and, not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, prepare and submit a report to Congress concerning such evaluation.

SEC. 506. IDENTIFICATION AND DISSEMINATION OF BEST PRACTICES.

(a) IN GENERAL.—

(1) INFORMATION.—The Secretary, in cooperation and after consultation with the Secretary of Commerce, shall assist workers, worker organizations, and employers in successfully adopting advanced workplace technologies, and advanced workplace practices by identifying, collecting, and disseminating information on best workplace practices and workplace assessment tools, including—

(A) methods, techniques, and successful models of labor-management cooperation and of worker and worker organization participation in the development, evaluation, selection, and implementation of new and advanced workplace technologies, and advanced workplace practices;

(B) methods, techniques, and successful models for the design and implementation of new and advanced workplace practices;

(C) methods, techniques, and successful models for the design and implementation of advanced forms of work organization; and

(D) methods, techniques, and successful models for the assessment of worker skills and training needs relating to the effective development, evaluation, selection, and implementation of advanced workplace technologies, and advanced workplace practices.

(2) CONTENTS.—Such information on best workplace practices shall include—

(A) summaries and analyses of best practice cases;

(B) criteria for assessment of current workplace practices; and

(C) information on the best available education and training materials and services relating to the development, implementation, and operation of systems utilizing new and advanced workplace technologies, and advanced workplace practices.

(b) DISTRIBUTION.—The information and materials developed under this section shall be distributed through an appropriate entity designated by the Secretary of Commerce to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Center, to other technology training entities, and directly to others as determined appropriate by the Secretary of Labor and the Secretary of Commerce.

SEC. 507. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the fiscal years 1995 through 1997.

(b) AVAILABILITY.—Amounts appropriated under subsection (a) shall remain available until expended.

TITLE VI—MULTIETHNIC PLACEMENT

SEC. 601. SHORT TITLE.

This title may be cited as the "Multiethnic Placement Act of 1994".

SEC. 602. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) nearly 500,000 children are in foster care in the United States;

(2) tens of thousands of children in foster care are waiting for adoption;

(3) 2 years and 8 months is the median length of time that children wait to be adopted;

(4) child welfare agencies should work to eliminate racial, ethnic, and national origin discrimination and bias in adoption and foster care recruitment, selection, and placement procedures; and

(5) active, creative, and diligent efforts are needed to recruit parents, from every race and culture, for children needing foster care or adoptive parents.

(b) PURPOSE.—It is the purpose of this title to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

SEC. 603. MULTIETHNIC PLACEMENTS.

(a) ACTIVITIES.—

(1) PROHIBITION.—An agency, or entity, that receives Federal assistance and is involved in adoption or foster care placements may not—

(A) categorically deny to any person the opportunity to become an adoptive or a foster parent, solely on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, solely on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) PERMISSIBLE CONSIDERATION.—An agency or entity to which paragraph (1) applies may consider the race, color, or national origin of a child as a factor in making a placement decision if such factor is relevant to the best interests of the child involved and is considered in conjunction with other factors.

(3) DEFINITION.—As used in this subsection, the term "placement decision" means the decision to place, or to delay or deny the placement of, a child in a foster care or an adoptive home, and includes the decision of the agency or entity involved to seek the termination of birth parent rights or otherwise make a child legally available for adoptive placement.

(b) LIMITATION.—The Secretary of Health and Human Services shall not provide placement and administrative funds under section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) to an agency or entity described in subsection (a) that is not in compliance with subsection (a).

(c) EQUITABLE RELIEF.—Any individual who is aggrieved by an action in violation of subsection (a), taken by an agency or entity described in subsection (a), shall have the right to bring an action seeking relief in a United States district court of appropriate jurisdiction.

(d) CONSTRUCTION.—Nothing in this section shall be construed to affect the application of the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.).

TITLE VII—ALBERT EINSTEIN DISTINGUISHED EDUCATOR FELLOWSHIP ACT

SEC. 701. SHORT TITLE.

This title may be cited as the "Albert Einstein Distinguished Educator Fellowship Act of 1994".

SEC. 702. FINDINGS.

The Congress finds that—

(1) the Department of Energy has unique and extensive mathematics and science capabilities that contribute to mathematics and science education programs throughout the Nation;

(2) a need exists to increase understanding, communication, and cooperation between the Congress, the Department of Energy, other Federal agencies, and the mathematics and science education community;

(3) elementary and secondary school mathematics and science teachers can provide practical insight to the Legislative and Executive branches in establishing and operating education programs; and

(4) a pilot program that placed elementary and secondary school mathematics and science teachers in professional staff positions in the Senate and the House of Representatives has proven successful and demonstrated the value of expanding the program.

SEC. 703. PURPOSE; DESIGNATION.

(a) PURPOSE.—The purpose of this title is to establish within the Department of Energy a national fellowship program for elementary and secondary school mathematics and science teachers.

(b) DESIGNATION.—A recipient of a fellowship under this title shall be known as an "Albert Einstein Fellow".

SEC. 704. DEFINITIONS.

As used in this title—

(1) the term "elementary school" has the meaning provided by section 10101(11) of the Elementary and Secondary Education Act of 1965, as amended by title I of this Act;

(2) the term "local educational agency" has the meaning provided by section 10101(15) of the Elementary and Secondary Education Act of 1965, as so amended;

(3) the term "secondary school" has the meaning provided by section 10101(21) of the Elementary and Secondary Education Act of 1965, as so amended; and

(4) the term "Secretary" means the Secretary of Energy.

SEC. 705. FELLOWSHIP PROGRAM.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The Secretary shall establish the Albert Einstein Distinguished Educator Fellowship Program (referred to in this title as the "Program") to provide 12 elementary or secondary school mathematics or science teachers with fellowships in each fiscal year in accordance with this title.

(2) ORDER OF PRIORITY.—The Secretary may reduce the number of fellowships awarded under this title for any fiscal year in which the amount appropriated for the Program is insufficient to support 12 fellowships. If the number of fellowships awarded under this title is reduced for any fiscal year, then the Secretary shall award fellowships based on the following order of priority:

(A) Three fellowships in the Department of Energy.

(B) Two fellowships in the Senate.

(C) Two fellowships in the House of Representatives.

(D) One fellowship in each of the following entities:

(i) The Department of Education.

(ii) The National Institutes of Health.

(iii) The National Science Foundation.

(iv) The National Aeronautics and Space Administration.

(v) The Office of Science and Technology Policy.

(3) TERMS OF FELLOWSHIPS.—Each fellowship awarded under this title shall be awarded for a period of ten months that, to the extent practicable, coincides with the academic year.

(4) ELIGIBILITY.—To be eligible for a fellowship under this title, an elementary or secondary school mathematics or science teacher must demonstrate—

(A) that such teacher would bring unique and valuable contributions to the Program;

(B) that such teacher is recognized for excellence in mathematics or science education; and

(C)(i) a sabbatical leave from teaching will be granted in order to participate in the Program; or

(ii) the teacher will return to a teaching position comparable to the position held prior to participating in the Program.

(b) ADMINISTRATION.—The Secretary shall—

(1) provide for the development and administration of an application and selection process for fellowships under the Program, including a process whereby final selections of fellowship recipients are made in accordance with subsection (c);

(2) provide for the publication of information on the Program in appropriate professional publications, including an invitation for applications from teachers listed in the directories of national and State recognition programs;

(3) select from the pool of applicants 12 elementary and secondary school mathematics teachers and 12 elementary and secondary school science teachers;

(4) develop a program of orientation for fellowship recipients under this title; and

(5) not later than August 31 of each year in which fellowships are awarded, prepare and submit an annual report and evaluation of the Program to the appropriate Committees of the Senate and the House of Representatives.

(c) SELECTION.—

(1) IN GENERAL.—The Secretary shall arrange for the 24 semifinalists to travel to Washington, D.C., to participate in interviews in accordance with the selection process described in paragraph (2).

(2) FINAL SELECTION.—(A) Not later than May 1 of each year preceding each year in which fellowships are to be awarded, the Secretary shall select and announce the names of the fellowship recipients.

(B) The Secretary shall provide for the development and administration of a process to select fellowship recipients from the pool of semifinalists as follows:

(i) The Secretary shall select three fellowship recipients who shall be assigned to the Department of Energy.

(ii) The Majority Leader of the Senate and the Minority Leader of the Senate, or their designees, shall each select a fellowship recipient who shall be assigned to the Senate.

(iii) The Speaker of the House of Representatives and the Minority Leader of the House of Representatives, or their designees, shall each select a fellowship recipient who shall be assigned to the House of Representatives.

(iv) Each of the following individuals, or their designees, shall select one fellowship recipient who shall be assigned within the department, office, agency, or institute such individual administers:

(I) The Secretary of Education.

(II) The Director of the National Institutes of Health.

(III) The Director of the National Science Foundation.

(IV) The Administrator of the National Aeronautics and Space Administration.

(V) The Director of the Office of Science and Technology Policy.

SEC. 706. FELLOWSHIP AWARDS.

(a) Fellowship Recipient Compensation.—Each recipient of a fellowship under this title shall be paid during the fellowship period at a rate of pay that shall not exceed the minimum annual rate payable for a position under GS–13 of the General Schedule.

(b) Local Educational Agency.—The Secretary shall seek to ensure that no local educational agency penalizes a teacher who elects to participate in the Program.

SEC. 707. WASTE MANAGEMENT EDUCATION RESEARCH CONSORTIUM (WERC).

The Secretary is authorized to establish a partnership of Department of Energy laboratories, academic institutions, and private sector industries to conduct environmentally related education programs, including programs involving environmentally conscious manufacturing and waste management activities that have undergraduate and graduate educational training as a component.

SEC. 708. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated for the Program $700,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 through 2001.

(b) WERC Program.— There are authorized to be appropriated for the WERC program under section 707 such sums as may be necessary for each of the fiscal years 1996 through 2001.

TITLE VIII—1994 INSTITUTIONS

SEC. 801. SHORT TITLE.

This title may be cited as the "Equity in Educational Land-Grant Status Act of 1994".

SEC. 802. DEFINITION.

As used in this title, the term "1994 Institutions" means any one of the following colleges:

(1) Bay Mills Community College.
(2) Blackfeet Community College.
(3) Cheyenne River Community College.
(4) D–Q University.
(5) Dullknife Memorial College.
(6) Fond Du Lac Community College.
(7) Fort Belknap Community College.
(8) Fort Berthold Community College.
(9) Fort Peck Community College.
(10) LacCourte Orielles Ojibwa Community College.
(11) Little Big Horn Community College.
(12) Little Hoop Community College.
(13) Nebraska Indian Community College.
(14) Northwest Indian College.
(15) Oglala Lakota College.
(16) Salish Kootenai College.
(17) Sinte Gleska University.
(18) Sisseton Wahpeton Community College.
(19) Standing Rock College.
(20) Stonechild Community College.
(21) Turtle Mountain Community College.
(22) Navajo Community College.
(23) United Tribes Technical College.
(24) Southwest Indian Polytechnic Institute.
(25) Institute of American Indian and Alaska Native Culture and Arts Development.
(26) Crownpoint Institute of Technology.
(27) Haskell Indian Junior College.
(28) Leech Lake Tribal College.
(29) College of the Menominee Nation.

SEC. 803. LAND-GRANT STATUS FOR 1994 INSTITUTIONS.

(a) In General.—

(1) Status of 1994 Institutions.—Except as provided in paragraph (2), 1994 Institutions shall be considered land-grant colleges established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 et seq.).

(2) 1994 Institutions.—(A) 1994 Institutions shall not be considered as land-grant colleges that are eligible to receive funding under—

(i) the Act of March 2, 1887 (24 Stat. 440, chapter 314; 7 U.S.C. 361a et seq.);

(ii) the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343), except as provided under section 3(b)(3) of such Act (as added by section 804(b)(1) of this title); or

(iii) the Act of August 3, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 322 et seq.).

(B) In lieu of receiving donations under the provisions of the Act of July 2, 1862, relating to the donations of public land or scrip for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, 1994 Institutions shall receive funding pursuant to the authorization under subsection (b).

(b) Authorization of Appropriations.—For each of fiscal years 1996 through 2000, there are authorized to be appropriated $4,600,000. Amounts appropriated pursuant to this section shall be held and considered to have been granted to 1994 Institutions to establish an endowment pursuant to subsection (c).

(c) Endowment.—

(1) In general.—In accordance with this subsection, the Secretary of the Treasury shall establish a 1994 Institutions Endowment Fund (referred to in this subsection as the "endowment fund"). The Secretary may enter into such agreements as are necessary to carry out this subsection.

(2) Deposit to the endowment fund.—The Secretary shall deposit in the endowment fund any—

(A) amounts made available by appropriations pursuant to subsection (b) (referred to in this subsection as the "endowment fund corpus"); and

(B) interest earned on the endowment fund corpus.

(3) Investments.—The Secretary shall invest the endowment fund corpus and income in interest-bearing obligations of the United States.

(4) Withdrawals and expenditures.—The Secretary may not make a withdrawal or expenditure from the endowment fund corpus. On the termination of each fiscal year, the Secretary shall withdraw the amount of income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows:

(A) 60 percent of the adjusted income shall be distributed among the 1994 Institutions on a pro rata basis. The proportionate share of the adjusted income received by a 1994 Institution under this subparagraph shall be based on the Indian student count (as defined in section 390(3) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2397h(3)) for each Institution for the fiscal year.

(B) 40 percent of the adjusted income shall be distributed in equal shares to the 1994 Institutions.

SEC. 804. APPROPRIATIONS.

(a) Authorization of Appropriations.—

(1) In general.—For fiscal year 1996, and for each fiscal year thereafter, there are authorized to be appropriated to the Department of the Treasury an amount equal to—

(A) $50,000; multiplied by

(B) the number of 1994 Institutions.

(2) Payments.—For each fiscal year, the Secretary of the Treasury shall pay to the treasurer of each 1994 Institution an amount equal to—

(A) the total amount made available by appropriations pursuant to paragraph (1); divided by

(B) the number of 1994 Institutions.

(3) Use of funds; requirements.—The amounts authorized to be appropriated under this subsection shall be used in the same manner as is prescribed for colleges under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 322 et seq.), and, except as otherwise provided in this subsection, the requirements of such Act shall apply to 1994 Institutions.

(b) Funding.—Section 3 of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343) is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

"(3) There are authorized to be appropriated for the fiscal year ending June 30, 1996, and for each fiscal year thereafter, for payment on behalf of the 1994 Institutions (as defined in section 802 of the Equity in Educational Land-Grant Status Act of 1994), $5,000,000 for the purposes set forth in section 2. Such sums shall be in addition to the sums appropriated for the several States and Puerto Rico, the Virgin Islands, and Guam under the provisions of this section. Such sums shall be distributed on the basis of a competitive application process to be developed and implemented by the Secretary and paid by the Secretary to State institutions established in accordance with the provisions of the Act of July 2, 1862 (12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.) (other than 1994 Institutions) and administered by such institutions through cooperative agreements with 1994 Institutions in the States of the 1994 Institutions in accordance with regulations that the Secretary shall adopt.";

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following new subsection:

"(f) There shall be no matching requirement for funds made available pursuant to subsection (b)(3).".

SEC. 805. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) Definitions.—As used in this section:

(1) Federal share.—The term "Federal share" means, with respect to a grant awarded under subsection (b), the share of the grant that is provided from Federal funds.

(2) Non-Federal share.—The term "non-Federal share" means, with respect to a grant awarded under subsection (b), the matching funds paid with funds other than funds referred to in paragraph (1), as determined by the Secretary.

(3) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(b) In General.—

(1) Institutional capacity building grants.—For each of fiscal years 1996 through 2000, the Secretary shall make two or more institutional capacity building grants to assist 1994 Institutions with constructing, acquiring, and remodeling buildings, laboratories, and other capital facilities (including fixtures and equipment) necessary to conduct research more effectively in agriculture and sciences.

(2) Requirements for grants.—The Secretary shall make grants under this section—

(A) on the basis of a competitive application process under which appropriate officials of 1994 Institutions may submit applications to the Secretary in such form and manner as the Secretary may prescribe; and

(B) in such manner as to ensure geographic diversity with respect to the 1994 Institutions that are the subject of the grants.

(3) Demonstration of need.—The Secretary shall require, as part of an application for a grant under this subsection, a demonstration of need. The Secretary may only award a grant under this subsection to an applicant that demonstrates a failure to obtain funding for a project after making a reasonable effort to otherwise obtain the funding.

(4) Payment of non-Federal share.—A grant awarded under this subsection shall be

made on the condition that the recipient of the grant pay a non-Federal share in an amount specified by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Agriculture to carry out this section, $1,700,000 for each of fiscal years 1996 through 2000.

FOREST FIRES IN THE NORTHWEST

Mr. GORTON. Mr. President, the fires burning in central Washington State have captured national attention, and the devastation left behind now deserves national assistance. During the prime tourist seasons, the town of Leavenworth and the resort of Lake Clelan have suffered untold economic damage from the out-of-control forest fires. In addition to the destruction of the landscape, the fires have destroyed jobs and economic opportunities that will impact the entire region. The hard-working people of central Washington do not often ask for Federal assistance, but Mother Nature has made such aid impossible to do without.

It is my understanding that the Department of Labor has two programs that can help these communities immediately. Mr. President, those programs can help central Washingtonians get back on their feet. They do not ask for much, and we must be willing to act as heroically as they have fought the fires.

It is my understanding that once the Governor has asked for the assistance, it will be forthcoming within 24 hours. As a member of the subcommittee that appropriates funds for the Department of Labor, this Senator will see to it that the Department of Labor responds.

Mrs. MURRAY. I wish to add my voice to the comments of the senior Senator from Washington. These fires hit hard, they hit fast, and they are still burning. Damage reports are already streaming in: 94 buildings, including 38 homes, have been consumed; over 160,000 acres of prime wilderness and forestlands are now blackened. People are hurting, and it may get worse.

It is very important at this point that we send a clear signal that help is available for rebuilding and cleaning up. Does the chairman concur that emergency Department of Labor programs are available now—with fiscal year 1994 reserves—to help our communities respond to this emergency?

Mr. HARKIN. The Senators from the great State of Washington are correct. I sympathize with your plight. Last year, when the great State of Iowa was experiencing the flooding disaster, the Department of Labor provided funding under the JTPA special emergency assistance program which allowed us to hire individuals to work on projects to help restore their communities from the devastation.

Mrs. MURRAY. What does this program provide for?

Mr. HARKIN. This program employs dislocated workers to assist with the clean-up, reconstruction and restoration activities that enable the resumption of regular employment. These special temporary jobs may also facilitate the provision of much needed humanitarian assistance to victims of the disaster. these temporary jobs may be in public or private nonprofit agencies, and may last for up to 6 months. Individuals who work in these special temporary jobs may earn as much as $12,000 in base wages.

These funds may also be used to provide reemployment services and retraining activities for workers dislocated by the natural disaster who are unable to return to their previous employment. While priority is given to workers who are dislocated by the disaster—in this case, the fires—long-term unemployed workers may also participate in such disaster employment programs.

Mr. GORTON. We understand that the Secretary of Labor can respond to requests for emergency assistance quickly.

Mr. HARKIN. That's true. The Department of Labor has developed an expedited application process that States may use to access these special funds. It is my understanding that the Department of Labor is waiting to respond to a request from Governor Lowry which meets the requirements for such assistance. Based on my State's experience, funding can be provided in 24 hours or less.

Mrs. MURRAY. Are there other services available from the Department of Labor to assist us address the needs of the citizens of the great State of Washington who are being affected by this disaster?

Mr. HARKIN. Yes there are. If a presidential disaster declaration has been made, individuals who are unemployed as a result of the disaster are eligible for unemployment insurance benefits. In the case of workers who are not eligible for unemployment insurance, disaster unemployment assistance is available.

Mrs. MURRAY. Thank you very much, Mr. Chairman. We appreciate your assistance and sympathy with our situation.

Mr. GORTON. I would like to thank the chairman as well for his assurances. The people of central Washington are grateful as well.

NUCLEAR PROLIFERATION IN PAKISTAN: REAFFIRMING THE INTENT OF THE PRESSLER AMENDMENT

Mr. PRESSLER. Mr. President, in 1990 President Bush no longer could certify that Pakistan did not possess a nuclear weapon. As a consequence, U.S. assistance was cut off. Over the past year, the Clinton administration has attempted to waive current law to allow the shipment of at least 38 F-16's to Pakistan. The language in the Foreign Assistance Act which prevents the administration from sending the planes to Pakistan, as my colleagues know, is the "Pressler amendment."

In 1985 when the Pressler amendment became law, I was gravely concerned about regional arms building. Those concerns remain today. I have opposed the President's desire to exempt the F-16's for Pakistan. When the Pressler amendment was triggered in 1990, U.S. assistance ended. I did not intend to allow exemptions then. I do not intend to allow exemptions now.

Recently, I wrote a chapter for a book titled "Future Imperiled." In the chapter, I detail the history and current interpretation of the Pressler amendment. As a way of reiterating the intent of the amendment and to remind the administration of the amendment's importance in thwarting a South Asian arms race, I ask unanimous consent to place a copy of this chapter in the RECORD at this time.

THE RESTRAINT OF FURY: US NON-PROLIFERATION POLICY AND SOUTH ASIA

(By Larry Pressler)

While the end of the Cold War brings with it a waning danger of super power nuclear confrontation, the world remains troubled and unstable. A new security concern has risen from the dust and shadows of the Cold War's rubble. Regional nuclear weapons proliferation is replacing the competition for global hegemony as the world's most pressing security threat. Indeed, mounting evidence suggests that regional nuclear proliferation has been a greater danger than super power weapons-building all along—a danger that has been tolerated, or even ignored, so long as it was creeping rather than leaping, and discreet rather than blatant. This threat is no longer creeping, and it certainly is no longer discreet.

Over the last several decades, the hostilities, suspicions, and border disputes in South Asia have created a complex amalgam of policies and perceptions. Conflicting interests in this region of the world have heightened the concern that rivalries between countries will spur nuclear proliferation in the developing countries of the world. According to Peter Herrly, a US Department of Defence official, 'The growing spread of chemical and advanced weapons to Third World combat zones has undermined the restraints against escalation and could bring to a shattering end, a half-century of non-use of nuclear weapons.[1]

Traditional suspicions among South Asians have dampened hopes of establishing long-term regional security agreements. New worries and old rivalries fuel the desire for stronger, more highly modernized, nuclear-oriented militaries. This military blueprint led to a reality in which humanity's most lethal form of fury—the nuclear bomb—is precariously held in check. This fury must be restrained.

Of the numerous security considerations in South Asia, Pakistan's nuclear capability is a special concern. Anxiety over Islamabad's nuclear weapons program has sparked much controversy. Pakistan's aspirations for membership to the nuclear club has raised significant US foreign policy questions. The following narrative assesses Pakistan and India's desire for nuclear military status. Further, it details US reactions and initiatives to counter the threat of nuclear weapons proliferation.

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[1] Footnotes at end of article.

HISTORICAL RELATIONSHIPS

To understand America's pressing need to develop a specific non-proliferation policy regarding Pakistan better, one must closely examine Pakistan's relationship with India. That association is especially important to understanding both Pakistan's perceived need for building up its military as well as its actual ability to acquire nuclear weapons.

Indo-Pakistani relations have evolved into an intricate and tenuous configuration, heavily influenced by historical antagonisms. The history of conflict between these two nations, combined with each country's deep suspicions over the other's nuclear intentions, has promoted additional instability in an already unstable South Asia. In 1974, demonstrating its ability to produce highly modernized weaponry, India exploded a nuclear device. This 'peaceful' demonstration sent shock-waves around the globe, heralding India's distinct nuclear technology and its more equivocal nuclear ambitions.

In an effort to counter India's aspiring nuclear programme, Pakistan retaliated in kind with its own modernization plans. Evidence suggests that Pakistan embarked on nuclear weapons research projects shortly after the initial Indian nuclear tests in 1974.[2] According to a Carnegie Task Force report on South Asian security, 'Islambad's nuclear ambitions stem principally from its efforts to meet the threat from India's conventional military superiority and its nuclear potential, as well as to counter more subtle forms of Indian dominance in regional affairs.'[3] More assertively, a once-classified State Department memorandum claims: 'Pakistan's long-term goal is to establish a nuclear deterrent to aggression by India, which remains Pakistan's greatest security concern.[4]

And so began a South Asian chain reaction of attempted nuclear bomb acquisition. India, fearing China, built a tomb. Pakistan, partially because it considered India's nuclear programme a threat to its own national security, developed its own nuclear programme. While both India and Pakistan may believe this tit for tat nuclear policy lowers the risk of conflict, should a hot conflict erupt, the stakes would be much higher with nuclear weapons figured into the calculation. Therefore, 'The Indian high command must not go past a certain threshold that might provoke a nuclear exchange. They cannot be sure what Pakistan thinks the threshold is. One must go with impressions and guesses'[5]

The mutual suspicion over the other's clandestine nuclear arsenal and the ever-present, still unresolved disputes over Kashmir have impeded Western attempts at persuading the two nations to shrink their expanding nuclear programmes. Added to frustrated US efforts, some Indian and Pakistani military strategists enthusiastically espouse their beliefs in the presumable benefits of nuclear weapons. 'There are some senior military strategists in both countries who apparently believe that a nuclear war on the subcontinent would be winnable in both tactical and strategic terms.[6] As a result of this distorted yet discernible military perspective, India has maintained its nuclear threshold status.

India's nuclear drive can be traced to a deep-rooted desire for regional respect, command, and even economic self-sufficiency. To achieve this great, regional hegemonic status, India believes a nuclear weapons capability is essential. According to an Indian public opinion poll conducted in the early 1980s, 'more than 70 per cent of the urban residents in 15 of India's leading cities wanted the country to acquire nuclear weapons capability regardless of what its neighbours were doing.'[7] The Indian populace seems to concur with what military strategists have believed all along—calculated ambiguity keeps the region on its collective toes! This policy, 'has proven to be an extremely useful policy to keep both hawks and doves hopeful, contributes somewhat indirectly toward collective efforts of total nuclear disarmament, provides a face-saving device and can pay desired dividends in the national politics.'

India and Pakistan can choose to aggravate or to prevent the South Asian weapons competition. Unless India and Pakistan constrain their nuclear weapons research and development programmes, these technological programmes could create the political momentum within each country to build and test nuclear weapons. The main goal in the region should centre on verifiable commitments not to build nuclear weapons.

While India maintains that its nuclear objectives are peaceful, Pakistan remains suspicious. 'Whether or not India in fact possesses a number of nuclear weapons at this time, it clearly has the capability to manufacture them quickly, and Pakistani strategists have to assume that Pakistan would confront a nuclear-armed adversary in any future conflict.'[8] Politically destabilizing events involving India and Pakistan constantly offer the potential for an explosion. Regional tensions and violent internal eruptions in India or Pakistan threaten to provide just the catalyst needed to trigger a nuclear reaction. For that reason, it is necessary to counteract such risks before they escalate beyond the region. This raises a substantial foreign policy question for the United States: How can American influence stop a nuclear arms race in South Asia?

US NON-PROLIFERATION POLICY

As one nation obtains the technology and the components necessary to construct atomic weapons, it is politically difficult for another country, that feels threatened by the first, to withstand temptations to strengthen its own nuclear programme. This competition substantially increases the possibility that disputes between the two nations could end in an atomic clash.

International pleas urging India and Pakistan to halt their nuclear programmes have met significant resistance. Attempts to persuade the two nations to sign the Non-Proliferation Treaty (NPT) have been fruitless in recent years. 'India considers the treaty discriminatory since it allows the nuclear-weapon States to keep their nuclear arsenals while denying nuclear weapons to other countries, and because the treaty imposes inspections of civil nuclear facilities on non-nuclear weapon States but not on nuclear-weapons States. India has also said that it will not sign the NPT unless the nuclear-weapons States disarm.'[9]

Indian opposition to the NPT creates little reasonable incentive for the Pakistani government to support accession to the treaty. The Indian government appears willing to support only a nuclear pact that includes the world-wide elimination of all nuclear weapons. Pakistan has proposed several initiatives designed to eliminate atomic weapons in the region. The then Pakistani Prime Minister, Nawaz Sharif, advanced an agreement to control nuclear weapons in South Asia in June 1991. This proposal, supported by the United States, would allow India and Pakistan to negotiate weapons reduction with mediation provided by China, the United States, and Russia. India rejected this offer and refused to sign the Sharif agreement, citing again its opposition to regional settlements.[10]

The United States, in November 1991, urged India to reconsider its objections to signing a regional agreement with the Pakistani government. The Indian government, to date, has not accepted that request. While the two South Asian adversaries have signed an agreement not to attack each other's nuclear facilities—itself a positive move toward non-proliferation—a nuclear-free compromise has not been achieved in South Asia. Because of this continued inability to obtain a regional arms agreement, other US foreign policy action has been warranted.

While the United States has pressured India moderately to discontinue its nuclear programme, US policy has been aimed more heavily at Pakistan. The rationale for the country-specific policy is based on several factors. At the time a US policy response was being developed to address nuclear proliferation in South Asia, India's programme was already in place. Pakistan, however, had not yet acquired the technology. In addition, because of its smaller industrial base, Pakistan turned its attention to acquiring critical technology and components from abroad—sometimes in violation of US and other countries' export laws.

Pakistani violations of US domestic laws governing the export of sensitive materials and technology have been particularly vexing. In June 1984, US Customs agents arrested and charged three Pakistanis in Houston with violating US law by attempting to export krytons, extremely high-speed switches that can be used to detonate nuclear weapons. One of the suspects eventually was convicted and deported to Pakistan. In another case, Arshad Z. Pervez, a Canadian national of Pakistani origin, was arraigned in the United States in July 1987 on the charge that he attempted to bribe US Customs agents to grant licenses required for the export of maraging steel, very hard steel which can be used in uranium enrichment centrifuges. Pervez was later convicted of conspiracy to export beryllium illegally and making false statements, but was acquitted on the grounds of entrapment of attempted bribery and of illegally seeking to export maraging steel.

Yet another factor in US policy toward Pakistan was American intelligence assessments during the late 1970s and early 1980s that indicated India was not actually building nuclear weapons. On the other hand, other intelligence did indicate that Pakistan was pursuing an aggressive nuclear weapons development programme. For these reasons, US policy-makers believed India was less vulnerable to US influence than Pakistan. The United States and other industrialized countries had more leverage to manipulate the Pakistani nuclear agenda.

United States policy-makers also believed Pakistan was susceptible to a 'carrot and stick' approach in terms of US economic and military assistance because of the United States' role as a major provider of aid to Pakistan. India, on the other hand, was much more closely aligned with the former Soviet Union and received comparatively little assistance from the United States. The level of US assistance to India was insufficient to serve as a bargaining tool in obtaining US non-proliferation objectives in India.

Another basis for focusing US initiatives on Pakistan was US concern over potential Pakistani ties to Islamic fundamentalism. Anti-Western factions have taken hold in several Islamic countries in recent years, including Iran, Libya and Syria. While certainly not governed by religious fanatics, given its religious and cultural foundations, Pakistan was viewed more likely than India to cooperate with such governments. In this regard, US foreign policy was designed to slow the possible proliferation of nuclear weapons beyond south Asia to the Middle-East.

In 1976, Congress adopted Section 669 as an amendment to the Foreign Assistance Act of 1961. This provision of law was modified in 1977 by Senator John Glenn, and it is now known as the Symington-Glenn Amendment. That amendment was designed to prohibit US assistance to any country that acquires unsafeguarded uranium enrichment technology, unless the country places all of its nuclear facilities under full-scope safeguards; or unless the President certifies he has reliable assurances that the country will neither acquire nuclear weapons nor help other nations to do so.

The Carter Administration in April 1979 invoked the Symington-Glenn Amendment after it received intelligence assessments confirming Pakistan was building a secret uranium enrichment facility. Pakistan is the only country ever to be designated as violating Section 669 and sanctioned under its terms. In late 1981, Congress enacted section 620E of the Foreign Assistance Act to allow the President, under certain conditions, to waive Section 669 sanctions. This move allowed the resumption of US assistance at a time when Pakistan ws being threatened by the Soviet invasion of Afghanistan.

In 1984, faced with mounting evidence that Pakistan wsa intensively developing a nuclear weapons capability, Congress began consideration of legislative proposals to strengthen conditions on US assistance to Pakistan. In that year, the US Senate Foreign Relations Committee considered an amendment offered by Senators Alan Cranston and John Glenn to cut off US assistance to Pakistan unless the President, on a yearly basis, was able to certify that Pakistan did not possess a nuclear explosive device, was not developing such a device, and was not acquiring technology, material, or equipment for the purpose of either manufacturing or detonating a nuclear weapon. The Cranston-Glenn Amendment was defeated in the face of strong Administration opposition.

THE PRESSLER AMENDMENT

In 1985, in an effort to curtail the fledgling nuclear programme in Pakistan, I offered a non-proliferation amendment to the US foreign aid authorization legislation. The provision, commonly known as the 'Pressler Amendment', amended Section 620E of the Foreign Assistance Act to read as follows:

> No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance programme will reduce significantly the risk that Pakistan will possess a nuclear explosive device.

In 1985, the Reagan Administration welcomed the Pressler Amendment, insisting that Pakistan not develop a nuclear weapon. Because some members of the US Senate Foreign Relations Committee wished to cut off all US assistance to Pakistan in 1985, Congress, and indeed Pakistani leaders, viewed the amendment as a viable compromise—aid to Pakistan would continue, provided the President could certify that the country did not possess a nuclear explosive device.

In 1985, Pakistan faced 120,000 Soviet troops on its border, repeated cross-border raids from Afghanistan, and wanton acts of Soviet-inspired terrorism in the crowded bazaars of Peshawar and Islamabad. A draconian cut in US foreign assistance to Pakistan at that time would have undermined the security interests of both Pakistan and the United States. Nevertheless, I believed, as did the Reagan Administration, that it was important to send a strong but fair message to Pakistan. The Administration-supported Pressler Amendment compromise established a clear policy on US assistance to Pakistan. The standard merely required the President to certify that Pakistan did not possess a nuclear weapon. If the President made the certification, generous levels of economic and military assistance would be available.

From the time the Pressler Amendment was adopted until the beginning of the US Government's 1991 fiscal year (1 October, 1990), the President was able to make the required certification and the US Congress supported annually the President's request for both security and economic assistance to Pakistan. Pakistani officials were well aware of the provisions of the Pressler Amendment. They were reminded of it time and again by senior US officials. It offered no surprises. So long as Pakistan did not cross the nuclear line, it would continue to receive US assistance. Until 1990, Pakistan was among the largest recipients of US foreign assistance. In 1990, however, President George Bush was not able to certify that Pakistan did not possess a nuclear weapon. Consequently, All economic and military assistance to Pakistan was cut off.

In early spring 1991, President Bush proposed to strike the Pressler Amendment. In a letter dated 12 April, 1991, Bush indicated that this action was consistent with his approach of removing country-specific provisions from the US Foreign Assistance Act—not because he disagreed with the substance of the law's provisions.

The President indicated he would continue to hold Pakistan to the same standard embodied in the Pressler Amendment even if the amendment were struck. His letter stated:

> While the proposed elimination of the Pakistan-specific certification requirement is intended to uphold the general principle of Presidential authority, I will continue to insist on unambiguous specific steps by Pakistan in meeting non-proliferation standards, including those specifically reflected in the omitted language known as the Pressler Amendment. Satisfaction of the Pressler standard will remain the essential basis for exercising the national interest waiver that is in the Administration's proposal.

The Administration's attempt to strike all provisions it perceived to be Congressional micromanagement of foreign policy, failed. During the US House of Representatives' consideration of the Foreign Assistance Act, an amendment to repeal the Pressler Amendment was offered. This effort failed by the significant margin of 151–252 on 12 June, 1991.

Despite the aid ban, the bonds of friendship continue to exist between Pakistan and the United States. Pakistan supported the Afghan freedom fighters during the brutal Soviet invasion. During the recent Persian Gulf war, Pakistan's Government, led by Prime Minister Nawaz Sharif, stood courageously with the United States—in spite of contrary pressures from powerful elements in the Pakistan military. Notwithstanding the mutual desire for continuation of the historic friendship between the United States and Pakistan, the US Congress should not retreat from its fair and principled non-proliferation objectives in that region of the world. Eliminating the Pressler Amendment in no way would further US non-proliferation policy. The current non-proliferation policy in South Asia should continue with regard to Pakistan. The solution is squarely in the hands of Pakistani leaders. They can dismantle their nuclear weapons and, by the terms of the Pressler Amendment, Pakistan once again legally would be able to receive aid.

Why does Pakistan need a nuclear programmeme? Pakistani leaders have claimed that they must do whatever is necessary to protect themselves against potential aggression from India. Although India is known to have exploded a nuclear device in 1974, there is no evidence that India has sought to develop a nuclear arsenal. Is it really protection that Pakistan seeks, or is it something else? As already mentioned, anti-Western factions have taken hold in several Islamic countries in recent years. Such forces are on the verge of victory in Algeria and have enough power to threaten the stability of Pakistan's government. The direction the now independent Soviet Islamic republics will take is unclear. Should control of these nations shift to religious fanatics, these countries suddenly could find that they have much in common, both ideologically and geographically.

This could well be enough incentive for these countries to form, at the very least, some kind of loose-knit confederation. It is true that several of these countries historically have had serious disputes. However, religious fundamentalism may very well provide the tie that binds. Past differences, at least on one level, could be put aside. The result can be a new nuclear power in the world.

Since the dissolution of the former Soviet Union, it has been fashionable to talk about a 'New World Order' in which the United States has new leadership responsibilities. As the world's sole remaining super power and faced with significant domestic problems exacerbated by excessive federal budget deficits, the United States must rethink its role in the world.

America no longer can conduct business as usual with any developing nation that continues to squander resources on the development of nuclear, chemical, or conventional weapons. For instance, in July 1992, I visited nine of the countries emerging from the former Soviet Union, as well as Latvia. Just prior to that trip, the US Senate Foreign Relations Committee considered the Strategic Arms Reduction Treaty (START) and the full Senate passed the 'Freedom Support Act' to provide aid to the former Soviet republics. Under the terms of the Lisbon Protocol to the START Treaty, Belarus, Kazakhstan and Ukraine each agreed to sign the Nuclear Non-Proliferation Treaty as non-nuclear States parties.

Such assurances would be equally valuable from the other nations emerging from the former Soviet Union, as well as other developing countries around the world. The terms of the Pressler Amendment should be applied to other developing nations receiving aid from the United States. The United States should use economic means to encourage countries to remain non-nuclear. It should be made clear that, should they decide to pursue a nuclear weapons programme, it will be without the help of the United States.

INTERPRETING THE PRESSLER AMENDMENT

Andrew Hamilton once said: 'Power may justly be compared to a great river; while kept within its bounds it is both beautiful and useful, but when it overflow its banks, it is then too impetuous to be stemmed; it bears down all before it, and brings destruction and desolation wherever it comes.' The power of the Pakistani military machine, when kept within proper bounds, serves to protect its nation and deter potential adversaries. When, however, that military might becomes too powerful, perhaps through the illegal acquisition of U.S. technology and equipment transfers, that protection becomes the very threat it was designed to defend against.

In February 1992, reports emerged charging that U.S. manufacturers had continued private military sales to Pakistan despite the U.S. assistance embargo mandated by the Pressler Amendment. 'The Bush Administration has quietly permitted the Pakistani armed forces to buy American-made arms from commercial firms for the last year and a half; according to classified documents and Administration officials. Among the military items licensed for sale to Pakistan are spare parts for American-made F-16 fighter planes, which form the nucleus of Islamabad's Air Force. Officials said the equipment is intended to help Pakistan maintain its current arsenal.'[11] Such sales can only be made pursuant to licenses issued by the U.S. Government under authorities contained in the Arms Export Control Act. But U.S. Government-licensed commercial sales of arms and military technology violate the U.S. non-proliferation policy embodied in the Pressler Amendment.

As a result, when the then Secretary of State, James Baker, appeared before the US Senate Foreign Relations Committee in February 1992, I questioned him as to how the Administration could interpret the Pressler Amendment to allow the licensing of commercial sales of military parts and technology to Pakistan. In response, Secretary Baker stated:

"We have indeed cut off all foreign assistance to Pakistan because we were unable to certify within the parameters of [the Pressler] amendment. We have legislative history, and as a legal matter we do not believe it applies to commercial sales or exports controlled by the Department of Commerce, so we look at munitions and spare parts that are necessary to maintain the Pakistani military at current levels on a case-by-case basis."[12]

I then asked for a copy of the documents used by the Administration to reach this policy decision. I was provided an unsigned paper consisting of an outline of the reasons why a suspension of such licensing was not legally required by the Pressler Amendment:

> It is not reasonable to interpret the language of the Pressler Amendment as prohibiting Executive branch licensing of arms exports pursuant to private sales.
>
> Licensing of arms exports pursuant to private sales have consistently been treated as not covered by statutory language comparable to that used in the Pressler Amendment.
>
> When Congress intends that provisions in foreign assistance legislation apply to private arms transactions, it consistently uses language making clear that intention.
>
> The legislative history of the Pressler Amendment confirms that it was meant to apply to US Government sales and assistance, but not to licensing of arms exports pursuant to private sales.[13]

In a series of letters between myself and Secretary Baker from March through July 1992, I explained that the paper failed to answer how the US State Department, as a matter of law, could permit continuation of the licensing of private sales of arms and military technology in light of a straightforward statutory ban on the sale or transfer of any military equipment or technology to Pakistan.

Before being elected to Congress, I served as a lawyer at the US State Department. During my tenure there, departmental interpretations of legislation were based on memoranda of law written in a specific legal format, and signed by the lawyer responsible for providing the opinion—not unsigned papers created in response to a Senator's question after a policy decision was implemented.

On 30 July, 1992 the US Senate Foreign Relations Committee held a hearing on the Administration's interpretation of the Pressler Amendment. During that hearing, the Committee explored the process by which the Executive Branch of the United States Federal Government exercises its responsibility of interpreting and enforcing laws passed by the Legislative Branch of Government. The hearing also considered what the proper level of consultation should be between the Executive and Legislative Branches, as the process of interpreting and implementing federal law unfolds. Finally, the hearing considered U.S. policy toward Pakistan.

During the hearing, State Department officials were presented with a letter to Secretary Baker from myself and Senators John Glenn and Alan Cranston, both of whom played an active role in the development of the Pressler Amendment. Our letter expressed our opposition to the Administration's position. A reading of the Pressler Amendment that allows the Federal Government to license the private sales of arms and military technology is without foundation within the plain language of the statute or its legislative history.

While the policy conflict between the US Congress and the Administration has yet to be resolved, the debate certainly will continue. The global stakes are simply too high to allow otherwise. The issue involves much more than simply US-Pakistani relations. It tests the United States' resolve to develop a strong non-proliferation policy.

CONCLUSION

The expressive words of Russel Watson articulately describe the consequences of modern military conflict:

> The history of war is an arms race. As men keep finding more ingenious ways to kill each other, they become caught in what the war-college gurus call an 'offense-defense spiral.' The lance overcomes the shield, the bullet pierces the armor. Tanks crush men in their trenches, the missile destroys the bunker.[14]

Peace in South Asia is fragile—its delicate state predicated upon the balancing actions of the industrialized world. For the sake of future South Asian stability and to deter nuclear confrontation in the region, the United States unquestionably should maintain its nuclear non-proliferation policy toward Pakistan.

US export decisions that have steadily provided Pakistan with the wherewithal to modernize its nuclear weapons capabilities have created military and political consequences for all of South Asia. As possibilities for regional conflict multiply, so too does the potential arms market. International nuclear arms traffic renews tensions recently calmed by the demise of United States-Soviet Union rivalry. The presence of nuclear devices in South Asia increases the possibility that these weapons may be used.

As the United States attempts to reorder priorities and alliances in the aftermath of the Cold War, non-proliferation matters must be high on the agenda. In the case of South Asia, the Pressler Amendment directly confronts the issue of nuclear weapons acquisitions in the developing world. The amendment sends a strong message that the United States will not reward a nation that covertly or overtly maintains a nuclear weapons programme.

The Pressler Amendment was not designed to punish Pakistan. Rather, it reflects the commitment of the US Congress to stopping nuclear weapons proliferation and ensuring that US taxpayers are not forced to subsidize, however indirectly, the building of nuclear weapons in another country. The highly specialized technology, skill, and intelligence necessary for the Pakistani military to modernize its nuclear arsenal depends upon crucial US assistance. This assistance, if renewed or illegally continued, would sent the wrong signals to Pakistan and other nations. Arms shipments and technology transfers to Pakistan will not encourage that country to enter into an arms control regime.

In the final analysis, the issues and debate surrounding the Pressler Amendment pertain to more than Pakistan or even South Asia. They involve global concerns. Unless the United States acts decisively to stop nuclear proliferation among the world's developing nations, it will not be able to defend its non-proliferation policy. Other countries seeking membership in the nuclear club surely will reach their own conclusions from any failure on the part of America to act with resolve. Russell Watson's vision of the "offense-defense spiral" could take on a wholly new and tragic dimension. Ironically, this could occur in a world, which for the first time, is witnessing meaningful progress toward nuclear disarmament by the major powers.

NOTES

[1] Peter Herrly, "Middleweight Forces and the Army's Deployability Dilemma", in *Parameters*, September 1989, p. 47.

[2] "Memorandum: The Pakistani Nuclear Program", The US State Department, 23 June 1983, p. 5.

[3] Carnegie Task Force on Non-Proliferation and South Asian Security, *Nuclear Weapons and South Asian Security*, Washington, D.C., 1988, p. 1.

[4] "Memorandum: The Pakistani Nuclear Program", p. 1.

[5] Steve Coll, "South Asia Retains Its Nuclear Option: India and Pakistan Pose Dual Risk as Potential Flashpoints", in *The Washington Post*, 30 September, 1991, p. A01.

[6] *Ibid.*

[7] Pervaiz Iqbal Cheema, "Prospects for Nuclear Freeze in South Asia", in the *Asian Defence Journal*, December 1991, p. 23.

[8] Leonard S. Spector, *The Undeclared Bomb*, Cambridge, Massachusetts: Ballinger Publishing Company, 1988, p. 106.

[9] US Library of Congress, Congressional Research Service Issue Brief, "India and Nuclear Weapons", Washington, D.C., 1992, p. 4.

[10] Steve Coll, "Pakistan Seeks Talks on Nuclear Weapons: Announcement Timed to Improve US Ties", in *The Washington Post*, 1 June, 1991, p. A20.

[11] Murray Waas and Douglas Frantz, "Despite Ban, US Arms are Sold to Pakistan", in *The Los Angeles Times*, 6 March, 1992, p. 1.

[12] Testimony by Secretary of State James Baker before the Senate Foreign Relations Committee, Hearing on Foreign Policy Overview, 5 February, 1992.

[13] State Department Paper, reprinted in *Congressional Record*, 19 March, 1992, p. S3950.

[14] "Borders", in *Newsweek*, 31 December, 1990, p. 31.

THE REV. CHARLES GAREL

Mr. FEINGOLD. Mr. President, I rise today to mark the passing of a great and good man. A man who was loved and respected by everyone who knew him. A man whose work in the civil rights movement and for the well-being of his fellow citizens made him not just a powerful moral force in the African-American community, which he certainly was, but also a pillar of the entire community.

The Rev. Charles Garel, a longtime community activist and civil rights leader in Madison, WI, passed away last week of complications from diabetes at the age of 81.

Reverend Garel and his wife of 51 years, Beatrice, came to Madison in 1969 to set up a halfway house for teenaged girls. They founded Garel House, a transition home for foster girls. And they assisted in providing needed housing for disabled American veterans.

As president of the Madison chapter of the NAACP and minister of the United Methodist and Mount Zion Baptist Churches, he will be remembered as a unifying voice, a problem-solver, a peacemaker, and a steadfast advocate for justice. His legacy will live on as a wonderful inspiration of commitment, compassion, and humanity for us all.

COMMENCEMENT SPEECH BY THE REVEREND RONALD COLEMAN

Mr. THURMOND. Mr. President, this is the time of year when young people throughout the Nation are celebrating their graduation from high school.

I remember 2 years ago when my daughter, Juliana, graduated from Aiken High School, I had the pleasure of listening to an especially fine commencement speech, given by the Rev. Ronald Coleman, the proud father of another graduate. I found Reverend Coleman's remarks to be inspiring and thought they contained a great deal of good advice. As a matter of fact, I want to take this opportunity to share them with my colleagues here in the Senate in the hope that they will pass them on to any young graduates they might know.

Mr. President, I request unanimous consent that a copy of Reverend Coleman's speech be placed in the RECORD following my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

KEEP THE COURAGE TO ACHIEVE

"Be strong and of a good courage: For unto this people shall thou divide for an inheritance the land, which I swear unto their fathers to give them. Only be thou strong and very courageous, that thou mayest, observe to do according to all the law, which Moses my servant commanded thee: Turn not from it to the right hand or to the left, that thou mayest prosper whither so ever

I congratulate each of you for an academic job well done. All of you should pat yourselves on the back because today is perhaps, thus far in your school life, "the day". It represents the culmination of 12 years of laborious study, hard work, dedication, sacrifice, devotion, and competition. It represents the end of academic boot camp and you are now required to enter the battlefield of life, with the knowledge and understanding of the enemies' strategies, tactics, and methods, with the ability to counter them. The Marine slogan is true that boot camp separates the men from the boys: Likewise, does graduation separate the achievers from the nonachievers, the learned from the unlearned and the hard workers from the showoffs. Hence in the minds of some graduates, there may exist thoughts concerning this occasion because you know that only the fittest will survive, and self-survival depends upon how well the academic skills and knowledge were learned in the classroom setting, prior to this day. Guiding forces other than your own, probably, determined the pathways, roads and directions, that you should travel, as you fulfilled the essentials of life. Mother, father, sisters and others, perhaps helped mold your self-image through precepts and examples.

Nevertheless, be it resolved that on this day, May 31, 1992, at the First Baptist Church, located at the corners of York Street and Richland Avenue, and having been invited by the principal and faculty of Aiken High School, may the history books of life reflect that Reverend Coleman challenged the graduating seniors of Aiken High to keep the courage to achieve, as evidenced by the scriptural text read in your hearing. Joshua and his followers were encouraged to be strong and courageous, and to know there is no gratification in turning to the left or right. They knew to prosper one must possess the faith to believe you can achieve, and the courage to try. Success in life does not come by wishing it into existence. If success is worth having then it is worth the time, energy, drive, and determination it takes to achieve. Do not dwell on the negative aspects of life for it is said that two buckets went to the well to draw water, with a complaining and negative attitude one bucket said to the other "It amazes me that no matter how many times we leave the well full we always come back empty.

The other bucket said I was congratulating myself on the fact that no matter how many times we come to the well empty, we always leave full." There is always two sides to life. Always be optimistic and look to the brighter side of life. Hopefully the academic training, skills, knowledge and understanding that each of you acquired during your 12 years of study will enable you to keep the courage to achieve. The greatest test that any of you will take will be the one given not by teachers and professional examiners, but the one given by the world. The real world, where mommy and daddy may no longer come to your rescue, and each of you must face the weeding-out process, which separates the prepared from the unprepared, the skilled from the unskilled and the pretenders from the contenders. The future of our country and the world rests now with the graduating minds of this class. It is imperative that you achieve in life. Do not sell yourselves short by only doing enough to get by. Those who do so will never see all the colors of the rainbow because their vision would have been impaired by the sunlight of mediocrity. They will never smell the full fragrance of achievement since it will be stifled by the stuffy odor of mediocrity. Life should be experienced to the fullest but mediocrity serves the express purpose of limiting and crippling life's dream.

The late great Dr. Benjamin E. Mays stated "It is not to be borne in the mind that the tragedy of life doesn't lie in not reaching your goals. The tragedy lies in having no goals to reach. It is not a calamity to die with dreams unfulfilled, but it is a calamity not to dream. It is not a disaster to be unable to capture your ideals, but it is a disaster to have no ideals to capture. It is not a disgrace not to reach the stars, but it is a disgrace to have no stars to reach for, not failure, but low aim, is sin. The road to excellence is rough, rugged, and difficult, but persons who make it to the end find satisfaction, gratification, and fulfillment. People traveling the road of excellence will be all that they can be. Keeping the courage to achieve presents and serves as your source of strength and inspiration. Deeply ingrained in your mind is the determination to succeed. In closing, there are several final things that I wish to mention concerning the occasion which brought us together this evening. As well as representing a happy moment in the lives of graduating seniors, this day signals an end to many other things, due to roads that each of you choose, friendships that began with someone from grade 1, may now come to an end, because of the road that each of you choose. There will be members of the graduating class that you may never see again. But let us not end our sermon on a sad note."

Instead, Hornets, let us be jubilant and keep alive the friendships and bonds that kept you close to each other. Let us allow the eternal torches of love, knowledge, wisdom, and understanding of your alma mater, Aiken High, to stand tall on the highest mountain so that others can see the way. Let us keep alive the rich proud academic tradition of a great institution of higher learning, which tries to illuminate, and inspire, the minds of young people. Remember, what ever Aiken High stands for, depends upon you, because you are Aiken High. I wish to dedicate and leave a poem written by Douglas Malluch entitled "Be the Best of Whatever You Are."

> We all dream of great deeds and high positions, away from the pettiness and humdrum of ordinary life. Yet success is not occupying a lofty place or doing conspicuous work, it is being the best that is in you. Rattling around in too big a job is worse than filling a small one to overflowing. Dream, aspire by all means, but do not ruin the life you must lead. Make the most of what you have, and are. Perhaps your trivial immediate task is your one sure way of proving your mettle. Do the things near at hand and great things will come to your hands to be done.
>
> If you can't be a pine on the top of the hill, be a scrub in the valley, but be the best little scrub by the side of the hill. Be a bush if you can't be a tree. If you can't be a bush, be a bit of the grass, and some highway happier make. If you can't be a muskie, then just be a bass but the liveliest bass in the lake. We can't all be captains, we've got to be crew, there's something from all of us here, there's big work to do, and there's lesser to do, and the task you must do is the near. If you can't be a highway then just be a trail, if you can't be the sun be a star. It isn't by size that you win or fail be the best of whatever you are.

God bless you all and best wishes.

The PRESIDING OFFICER. The Senator from Pennsylvania.

BOSNIA

Mr. SPECTER. Mr. President, I compliment the distinguished Senator from Texas for those very strong statements. I had stated earlier my intention to seek recognition very briefly to comment on two subjects.

One of them is the Bosnian situation, and I compliment the Republican leader, Senator DOLE, for what he has done on this issue in advancing the cause of lifting the arms embargo so Bosnia may defend itself. And from the tone of the debate this afternoon and from the number of Senators who have stated their intention to shift votes, I think we are on the brink of having an affirmative Senate vote to lift the arms embargo on Bosnia.

I have supported the leadership of Senator DOLE on this issue in the past, because I think it is important to let Bosnia defend itself. The events of the past several days show the Bosnian Serbs are unwilling to respond in a reasonable way and the atrocities in Bosnia can be dealt with only by lifting the arms embargo.

There is a problem which I have spoken of before about the unilateral action by the United States, that it will be preferable to have multilateral action because it is important to have joint action by many nations on issues which are vital to the United States. But if we press ahead with congressional leadership and a congressional initiative, I think we can have greater action out of the administration and we will see, with the leadership from the Senate, that there may well be multilateral action. But that is the fair thing to do, and I hope we will proceed in that direction.

THE SCHEDULE FOR HEALTH CARE LEGISLATION

Mr. SPECTER. Mr. President, I had sought recognition earlier today when the majority leader was speaking. I do not have any scales or any theatrics, but I would like to talk for a moment or two about the facts and the schedule on what has happened on health care.

When the majority leader said that 18 Senators had abandoned the Republican-proposed legislation, I think he was referring to legislation initiated by Senator CHAFEE. I was one of the cosponsors of that bill and I have not abandoned that bill. I said at the time that I had joined Senator CHAFEE, and I had expected the majority leader to return—when I asked for his presence to hear my comments he said he had to review the list so we could move ahead on completion on the appropriations bill for Labor, Health and Human Services, and Education; when the list was presented it was presented by Senator HARKIN instead—but I do want to make these few comments.

I have not abandoned Senator CHAFEE's bill. There is yet to be seen the floor debate which will produce Senate action on health reform legislation. In cosponsoring Senator CHAFEE's bill, I said I did not agree with all parts of it. We had to move ahead with legislation which would come from an amalgam of many bills. I personally am not pleased to see the schedule which has evolved, where we are delaying the recess—not that I have any objection to delaying the recess, but I do have a concern about putting the Senate under pressure during August to take up a massive new bill which no one has had a chance to see, in what may produce a rush to judgment.

I offered a health care amendment back on July 29, 1992, and have sought to bring health care to the floor. At that time the majority leader came to the floor and said my amendment did not belong on the bill which was then pending. Only the Senate majority leader can establish the schedule, but any Senator has the right to offer an amendment on a pending bill, which I did at that time, in an effort to bring health care legislation to the floor. When the majority leader said my amendment did not belong on that bill I agreed and said I would take it off voluntarily if we could have a date certain when health care would come to the Senate floor.

That was on July 29, in the 102d Congress. At that time there were some 1,500 health bills pending. When the majority leader said he could not offer a date certain I reminded him that he had given a date certain to product liability, which was the day after Labor Day, I believe, September 8, 1992. But the majority leader would not establish a date certain for health care legislation and my amendment was defeated pretty much on a party line vote.

I then persisted in the 103d Congress, and offered a comprehensive health care bill, Senate bill 18. So when the majority leader says there is no Republican bill, the scale is empty—that responsive theatrical play—I had sought to remind him personally about my legislation. When President Clinton said he would move ahead with health legislation, I believe initially within 100 days, I took the floor when the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, said we might not get to health care legislation that year, 1993, which proved to be true. Then the majority leader, Congressman GEPHARDT, said we might not get to health care legislation that year, and that did prove to be true.

Each time there were delays it seemed to me that the issue of health care ought to be brought to the floor. I did that in late April 1993, because we have been ready to move on this matter for a very long time, really in a better way than we are today with the massive Mitchell bill being thrust upon us without any opportunity to study that matter.

Now, we are finally going to move ahead with health care legislation in August, of 1994, in what is really a crunch time and what is really a political time to try to show the American people, by the President and by the Democrats, that they are able to deliver on health care legislation in advance of the 1994 congressional elections.

I think, Mr. President, the earlier we take up health care legislation the better. A preferable time to have taken it up was 1992 or 1993. Had my amendments, which were offered in July of 1992 been accepted—full tax deduction for the self-employed and insurance market reform—we might now be looking at a pool of uninsured, uncovered much less than the 37 million to 40 million people who are now uncovered.

I think it is necessary to move, as I have said before, on trial and correction, to take steps like full deductibility for the self-employed and insurance market reform and see how it is going to work out.

My approach is that the current system has produced the best health care delivery system in the world for 86.1 percent of the American people. The Clinton plan is a massive bureaucracy which just goes too far.

When I read the Clinton plan and saw all of the agencies, boards, and commissions, I asked my staff assistant, Sharon Helfant, to make a list. Instead, she made a chart. The chart was made famous by my colleague, Senator DOLE, when he replied to the State of the Union speech and used the chart. It has been widely noted that that was the turning point against the Clinton health care proposal. Senator DOLE says it was his speech that did it. I say that it was my chart that did it in collaboration with his speech. Great speech; it was a great speech.

If Senator DOLE had been on the Russell, KS, high school debating team, it might have been a greater speech. Russell won the championship in 1941, even without Senator DOLE on the debating team.

But back to the point at hand. The Clinton health care bill has fallen, and I am hopeful we can move ahead to health care legislation. But I think it important to note for the RECORD that the Republicans had taken a leadership position back in 1992 and 1993 and 1994, and we are prepared to work for the good of the American people.

We will not be rushed to judgment. It is important that we do the job right and have ample time to carefully consider health care delivery, which is 14 percent of the gross national product, an industry of almost $1 billion in our economy.

The Republicans are prepared to cooperate. We just wish that the majority leader and those who control the Senate calendar had moved this matter ahead back in 1992 or 1993, but we will take it as it comes, and we will proceed now in August, 1994.

I thank the Chair and yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

CONGRESS' RESPONSIBILITY

Mr. DOLE. Mr. President, I know the distinguished Senator from Hawaii is waiting for the Senator from Alaska. If he does not mind, I will take a few minutes. It may come as a great surprise that Robert Fiske is no longer the special counsel. The court appointed Kenneth Starr in what is described as a stunning move to replace Mr. Fiske, which indicates that the court did act independently.

They do not impugn the integrity of anybody, including Mr. Fiske. I see this maybe as an opportunity for Congress to go back and try to rehabilitate itself and carry out the responsibilities we have as the Congress because, whether Mr. Fiske was correct or not, he was telling us when we could have hearings, what the hearings could be about, what questions we could ask and, in fact, I listened particularly to the sham hearings on the House side: "Oh, Mr. Fiske says we can't do that; Mr. Fiske says we can't do that."

Mr. Fiske no longer has responsibility. The three-member panel has appointed Kenneth Starr, who has a good reputation as a private attorney in Washington. He was Solicitor General during the Bush administration and sat on the U.S. Court of Appeals in Washington.

I just hope that the Congress of the United States, even though it is controlled by the other party, will now go back and take a look at our responsibility—our responsibility. Take a look at the Constitution. Take a look at four or five major laws that say we have a right and we have a responsibility for oversight that we delegated or relegated, whatever, to Robert Fiske.

My colleagues in the majority party were very happy to hide behind Robert Fiske because he was not going to let the hearings happen. We have only had about 1 percent of hearings in the Banking Committee. I must say, as far as I am concerned, members on both sides of the aisle in the Banking Committee did a fine job. I will say of Senator RIEGLE, the chairman, that he was very fair, as was the ranking Republican, Senator D'AMATO.

Now, I think it is time for Congress to regroup and reestablish our authority. We were taking orders from an unelected bureaucrat appointed by the Attorney General, and we were liking it, or the majority party was liking it.

So now, hopefully, the American people will understand this is a very serious matter. It is a very serious matter and we have very serious responsibilities. I am prepared to start immediately with the majority leader and anybody else to develop a plan for full-scale hearings so Congress will have the investigatory power. It will not be parceled out by somebody called a special investigator. I hope Mr. Starr will understand that we have responsibilities and that somebody else appointed will not tell us who we can hear, what we can hear, when we can do it, how far it can go, what the scope may be.

So, Mr. President, as it says in the wire story:

> In a stunning move, a three-judge panel today appointed former Federal judge and solicitor Kenneth W. Starr to take over the Whitewater investigation as an independent counsel. He will replace Robert B. Fiske.
>
> A special three-judge panel said it intended no criticism of Mr. Fiske, who had been investigating Whitewater since January 20, when Attorney General Janet Reno appointed him special counsel.
>
> It is not our intent to impugn the integrity of the Attorney General's appointee, but rather to reflect the intent of the act, that the act be protected against perceptions of conflict, the judges wrote in a four-page order.

Without casting any aspersions—I have no quarrel with Mr. Fiske as a person—I think the way he compartmentalized the hearings and rationed what we could do, the Congress of the United States was taking orders.

We supposedly represent the people of the United States. We have all been elected, and we did not exercise our rights. That is our fault, not Robert Fiske's fault. I think this may be a positive move, and I look forward to complete extensive and exhaustive hearings into the Whitewater/Madison matters so we can set the record straight and get on with our other business.

SETTING THE RECORD STRAIGHT ON CLINTONOMICS

Mr. DOLE. Mr. President, this is the big anniversary of the $255 billion tax increase, and so today the President and Vice President had a press conference, talking about the economy and how this big tax increase has helped the economy.

I want to repeat, this $255 billion tax increase passed the House without a Republican vote and passed the Senate without a Republican vote. The Vice President twice broke tie votes in the Senate to enact this big, big tax increase. They made more claims today about the State of the economy and how the impact of this budget—which they call a $500 billion deficit reduction package, including a lot of spending cuts which have since been reduced rather drastically. The taxes have not been reduced.

Throughout last year's debate and again today, President Clinton argued that declining long-term interest rates were a vote of confidence by the financial markets in his budget plan. But since his budget was adopted, the average interest rate on a 30-year mortgage has increased from 6.97 percent a year to roughly 8.5 percent today. Hardly the vote of confidence the President boasted about.

Far from the President's claim of $500 billion in deficit reduction, the independent Congressional Budget Office—the President told us in a joint session over a year ago we ought to accept their figures—the Clinton plan was generating a total of $433 billion in savings. And budget experts agree—not Republicans, but budget experts—agree that so far, all the deficit reduction we have seen from this plan has come from one source: Higher taxes.

I am told by economists—and my colleague from New Mexico understands this much better than I do—that it probably takes a couple years after the taxes are imposed before you have the real impact on the economy. Somebody has to pay the $255 billion. They are not all rich people. Some are subchapter S corporations in a Kansas, New Mexico—wherever—and they have about a 31-percent tax increase. These are men and women out there creating jobs and opportunities that got hit right in the nose with a big tax increase.

There is no disputing that President Clinton inherited an economy that was already in recovery. I think the fact that the economy is still fairly strong despite higher taxes and more regulations and more mandates and higher interest rates and the threat of the Government takeover of the Nation's health care system is more of a testament to the strength of the free enterprise system than anything President Clinton has done.

Now, he wants to declare victory on the deficit even though serious problems persist, and even though both OMB and CBO project that after 1996, as the Senator from New Mexico will point out on the chart here in a moment, the deficit is going to start going up in 1996, and the White House and the Democrat leadership in Congress have consistently opposed efforts by Democrats and Republicans to cut spending to reduce the deficit.

The President forgot to mention today in all the exuberance about the 1-year anniversary of the big tax increase that another budget issue will have an even bigger impact on the deficit than last year's massive tax increase. Whatever happened to all those budget savings the President promised us from health care reform? The President initially said we would save about $185 billion over 5 years. That would drop the deficit to about $120 billion by 1999.

Last month—that was not long ago—last month the Office of Management and Budget, the White House office, revised estimates projecting that the Clinton health plan would only shave $26 billion off the deficit after 5 years and that the 1999 deficit would be about $190 billion. The administration's current estimates of the deficit with health care reform are $250 billion higher than their initial February 1993 estimates. Let me say that again, $250 billion higher than their initial 1993 estimates.

The independent Congressional Budget Office projects that the Clinton health care plan would actually increase the deficit by $65 billion over 5 years, pushing up the 1999 deficit to $230 billion or more. That is because we always have it low. Nobody can be faulted for it. But it seems every time, or most every time there is an estimate made by some Government agency it is always low, and it keeps going up, up, and up and somebody gets stuck with it.

So next week we are going to begin debate on health care which I think is unfortunate because I think we are in effect shutting out the American public. We received a 14 pound, 1,410 page bill yesterday or the day before—yesterday, and we hope to have our bill ready for the majority leader by Monday. There is no doubt about it, the so-called Clinton-Kennedy-Mitchell bill would create the greatest expansion of social spending in our Nation's history, providing taxpayer-financed subsidies for more than 100 million people, more than the current Social Security, Medicare, and Medicaid programs combined. More than all those programs combined. We are going to start a whole new subsidy program. Somebody has to pay for it. And the President calls this a conservative approach, a claim that would be rather amusing if the consequences were not so serious.

But rather than to criticize the President, we have tried to come up with a plan, too. And we have a plan. We have had a plan. It is called the American option. We try not to be partisan. We have tried to say OK, let us talk to Democrats about this plan, and we still are. We have had a number of meetings with a bipartisan group of House Members, Congressman ROY ROWLAND, a physician, Democrat from Georgia, and Congressman MIKE BILIRAKIS, who is one of the leading health care proponents on the House side, a Republican from Florida.

So, Mr. President, we want the economy to be strong. Do not misunderstand. We ought to keep everything in perspective, and we ought to set the record straight. We ought to tell the American people precisely what is happening. I am convinced that we would have built on the recovery with more growth and more jobs and more investment and a stronger dollar and lower interest rates and a stronger economy than we have today if we would have figured out a way, as we did in our alternative budget, to cut deficit spending without raising taxes.

So we are going to have an alternative health care reform bill. We hope to offer it as a substitute. It does not have any mandates. It does not have any employer mandates which are employer taxes. It does not say to a small businessman or woman, wherever they live in America, we are going to put you out of business; we are going to raise your taxes, or it does not have price controls. We tried those in Republican administrations. They have not worked. We would hope the Democratic administration would not make that mistake. President Nixon tried price controls back in 1971 without success.

We do not want to turn the health care system over to Government, even though many of us have had health care—a couple of us in this Chamber—pretty good care at that, in Army hospitals. We have Army hospitals. We have veterans' hospitals. We have Medicare. We have Medicaid. So the Government is into health care. But I think there is a fear on the part of most people, "That's fine, but let's don't turn it all over to the Government." Consumers are worried about choice, and what they may have, whether they will be able to choose their doctor or pharmacist or whatever.

So it seems to me that we have a long way to go. We are prepared to, as I said before, continue to work with Democrats, Republicans, whoever. There is still time to pass a sensible, comprehensive health care reform package. And I will bet if you ask 100 Members in this Chamber to list 15 things on health care you agree on, and we added them all up, you would find about 90 percent agreement. We could pass that package with 90 percent of the votes in this Chamber. It would help millions of people this year in America. It would take care of all these things we talk about—preexisting conditions, portability, malpractice reform, small business, all these things that we agree on. Why not do that? Hopefully that will be the end result of the debate that starts next week.

Mr. President, I ask unanimous consent that a piece written by Martin Feldstein be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SENATE'S HIDDEN $100 BILLION TAX INCREASE

(By Martin Feldstein)

President Clinton is increasing the pressure on Congress to enact a massive and irreversible entitlement program to subsidize health insurance and redistribute income. The tax cost for this largest-ever welfare expansion would top $100 billion a year at today's prices. That's equivalent to raising personal taxes across the board by nearly 20 percent.

Amazingly, the Senate Democratic leadership has managed to conceal this massive tax increase from the public. The legislative wrangling and public discussion have virtually ignored the cost of financing this spending explosion. Members of the business community have been so eager to avoid employer mandates that they have not considered the tax consequences of the pending legislation. And the general public has been so concerned about preserving their ability to choose their own doctors that they have not focussed on what these plans would mean for their individual wallets.

Although the Democrats have yet to agree among themselves on the details of the final plan, it is likely to be closely related to the Senate Finance Committee bill. (The recent proposal by Senate majority leader George Mitchell that President Clinton said he would accept is essentially and expanded version of the Senate Finance Committee plan.) To understand the magnitude of the potential tax hike that would be required to finance such a plan, it's useful to look at the Senate Finance Committee bill and the recent analysis of it by the Congressional Budget Office.

Under the Senate Finance Committee plan, the government would pay the full cost of a standard private insurance premium for anyone below the poverty level and would provide a partial premium subsidy that declines with income between the poverty level and twice that income. The insurance premium would vary with family composition but would average about $2000 per person. A single parent and child would receive a subsidy with income below $20,500 while a couple with three children would receive a subsidy with income up to $37,700. More than 60 million individuals would be eligible for subsidies in addition to the 65 million already covered by Medicaid and Medicare. The Senate Finance Committee plan would raise insurance coverage by about 21 million individuals, bringing total coverage to 93 percent of the American population.

The budget analysis prepared by the Congressional Budget Office never states their estimate of the total additional cost that taxpayers would have to bear to finance the new insurance subsidies. But the CBO figures do imply that the public would be paying about $63 billion a year (at 1994 prices) by the year 2000 when the plan is fully operational. Even this massive tax increase understates the likely cost. Estimates that I have made with the help of colleagues at the National Bureau of Economic Research indicate that the CBO figures understate the true cost by about $40 billion a year because they underestimate the extent to which currently insured employees would receive the new subsidies and because they completely ignore the impact of the plan on work incentives and earnings.

Most of the $63 billion tax burden implied by the CBO numbers is hidden in cost-shifting through insurance companies and providers of health services. Only a relatively small part of the financing plan is an explicit $14 billion a year increase in the tax on tobacco products. A second small piece is a 1.75 percent excise tax on private health insurance premiums. Although this tax of $7 billion a year (at 1994 levels) would be paid by the insurance companies, they would pass it on in the form of higher insurance premiums. These higher premiums would be a direct tax on individuals who buy their own insurance. Companies would offset the higher premiums on the insurance that they provide to their employees by keeping wages lower than they would otherwise be. The true burden of the premium tax would therefore fall on everyone who is now privately insured.

The largest part of the financing is a hidden tax that is built into the plan to replace the current Medicaid program for the poor by subsidized private insurance. Medicaid provides much more generous benefits than the proposed standard insurance package since Medicaid covers a broader range of services and has no out-of-pocket copayments. Although the government would pay the insurance companies the same subsidies for former Medicaid beneficiaries as it pays for everyone else, the proposed law would require the insurance companies to provide those who are currently eligible for Medicaid with the much more expensive coverage that they have today. That complex maneuver would save the government about $29 billion a year on the current Medicaid program and would add that amount to the annual costs of the insurance companies. The insurance companies would in turn shift it to everyone who is privately insured in the same way that they would shift the explicit premium tax.

A second very large hidden tax would result from reducing government payments to hospitals and other providers of Medicare services without any reduction in the care that they are expected to give. As a result, the hospitals and other providers would just raise their prices to patients and insurance companies. In the end, it would be the privately insured individuals that bear those costs in the form of higher insurance premiums and lower wages. At 1994 levels, this cost shifting burden is equivalent to at least a $13 billion annual tax.

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In short, buried in the CBO numbers is a projection that the Senate Finance Committee plan would have a $63 billion annual cost (at 1994 price levels) and that all but the $14 billion in cigarette levies would be obtained by hidden taxes in the form of cost-shifting through health care providers and insurance companies. It's remarkable that the same politicians who have produced this $49 billion hidden cost-shifting have the audacity to say that the public should support their plan in order to eliminate the much more limited cost-shifting that occurs under the existing system as hospitals pass on the cost of free care. Indeed, to the extent that hospitals are already giving free care, the increase in formal insurance coverage gives that much less to the currently uninsured and confirms that most of the plan's cost is to achieve income redistribution rather than expanded health insurance.

The CBO report is careful to note that its estimates are "preliminary" and "unavoidably uncertain" and fully half of the report is devoted to discussing why there is "a substantial chance that the changes required by this proposal—and by other systemic reform proposals—could not be achieved as assumed."

My own analysis confirms that the CBO's caution is justified and that the CBO estimates understate the likely annual cost by at least $40 billion that would eventually have to be financed by higher taxes. A key reason is that there is no way to limit the premium subsidies to those who are currently uninsured. Those who are now buying their own insurance would automatically receive the government subsidy. Those who are now receiving insurance from their employers could qualify for an insurance subsidy by switching to an employment situation that paid higher cash wages instead of providing health benefits. That subsidy would be worth a very significant $2,000 for a single mother with a child who earns $15,000; if she earns $10,000, the subsidy would be worth more than $4,000. It wouldn't take long for employers and employees to recognize that some combination of new pay arrangements, explicit outsourcing of some work, and individual job changes would be handsomely rewarded by the government.

There are now more than 30 million individuals who could qualify for a subsidy. The CBO estimate recognizes that the roughly 6 million of them who now buy their own insurance would receive government subsidies. But when it comes to those who are already insured by their employers, the CBO assumes that only about one-fifth of the income eligible group would eventually choose to qualify for the subsidy, leaving $27 billion of potential subsidies (at 1994 levels) on the table. It seems totally implausible to me that employees and employers would permanently pass up subsidies of $1,000-plus per person that they could get by relatively easy changes in employment arrangements. When they do choose to qualify, taxpayers would have to pay another $27 billion to finance the plan.

The CBO calculation also totally ignores the effect of the subsidy phase-out between poverty and twice poverty on the incentives to work and to report earnings. The phase-out rule that gives a woman with a child $4660 of subsidy when she earns $10,250 and then takes away more than 40 cents of subsidy for every extra dollar that she earns is a powerful incentive to work less and to shift work to the underground economy. The CBO's report acknowledges that "the effective marginal levy on labor compensation could increase by as much as 30 to 45 percentage points for workers in families eligible for low-income subsidies" so that "some low-wage workers would keep as little as 10 cents of every additional dollar earned." But then, quite incredibly, the CBO calculations do not take into account that this would reduce reported earnings, thereby cutting income and payroll tax receipts and raising the health insurance subsidies to which individuals are eligible. Estimates made at the NBER indicate that these reactions would reduce taxes and increase subsidies by a combined total of at least $17 billion a year.

These estimates make no allowance for the impact of increased demand on health care costs in general. Extending insurance to at least 20 million people who are currently uninsured and giving private insurance to the more than 25 million nonaged Medicaid beneficiaries would inevitably raise the demand for health services and increase health care prices. But even without that, the analysis that I have laid out shows that the Senate Finance Committee bill would cost the American public more than $100 billion a year at today's prices. The Clinton-Mitchell plan for even broader coverage would cost even more.

A cost of $100-plus billion a year to increase the number of insured by 20 million means a cost to the taxpayers of more than $5,000 for each additional person insured, a cost of $20,000 for a family of four. Since the actual insurance premiums are $2,000 per person, it's clear that most of the tax dollars in these plans are for income redistribution rather than the expansion of insurance coverage.

The most fundamental social program in a generation should not be enacted without full and careful consideration of its costs. Once enacted, the benefits would be an irrevocable entitlement for nearly 100 million people.

The ability of the politicians to hide a $100-plus billion tax increase is both amazing and frightening. Using mandates on insurance companies or mandates on all businesses as substitutes for direct taxes destroys the budget process and provides a ready way for politicians to deceive the voters. The politics of tax and spend has entered a new era when politicians can spend $100 billion dollars a year and hide the taxes that we pay for those outlays.

If President Clinton and his Congressional allies succeed in ramming this legislation through Congress in the weeks ahead, the American people will have lost not just $100 billion a year. We will also have lost our ability to check the excesses of the political process and to unmask the chicanery of the politicians.

If political leaders want to deceive the voters, the only safeguard is a democracy in which long and careful public debate and Congressional hearings can expose such deception. Although the Congress has held hearings on the now defunct Clinton plan and on the broad issues of health care, there has been no serious consideration of the cost and financing of the plans that have recently emerged. The American public deserves a chance to know what we are being asked to pay and what we will get for our money. We should be suspicious of any politician who says there isn't time for such a careful examination.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI] is recognized.

Mr. DOMENICI. I thank the Chair. I know that my distinguished friend, the chairman of the Armed Services Appropriations Subcommittee, is here on the floor, and he has been anxiously waiting.

THE 1-YEAR ANNIVERSARY OF CLINTON DEFICIT REDUCTION PACKAGE

Mr. DOMENICI. Mr. President, I am going to try my very best to take my share of this responsibility on this so-called anniversary of the deficit reduction and the American economic recovery. I am going to try to be brief, but I wish to make a couple of points.

First, fellow Senators and Americans, if there has been a significant attack on deficit spending in the United States—and I do not believe there has been, but if there has been, maybe I just say, hold on to your hats because right around the corner is the largest new spending program in the history of America. The majority leader is trying diligently to get 51 votes in the Senate, to send something over to the House so that in the waning days of this session House and Senate conferees back in the back room can write a health care bill. The health care program that is being offered by Senator MITCHELL, the majority leader, will contain more new entitlement spending all by itself than we have ever passed in the history of this country.

Now, that is new spending. And there is a claim by leading Democrats today that we are celebrating a great deficit reduction package and the economic consequences of it 1 year after its passage.

Now, I just want to talk about three or four things. You see a chart behind me. That line down at the bottom says, "The promise." The promise was included in the first budget of the new President of the United States. It was not a budget but it was a vision statement. This was "the promise," that by the year 2000 we would really have this deficit under control. You see this here, Mr. President—right here? "The promise." This line was the way we were going to get deficits under control when we finally controlled health care spending. That was what we were going to do, get to that promise.

But now you see what is happening. While there was some bragging about a deficit reduction package that included spending cuts—and shortly I will tell you that thus far there are no spending cuts—that might come as a surprise. Let us look and see what was promised when we were going to get to the "promised land."

If you will just take a quick look, you see the green line here. This green line has under it all of this orange, and that is the amount of money that we were going to save when we got health care under control. That was the amount of money when we got health care under control we were going to save.

What has happened? Not only is that savings out the window with the "promised land" of deficit reduction, but the new package of health care reform says we are going to gobble up all that savings, spend it, and spend some more. And the yellow is the new spending.

So that all the promise of getting the deficit under control by the year 2000 is out the window. As a matter of fact, the deficit will start growing again in 3 years, and will start up slowly. And by the year 2000, we will be back up on a steep line of growth such that the American people, who are being encouraged today to be happy because we got the deficit under control, will have staring them in the face soon a new and larger deficit than the one we started with, unless—unless—we decide to cut more from defense and the appropriated accounts of our country, or raise taxes.

Frankly, I do not think we are going to cut defense any more.

I see occupying the Chair in the capacity of the Vice President, one of the experts of the Senate. He is the head of a commission that is supposed to get entitlements under control.

Let me tell the American people. If a health care plan is passed that is anything like the Mitchell plan or the President's original plan, we can do two things: We can take the pensions of the United States and decide where we are going to change them and save enough money to get the deficit under control—that is Social Security; pensions—or we can raise more taxes.

So as I see it, instead of hitting the airwaves of America with the notion that we ought to be proud that we got the deficit under control, I submit this is a day to remind everyone that we ought to be careful about the so-called "reform health care program," or we will put this Nation in the position where we will be about like Europe.

Mr. President, Europe has the disease as far its economy is concerned. It has a nickname. It is called Euro-sclerosis. Euro-sclerosis is a disease which means no new jobs in the private sector, no significant new growth, significantly higher interest rates than America, and higher unemployment. That is Euro-sclerosis.

They are trying go to get around it by cutting government taxes, cutting burdens on business. And we are about to adopt the largest burden on American business and the American people for a new health care plan than we have ever put on this American economy.

The second point is a very interesting one. The President and leading Democrats today are telling the American people that the President's so-called deficit reduction plan is what caused the American economy to start moving again. Mr. President, let me tell the Senate and those who are interested and listening, what most economists say caused the American economy to start to grow again and to add jobs and add some stability to our growth.

Most economists today say that a phenomenon has occurred that has not occurred in any of the previous recoveries. That phenomenon is huge productivity increases. Mr. President, most economists say this recovery is a 90 percent productivity economy, growth economy.

Anybody that knows anything about productivity growth knows that you do not get that in 4 months, you do not get that in 6 months, and you do not get that in 1 year. It is over a sustained period of time. And the American economy has been adjusting for 10 years to getting increased services and goods and industrial production out of a unit of time spent by an American worker. That is increased productivity. It is growing rapidly, has little or anything to do with the last year. And that is why America today has some sustained economic growth.

The other reason is because a good combination of monetary policy from our Federal Reserve Board has brought interest rates down. But I might suggest that anybody that thinks the President's economic plan, principally taxes to this point, has caused this to happen, that is interest rates to have come down, just look at this chart: In 1990, the short-term interest rates and the long-term interest rates both start down. My recollection is that in 1992 we had an election. In 1993, one year ago, we passed the deficit reduction package.

I ask, if lower interest rates is what we are proud of, when did they start? When did they end, and start going up? They started well before George Bush left office. Here they are coming down precipitously. In 1992 they are at a low. In 1993, they are low. And here they are going back up, both short- and long-term.

Mr. President, I want to close here today by suggesting that this economic recovery plan that the President boasts of results from factors beyond his control. I guess if I were on the other side of the aisle, I would have to find something to really brag about. And I think if I were part of the Administration I would probably say similar things, since there are more jobs and since the economy seems to be growing, to give us credit for it or give this plan credit for it.

But I want to suggest the economic recovery situation in the United States is not the result of 1 year ago. The adoption of a so-called economic recovery plan that to this point in time is almost all taxes, with some slight little cut in defense spending—it is just not possible that an economic plan in this short a time, even if it was going to work, would cause the American economy to grow and prosper again.

So before we get carried away, let us make sure we understand what is really happening. It is the American small and large businesses and American workers who, for a long period of time, have decided that they are going to get more for each dollar spent and more production for each hour worked, and that is causing America to grow again.

So I am pleased to join my Republican leader today. We need to get more charts. I am sure the other side and the President and the White House will do much better than we have with charts today.

But just so no one will think that it is automatic, that everybody ought to believe this message, that it was 1 year ago when we adopted a deficit reduction package, principally new taxes, at least to this point in this recovery, that that is what made this American economy prosper again. We have to make sure that does not become part of the lore in America. It just does not follow like day from night.

I thank the chairman of the Appropriations Subcommittee for yielding.

I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that Sid Ashworth, a congressional fellow serving with the Committee on Appropriations, be granted floor privileges during consideration of H.R. 4650.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask that the RECORD show on behalf of the minority that I have no objection to the motion to be made by the Senator from Hawaii to make the committee bill the basis for consideration of the amendment, and that I have no opening statement to make for the minority on this bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

Mr. INOUYE. Mr. President I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4650, the Department of Defense appropriations bill for fiscal year 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The bill clerk read as follows:

A bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 4650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1995, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; **[**$20,737,470,000**]** *$20,629,770,000.*

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; **[**$17,692,537,000**]** *$17,638,483,000.*

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; **[**$5,816,671,000**]** *$5,806,471,000.*

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; **[**$17,311,379,000**]** *$17,031,179,000.*

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3021, and 3038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; **[**$2,183,620,000**]** *$2,178,620,000.*

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States

Code; and for payments to the Department of Defense Military Retirement Fund; [$1,398,609,000] *$1,418,723,000*.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; [$354,048,000] *$351,098,000*.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8021, and 8038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; [$782,434,000] *$774,834,000*.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265, 3021, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; [$3,378,705,000] *$3,371,605,000*.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 265, 8021, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; [$1,238,029,000] *$1,244,729,000*.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $14,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; [$17,836,504,000] *$17,475,806,000* [, of which $150,000,000 for real property maintenance shall be made available for obligation until September 30, 1996] and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund[: *Provided*, That of the funds appropriated in this paragraph, not less than $388,599,000 shall be made available only for conventional ammunition care and maintenance: *Provided further*, That of the funds appropriated in this paragraph, $5,800,000 shall be available only for removal of Department of Defense equipment from Pine Bluff Arsenal: *Provided further*, That of the funds appropriated in this paragraph, $473,763,000 shall not be obligated or expended until authorized by law]*: Provided, That of the funds appropriated under this heading, not less than $5,000,000 shall be made available only for payment to the DOD 50th Anniversary of World War II Commemoration Appropriation.*

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $4,301,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; [$21,316,555,000] *$21,275,770,000* [, of which $200,000,000 for real property maintenance shall be made available for obligation until September 30, 1996] and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund[: *Provided*, That of the funds appropriated in this paragraph, $1,206,359,000 shall not be obligated or expended until authorized by law]*: Provided, That of the funds appropriated under this heading, not less than $2,436,700,000 shall be made available for depot maintenance, repair and overhaul of United States Navy ships prior to September 30, 1995.*

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; [$2,097,395,000] *$1,968,965,000*, [of which $66,000,000 for real property maintenance shall be made available for obligation until September 30, 1996: *Provided*, That of the funds appropriated in this paragraph, $100,300,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,762,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; [$18,913,050,000] *$18,786,243,000*[, of which $84,000,000 for real property maintenance shall be made available for obligation until September 30, 1996] and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund[: *Provided*, That of the funds appropriated in this paragraph, $179,592,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; [$8,945,266,000] *$9,986,654,000 and, in addition, $100,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund*, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $23,768,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes*: Provided, That of the funds appropriated under this heading, $20,000,000 shall be made available only for the repair and maintenance of federally owned education facilities located on military installations.*

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; [$1,240,109,000] *$1,253,709,000*.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; [$834,119,000] *$827,819,000*[: *Provided*, That of the funds appropriated in this paragraph, $6,300,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; [$83,542,000] *$80,562,000*[: *Provided*, That of the funds appropriated in this paragraph, $2,080,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; [$1,486,805,000] *$1,455,872,000*[: *Provided*, That of the funds appropriated in this paragraph $5,473,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); [$2,498,868,000] *$2,442,135,000*[: *Provided*, That of the funds appropriated in this paragraph, $10,000,000 shall be made available only for a National Guard Outreach Program in the Los Angeles School District: *Provided further*, That of the funds appropriated in this paragraph, $50,253,000 shall not be obligated or expended until authorized by law].

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; [$2,797,978,000] *$2,780,178,000*: *Provided*, That of the funds appropriated under this heading, [$1,500,000] *$9,200,000* shall be made available only for the operation of Air National Guard C–130 operational support aircraft of the 159th Air National Guard Fighter Group, *the 146th Airlift Wing, and the South Carolina Air National Guard 169th Fighter Group unit*[: *Provided further*, That of the funds appropriated in this paragraph, $17,800,000 shall not be obligated or expended until authorized by law].

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the necessary expenses and personnel services (other than pay and non-travel-related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the national matches) in accordance with law, for operation and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; the conduct of the national matches; the sale of ammunition under the authority of title 10, United States Code, sections 4308 and 4311; the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; and the payment to competitors at national matches under section 4312 of title 10, United States Code, of subsistence and travel allowances under section 4313 of title 10, United States Code; not to exceed $2,544,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; $6,126,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense; [$1,880,200,000] *$2,034,075,000*, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time period as the appropriations of funds to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

[SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

[For the account "Support for International Sporting Competitions, Defense"; $7,900,000, to be merged with and to be available for the same purposes and the same time period as that appropriation: *Provided*, That of the funds in that appropriation not more than $1,500,000 may be used for the 1995 Special Olympics: *Provided further*, That of the funds in that appropriation not more than $4,400,000 may be used for the 1996 Paralympics: *Provided further*, That funds appropriated in this paragraph shall not be obligated or expended until authorized by law.]

SUMMER OLYMPICS

For logistical support and personnel services (other than pay and non-travel-related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the 1996 Games of the XXVI Olympiad to be held in Atlanta, Georgia) provided by any component of the Department of Defense to the 1996 Games of the XXVI Olympiad; $10,000,000.

1995 SPECIAL OLYMPICS WORLD GAMES

For logistical support and personnel services (other than pay and non-travel-related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the 1995 Special Olympics World Games to be held in New Haven, Connecticut) provided by any component of the Department of Defense to the 1995 Special Olympics World Games; $3,000,000.

HUMANITARIAN ASSISTANCE

For transportation for humanitarian relief for the people of Afghanistan, the Kurdish population and other minorities of northern Iraq, and the people of sub-Saharan Africa, acquisition and shipment of transportation assets to assist in the distribution of such relief, and for transportation and distribution of humanitarian relief supplies, and excess non-lethal property; [$60,000,000] *$71,900,000* of which [$12,000,000] *$10,000,000* shall be made available only for activities to support the clearing of landmines for humanitarian purposes.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for providing incentives for demilitarization; for establishing programs to prevent the proliferation of weapons, weapons components, and weapons-related technology and expertise; for expansion of military-to-military contacts; for supporting the conversion of military technologies and capabilities into civilian activities; and for retraining military personnel of the former Soviet Union; $400,000,000 to remain available until expended: Provided, That of the funds appropriated under this heading, $10,000,000 shall be made available only for the continuing study, assessment, and identification of nuclear waste disposal by the former Soviet Union in the Arctic and North Pacific regions.

REAL PROPERTY MAINTENANCE, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For the maintenance of real property of the Department of Defense, in addition to amounts provided for this purpose under other headings of this title of this Act, $500,000,000 to remain available for obligation until July 1, 1995: Provided, That such funds shall be available only for repairing property which has been defined by the Department of Defense as part of a backlog of maintenance and repair projects in the justification material accompanying the President's budget request for fiscal year 1995: Provided further, That such funds shall be allocated by the Comptroller, Department of Defense for the projects determined by the military components as the highest priority for repair.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$1,264,198,000] *$1,062,581,000*, to remain available for obligation until September 30, 1997: *Provided, That the Secretary of the Army will report to the House and Senate Committees on Appropriations the doctrine, organization and mission statement for the High Capacity Air Ambulance concept not later than May 15, 1995.*

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$728,095,000] *$707,895,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $42,959,000 shall not be obligated or expended until authorized by law].

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$1,001,873,000] *$1,129,514,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $58,987,000 shall not be obligated or expended until authorized by law].

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$1,274,644,000] *$877,761,000*, to remain available for obligation until September 30, 1997: *Provided*, That of the amounts appropriated for the ARMS program in "Procurement of Ammunition, Army, 1993/1995", $43,000,000 may be available to fund subsidy costs of loan guarantees authorized to be made under that program[: *Provided further*, That of the funds appropriated in this paragraph, $419,761,000 shall not be obligated or expended until authorized by law]: *Provided further, That notwithstanding any other provision of law, of the amounts appropriated for the ARMS program in "Procurement of Ammunition, Army, 1993/1995", up to $2,500,000 shall be made available to the William Langer Plant for capital investment, operations, and such other expenditures as may be necessary to maintain the Plant as a going concern while it is being excessed under the provisions of the Federal Property and Administrative Services Act.*

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$2,348,806,000] *$2,646,048,000*, to remain available for obligation until September 30, 1997.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; [$4,820,442,000] *$4,531,789,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $232,435,000 shall not be obligated or expended until authorized by law].

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; [$1,969,336,000] *$1,858,200,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $70,458,000 shall not be obligated or expended until authorized by law]*: Provided, That, in addition to the foregoing purposes, funds appropriated under this heading shall be available to liquidate deficiencies in appropriations provided under this heading in prior Department of Defense appropriations Acts without regard to any provision of law limiting or restricting amounts which may be charged to currently available appropriations with respect to funds provided in prior appropriations Acts.*

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [as follows:

[For the Navy, $335,368,000;

[For the Marine Corps, $158,442,000;

[In all: $493,810,000] *$432,815,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $34,500,000 shall not be obligated or expended until authorized by law].

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Carrier replacement program, [$2,446,958,000] *$2,284,925,000*;

CVN Refuelings, $38,328,000;

DDG–51 destroyer program, [$2,607,690,000] *$2,660,690,000*;

LHD–1 amphibious assault ship program, $50,000,000*: Provided, That such funds shall not be obligated or expended until such time that there are sufficient funds made available for the LHD ship program to execute an existing contract option or any extension thereto for LHD–7: Provided further, That such funds shall not be transferred, reprogrammed, or used for any purpose other than the LHD ship program: Provided further, That such funds shall remain available for obligation until expended: Provided further, That the Secretary of the Navy shall extend this existing contract option for the LHD–7 ship for not less than one year and shall negotiate any change in option price made necessary by such extension;*

[Nuclear submarine main steam condenser industrial base, $1,000,000;

[Cost growth on prior years' programs, $8,200,000;]

For craft, outfitting, post delivery, [conversions,] and first destination transportation, [$357,521,000] *$349,031,000*;

For escalation, $146,000,000;

In all: [$5,471,369,000] *$5,528,974,000*, and, in addition, $1,200,000,000 shall be derived by transfer from the National Defense Sealift Fund for additional funding for the Carrier replacement program, all to remain available for obligation until September 30, 1999: *Provided*, That additional obligations may be incurred after September 30, 1999, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 262 passenger motor vehicles, of which 162 shall be for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; [$3,271,088,000] *$3,309,698,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $29,477,000 shall not be obligated or expended until authorized by law].

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 103 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; [$452,178,000] *$403,410,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $58,768,000 shall not be obligated or expended until authorized by law].

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; [$6,182,199,000] *$6,571,524,000*, to remain available for obligation until September 30, 1997[: *Provided*, That not less than $103,700,000 of the funds appropriated in this paragraph shall be used only to initiate procurement of non-developmental airlift aircraft no later than September 30, 1995: *Provided further*, That the Department of the Air Force shall qualify a second source producer for the C–17 transport aircraft engine and competitively contract for the procurement of the C–17 engine no later than September 30, 1997: *Provided further*, That of the funds appropriated in this paragraph, $80,432,000 shall not be obligated or expended until authorized by law].

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; [$2,758,285,000] *$3,620,055,000*, to remain available for obligation until September 30, 1997.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$278,681,000] *$283,173,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $18,963,000 shall not be obligated or expended until authorized by law].

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 678 passenger motor vehicles for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; [$6,886,613,000] *$6,897,696,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $31,190,000 shall not be obligated or expended until authorized by law].

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 437 passenger motor vehicles, of which 431 shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; [$3,020,616,000] *$1,894,916,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $953,922,000 shall not be obligated or expended until authorized by law].

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; [$796,200,000] *$952,000,000*, to remain available for obligation until September 30, 1997[: *Provided*, That of the funds appropriated in this paragraph, $9,000,000 shall not be obligated or expended until authorized by law].

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; [$5,456,498,000] *$5,304,329,000*, to remain available for obligation until September 30, 1996[: *Provided*, That of the funds appropriated in this paragraph, $35,695,000 shall not be obligated or expended until authorized by law].

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; [$8,598,958,000] *$8,790,331,000*, to remain available for obligation until September 30, 1996[: *Provided*, That for continued research and development programs at the National Center for Physical Acoustics, centering on ocean acoustics as it applies to advanced antisubmarine warfare acoustics issues with focus on ocean bottom acoustics, seismic coupling, sea-surface and bottom scattering, oceanic ambient noise, underwater sound propagation, bubble related ambient noise, acoustically active surfaces, machinery noise, propagation physics, solid state acoustics, electrorheological fluids, transducer development, ultrasonic sensors, and other such projects as may be agreed upon, $1,000,000 shall be made available, as a grant, to the Mississippi Resource Development Corporation, of which not to exceed $250,000 of such sum may be used to provide such special equipment as may be required for particular projects: *Provided further*, That none of the funds appropriated in this paragraph may be obligated or expended to develop or purchase equipment for an Aegis destroyer variant (commonly known as "Flight IIA") whose initial operating capability is budgeted to be achieved prior to the initial operating capability of the Ship Self-Defense program, nor to develop sensor, processor, or display capabilities which duplicate in any way those being developed in the Ship Self-Defense program: *Provided further*, That funds appropriated in this paragraph for development of E–2C aircraft upgrades may not be obligated until the Under Secretary of Defense for Acquisition submits a plan to the Committees on Appropriations and Armed Services of each House of Congress for development and deployment of a fully participating cooperative engagement capability on E–2 aircraft to be fielded concurrent with and no later than major computer upgrades for the aircraft: *Provided further*, That funds appropriated in this paragraph for development of the LPD–17 ship may not be obligated unless the baseline design of the ship includes cooperative engagement capability and sufficient own-ship self-defense capability against advanced sea-skimming antiship cruise missiles in the baseline design to achieve an estimated probability of survival from attack by such missiles at a level no less than any other Navy ship].

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law;

[$10,728,533,000] *$12,151,011,000*, to remain available for obligation until September 30, 1996[: *Provided*, That not less than $12,000,000 of the funds appropriated in this paragraph shall be made only for the Joint Seismic Program and Global Seismic Network administered by the Incorporated Research Institutions for Seismology: *Provided further*, That not less than $20,000,000 of the funds appropriated in this paragraph shall be made available only for the National Center for Manufacturing Sciences (NCMS)]*: Provided, That of the funds appropriated in this paragraph, not less than $13,000,000 of the funds in the Advanced Weapons program element shall be made available only to continue the establishment and operation of an image information processing center supporting the Air Force Maui Space Surveillance Site (MSSS).*

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; [$9,419,955,000] *$8,922,649,000*, to remain available for obligation until September 30, 1996[: *Provided*, That not less than $120,000,000 of the funds appropriated in this paragraph are available only for the Sea-Based Wide Area Defense program: *Provided further*, That of the funds appropriated in this paragraph, $361,743,000 shall not be obligated or expended until authorized by law: *Provided further*, That funds appropriated in this paragraph for development of the TIER II Plus vehicle shall not be obligated until not less than $50,000,000 has been obligated for the TIER III Minus vehicle]*: Provided, That $27,400,000 shall be available for transfer to the Small Business Administration to cover the costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees issued pursuant to subsection (b)(3) of such section.*

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; [$251,495,000] *$224,353,000*, to remain available for obligation until September 30, 1996.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $12,501,000, to remain available for obligation until September 30, 1996.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For the Defense Business Operations Fund; [$1,090,438,000] *$789,400,000*.

NATIONAL DEFENSE SEALIFT FUND

[(INCLUDING TRANSFER OF FUNDS)]

For National Defense Sealift Fund programs, projects, and activities, [$858,600,000] *$828,600,000*, to remain available until expended[: *Provided*, That $25,000,000 shall be transferred to the Secretary of Transportation for title XI loan guarantees: *Provided further*, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: *Provided further*, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: *Provided further*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That funds appropriated in this paragraph shall not be obligated or expended until authorized by law]*: Provided, That not to exceed $43,000,000 may be used for the purchase or construction of vessels for the Ready Reserve Force component of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744).*

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; [$9,895,159,000] *$9,808,239,000*, of which [$9,577,770,000] *$9,499,350,000* shall be for Operation and maintenance, of which [$317,389,000] *$308,889,000*, to remain available for obligation until September 30, 1997, shall be for Procurement: *Provided*, That the Department shall continue to competitively contract during fiscal year 1995 for mail service pharmacy for at least two multi-state regions in addition to the ongoing solicitations for Florida, South Carolina, Georgia, Delaware, New Jersey, Pennsylvania, and Hawaii, as well as each base closure area not supported by an at-risk managed care plan; that such services shall be procured independent of any other Department managed care contracts; that one multi-state region shall include the State of Kentucky and that one multi-state region shall include the State of New Mexico[: *Provided further*, That of the funds appropriated in this paragraph, $8,500,000 shall not be obligated or expended until authorized by law]*: Provided further, That of the funds appropriated under this heading, $5,000,000 shall be made available only for nursing research: Provided further, That of the funds appropriated under this heading, $14,500,000 shall be made available for obtaining emergency communications services for members of the Armed Forces and their families from the American National Red Cross as authorized by law: Provided further, That until the end of September 30, 1995, the Secretary of the Air Force shall, through contract or otherwise, continue to provide primary health care in the base hospital at Plattsburgh Air Force Base, New York, to persons entitled to health care in facilities of the uniformed services.*

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, [$562,949,000] *$590,149,000*, of which [$345,784,000] *$363,584,000* shall be for Operation and maintenance, [$196,465,000] *$215,265,000* shall be for Procurement to remain available until September 30, 1997, and [$20,700,000] *$11,300,000* shall be for Research, development, test and evaluation to remain available until September 30, 1996.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; [$713,053,000] *$700,100,000, of which $10,000,000 is hereby transferred to the "Military Construction, Navy" appropriation for construction of a Relocatable Over-the-Horizon Radar in Puerto Rico*: *Provided*, That the funds appropriated by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; [$142,098,000] *$140,872,000*, of which [$141,098,000] *$139,872,000* shall be for Operation and maintenance, of which not to exceed $400,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $1,000,000, to remain available until September 30, 1997, shall be for Procurement.

[DEFENSE CONVERSION AND REINVESTMENT

[(INCLUDING TRANSFER OF FUNDS)

[For necessary expenses for transition benefits for military and civilian employees of the Department of Defense, and for assistance to communities and industries affected by the military drawdown; for transfer to appropriations available to the Department of Defense for Operation and maintenance, and for Research, development, test and evaluation; $1,401,944,000: *Provided*, That the funds appropriated by this paragraph shall be available for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further*, That $50,000,000 shall be available to cover the costs (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees issued pursuant to subsection (b)(3) of such section: *Provided further*, That of the funds appropriated in this paragraph, $30,744,000 shall not be obligated or expended until authorized by law.]

[KOREAN ENHANCED READINESS ACCOUNT

[(INCLUDING TRANSFER OF FUNDS)

[For necessary expenses to enhance the readiness of United States Forces to perform the mission assigned to United States Forces, Korea, $250,000,000: *Provided*, That such funds may be transferred by the Secretary to appropriations made available to the Department of Defense for Operation and maintenance, Procurement, and Research, development, test and evaluation: *Provided further*, That the funds appropriated by this paragraph shall be available for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further*, That of the funds appropriated by this paragraph, not less than $55,000,000 shall be transferred to "Other procurement, Army", and not less than $15,000,000 shall be transferred to "Research, development, test and evaluation, Defense-Wide": *Provided further*, That no funds made available under this paragraph shall be obligated until 15 days after submission of a report by the Secretary to the House and Senate Committees on Appropriations explaining and justifying the proposed uses of such funds: *Provided further*, That funds appropriated in this paragraph shall not be obligated or expended until authorized by law.]

TITLE VII

[NATIONAL FOREIGN INTELLIGENCE PROGRAM]

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $198,000,000.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $8,500,000 to be derived from the National Security Education Trust Fund, to remain available until expended.

COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Community Management Account; [$83,084,000] *$105,084,000*: *Provided*, That of the funds appropriated in this paragraph, no more than $2,000,000 may be available for the purchase of information system upgrades at the Department of State Bureau of Intelligence and Research.

KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION TRUST FUND

For payment to the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, as authorized by law, $50,000,000 to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,000,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8008. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the Committees on Appropriations and Armed Services of the Senate and House of Representatives.

SEC. 8009. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other authorized individual health care providers in excess of the amounts allowed in fiscal year 1994 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8010. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

SEC. 8011. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

[SEC. 8012. Notwithstanding any other provision of law, governments of Indian tribes shall be treated as State and local governments for the purposes of disposition of real property recommended for closure in the report of the Defense Secretary's Commission on Base Realignments and Closures, December 1988, the report to the President from the Defense Base Closure and Realignment Commission, July 1991, and Public Law 100–526.]

SEC. 8012. Notwithstanding any other provision of law, a qualified Indian Tribal corporation or Alaska Native Corporation furnishing the product of a responsible small business concern shall not be denied the opportunity to compete for and be awarded a procurement contract pursuant to section 2323 of title 10, United States Code, solely because the Indian Tribal corporation or Alaska Native Corporation is not the actual manufacturer or processor of the product to be supplied under the contract.

[SEC. 8013. (a) The provisions of section 115(a)(4) of title 10, United States Code, shall not apply with respect to fiscal year 1995 or with respect to the appropriation of funds for that year.

[(b) During fiscal year 1995, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

[(c) The fiscal year 1996 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1996 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1996.]

SEC. 8013. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: Provided, That workyears shall be applied as defined in the Federal Personnel Manual: Provided further, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8014. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8015. None of the funds appropriated by this Act shall be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8016. Notwithstanding any other provision of law, the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any person who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

SEC. 8017. Notwithstanding any other provision of law, during the current fiscal year [and hereafter], proceeds from the investment of the Fisher House Investment Trust Fund will be used to support the operation and maintenance of Fisher Houses associated with Army medical treatment facilities.

SEC. 8018. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 1415(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That, in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8019. Funds appropriated in this Act shall be available for the payment of not more than 75 percent of the charges of a postsecondary educational institution for the tuition or expenses of an officer in the Ready Reserve of the Army National Guard or Army Reserve for education or training during his off-duty periods, except that no part of the charges may be paid unless the officer agrees to remain a member of the Ready Reserve for at least four years after completion of such training or education.

SEC. 8020. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

[SEC. 8021. None of the funds made available by this Act may be obligated for the acquisition of major automated information systems which have not successfully completed oversight reviews required by Department of Defense regulations: *Provided*, That the automated information systems oversight review board will be independent of any other Department review function and chaired by the Assistant Secretary of Defense for Command, Control, Communications and Intelligence: *Provided further*, That except for those programs to modernize and develop migration and standard automated information systems that have been certified by the Department's senior information resource management (IRM) official as being fully compliant with the Department's information management initiative as defined in Defense Department Directive 8000.1, no funds may be expended for modernization or development of any automated information system (AIS) by the military departments, services, defense agencies, Joint Staff or

Military Commands in excess of $2,000,000 unless the senior official of the Office of the Secretary of Defense with primary responsibility for the functions being supported or to be supported certifies to the Assistant Secretary of Defense for Command, Control, Communications and Intelligence that the functional requirement(s) is valid and that the system modernization or development has no unnecessary duplication of other available or planned AISs: *Provided further*, That all new Department of Defense procurements shall separately identify software costs in the work breakdown structure defined by MIL–STD–881 in those instances where software is considered to be a major category of cost.]

SEC. 8021. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8022. Notwithstanding any other provision of law, the Secretary of the Navy may use funds appropriated to charter ships to be used as auxiliary minesweepers providing that the owner agrees that these ships may be activated as Navy Reserve ships with Navy Reserve crews used in training exercises conducted in accordance with law and policies governing Naval Reserve forces*: Provided, That none of the funds appropriated or made available in this Act may be used to inactivate, disestablish, or discontinue the Navy's Craft of Opportunity Program*.

SEC. 8023. [Funds appropriated or made available in this Act shall be obligated and expended to continue to fully utilize the facilities at the United States Army Engineer's Waterways Experiment Station, including the continued availability of the supercomputer capability: *Provided*, That none] *None* of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the Armed Services and Appropriations Committees of Congress that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8024. For the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1995, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P–1 and R–1 budget justification documents as subsequently modified by Congressional action: *Provided*, That the following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act: *Provided further*, That at the time the President submits his budget for fiscal year 1996, the Department of Defense shall transmit to the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives a budget justification document to be known as the "O–1" which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 1996.

[SEC. 8025. Of the funds appropriated to the Army, $223,736,000 shall be available only for the Reserve Component Automation System (RCAS): *Provided*, That none of these funds can be expended—

[(1) except as approved by the Chief of the National Guard Bureau;

[(2) unless RCAS resource management functions are performed by the National Guard Bureau;

[(3) to pay the salary of an RCAS program manager who has not been selected and approved by the Chief of the National Guard Bureau and chartered by the Chief of the National Guard Bureau and the Secretary of the Army;

[(4) unless the Program Manager (PM) charter makes the PM accountable to the Chief of the National Guard Bureau and fully defines his authority, responsibility, reporting channels and organizational structure;

[(5) to pay the salaries of individuals assigned to the RCAS program management office unless such organization is comprised of personnel chosen jointly by the Chiefs of the National Guard Bureau and the Army Reserve;

[(6) to pay contracted costs for the acquisition of RCAS unless RCAS is an integrated system consisting of software, hardware, and communications equipment and unless such contract continues to preclude the use of Government furnished equipment, operating systems, and executive applications software; and

[(7) unless RCAS performs its own classified information processing:

[*Provided further*, That notwithstanding any other provision of law, none of the funds appropriated shall be available for procurement of computers for the Army Reserve Component which are used to network or expand the capabilities of existing or future information systems or duplicate functions to be provided under the RCAS contract unless the procurement meets the following criteria: (A) at sites scheduled to receive RCAS equipment prior to September 30, 1995, RCAS ADP equipment may be procured and only in the numbers and types allocated by the RCAS program to each site; and at sites scheduled to receive RCAS equipment after September 30, 1995, RCAS ADP equipment or ADP equipment from a list of RCAS compatible equipment approved by the Chief of the National Guard Bureau or his designee, may be procured and only in the numbers and types allocated by the RCAS program to each site; (B) the requesting organizational element has insufficient ADP equipment to perform administrative functions but not to exceed the number of work stations determined by the RCAS program for that site; (C) replacement equipment will not exceed the minimum required to maintain the reliability of existing capabilities; (D) replacement will be justified on the basis of cost and feasibility of repairs and maintenance of present ADP equipment as compared to the cost of replacement; and (E) the procurement under this policy must be approved by the Chief of the National Guard Bureau or his designee, provided that the procurement is a one for one replacement action of existing equipment.]

SEC. 8025. Of the funds made available by this Act in title III, Procurement, $8,000,000, drawn pro rata from each appropriations account in title III, shall be available for incentive payments authorized by section 504 of the Indian Financing Act of 1974, 25 U.S.C. 1544. These payments shall be available only to contractors which have submitted subcontracting plans pursuant to 15 U.S.C. 637(d), and according to regulations which shall be promulgated by the Secretary of Defense within 90 days of the passage of this Act.

[SEC. 8026. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.]

SEC. 8026. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire (1) defensive handguns or defensive handgun ammunition unless such handguns or handgun ammunition are the M9 9mm Department of Defense standard handgun or ammunition for such handguns, or (2) offensive handguns and ammunition except for the Special Operations Forces: Provided, That the foregoing shall not apply to handguns for marksmanship competitions.

(TRANSFER OF FUNDS)

SEC. 8027. Notwithstanding any other provision of law, the Department of Defense may transfer prior year, unobligated balances and funds appropriated in this Act to the operation and maintenance appropriations for the purpose of providing military technician and Department of Defense medical personnel pay and medical programs (including CHAMPUS) the same exemption from sequestration set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508) as that granted the other military personnel accounts: *Provided*, That any transfer made pursuant to any use of the authority provided by this provision shall be limited so that the amounts reprogrammed to the operation and maintenance appropriations do not exceed the amounts sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508): *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act: *Provided further*, That the Secretary of Defense may proceed with such transfer after notifying the Appropriations Committees of the House of Representatives and the Senate twenty calendar days in session before any such transfer of funds under this provision.

SEC. 8028. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel homeported on the West Coast of the United States which includes charges for interport differential as an evaluation factor for award.

SEC. 8029. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

[SEC. 8030. Operational control of the Naval Reserve Personnel Center, including its functions and responsibilities, shall be under the command and control of the Commander, Naval Reserve Command: *Provided*, That notwithstanding any other provision of law, the one-time costs, including the procurement or lease of new or reutilized automatic data processing investment equipment, peripheral equipment and related software, of the 1993 Report to the President of the Defense Base Closure and Realignment Commission or current DOD Data Center Consolidation shall not exceed $309,000,000.]

SEC. 8030. Notwithstanding any other provision of law, none of the funds appropriated in this Act may be used to purchase, install, replace, or otherwise repair any lock on a safe or security container which protects information critical to national security or any other classified materials and which has not been certified as passing the security lock specifications contained in regulation FF-L-2740 dated October 12, 1989, and has not passed all testing criteria and procedures established through February 28, 1992: Provided, That the Director of Central Intelligence may waive this provision, on a case-by-case basis only, upon certification that the above cited locks are not adequate for the protection of sensitive intelligence information.

SEC. 8031. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

[SEC. 8032. None of the funds available to the Department of Defense shall be obligated or expended for (or to implement) automatic data processing, data processing center, central design activity, DMRD 918, defense information infrastructure, and military or civilian personnel function consolidation plans, consolidations, and disestablishment or realignment plans that impact, in terms of reductions in force or transfers in military and civilian personnel, end strength, billets, functions, or missions, the Enlisted Personnel Management Center, and the collocated Naval Computer and Telecommunications Station, the Naval Reserve Force Information Systems Office, and the Naval Reserve Personnel Center until sixty legislative days after the Secretary of Defense submits to the House and Senate Committees on Appropriations a report, including complete review comments and a validation by the Department of Defense Comptroller, justifying and validating that such plans and actions: (1) do not consolidate, plan to consolidate, disestablish or realign Department of Defense or Service data processing functions or centers, central design activities, or military and civilian personnel functions and activities, or claim savings from such function and activity consolidations and disestablishment, realignment, or consolidation plans, that are in more than one defense management report plan or decision or any other Department of Defense or Service consolidation, disestablishment or realignment plan; (2) utilize criteria primarily weighted to evaluate, measure and compare how data processing centers and activities, central design activities, and military and civilian personnel functions and activities are ranked in terms of operational readiness, customer satisfaction, and the most cost effective and least expensive from a business performance, and regional operations cost standpoint; (3) will provide equal or better service for DOD customers; (4) provide details as to the impacts on the quality of life and benefits of the individual service person, dependents, and civilian personnel; and (5) will not adversely impact the mission and readiness of the Navy and Naval Reserves: *Provided*, That funds made available to the Department of Defense shall be available to implement the 1993 Defense Base Closure and Realignment Commission approved recommendations concerning the Enlisted Personnel Management Center and the collocated Naval Computer and Telecommunications Station.]

SEC. 8032. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa: Provided, That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8033. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 1996 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such Executive Agreement with a NATO member host nation shall be reported to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8034. None of the funds available to the Department of Defense in this Act shall be used to demilitarize or dispose of more than 310,784 unserviceable M1 Garand rifles and M1 Carbines.

SEC. 8035. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8036. None of the funds appropriated by this Act may be used by the Department of Defense to assign a supervisor's title or grade when the number of people he or she supervises is considered as a basis for this determination: *Provided*, That savings that result from this provision are represented as such in future budget proposals.

SEC. 8037. Of the funds appropriated by this Act, no more than $18,500,000 shall be available for the mental health care demonstration project at Fort Bragg, North Carolina: *Provided*, That adjustments may be made for normal and reasonable price and program growth.

SEC. 8038. None of the funds appropriated by this Act shall be available for payments under the Department of Defense contract with the Louisiana State University Medical Center involving the use of cats for Brain Missile Wound Research, and the Department of Defense shall not make payments under such contract from funds obligated prior to the date of the enactment of this Act, except as necessary for costs incurred by the contractor prior to the enactment of this Act: *Provided*, That funds necessary for the care of animals covered by this contract are allowed.

SEC. 8039. None of the funds provided in this Act or any other Act shall be available to conduct bone trauma research at any Army Research Laboratory until the Secretary of the Army certifies that the synthetic compound to be used in the experiments is of such a type that its use will result in a significant medical finding, the research has military application, the research will be conducted in accordance with the standards set by an animal care and use committee, and the research does not duplicate research already conducted by a manufacturer or any other research organization.

SEC. 8040. The Secretary of Defense shall include in any base closure and realignment plan submitted to Congress after the date of enactment of this Act, a complete review for the five-year period beginning on October 1, 1994, which shall include expected force structure and levels for such period, expected installation requirements for such period, a budget plan for such period, the cost savings expected to be realized through realignments and closures of military installations during such period, an economics model to identify the critical local economic sectors affected by proposed closures and realignments of military installations and an assessment of the economic impact in each area in which a military installation is to be realigned or closed.

[SEC. 8041. No more than $50,000 of the funds appropriated or made available in this Act shall be used for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and Senate that such a relocation is required in the best interest of the Government: *Provided further*, That no funds appropriated or made available in this Act shall be used for the relocation into the National Capital Region of the Air Force Office of Medical Support located at Brooks Air Force Base.]

SEC. 8041. Notwithstanding any other provision of law, each contract awarded by the Department of Defense in fiscal year 1995 for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section in the interest of national security.

SEC. 8042. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the armed forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, 3500, or 8500 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Golumbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8043. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8044. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8045. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8046. Of the funds made available in this Act, not less than [$24,565,000] *$19,917,000* shall be available for the Civil Air Patrol, of which [$13,105,000] *$10,410,000* shall be available for Operation and Maintenance.

SEC. 8047. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8048. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46-48).

SEC. 8049. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

[SEC. 8050. Notwithstanding any other provision of law or regulation, ships designated T-AGS 63, T-AGS 64 and T-AGS 65 must utilize remanufactured milspec SASS multibeam sonars. *Provided;* That the Secretary of the Navy may waive this restriction by certifying in writing to the Committee on Appropriations that an alternative acquisition must be made in order to acquire capability for national security purposes.]

SEC. 8050. None of the funds available to the Department of Defense during fiscal year 1995 may be obligated for low rate initial production of the ALR-67(V)3 Advanced Special Receiver (ASR) until 30 days after the congressional defense committees have received the following:

(1) A certification by the Director, Operational Test and Evaluation, Defense, that, based on the results of the joint Developmental Test/Operational Test flight tests and of the Operational Assessment intended to address the readiness of the ASR for low rate initial production, ASR is potentially operationally effective and potentially operationally suitable and ready to enter low rate initial production;

(2) A comprehensive report by the Commander, Navy Operational Test and Evaluation Force as to the test objectives and results of the joint Developmental Test/Operational Test flight tests and of the Operational Assessment intended to address the readiness of the ASR for low rate initial production;

(3) A comprehensive report by the Assistant Secretary of the Navy (Research, Development and Acquisition) as to the test objectives and results of the Developmental Flight Tests and Technical Evaluation, along with her certification that, based on these results, the ASR is ready to enter low rate initial production.

SEC. 8051. Section 8060 of the Department of Defense Appropriations Act, 1994 (Public Law 103-139) is hereby repealed, which contained authority for acquisition of LANDSAT 7.

SEC. 8052. Notwithstanding any other provision of law, of the funds appropriated for the Defense Health Program during this fiscal year [and hereafter], the amount payable for services provided under this section shall not be less than the amount calculated under the coordination of benefits reimbursement formula utilized when CHAMPUS is a secondary payor to medical insurance programs other than Medicare, and such appropriations as necessary shall be available (notwithstanding the last sentence of section 1086(c) of title 10, United States Code) to continue Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) benefits, until age 65, under such section for a former member of a uniformed service who is entitled to retired or retainer pay or equivalent pay, or a dependent of such a member, or any other beneficiary described by section 1086(c) of title 10, United States Code, who becomes eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) solely on the grounds of physical disability, or end stage renal disease: *Provided*, That expenses under this section shall only be covered to the extent that such expenses are not covered under parts A and B of title XVIII of the Social Security Act and are otherwise covered under CHAMPUS: *Provided further*, That no reimbursement shall be made for services provided prior to October 1, 1991.

SEC. 8053. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $250,000,000 for purposes specified in section 2350j(c) of title 10, United States Code in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriation or fund which incurred such obligations.

[SEC. 8054. (a) Funds appropriated in this Act to finance activities of Department (DOD) Federally Funded Research and Development Centers (FFRDCs) may not be obligated or expended for a FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the Department of Defense unless the FFRDC has a DOD approved conflict of interest policy for its members.

[(b) None of the funds appropriated in this Act are available to establish a new FFRDC, either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

[(c) Notwithstanding any other provision of law, of the amounts available to the Department of Defense during fiscal year 1995, not more than $1,252,650,000 may be obligated for financing activities of FFRDCs.

[(d) The Secretary of Defense may not obligate more than one-half of the funds available to FFRDCs until the Congressional defense committees receive the report on establishing pay caps for FFRDC employees that was directed in the Committee's report accompanying the fiscal year 1994 Department of Defense Appropriations Act.]

SEC. 8054. (a) Funds appropriated in this Act to finance activities of Department of Defense (DOD) Federally Funded Research and Development Centers (FFRDCs) may not be obligated or expended for a FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the Department of Defense unless the FFRDC has a DOD approved conflict of interest policy for its members.

(b) None of the funds appropriated in this Act are available to establish a new FFRDC, either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(c) The Secretary of Defense may not obligate more than one-half of the funds available for each defense FFRDC, and more than one-half of the total amount available for defense FFRDCs, until the Congressional defense committees receive a copy of the revised and updated DOD master plan for FFRDCs: Provided, That the master plan submitted in compliance with this subsection shall contain annual funding and manpower ceilings for each defense FFRDC and each subcomponent of a defense FFRDC identified as separate sub-entity due to the significantly unique nature of its functions.

(d) LIMITATION ON COMPENSATION.—No employee or executive officer of a defense FFRDC may be compensated at a rate exceeding Executive Schedule Level I by that FFRDC: Provided, That the restriction contained in this subsection shall not take effect until July 1, 1995.

(e) LIMITATION ON COMPENSATION.—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC may be compensated for his or her services as a member of such entity except under the same conditions, and to the same extent, as members of the Defense Science Board: Provided, That a member of any such entity shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties: Provided further, That the restriction contained in this subsection shall not take effect until July 1, 1995.

(f) ELIMINATION OF FEE.—None of the funds available to the Department of Defense from any source during fiscal year 1995 may be obligated to pay any fee to a defense FFRDC.

(g) None of the funds available to the Department of Defense from any source during fiscal year 1995 may be used by a defense FFRDC for any purpose which otherwise is not reimbursable under federal or Department of Defense acquisition regulations: Provided, That the restriction contained in this subsection shall also apply to cost sharing for projects funded by government grants, absorption of contract overruns, and costs necessary to pay the costs of doing business in advance of reimbursement.

(h) Notwithstanding any other provision of law, of the amounts available to the Department of Defense during fiscal year 1995, not more than $1,300,000,000 may be obligated for financing activities of FFRDCs: Provided, That the total amount appropriated in title IV of this Act is hereby reduced by $52,650,000 to reflect the funding ceiling contained in this subsection.

(i) The total amount appropriated to or for the use of the Department of Defense in title IV of this Act is reduced by an additional $62,634,000 to reflect savings from the decreased use of non-FFRDC consulting services by the Department of Defense.

(j) The total amount appropriated to or for the use of the Department of Defense in title IV of this Act is reduced by an additional $19,055,000 to reflect savings from the decreased use of major non-profit federally-funded research institutions and university-affiliated research centers by the Department of Defense.

[SEC. 8055. None of the funds appropriated or made available in this Act shall be used to procure carbon, alley or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.]

SEC. 8055. None of the unobligated balances available in the National Defense Stockpile Transaction Fund during the current fiscal year may be obligated or expended to finance any grant or contract to conduct research, development, test and evaluation activities for the development or production of advanced materials, unless amounts for such purposes are specifically appropriated in a subsequent appropriations Act.

SEC. 8056. For the purposes of this Act, the term "congressional defense committees" means the Committees on Armed Services, the Committees on Appropriations, and the subcommittees on Defense of the Committee on Appropriations, of the Senate and the House of Representatives.

SEC. 8057. Notwithstanding any other provision of law, during the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

[SEC. 8058. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

[(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

[(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1995. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

[(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).]

SEC. 8058. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: Provided, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: Provided further, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: Provided further, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.

SEC. 8059. (a) Of the funds made available in this Act in title II, Operation and Maintenance, Army, $2,000,000 shall be available only to execute the cleanup of uncontrolled hazardous waste contamination affecting the Sale Parcel at Hamilton Air Force Base, in Novato, in the State of California.

(b) Notwithstanding any other provision of law, in the event that the purchaser of the Sale Parcel exercises its option to withdraw from all or a portion of the sale, as provided in the Agreement and Modification, dated September 25, 1990, between the Department of Defense, the General Services Administration, and the purchaser, as amended, the purchaser's deposit of $4,500,000 shall be returned by the General Services Administration and funds eligible for reimbursement under the Agreement and Modification, as amended, shall come from the funds made available to the Department of Defense by this Act.

(c) In the event that the purchaser purchases only a portion of the Sale Parcel and exercises its option to withdraw from the sale as to the rest of the Sale Parcel, the portion of the Sale Parcel that is not purchased (other than Landfill 26 and an appropriate buffer area around it and the groundwater treatment facility site), together with any of the land referred to in section 9099(e) of Public Law 102–396 that is not purchased by the purchaser, shall be sold to the City of Novato, in the State of California, for the sum of One Dollar as a public benefit transfer for school, classroom or other educational use, for use as a public park or recreation area or for further conveyance as provided herein, subject to the following restrictions: (1) if the City sells any portion of such land to any third party within ten years after the transfer to the City, which sale may be made without the foregoing use restrictions, any proceeds received by the City in connection with such sale, minus the demonstrated reasonable costs of conducting the sale and of any improvements made by the City to the land following its acquisition of the land (but only to the extent such improvements increase the value of the portion sold), shall be immediately turned over to the Army in reimbursement of the withdrawal payment made by the Army to the contract purchaser and the costs of cleaning up the Landfill and (2) until one year following completion of the cleanup of contaminated soil in the Landfill and completion of the groundwater treatment facilities, the sale must be at a per-acre price for the portion sold that is at least equal to the per-acre contract price paid by the purchaser for the portion of the Sale Parcel purchased under the Agreement and Modification, as amended, and thereafter must be at a price at least equal to the fair market value of the portion sold. The foregoing restrictions shall not apply to a transfer to another public or quasi-public agency for public uses of the kind described above. The deed to the City shall contain a clause providing that, if any of the proceeds referred to in clause (1) are not delivered to the Army within 30 days after sale, or any portion of the land not sold as provided herein is used for other than educational, park or recreational uses, title to the applicable portion of such land shall revert to the United States Government at the election of the General Services Administration. The Army shall agree to deliver into the applicable closing escrow an acknowledgement of receipt of any proceeds described in clause (1) above and a release of the reverter right as to the affected land, effective upon such receipt.

(d) Notwithstanding any other provision of law, the Air Force shall be reimbursed for expenditures in excess of $15,000,000 in connection with the total clean-up of uncontrolled hazardous waste contamination on the aforementioned Sale Parcel from the proceeds collected upon the closing of any portion of the Sale Parcel purchased by the contract purchaser under the Agreement and Modification, as amended.

(e) Notwithstanding any other provision of law, the purchaser's reimbursement claims shall be audited by the Defense Contract Audit Agency for reasonableness and accuracy before the Department of Defense provides any funds under the purchaser's withdrawal and reimbursement rights.

SEC. 8060. Notwithstanding any other provision of law, the Secretary of Defense may, when he considers it in the best interest of the United States, cancel any part of an indebtedness, up to $2,500, that is or was owed to the United States by a member or former member of a uniformed service if such indebtedness, as determined by the Secretary, was incurred in connection with Operation Desert Shield/Storm: *Provided*, That the amount of an indebtedness previously paid by a member or former member and cancelled under this section shall be refunded to the member.

SEC. 8061. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8062. During the current fiscal year [and thereafter], voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 8063. Amounts deposited during fiscal years 1994 and 1995 to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

[SEC. 8064. In order to maintain an electric furnace capacity in the United States, preference for the purchase of chromite ore and manganese ore authorized for disposal from the National Defense Stockpile shall be given to domestic producers of high carbon ferrochromium and high carbon ferromanganese—

[(A) whose primary output during the three preceding years has been ferrochromium or ferromanganese; and

[(B) who guarantee to use the chromite and manganese ore for domestic purposes.]

SEC. 8064. Notwithstanding any other provision of law, any statutorily-required analysis of the impact on the defense technology and industrial base of terminations and significant reductions of major research and development programs and procurement programs of the Department of Defense shall address only those actions recommended by the Defense Department in its annual budget request and amendments thereto, supplemental requests, or proposed rescissions.

SEC. 8065. None of the funds in this or any other Act shall be available for the preparation of studies on—

(a) the feasibility of removal and transportation of unitary chemical weapons from the eight chemical storage sites within the continental United States: *Provided*, That this prohibition shall not apply to non-stockpile material in the United States or to studies needed for environmental analysis required by the National Environmental Policy Act, or for General Accounting Office studies requested by a Member of Congress or a Congressional Committee; and

(b) the potential future uses of the nine chemical disposal facilities other than for the destruction of stockpile chemical munitions and as limited by section 1412(c)(2), Public Law 99–145: *Provided*, That this prohibition does not apply to future use studies for the CAMDS facility at Tooele, Utah.

SEC. 8066. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8067. For fiscal year 1995, the total amount appropriated to fund the Uniformed Services Treatment Facilities program, operated pursuant to section 911 of Public Law 97–99 (42 U.S.C. 248c), is limited to [$329,000,000] *$296,000,000*, of which not more than [$300,000,000] *$270,000,000* may be provided by the funds appropriated by this Act.

SEC. 8068. None of the funds available in this Act may be used to support in any manner, including travel or other related expenses, the "Tailhook Association": *Provided*, That investigations by the Secretary of the Navy or consultation with the Tailhook Association are not prohibited by this provision.

SEC. 8069. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8070. None of the funds available to the Department of Defense may be obligated or expended for construction of Ground Wave Emergency Network (GWEN) sites in Fiscal Year 1995.

SEC. 8071. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8072. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8073. During the current fiscal year [and thereafter], annual payments granted under the provisions of section 4416 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–428; 106 Stat. 2714) shall be made from appropriations in this Act which are available for the pay of reserve component personnel.

[SEC. 8074. None of the funds appropriated by this Act may be used to relocate the 116th Fighter Wing of the Air National Guard from Dobbins Air Reserve Base to Robins Air

Force Base, or to convert that wing from F-15A aircraft to B-1B aircraft.]

SEC. 8074. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters.

[SEC. 8075. None of the funds appropriated by this Act shall be used to procure aircraft fuel cells unless the fuel cells are produced or manufactured in the United States by a domestic-operated entity: *Provided*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.]

SEC. 8075. None of the funds available to the Department of the Air Force shall be available to establish or support any organic depot maintenance support activity for the B-2 bomber until the Under Secretary of Defense, Acquisition and Technology reviews the existing infrastructure for the private sector and Air Force Depot support and maintenance of the B-2 and reports to the Congressional Defense Committees the most efficient and cost effective utilization of public and private facilities to support the B-2.

SEC. 8076. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $50,000.

SEC. 8077. During the current fiscal year [and thereafter], appropriations available for the pay and allowances of active duty members of the Armed Forces shall be available to pay the retired pay which is payable pursuant to section 4403 of Public Law 102-484 (10 U.S.C. 1293 note) under the terms and conditions provided in section 4403.

SEC. 8078. (a) During the current fiscal year, none of the appropriations or funds available to the Defense Business Operations Fund shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Defense Business Operations Fund if such an item would not have been chargeable to the Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 1996 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1996 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 1996 procurement appropriation and not in the supply management business area or any other area or category of the Defense Business Operations Fund.

SEC. 8079. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided*, That this prohibition shall not apply to safety modifications: *Provided further*, That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the [country] *United States* to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8080. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

[SEC. 8081. None of the funds appropriated by this Act shall be available for payment of the compensation of personnel assigned to or serving in the National Foreign Intelligence Program in excess of 94 percent of such personnel actually assigned to or serving in the National Foreign Intelligence Program on September 30, 1992: *Provided*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to Senior Intelligence Service positions shall be equal to or exceed the percentage of reductions to non-Senior Intelligence Service positions: *Provided further*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to positions in the National Capital Region shall be equal to or exceed the percentage of reductions to positions outside of the National Capital Region.]

SEC. 8081. In addition to amounts appropriated or otherwise made available by this Act, $97,000,000 is hereby appropriated and shall be available for liquidating deficiencies in the amounts specified in the appropriations "National Guard Personnel, Army, 1992", $10,000,000; "National Guard Personnel, Army, 1993", $75,000,000; and "Reserve Personnel, Army, 1993", $12,000,000.

SEC. 8082. None of the funds provided by this Act may be used to pay the salaries of any person or persons who authorize the transfer of obligated and deobligated appropriations into the Reserve for Contingencies of the Central Intelligence Agency.

SEC. 8083. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1996.

SEC. 8084. The classified Annex prepared by the Committee on Appropriations to accompany the report on the Department of Defense Appropriations Act, 1995 is hereby incorporated into this Act: *Provided*, That the amounts specified in the classified Annex are not in addition to amounts appropriated by other provisions of this Act: *Provided further*, That the President shall provide for appropriate distribution of the classified Annex, or of appropriate portions of the classified Annex, within the executive branch of the Government.

SEC. 8085. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

[SEC. 8086. None of the funds appropriated by this Act shall be available for the planning, programming or actual movement of any component or function of the Defense Mapping Agency Aerospace Center annex from the St. Louis, Missouri area.]

SEC. 8086. None of the funds appropriated by this Act may be used to pay health care providers under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) for services determined under the CHAMPUS Peer Review Organization (PRO) Program to be not medically or psychologically necessary. The Secretary of Defense may by regulation adopt any quality and utilization review requirements and procedures in effect for the Peer Review Organization Program under title XVIII of the Social Security Act (Medicare) that the Secretary determines necessary, and may adapt the Medicare requirements and procedures to the circumstances of the CHAMPUS PRO Program as the Secretary determines appropriate.

SEC. 8087. Notwithstanding any other provision of law, reimbursements received from the North Atlantic Treaty Organization for the E-3 Airborne Warning and Control System (AWACS) Radar System Improvement Program (RSIP) attributable to development work for fiscal years 1987 through 1992 shall be available to the Air Force until September 30, 1995, for meeting that service's financial commitments for the AWACS RSIP.

SEC. 8088. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions to the Johnston Atoll for the purpose of storing or demilitarizing such munitions.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8089. Notwithstanding any other provision of law, funds made available in this Act and in the fiscal year 1994 Department of Defense Appropriations Act (Public Law 103-139) under the heading "Procurement, Defense-Wide" shall be available to pay equitable adjustments to which the contractor is legally entitled for Coastal Patrol Craft that were procured in prior fiscal years.

[SEC. 8090. Notwithstanding any other provision of law, funds appropriated in this Act for the High Performance Computing Modernization Plan shall be made available only for the upgrade, purchase, or modernization of supercomputing capability and capacity at all DOD high performance computing sites: *Provided*, That contracts, contract modifications, or contract options are awarded as the result of full and open competition based upon the requirements of the users.]

SEC. 8090. Notwithstanding any other provision of law, funds appropriated in this Act for the upgrade, purchase, or modernization of supercomputing capability and capacity under the High Performance Computing Modernization program shall only be available for contracts, contract modifications, or contract options which are awarded as the result of open competition based upon the requirements of the users without regard to the architecture or design of the supercomputer system.

SEC. 8091. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986 and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8092. The Secretary of Defense and the Director of Central Intelligence shall deliver, no later than January 1, 1995, a report providing the following information about all research and development projects involving the implementation, monitoring, or verification of current and projected international arms control agreements: (a) annual and total budgets, goals, schedules, and priorities; (b) relationships among related projects being funded by the Department of Defense, the National Foreign Intelligence Program, and other departments and agencies of the Federal Government; and (c) comments by the Arms Control and Disarmament Agency about the relevance of each project to the arms control priorities of the United States.

[SEC. 8093. Notwithstanding any other provision of law, none of the funds appropriated in this or any other Act shall be used for the purchase of a totally enclosed lifeboat survival system, which consists of the lifeboat and associated davits and winches, if less than 75 percent of the entire system's components are manufactured in the United States, and if less than 75 percent of the labor in the manufacture and assembly of the entire system is performed in the United States.]

SEC. 8093. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

[SEC. 8094. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

[(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.]

SEC. 8094. Of the funds appropriated to the Department of Defense (DOD) for Operation and Maintenance, Defense-Wide, not less than $8,000,000 shall be made available until expended to the Administration for Native Americans within 90 days of enactment of this Act: Provided, That such funds shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation, on Indian lands resulting from Department of Defense activities: Provided further, That the Department of Defense shall provide to the Committees on Appropriations of the Senate and House of Representatives by September 30, 1995, a summary report of all environmental damage that has occurred on Indian land as a result of DOD activities, to include, to the extent feasible, a list of all documents and records known to the Department that describe the activity or action causing or relating to such environmental damage.

SEC. 8095. None of the funds available to the Department of Defense in this Act shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

SEC. 8096. None of the funds appropriated or otherwise made available by this Act may be used for a defense technology reinvestment project that is not selected pursuant to the applicable competitive selection and other procedures set forth in chapter 148 of title 10, United States Code*: Provided, That notwithstanding any other provision of law, funds appropriated for defense reinvestment programs under the heading "Research, Development, Test and Evaluation, Defense-Wide" shall not be obligated for any individual project until an Assistant Secretary for Research, Development, and Acquisition of the Military Department which has a direct interest in the project certifies to the Under Secretary of Defense, Acquisition and Technology that the project proposed to receive funds addresses a bona fide need of that Military Department: Provided further, That notwithstanding any other provision of law, of the funds appropriated for defense reinvestment programs under the heading "Research, Development, Test and Evaluation, Defense-Wide", $150,000,000 may only be obligated for projects selected as a result of a focused competition held in subject areas selected exclusively by the Assistant Secretaries for Research, Development, and Acquisition of the separate Military Departments: Provided further, That in addition to the restriction contained in the preceding provisos, the focused competitions shall be conducted in accordance with other unaffected statutory provisions of the Defense Conversion, Reinvestment, and Transition Assistance Amendments of 1993.*

[SEC. 8097. None of the funds appropriated in this Act are available for development of bi-static active capability in SURTASS unless the acoustic signal processing for this capability is hosted exclusively on the AN/UYS–2 in the operational system.]

SEC. 8097. (a) Not later than April 1, 1995, the Secretary of Defense shall submit to the Congressional defense committees a management plan for the major university-affiliated research centers which support the Department of Defense.

(b) The master plan required by the preceding subsection shall—

(1) establish annual funding and manpower ceilings for each institution, and a total annual funding and manpower ceiling;

(2) describe in detail what specific actions are being taken to increase management of these institutions by the Office of the Secretary of Defense, and to reduce future annual funding; and

(3) explain the contracting arrangement with each institution, including an evaluation of whether contracts for future efforts should be competitively awarded.

(c) For the purposes of this section, the term "major" shall apply to institutions which receive more than $2,000,000 annually from the Department of Defense.

SEC. 8098. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

[SEC. 8099. Notwithstanding any other provision of law, the Secretary of the Navy shall obligate funds made available in the fiscal year 1993 Department of Defense Appropriations Act (Public Law 102–396) and the fiscal year 1994 Department of Defense Appropriations Act (Public Law 103–139) under the heading "Aircraft Procurement, Navy" for the USH–42 mission recorder for S–3 aircraft.]

(TRANSFER OF FUNDS)

SEC. 8099. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: Provided, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That the amounts shall be transferred between the following appropriations in the amounts specified:

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1986/1990":

CG–47 cruiser program, $6,000,000;

LSD–41 landing ship dock program, $1,700,000;

T–AGOS ocean surveillance ship program, $5,000,000;

For craft, outfitting, post delivery, and cost growth, $2,438,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1986/90":

SSN–688 attack submarine program, $11,719,000;

MSH coastal mine hunter program, $3,419,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1987/1991":

TRIDENT ballistic missile submarine program, $650,000;

DDG–51 destroyer program, $633,000;

CG–47 cruiser program, $283,000;

T–AO fleet oiler program, $2,800,000;

AO conversion program, $400,000;

For craft, outfitting, and post delivery, $5,900,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992":

CG–47 cruiser program, $5,145,000;

Weapons Procurement, Navy, 1993/1995, $18,069,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1987/1991":

SSN–688 attack submarine program, $18,496,000;

AOE fast combat support ship program, $15,384,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992":

CG–47 cruiser program, $11,993,000;

LSD–41 cargo variant ship program, $4,773,000;

LHD–1 amphibious assault ship program, $7,028,000;

AO conversion program, $1,900,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992":

TRIDENT ballistic missile submarine program, $6,035,000;

SSN–688 attack submarine program, $19,659,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993":

LHD–1 amphibious assault ship program, $3,400,000;

T–AO fleet oiler program, $3,488,000;

T–AGOS surveillance ship program, $3,197,000;

AO conversion program, $1,300,000;

Weapons Procurement, Navy, 1993/1995, $178,000;

Other Procurement, Navy, 1993/1995, $22,400,000;

Research, Development, Test and Evaluation, Navy, 1994/1995, $41,700,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993":

SSN–688 attack submarine program, $18,939,000;

SSN–21 attack submarine program, $37,123,000;

MHC coastal mine hunter program, $1,700,000;

AOE combat support ship program, $17,901,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994":

TRIDENT ballistic submarine program, $2,400,000;

Aircraft carrier service life extension program, $346,000;

MCM mine countermeasures program, $657,000;

Oceanographic ship program, $3,964,000;

LCAC landing craft air cushion program, $1,188,000;

Aircraft Procurement, Navy, 1993/1995, $6,000,000;

Weapons Procurement, Navy, 1993/1995, $6,753,000;

Other Procurement, Navy, 1994/1996, $1,297,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994":

SSN–688 attack submarine program, $9,046,000;

MHC coastal mine hunter program, $3,575,000;

AOE combat support ship program, $9,984,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995":

TRIDENT ballistic missile submarine program, $39,500,000;

DDG–51 destroyer program, $8,200,000;

LSD–41 dock landing ship cargo variant ship program, $22,427,000;

Aircraft Procurement, Navy, 1994/1996, $17,000,000;

Other Procurement, Navy, 1994/1996, $666,000;

Procurement, Marine Corps, 1993/1995, $6,600,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995":

SSN–21 attack submarine program, $48,240,000;

LHD–1 amphibious assault ship program, $43,600,000;

MHC coastal mine hunter program, $2,553,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/1996":

For craft, outfitting, post delivery, and DBOF transfer, $5,183,000;

Other Procurement, Navy, 1994/1996, $29,261,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/1996":

DDG–51 destroyer program, $22,958,000;

MHC coastal mine hunter program, $11,486,000;

From:

Weapons Procurement Navy, 1993/1995, $30,000,000;

Other Procurement, Navy, 1994/1996, $38,438,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1993/1997":

DDG–51 destroyer program, $26,894,000;

LSD–41 cargo variant ship program, $5,663,000;

MHC coastal mine hunter program, $7,615,000;

AOE combat support ship program, $28,266,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/1998":

For craft, outfitting, post delivery, and first destination transportation, $5,000,000;

Weapons Procurement, Navy, 1994/1996, $14,000,000;

Other Procurement, Navy, 1994/1996, $435,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/1998":

LHD–1 amphibious assault ship program, $15,131,000;

Oceanographic ship program, $4,304,000.

SEC. 8100. It is the sense of Congress that none of the funds appropriated or otherwise made available by this Act should be available for the purposes of deploying United States Armed Forces to participate in the implementation of a peace settlement in Bosnia-Herzegovina, unless previously authorized by the Congress.

[(TRANSFER OF FUNDS)

[SEC. 8101. In addition to any other transfer authority contained in this Act, funding appropriated under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may be transferred to other appropriations or funds of the Department of Defense, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred.]

SEC. 8101. None of the funds provided in this Act may be obligated to initiate a program, or project, or award a new contract to modify or upgrade the B–1, B–2, or B–52 aircraft until the Secretary of Defense has submitted a cost and operational effectiveness analysis for Air Force bomber programs to the Committees on Appropriations and Armed Services of the Senate and House of Representatives: Provided, That this section shall not apply to safety of flight modifications.

SEC. 8102. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1995 until the enactment of the Intelligence Authorization Act for fiscal year 1995.

[SEC. 8103. (1) Except as provided in subsection (c) below, it is the sense of the Congress that none of the funds appropriated by this Act should be obligated or expended for costs incurred by the United States Armed Forces units serving in any international peacekeeping or peace-enforcement operations under the authority of Chapter VI or Chapter VII of the United Nations Charter and under the authority of a United Nations Security Council Resolution, or for costs incurred by United States Armed Forces serving in any significant international humanitarian, peacekeeping or peace-enforcement operations, unless—

[(a) the President initiates consultations with the bi-partisan leadership of Congress, including the leadership of the relevant committees, regarding such operations; these consultations should be initiated at least fifteen days prior to the initial deployment of United States Armed Forces units to participate in such an operation, whenever possible, but in no case later than forty-eight hours after such a deployment; and these consultations should continue on a periodic basis throughout the period of the deployment;

[(b) such consultation should include discussion of—

[(1) the goals of the operation and the mission of any United States Armed Forces units involved in the operation;

[(2) the United States interests that will be served by the operation;

[(3) the estimated cost of the operation;

[(4) the strategy by which the President proposes to fund the operation, including possible supplemental appropriations or payments from international organizations, foreign countries or other donors;

[(5) the extent of involvement of armed forces and other contributions of personnel from other nations; and

[(6) the operation's anticipated duration and scope;

[(c) subsection (a) does not apply with respect to an international humanitarian assistance operation carried out in response to natural disasters; or to any other international humanitarian assistance operation if the President reports to Congress that the estimated cost of such operation is less than $50,000,000.

[(2) Further, it is the sense of the Congress that the President should seek supplemental appropriations for any significant deployment of United States Armed Forces when such forces are to perform or have been performing international humanitarian, peacekeeping or peace-enforcement operations.]

SEC. 8103. None of the funds available to the Department of Defense during fiscal year 1995 may be obligated or expended to reimburse States which are parties to the Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles concluded on December 8, 1987, and the Treaty on the Reduction and Limitation of Strategic Offensive Arms, concluded July 31, 1991, for costs allocated to such States by either of those treaties where such costs are incurred in support of inspections conducted by the United States: Provided, That the limitation in this section shall not apply if the Senate of the United States gives its advice and consent to the ratification of an amendment to those treaties which changes the financial obligations of the parties to those treaties with respect to inspection costs.

[(INCLUDING TRANSFER OF FUNDS)

[SEC. 8104. Balances of the funds appropriated in Public Laws 102–172, 102–396, and 103–139, under the headings "World University Games", "Summer Olympics", and "World Cup USA 1994" in title II of those Acts shall be merged into a single account entitled "Support for International Sporting Competitions, Defense", to remain available until expended: *Provided further*, That such account shall be available for the purpose of liquidating obligations incurred under the appropriations from which funds are transferred pursuant to the provisions of this section and for providing support to the 1996 Games of the XXVI Olympiad to be held in

Atlanta, Georgia, under the terms and conditions specified in those Acts under the headings "Summer Olympics" and for providing support to any other international sporting competitions, as provided for in Authorization or Appropriations Acts, during the current fiscal year and thereafter.]

SEC. 8104. The Secretary of Defense shall ensure that all applicable DOD regulations and component command, installation, or agency policies and procedures governing temporary duty travel on official military business to the States of Hawaii and Alaska require no higher levels of approval or stricter controls than travel within the continental United States.

[SEC. 8105. Of the funds appropriated in this Act, not to exceed $68,000,000 may be used for the purchase or construction of vessels for the Ready Reserve Force component of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744).]

SEC. 8105. None of the funds available to the Department of Defense may be used to support the relocation of P-3 aircraft squadrons or other aircraft or units from the Naval Air Station at Barbers Point, Hawaii unless such relocation was specifically stated in the 1993 Report to the President of the Defense Base Closure and Realignment Commission.

[SEC. 8106. After September 1, 1995, none of the funds in this Act are available for research, development, acquisition, or launch of Titan IV expendable launch vehicles: *Provided*, That the above provision shall not apply if the Secretary of Defense certifies to the Congress a plan for the development of and initiation of a competition for a family of launch vehicles that is—

[(1) capable of launching both medium and heavy payloads,

[(2) fully funded in the outyears, and

[(3) scheduled to be available prior to the launch of the 41st Titan IV expendable launch vehicle:

[*Provided further*, That MILSTAR satellites 1 through 6 shall be launched on vehicles being procured as a part of the current contract for 41 Titan IV launch vehicles: *Provided further*, That none of the funds in this Act may be used to procure more than 41 Titan IV expendable launch vehicles.]

SEC. 8106. In the case of members who separate from active duty or full-time National Guard duty in a military department pursuant to a Special Separation Benefits program (10 U.S.C. Sec. 1174a) or a Voluntary Separation Incentive program (10 U.S.C. Sec. 1175) at any time after the enactment of this Act, the separation payments paid such members who are also paid any bonus provided for in chapter 5, title 37, United States Code, during the same years in which they separate shall be reduced (but in no event to an amount less than zero) by an amount equal to any such bonus: Provided, That any future bonus payments to which such members would otherwise be entitled are rescinded: Provided further, That this measure will not apply to members who separate during the last year of a bonus paid pursuant to chapter 5, title 37, United States Code: Provided further, That civilian employees of the Department of Defense are prohibited from receiving voluntary separation payments if such employees are rehired by any agency of the Federal Government within one hundred and eighty days of separating from the Department of Defense: Provided further, That members who separate from active duty or full-time National Guard duty in a military department at any time after the enactment of this Act, are prohibited from receiving Special Separation Benefits program (10 U.S.C. Sec. 1174a) or Voluntary Separation Incentive program (10 U.S.C. Sec. 1175) payments if rehired by the Department of Defense within one hundred and eighty days of separating from active duty or full-time National Guard Duty.

[SEC. 8107. Notwithstanding any other provision of law, of the funds appropriated to the Department of the Navy for Operation and Maintenance, not less than $3,000,000 shall be obligated and expended only for operation and maintenance, purchase of automatic data processing equipment, or in-house central design development for the Naval Reserve Force Information Systems Office, the Navy Reserve Personnel Center, the Enlisted Personnel Management Center, and the collocated Naval Computer and Telecommunications Station: *Provided*, That notwithstanding any other provision of law, of the funds appropriated to the Department of Defense for Procurement, Defense-Wide not less than $10,000,000 shall be obligated and expended only for automatic data processing equipment or software, or in-house central design development for the Naval Reserve Force Information Systems Office, the Naval Reserve Personnel Center, the Enlisted Personnel Management Center and the collocated Naval Computer and Telecommunications Station: *Provided further*, That the Secretary of the Navy shall establish the Naval Reserve Force Information Systems Office, the Enlisted Personnel Management Center, and the collocated Naval Computer and Telecommunications Station, as the designers, developers, managers, integrators and central design activity for the software development and maintenance of the Naval active and reserve Single Source Data Collection System.]

(TRANSFER OF FUNDS)

SEC. 8107. Within amounts appropriated in this Act, $5,000,000 shall be made available for pay and allowances for the Office of the Assistant Secretary of Defense for Reserve Affairs to be available only for support of Civil-Military Cooperation program operations, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code: Provided, That the funds made available by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

[SEC. 8108. No funds available to the Department of Defense may be used to establish additional field operating agencies or field offices of any element of the Department during fiscal year 1995: *Provided*, That after August 30, 1995, none of the funds available to the Department of Defense shall be used to support more than fifty percent of the field operating agencies or field offices of any element of the Department of Defense which were in existence on September 30, 1994.]

SEC. 8108. Notwithstanding any other provision of law, for resident classes entering the war colleges after September 30, 1996, the Department of Defense shall require that not less than 20 percent of the total of United States military students at each war college shall be from military departments other than the hosting military department: Provided, That each military department will recognize the attendance at a sister military department war college as the equivalent of attendance at its own war college for promotion and advancement of personnel.

[SEC. 8109. None of the funds made available in this Act under the heading "Shipbuilding and Conversion, Navy" may be obligated for the DDG-51 destroyer program or the LHD-1 amphibious assault ship program until the fiscal year 1995 options for acquisition of sealift ships have been exercised.]

SEC. 8109. None of the funds provided in this Act may be expended for the refurbishment of M61/20 mm Gatling Gun assets for domestic or foreign military sales unless the Department of the Air Force competes this work among qualified depots and commercial contractors.

[SEC. 8110. None of the funds provided in this Act may be used to procure crystal oscillator carriers, ceramic package incorporating ceramic components joined with glass (frit) or epoxy seals, or multi-layer co-fired single chip ceramic packages unless such products are produced or manufactured in the United States: *Provided*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.]

SEC. 8110. None of the funds provided in this Act may be obligated or expended for the sale of zinc in the National Defense Stockpile if zinc commodity prices decline more than five percent below the London Metals Exchange market price reported on the date of enactment of this Act.

[SEC. 8111. Notwithstanding any other provision of law, funds made available in the fiscal year 1993 and 1994 Department of Defense Appropriations Acts for the EA-6B program are to be used exclusively to begin engineering changes that will increase the capability of the Navy's EA-6B aircraft by insertion of the critical elements of the EA-6B ADVCAP receiver processor group system into the on-board system and the addition of the ALQ-149 Command, Control, and Communications countermeasure system: *Provided*, That these funds shall be obligated no later than 120 days after enactment of this Act: *Provided further*, That the Secretary of the Navy shall obligate $6,000,000 made available in the fiscal year 1994 Department of Defense Appropriations Act (Public Law 103-139) exclusively for the miniaturization of the EA-6B RPG technology for use on the Navy's electronic warfare aircraft.]

SEC. 8111. Notwithstanding any other provision of law, the Secretary of the Navy shall reimburse the Muckleshoot Indian Tribe of Auburn, Washington, for costs that have been validated as having been expended in the development and submission of a base reuse plan for Puget Sound Naval Air Station: Provided, That the Muckleshoot Indian Tribe cost reimbursement claims shall be submitted to and validated by the General Counsel of the Department of Defense prior to reimbursement by the Secretary of the Navy: Provided further, That in no case shall total reimbursements for these costs exceed $600,000.

(TRANSFER OF FUNDS)

SEC. 8112. For the rehabilitation of damage caused to Rongelap Atoll by the nuclear testing program and for the resettlement of Rongelap Atoll, $5,000,000 is appropriated to the Department of Defense, which shall be transferred to the Department of the Interior for deposit into the Rongelap Resettlement Trust Fund.

[SEC. 8113. None of the funds provided in this Act may be used to develop the Sustaining Base Information System until the Assistant Secretary of Defense for Command, Control, Communications and Intelligence has certified to the Armed Services and Appropriations Committees of Congress that the Department of Defense has published a complete and comprehensive system functional description governing the acquisition and has received from the contractor an estimate of the number of lines of software code to implement such functional description and an estimate of the attendant cost: *Provided*, That none of the work content of the Sustaining Base Information System contract may be performed instead by government in-house activities without being competed if such efforts are passed through government organizations to other than Sustaining Base Information System contractors.]

SEC. 8113. PROHIBITION ON USE OF FUNDS FOR CERTAIN ACTIVITIES AT CAMERON STATION, VIRGINIA. (a) PROHIBITION.—None of the funds appropriated in this Act or otherwise made available to the Department of Defense may be obligated or expended by the Secretary of Defense for the execution pursuant to subsection (f) of section 501 of the Stewart B. McKinney Homeless Assistance Act of (42 U.S.C. 11411) of a lease, permit, or deed of conveyance for use to assist the homeless of any property described in subsection (b) until the Secretary of Health and Human Services, appropriate representatives of the City of Alexandria, Virginia, and representatives of the homeless whose applications for use of such property to assist the homeless have been approved by the Secretary of Health and Human Services under subsection (e)(3) of such section jointly determine that such use is reasonable under the redevelopment plan for Cameron Station, Virginia.

(b) COVERED PROPERTY.—Subsection (a) applies to the public buildings and real property located at Cameron Station, Virginia, which installation was approved for closure pursuant to the provisions of title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

[SEC. 8114. The Assistant Secretary of Defense for Command, Control, Communications and Intelligence shall establish and implement a master plan for all acquisitions of automated document conversion systems, equipment, and technologies: *Provided*, That none of the funds in this Act may be used to develop technologies or to acquire new automated document conversion equipment, services, or systems which cost more than $5,000,000 after January 1, 1995 unless such acquisitions are approved in advance by the Assistant Secretary or his designee: *Provided further*, That of the funds appropriated to the Department of Defense for Procurement, Defense-Wide, not less than $30,000,000 shall be used only to integrate the Automated Document Conversion System into the Joint Engineering Data Management and Information Control System.]

SEC. 8114. (a) IN GENERAL.—The fiscal year 1995 increase in military retired pay shall (notwithstanding subparagraph (B) of section 1401a(b)(2) of title 10, United States Code) first be payable as part of such retired pay for the month of March 1995.

(b) DEFINITIONS.—For the purposes of subsection (a):

(1) The term "fiscal year 1995 increase in military retired pay" means the increase in retired pay that, pursuant to paragraph (1) of section 1401a(b) of title 10, United States Code, becomes effective on December 1, 1994.

(2) The term "retired pay" includes retainer pay.

[SEC. 8115. Notwithstanding any other provision of law, none of the funds provided in this Act may be used to procure vessel propellers six feet in diameter and greater unless such propellers are manufactured in the United States incorporating only casting which are poured and finished in the United States. Nor may any of the funds provided in this Act be used to procure ship propulsion shafting unless such ship propulsion shafting is manufactured in the United States: *Provided*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.]

(TRANSFER OF FUNDS)

SEC. 8115. In addition to amounts appropriated or otherwise made available by this Act, $11,200,000 is hereby appropriated to the Department of Defense and shall be available only for transfer to the United States Coast Guard for a 2.6 percent pay increase for uniformed members.

[TRANSFER OF FUNDS)

[SEC. 8116. Notwithstanding any other provision of law, $16,300,000 made available in the fiscal year 1993 Department of Defense Appropriations Act (Public Law 102–396) for "Other Procurement, Navy" and $5,900,000 made available in the fiscal year 1994 Department of Defense Appropriations Act (Public Law 103–139) for "Other Procurement, Navy" shall be transferred to "Research, Development, Test and Evaluation, Navy" for the SPS-48E program.]

SEC. 8116. Notwithstanding any other provision of law, for education and training expenses not otherwise provided for, $119,000,000 is appropriated for aiding school districts in accordance with authority granted under Public Law 81–874.

[SEC. 8117. Notwithstanding any other provision of law, the Department of Defense shall award contracts for the CHAMPUS Reform Initiative in California-Hawaii and the Managed Care Support initiative in Washington-Oregon regions in sufficient time for the contractors to begin to provide health care under those contracts no later than April 1, 1995 in California and Hawaii, and not later than March 1, 1995 for Washington and Oregon, or as soon thereafter as practicable.]

SEC. 8117. After April 15, 1995, none of the funds provided in this Act may be obligated for payment on contracts on which allowable costs charged to the government include payments for individual compensation in excess of the rate of compensation of Level I of the Executive Schedule employees of the United States Government.

[SEC. 8118. None of the funds appropriated in this Act shall be used for the recruitment or enrollment of a new student or class of students at the Uniformed Services University of the Health Sciences.

[SEC. 8119. None of the funds appropriated or made available by this Act shall be obligated to procure active matrix liquid crystal displays unless the displays, including the active and passive plates, are produced or manufactured in the United States by a domestic-owned and domestic-operated entity: *Provided*, That the Secretary of the military department or head of a Defense Agency responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.]

SEC. 8120. None of the funds appropriated in this Act to the Department of the Army may be obligated for procurement of 120mm mortars or 120mm mortar ammunition manufactured outside of the United States.

[SEC. 8121. The total amount appropriated to or for the use of the Department of Defense by this Act for research, development, test and evaluation for management support is hereby reduced by $30,000,000: *Provided*, That the Secretary of Defense shall allocate the amount reduced in the preceding sentence and not later than December 31, 1994, report to the Senate and the House Committees on Appropriations and Armed Services how this reduction was allocated among the services and Defense Agencies.

[This Act may be cited as the "Department of Defense Appropriations Act, 1995".]

Titles I through VIII of this Act may be cited as the "Department of Defense Appropriations Act, 1995".

TITLE IX—FISCAL YEAR 1994 SUPPLEMENTAL APPROPRIATION

The following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1994, namely:

DEPARTMENT OF DEFENSE

MANAGEMENT FUNDS

EMERGENCY RESPONSE FUND

For the "Emergency Response Fund", $170,000,000: Provided, That these funds may be used to reimburse appropriations of the Department of Defense for costs incurred for emergency relief for Rwanda: Provided further, That the Secretary of State shall provide a report to the Congress no later than September 1, 1994, as to the burden-sharing arrangements in the Rwanda relief operation that have been negotiated and implemented with other nations, and international public and private organizations, as to both cost and personnel participation, including armed forces participation: Provided further, That the Secretary of Defense shall provide assessments to the Congress no later than September 1, 1994, of (1) any threats to the security of United States personnel, including armed forces personnel, in the Rwanda relief operation, and (2) the extent to which the UNAMIR peacekeeping operation has established a security system within the country of Rwanda: Provided further, That any change in the mission from one of strict refugee relief to security, peace-enforcing, nation-building or any other substantive role, shall not be implemented without the further approval of the Congress: Provided further, That United States armed forces shall not participate in relief operations inside Rwanda until and unless the President has certified to the Congress that the security situation in the countryside has stabilized to the extent that United States forces will not play a peacekeeping or peace-enforcing role between the warring factions inside Rwanda: Provided further, That no funds are available for United States participation in operations in or around Rwanda after October 7, 1994: Provided further, That the President shall provide a plan to the Congress by September 15, 1994, as to how he will terminate United States involvement in the Rwanda operation by October 7, 1994, unless an extension of time is approved by the Congress, and what arrangements have been made for other nations and international public and private organizations to replace United States resources and personnel.

Mr. INOUYE. Mr. President, I ask unanimous consent that the committee amendments be agreed to, en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text provided that no point of order shall be considered to have been waived by agreeing to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the committee amendments were agreed to, en bloc.

Mr. INOUYE. Mr. President, the statement I am about to present is a joint statement, one that the vice chairman of the subcommittee, the distinguished Senator from Alaska [Mr. STEVENS] and I will be presenting.

Mr. President, on behalf of the Committee on Appropriations I am pleased to present our recommendations for fiscal year 1995 funding of the programs and activities of our Government in support of our Nation's defense and security.

The bill before the Senate provides $243.6 billion in budget authority—we have nearly exhausted the budget authority provided to the subcommittee under our committee allocation, only $2 million remains. We are well within our outlay allocations, but I expect we will find it necessary to make use of more outlays when we are in conference with the House.

The bill also contains fiscal year 1994 supplemental funding to help offset the costs of United States military participation in emergency relief efforts in Rwanda. Title IX of the bill provides $170 million for the Defense Emergency Response Fund for use in reimbursing appropriations of the Department of Defense for costs incurred in the emergency relief operations. Fiscal year 1995 outlays of $124 million are charged against this appropriation.

As you know, Mr. President, we also try to stay within the authorization ceilings for each of the multiple accounts in each title of the bill. Here, again, we are very close to the ceilings in the Senate passed authorization bill. In numerous instances we filled the authorized amounts by responding to requests that Members have made for added funding. In most accounts we are now at the ceiling; in others we have very little headroom remaining. In point of fact, the leadership of the Defense Subcommittee, Senator STEVENS and I have tried to respond to Senators who brought their requirements for Defense spending to our attention. I believe we have done so in a very balanced, nonpartisan, responsible way and, wherever possible, we have met their requests.

This is not to say that we have been able to respond to each and every wish of each and every Senator. We have not. Many valuable and useful undertakings have not been funded. I regret that. But, we have produced a bill which is sound and which meets the essential requirements of our national security—both economic and military. The funding we recommend will equip the force and keep it ready—but, it is a smaller force, stretched thinly along the line of defense. We should be under no illusions about that.

Mr. President, this year, unlike the past several years, the Subcommittee on Defense Appropriations was more constrained by limitations on budget authority than it was by an outlay ceiling.

There is good news and bad news in that statement. First, after 5 successive years of very dramatic reductions in Defense spending, we now have a bare bones defense budget.

Prior year outlays from the large scale procurement programs funded in previous years have now subsided.

But, all is not well. The dark side of this picture is that the services—the Army, in particular—are eating their seed corn. The investment budget—procurement and research and development—as a percentage of the whole DOD budget, is now lower than at any time since 1980. For example, it may surprise my colleagues to learn that this year, we will buy only 17 combat fighter aircraft; this year, the Army will buy no—that is, zero—tanks.

In all the years I have served on this committee, we have always purchased tanks, but this year there are no funds for tanks. This year, the Navy will purchase four ships. We are not investing in the future.

We are staving off the collapse of the defense industrial base.

In recent times, we have created and we have provided for a totally voluntary military, one which leads our society in equal opportunities for women and for minorities. We have a military which, until quite recently, attracted highly qualified and well-motivated individuals to a life of service and adventure.

Mr. President, we now find that, for an array of reasons, the young men and women in America no longer want to join the military. The Youth Attitude Tracking Survey, which measures the propensity to enlist among our Nation's youth, has found that fewer men and women wish to join the voluntary military now than at any time in the past 10 years. Some say this is because high school guidance counselors and parents no longer think the military offers opportunity for advancement; some say the youngsters themselves think that the Defense Department is going out of business. Who can blame them, when all that the press reports is downsizing, base closure, abuse, and frustration, and increasingly lengthy and more frequent deployments. It is clear that the message must get out that defense is still an ongoing concern, that we have a strong military, that we care for those who wear our Nation's military uniforms, and that military service is a worthwhile career objective.

Mr. President, I fervently hope that this bill faces up to that challenge. And in this bill, the committee addresses the challenge of recruiting by providing a $100 million increase to support the recruitment efforts of the sergeants and chiefs who must enlist the soldiers and sailors of tomorrow. We add funds to enhance the quality of life of our military through programs such as improved health care, school impact aid, family advocacy programs, and child care centers.

We also address the question of readiness by funding the flying hours, tank training miles, and ship steaming days requested by the military. We add funds for real property maintenance and for base operations at war fighting commands. We counter the inefficiencies and costs of the drawdown by providing increased funds to bring equipment and supplies home from Europe, and to hasten the repair of barracks where our troops returning from Europe will reside.

But in all candor, Mr. President, I must tell you that we fall short of what is needed to preserve our military superiority. It is in the military procurement accounts that we find the shortfalls. The Defense Department has, with deliberation and purpose, cut back on procurement spending. Their focus has been on meeting the costs of downsizing, and on maintaining the readiness of remaining forces. At the risk of oversimplification, we can say that the leadership in the Department of Defense has calculated that procurement can be deferred until savings can be derived from force structure reductions and reduced overhead costs as bases are closed.

I shall tell you with equal candor that I am not sold on this idea. Mr. President, I am concerned that the military will find that the savings assumed to finance future procurement will prove to be as illusory as the peace dividend was to those who looked for a pot of gold beneath the ruins of the Berlin Wall.

So, Mr. President, while the committee recommends selected increases in operation and maintenance accounts to preserve readiness, we also recommend a number of modest increases and realignments of spending in procurement accounts to preserve the plants, people, and processes which make up the defense industrial base.

We believe that the bill we have put before the Senate is a good bill. We believe it is sound. There are no budgetary gimmicks here, no false assumptions, no smoke and mirrors—just difficult choices, well thought out.

In difficult times, we believe we have met the challenge. Our recommendations protect readiness and the force structure of the Bottom-Up Review. Our recommendations provide for the welfare and quality of life of military families. Our recommendations preserve the defense industrial base.

So, Mr. President, I am confident that the Senate will support this bill. I cannot think of why any Senator, looking at the total effort, would want to amend this bill. But if any Senator has any suggestions or recommendations for improving the bill, we will, of course, review those suggestions.

Mr. President, I have prepared a summary of the bill, which provides details of the recommendations, which I will read into the RECORD.

TITLE I: MILITARY PERSONNEL

The bill before the Senate realigns the President's request for military personnel. This results in a marginal reduction in funding. The recommendation fully funds active duty personnel end strength at the authorized level. The recommendation also provides funding for a 2.6-percent increase in military pay. The total of the funding recommended in the military personnel accounts is $70,445,512,000.

For the Guard and Reserve—we continue to support the Guard and Reserve as an integral part of the total force. Accordingly, we provide funding for a 2.6-percent increase in pay for the Reserve component as well as in the active.

I also wish to call attention to the fact that, as authorized for all members of the uniformed services, we have also provided a 2.6-percent pay increase for the Coast Guard.

TITLE II: OPERATION AND MAINTENANCE

For the Operation and Maintenance title, the committee provides $81,361,358,000, about $1.5 billion above the House. Our concern with readiness is reflected in the $5 billion increase we recommend over fiscal year 1994 funding.

We have supported the force structure and strategy of the Bottom Up review. Programs which are key to readiness, such as unit training, are fully supported. We increase funds for recruiting by $100 million in an effort to ensure that personnel standards are kept at high levels.

In fact, we have enhanced readiness by providing an increase of $201 million for the repair and maintenance of equipment—known as Depot Maintenance; we have provided $83 million to improve and upgrade shipyard repair facilities, $50 million for strategic mobility, $86 million for Air Force aircraft parts, and $40 million for the Army Retro-EUR Program, which brings equipment and material back from Europe. By adding funds to these programs, we have taken care to fill the major budgetary shortfalls identified by the uniformed services. There is no reasons for readiness to be affected this year by shortfalls in O&M funding. At present, 6 of every 10 U.S. service members are married. There are about 80,000 single parents in the military and almost 100,000 dual military parents. Supporting military families is a readiness issue of the first order.

Under the O&M title, we have also provided funds to begin in earnest the environmental cleanup of our Nation's defense installations—we provide $2 billion, more than half of which is for efforts which are actually cleanup efforts—not studies and research, but the actual turning of the Earth to cleanup the mess left behind by a century of neglect.

In addition, we provide $2.2 billion for compliance efforts to bring our bases into accord with the law and to make operations safe and environmentally sound. The Defense Department can become the model for responsible Government in the field of environmental concerns.

TITLE III: PROCUREMENT

The bill which the subcommittee recommends makes a prudent investment in the military hardware and related equipment necessary to preserve a strong defense establishment. We recommend the appropriation of $42,708,049, the lowest amount we have provided for procurement in at least 15 years.

NAVY

For the Navy, we provide $2,284,925,000, which is sufficient to complete payment for the CVN-76 nuclear aircraft carrier, and $2.6 billion for three DDG-51 *Aegis* destroyers, as requested and as authorized; also $50 million to add to funds available for advance procurement for the LHD-7 amphibious assault ship for the Marines; and $828.6 million for the National Defense Sealift Fund—which includes financing for the construction or lease of two additional ships for Marine Corps logistics.

In commenting on this action, we would note that had we funded the CVN-76 in fiscal year 1994, as recommended by this subcommittee, we could have saved in excess of $200 million on the overall procurement.

We address the problems of Navy air by funding procurement of 17 F/A-18 C/D aircraft as authorized, as well as 12 T-45 Navy trainers, and we fund the remanufacture of 4 AV-8B Harrier aircraft. We also provide substantial amounts in R&D funding for an advanced version of the F/A-18, the E/F version. I will say more about that in a moment.

ARMY

For the Army, we are recommending the procurement of 6 Apache helicopters at a cost of $77.6 million; and we recommend $248.3 million for the procurement of 60 additional UH-60 Blackhawk utility helicopters. We also fund the Kiowa Warrior upgrade to the Army's AHIP helicopters, at $98.8 million.

AIR FORCE

For the Air Force, the recommendation includes $2,472,914,000 to purchase six C-17 aircraft in fiscal year 1995 and $189,900,000 to finance advance procurement for eight more in fiscal year 1996. Our recommendation fully funds the agreement between DOD and McDonnell Douglas Aircraft Corp. to settle all outstanding claims.

We also recommend the appropriation of $440.5 million for 2 JSTARS aircraft and we add $218.8 million for advance procurement of additional JSTARS aircraft. Finally, the mark also includes $78.2 million for 3 joint primary aircraft trainers, and $155 million for 32 of the Air Force's new tanker/transport trainer known as the T-1.

The recommendations would provide $384 million to support the procurement of support equipment for the B-2 bomber and $150 million to preserve the bomber industrial base. A general provision in the bill requires the Institute for Defense Analysis to conduct a cost and operational effectiveness analysis [COEA] on the several elements of the bomber force structure to assist the Congress in determining what force structure to support in the future.

TITLE IV: RESEARCH AND DEVELOPMENT

In the research and development accounts, we provide funding for investment in the future of America's Armed Forces. We are not unaware that defense budgets may decline in the future. Accordingly, we have been careful to avoid initiation of R&D programs which are unaffordable in the future. Nonetheless, we do provide ample resources to those R&D programs which have been identified as required investments. Our recommendation is to appropriate $35,405,174,000.

ARMY

Under Army R&D, we continue funding for research on breast cancer and AIDS. The amount provided for breast cancer is $60 million, which, together with $25 million in unobligated funds from fiscal year 1994, will finance a significant effort to conquer breast cancer. A lesser, but not insignificant amount—$2 million—is provided for research on prostate cancer. And, we provide $30.2 million for AIDS research.

Our largest recommendation is for the $525 million sought for development of the Army's No. 1 priority R&D effort—the Comanche light armed scout helicopter.

We also recommend full funding of the $191 million sought for the Apache Longbow heavy attack helicopter upgrade.

Finally, we have provided $42 million to continue development of the sense and destroy antiarmor munition, known as SADARM.

NAVY

We approve the budget request for F-18 E/F development—$1.42 billion. This airplane will solve the Navy's midterm problems in the area of strike aircraft.

We provide full funding of $508 million for development of the new attack submarine. However, we do acknowledge that there is an open question whether the most cost-effective plan for Navy submarines is to keep producing the SSN-21 *Seawolf*-class submarine instead of continuing with the new attack boat.

The subcommittee allocates $403 million, an increase of $29 million to the budget request, to support Navy efforts to develop advanced capabilities for ship self-defense.

We have approved $497 million to continue development of the V-22 tiltrotor aircraft for the Marines.

We have added $25 million to the budget request to develop a successor to the now-terminated EA-6B advanced capability jammer aircraft upgrade. These funds are available to begin the new program after the Navy submits a complete plan outlining a preferred approach in this important area.

AIR FORCE

The R&D programs in the Air Force are numerous—and costly. Nonetheless, we support them because we believe air superiority and the importance of strategic and tactical bombing were unquestionably demonstrated in the gulf war. Communications, intelligence, and control of air over the battlefield are vital to the success of our Armed Forces.

For the F-22 advanced tactical fighter, we recommend the appropriation of $2.4 billion, which fully funds firm program requirements in fiscal year 1995.

We recommend the appropriation of the budget request of $409 million for B-2 development and flight testing, and the $74 million sought for the conventional war-fighting upgrades for the B-1 bomber.

In the arena of early warning systems, we have reshaped the proposals for satellite development, due to serious concerns about the currently planned program. We have created a new alarm—alert, locate, and report, missile—prototyping program to replace the demonstration-validation program proposed by DOD.

Our program recommends $150 million for the Brilliant Eyes warning satellites and $62 million for quick reaction technology satellite demonstrations. We think there should be a "fly-off" in about 2 years among the widest possible competition. This should ensure the best candidate technology enters engineering and manufacturing development.

The recommendation includes $210 million for the C-17 advanced transport aircraft. This amount will fully fund firm program requirements and the R&D share of the settlement between the contractor and the Government.

The C-17 is important for global mobility, and the settlement permits all parties to focus on final development and flight tests, and on continued production—instead of time-consuming, costly legal battles.

DEFENSE-WIDE R&D

It is under defense agencies that we find the largest of the R&D programs, the efforts which are consolidated under the ballistic missile defense organization. The recently passed defense authorization bill restructures this program into 10 new program elements, building on this committee's initiative of last year, and continues emphasis on theater missile defenses. Consequently, we recommend the appropriation of $2.83 billion for the Ballistic Missile Defense—former SDI—Initiative, an amount which is $421 million below the request, but the same amount as recently passed by the Senate.

It will be of interest that we recommend the appropriation of $625 million, the budget request amount, for ARPA defense conversion R&D. The committee has deferred initiating new conversion-related programs outside the core ARPA technology reinvestment program.

Finally, under the defense-wide accounts, our recommendations would provide $342 million to develop massively parallel supercomputers and software under the ARPA high performance computing program, and $183 million, the requested and Senate-authorized amount, to buy high performance supercomputers.

There are some recommendations which affect funding across all of the R&D accounts. For example, we provide $145 million for manufacturing technology programs under the purview of the military services and the Office of the Secretary of Defense.

In another instance, following the authorized levels, we cut $52 million from the accounts for the federally funded research and development centers, leaving $1.3 billion for these institutions. This is exactly the amount authorized by the Senate.

We also provide $1.7 billion for university research in fiscal year 1995. That amount is a minor decrease of about $100 million to the request. It is far less than the $900 million reduction recommended by the House. We reject that House cut, because it could interrupt important, defense-related research and unduly harm our national university community.

CONCLUSION

Mr. President, the summary I have presented represents the principal recommendations for funding.

As you know, the defense appropriations bill carries a large number of general provisions—over 100—which cover a variety of subjects. I will not review all of them; most have been carried in our bill for a number of years.

The committee has shaped a bill which both meets our essential national security requirements and the objective of fiscal restraint. We are confident that the Senate will support this bill. No one will find everything that they wanted in this bill, but all will find that we have made a determined effort to maintain readiness, preserve the defense industrial base, and invest in the future. Above all, we have protected the welfare and the war-fighting ability of the men and women who serve our country in the uniformed services.

As in the past, we have a classified annex to the bill and a classified report detailing the recommendations for the intelligence and special access programs. I invite my colleagues to review these papers and to discuss any concerns that they might have with me and Senator STEVENS.

Mr. President, when we continue next week I will yield to my trusted adviser and friend, to whom I often turn for leadership and support as we struggle with these difficult choices, the senior Senator from Alaska, Senator STEVENS.

Mr. President, before closing my remarks, I would just like to point out a matter that has concerned Senator STEVENS and has concerned me. We oftentimes speak of the hollow force, and most Americans have no idea what we are speaking about. We usually point to that period in the seventies when we had a hollow force. What was that hollow force? Let me point out that in the seventies, our Navy had many magnificent ships, as we do at this time. But yet, even with ships that were brand new, 30 percent of these ships were not ready for combat. Thirty percent of our Navy was not ready for combat. When one analyzes why this was so, you will find that these ships were not ready for combat, because we did not have personnel qualified to man these ships.

Slowly, we are approaching that point. Most Americans do not realize this. A year and a half ago, in our recruiting, we were able to get an abundance of college graduates and an abundance of high school graduates. We recruited less than 1 percent category IV. What do I speak of when I mention category IV?

In our recruiting program, we have five categories. Category I would be the genius. There are very few category I's who volunteer. Category II are the college grads. We have many college grads volunteering. But ask yourselves how many college grads do we know that are volunteering? Category III is the equivalent of a high school graduate. And category IV have an intelligence quotient of less than 90 percent.

Two years ago, less than 1 percent of our recruits were in category IV. I am sorry to report to you, Mr. President, that this year, we are approaching 7 percent. In addition to that, those men and women in whom we have invested much time and resources, the captains and majors, or the senior lieutenants and lieutenant commanders, are leaving the services. Why? Some feel that there is no future for them. Others, because of complaints from their spouses.

Mr. President, as you know, we had a large number of Marines on ships on the coast of Bosnia. They were prepared for any contingency. Suddenly, we were faced with a contingency in Haiti. They came back. They spent 8 days with their families, and they were shipped out again. Yes, these men are patriotic, brave, and loyal. But I think, like all of us, they want to be with their families, and their families want to be with them. The drawdown of our military is causing all of this, and we wonder why our sergeants are not reenlisting? They have many temptations outside. They are paid better.

And so, Mr. President, all seems well. Today we have the finest military in the world. But when we begin recruiting category IV's and when our sergeants leave us and when our captains and majors leave us, we are approaching this hollow force that I have been speaking of.

So, Mr. President, in conclusion, I would like to say that the summary that we have just presented and made part of the record represents the principal recommendations for funding. But, as you know, the bill carries a large number of general provisions. There are over 100 of them which cover a variety of subjects. I will not review all of them. Most have been carried in our bills for a number of years.

The committee has shaped a bill which both meets our essential national security requirements and the objective of fiscal restraint. And, as I have indicated, we are confident that the U.S. Senate will support this measure.

No one will find everything they wanted in this bill, but all will find that we have made a determined effort to maintain readiness, preserve the defense industrial base, and invest in the future. Above all, we believe we have protected the welfare and the warfighting ability of the men and women who serve our country in the uniformed services.

Mr. President, as in the past, we have a classified annex to the bill and a classified report detailing the recommendations for the intelligence and special-access programs. I wish to invite my colleagues to review these papers and to discuss any concerns that they might have with me or with Senator STEVENS.

Mr. President, Senator STEVENS will be presenting his remarks when we return to the bill on Monday next. At that time, it would be my pleasure to yield to my trusted adviser and friend, to whom I often turn for leadership and support as we struggle with these difficult choices.

Mr. President, at this juncture, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the Senate vitiate the action on the adoption of committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. I have been advised that Senators may have a list of excepted amendments on Monday next.

PRIVILEGES OF THE FLOOR

Mr. INOUYE. Mr. President, I ask unanimous consent that the following individuals be given floor privileges during the consideration of this bill: Mr. David Hennessey, Ms. Nora Kelly, Ms. Nancy Lescavage, and Mr. Herb Nakamura.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, am I correct that Monday next the Senate will take into consideration the Labor-HHS appropriations measure?

The PRESIDING OFFICER. The Senator is correct.

Mr. INOUYE. And upon the disposition of that measure, is the Senate scheduled to resume consideration of the Defense appropriations bill?

The PRESIDING OFFICER. That would be the regular order once that bill has been submitted.

Mr. INOUYE. Is that the order?

The PRESIDING OFFICER. That will be the order.

Mr. INOUYE. I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

SOCIAL SECURITY ADMINISTRATION INDEPENDENT AGENCY BILL

Mr. COHEN. Mr. President, I am pleased that the Senate is considering today the conference report on H.R. 4277, a bill making the Social Security Administration an independent agency. While this bill contains many important provisions, I want to address my remarks to particular reforms in the bill that will go far in correcting a major misuse of taxpayer and Social Security trust fund dollars.

I also, however, want to point out a provision in the conference report which was not included in the Senate-passed bill and which, I believe, may result in unfair consequences for some individuals who sorely need help from the disability program.

From time to time, astounding examples of absurd Federal spending policies come to light and stop us in our tracks. The findings earlier this year of an investigation by my staff on the Senate Special Committee on Aging and the GAO that drug addicts and alcoholics are being given cash disability benefits that are in turn perpetuating their addictions is just such an outrageous example of how a well-intentioned Federal program has been manipulated extensively, resulting in the misuse of millions of taxpayer dollars.

While Congress' original purpose in giving disability benefits to drug addicts and alcoholics was to encourage treatment, this goal has been turned on its head: instead of promoting treatment, the disability programs are feeding their addictions. In fact, the Social Security Administration has been criticized as being one of the easiest sources of cash for drugs and alcohol in the United States.

It is clear that Congress' original goal of rehabilitating drug addicts and alcoholics has failed and that the Social Security Administration has instead become the enabler of hundreds of thousands of drug addicts and alcoholics by providing them with unsupervised cash that they can use to buy more drugs and drink.

There are now over 250,000 addicts and alcoholics on the disability rolls, but only 78,000—or less than a third—are required to receive treatment or have a third party manage their benefits for them. The other 172,000 addicts and alcoholics on the rolls are not required by SSA to receive treatment, and receive cash benefits, which are often used to buy them more drugs or alcohol.

The taxpayer is left paying the tab of over $1 billion a year for the 172,000 drug addicts and alcoholics who are not required to seek treatment. In addition, since most of these individuals are never reviewed by the agency to determine if they are still eligible for benefits—many of these addicts are on the disability program for life.

In addition, we found that up until this year the SSA had established agencies to refer addicts to treatment and monitor their compliance in only 18 States—leaving 26 States without any approved agency to oversee the substance abusers. For example, Maine has never had a treatment referral agency in the entire history of the SSI program and recently had its proposal turned down with no explanation.

Some clever addicts find ways to game the system even when the Social Security Administration appoints a person to manage benefits on behalf of the drug addict or alcoholic. In some cases, the local bartender was selected as a responsible third party for addicts and alcoholics to manage their monthly benefits. In most cases, a family member or friend is chosen and is inevitably pressured or threatened to give the money directly to the substance abuser.

Even more alarming is the fact that, in many cases, due to the length of time it takes to process a claim, addicts and alcoholics are eligible for cash lump sum retroactive payments that can total up to $25,000. It is no surprise that these taxpayer dollars are often drunk away or shot into the arms of drug users.

Perhaps the most outrageous finding of our investigation was that even when drug addicts directly admit to the Social Security Administration that they are actively engaged in criminal activity, such as drug dealing and stealing, to support their addiction they are still awarded benefits. The effect of this policy is that one hand of our Federal Government is trying to crack down on crime and illegal drug use, while the other hand is supplying drugs to the dealers and addicts who commit the crimes. Fighting the war on crime is hard enough without buying supplies for the other side.

The conference report we are passing today addresses many of the major flaws we uncovered in the disability program. Most importantly, it will get cash out of the hands of many addicts and alcoholics for whom the disability check has become their main source of drugs and alcohol.

This bill will also ensure that drug addicts and alcoholics on both the SSI and Social Security disability insurance rolls receive treatment for their substance abuse as a condition of receiving benefits, and requires that SSA monitor the treatment of these persons to be sure they are complying with the law.

There are, however, concerns that I have with the final version of this legislation. The conference report adopted a House provision which limits SSI benefits to drug addicts and alcoholics to 3 years of benefits, regardless of whether they have begun to receive treatment or not. I have concerns that this provision does not adequately take into account the long waiting lists for treatment that exist in some areas of the country. Since the goal of this limitation on benefits should be an incentive to rehabilitate and then successfully remove substance abusers from the disability rolls, starting the clock on the 3 years of benefits when treatment is not even available does not reflect this goal.

In my bill, I would have treated the disability insurance recipients and the SSI recipients the same by not counting the 36-month time limit until treatment was available. In other words, what I did in our legislation was to say that those individuals who are, addicted to drugs or to alcohol, must seek treatment and treatment must be available. And until that treatment is available, the 36-month period would not run.

At this particular time I doubt very much whether there is any sentiment on the part of either the House or Senate to change this provision. But I must say it is flawed in my opinion. To say to an individual that you must seek treatment and we will start counting the time in which you are allowed to receive these benefits but if treatment is not available, it is your tough luck, I think that is an unfair provision. I hope to amend that as we consider more legislation, if not this year then certainly next year. I hope to amend that particular provision to make sure that those individuals who qualify for these benefits will in fact be able to receive the treatment or not be taken off the program.

I also would have preferred that the requirements for representative payees and treatment be required for all drug addicts and alcoholics on the disability rolls, in order to tighten the controls even further on these programs.

Despite these two concerns, I believe that this legislation is a major step toward restoring the public's confidence and integrity in our Nation's disability programs.

Mr. President, I want to thank Senator MOYNIHAN, Senator PACKWOOD, and Senator DOLE and their staffs for their strong support and assistance in passing these reforms. I would particularly like to recognize Kathy Tobin and Margaret Malone of the Senate Finance Committee staff, Alexander Vachon of Senator DOLE's staff, and Marty Sieg-Ross and Sally Satel of the Labor Committee for their assistance with this legislation.

FAIRNESS OR JUSTICE

Mr. COHEN. Mr. President, there is tremendous frustration among the American public with Government. Nothing turns that frustration more quickly to anger than acts of Government that violate fundamental rules of fairness.

Americans have a reasonable expectation that Government will be fair and just. Whether dealing with a Government agency or a court of law, citizens expect justice to be served.

In many cases, injustice or unfairness occur because the law allows them to occur. The rule of law is sometimes contrary to justice. As a young lawyer practicing in Bangor, ME, I worked on plenty of cases where justice was on my side but the law was on my opposition's side. Although I lost those cases, they serve as a reminder that law requires both a heart and a head.

If a judge does not have a heart, the law becomes a sterile set of rules removed from human problems. If the judge does not use his or her head, then every case would be decided on the emotional reaction to the facts and the rule of law would be of little use. So it becomes a question of balance.

Mr. President, today I would like to discuss a case that illustrates what happens when the law does not achieve the necessary balance between the heart and the head.

This case has resulted in an injustice because an agency of the Federal Government went strictly by the book. It turned a blind eye to fairness because the law allowed it to. As a result, innocent people are being asked to pay for the illegal activity of wrongdoers who are not being pursued.

The case involves John and Rhetta Sweeney of Hamilton, MA, and the Resolution Trust Corporation [RTC]. The Sweeneys defaulted on a loan because officers of their bank engaged in unfair and deceptive trade practices. A Massachusetts Superior Court found that the bank, not the Sweeneys, was to blame for the default.

The situation was complicated, however, when the bank failed and was taken over by the RTC. After the RTC stepped in as receiver, the S&L bailout agency hired the failed bank's counsel and began to aggressively pursue a new strategy to defeat the Sweeneys.

With the full knowledge that the superior court decision on the Sweeneys' unfair and deceptive trade practices claim was pending, the failed bank's former counsel, now working on behalf of the RTC, removed the case from the State court to the Federal District Court. This removal to Federal court was completed just 19 days before the superior court judge filed her opinion in favor of the Sweeneys.

The removal to the U.S. District Court also enabled the RTC's hired counsel to invoke a provision of law reserved for the RTC and the Federal Deposit Insurance Corporation [FDIC] when they are party to a lawsuit. This provision, known as the "D'Oench Duhme" doctrine prevented the Sweeneys from arguing the case on its merits before the U.S. District Court.

The D'Oench Duhme doctrine provides that only claims in writing, approved by the failed bank's board of directors, and recorded in the bank's official minutes will be valid in the event the Federal Government becomes the receiver of a failed bank.

Because much of the Sweeney claim involved verbal and written representations by the bank that were not formally approved by the bank's directors and recorded in the bank's official minutes, it did not meet the D'Oench Duhme standard. Consequently, the U.S. District Court barred the Sweeneys from presenting their claim in Federal court.

Last year, I introduced legislation, S. 1725, to redefine the use of the D'Oench Duhme doctrine so that it can only be applied in cases where there is a secret agreement entered for the specific purpose of defrauding the failed bank. The legislation would therefore prevent the RTC and the FDIC from invoking the D'Oench Duhme doctrine to bar legitimate claims against failed banks.

The bill is currently before the Banking Committee and I am working with Senator D'AMATO and others, as well as the FDIC, to move this legislation out of Committee and to the Senate floor.

While I strongly believe the applicability of the existing law should be changed, I am not suggesting that the RTC acted improperly or outside its legal rights in this case. In fact, I do not categorically oppose the use of the

D'Oench Duhme doctrine. It legitimately exists to prevent bad actors from using secret informal agreements that were clearly meant to defraud the failed bank, to defraud the Government.

The Sweeney case is different. The superior court found that a verbal contract existed which, at the very least, is good evidence that the Sweeney's claim is legitimate and should not be ignored by the Federal Government.

The circumstances surrounding this case also raise questions of fundamental fairness. First, the Sweeney case was litigated 9 months before the RTC took over as receiver of the bank.

Second, the parties involved were awaiting the superior court's decision on two key counts at the time of the bank's failure.

Finally, before the bank failed, the superior court jury found that there was, in fact, intentional infliction of emotional distress by the bank. Shortly after the bank failed, the superior court judge determined that the bank committed unfair and deceptive trade practices, and it engineered the default of the Sweeney mortgage.

The Sweeneys were clearly defrauded by representatives of the bank as evidenced by the rare jury award of damages for intentional infliction of emotional distress.

The RTC should be commended when it aggressively looks out for the taxpayers' interest. At the same time, the RTC should be reminded that it must, with equal vigor, ensure that its actions are fair and just for the individuals who are affected.

The Sweeney case illustrates how justice and fairness took a back seat to the RTC's well-intentioned aggressiveness.

Mr. President, on July 13, Senator JOHN KERRY and I wrote to John Ryan, the acting Chief Executive Officer of the RTC, asking that he review this case and consider an equitable adjustment which weighs fairness with the RTC's obligation to protect the interests of the taxpayer.

In the coming days, I would like to facilitate an open meeting with Mr. Ryan and myself to discuss the possibility of an equitable solution to this situation. I am also requesting that the RTC promptly open a dialogue with the Sweeneys and begin discussing a mutually satisfactory agreement.

In the future, the RTC and the courts should be reminded that the D'Oench Duhme doctrine was designed to shield taxpayers from fraud—it should not be used as a sword against victims of fraud.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994—CONFERENCE REPORT

Mr. MOYNIHAN. Mr. President, I submit a report of the committee of conference on H.R. 4277 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277), a bill to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

(The conference report is printed in the House proceedings of the RECORD of August 4, 1994.)

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on H.R. 4277, a bill to establish the Social Security Administration as an independent agency; that the conference report be agreed to, the motion to reconsider be laid upon the table; and that any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the conference report was agreed to.

PRIVILEGE OF THE FLOOR

Mr. MOYNIHAN. Mr. President, I also ask unanimous consent, and the courtesy of the Senate, to allow Mr. Webster Phillips, who is an employee of the Social Security Administration, to be granted privilege of the floor. He has worked heroically in this matter for the longest while, and it would be a personal favor if this might be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, today the Senate completes action on legislation of historic importance which removes the Social Security Administration from the Department of Health and Human Services and reestablishes it as an independent agency in the executive branch of the Government.

We do so serendipitously on a date that falls within 4 days of the date—August 9, 1935—when the Senate voted by voice vote to pass the conference report on the original Social Security Act.

With the conference report before us today, we increase the stature of the Social Security Administration, strengthen its leadership and establish a bipartisan advisory board. These measures will strengthen the administration of Social Security and we confidently believe increase public confidence in the program.

The conference report also includes provisions proposed by Senator COHEN and Senator DOLE that require the Social Security Administration to establish procedures for more responsible payment of benefits to disabled drug addicts and alcoholics. Beginning 6 months after enactment, Social Security will be required to pay these disability benefits to a representative payee rather than directly to the individual involved.

Making the Social Security Administration an independent agency is not a new notion. It began as such in 1935, only gradually to be folded into a succession of Government agencies and, in the end, losing its identity almost entirely within the Federal Government.

In 1980, the National Commission on Social Security, which was appointed by President Carter, and in 1983, the National Commission on Social Security Reform which was appointed by President Reagan and the Congress recommended that the Social Security Administration should be established as an independent agency.

Congress, with Senator DOLE very much involved, and the Senator from New York, in 1983 commissioned a study for the best form of governance for an independent Social Security Administration.

In 1984, the following year, this panel, which was headed by the distinguished former Comptroller General of the United States, Elmer Staats, recommended that an independent Social Security Administration be led by a single executive who would be advised by a bipartisan advisory board. The conference report before us follows those recommendations.

It has taken us a decade, Mr. President, and the reasons are clear enough. In 1977, the Social Security amendments of that year put the trust funds on a partially funded basis such that an enormous surplus would be built up, anticipating the retirement of the persons born in the decades after World War II.

To give you a sense of the magnitude involved, the surplus would buy the New York Stock Exchange, a fact which the Office of Management and Budget did not fail to notice. It began in effect using Social Security trust fund surpluses as general revenue. The specifics are that they can only be used to purchase Federal Government bonds, special bonds which cannot ever fall below the par value. But in reality had we gone to a balanced budget situation, a balanced operating budget in the 1980's, this surplus would have been used to buy down the privately held debt of the United States, and the consequences would have been an increase in private investment. We could have doubled the rate of savings in the 1980's had we done what was possible but which was not done.

Further, the ability of the Social Security Administration to carry out its functions was severely limited by budget constraints—cuts in staffing levels, cuts in the basic services.

There is a fine editorial which appeared just recently in the Rochester Times-Union on this subject, on customer service at Social Security. It reads, if I may:

> Did you ever try to get a call through to the SSA? Or get a new card? Or find out how much you have paid into the system? Or get an estimate of your retirement benefits? This is pretty basic stuff, but it's easy for an organization out of the public line of fire to forget even the basics.

It goes on to note that our current Commissioner, our very able Commissioner, Shirley Chater, is the 12th Commissioner of Social Security in the last 17 years. There has been no continuity. There has been no executive energy. And the results have shown a startling decline in public confidence.

We have reached the point, Mr. President, where the Employee Benefit Research Institute, which does regular Gallup Polls on this matter, in February found only 30 percent of respondents had confidence that Social Security would be available through their retirement years.

If I can make just a small anecdote on this point, it would be about 2 months ago that Senator PACKWOOD and I were on the floor proposing the bill that passed unanimously from the Committee on Finance, and I was making a point that Social Security was in surplus, the benefits would be there in half a century; it had never been a day late or a dollar short, and it would continue so.

I noticed something, something that had never happened before to me on the Senate floor. I noticed that the very able young persons who work the desks in front of you, Mr. President, and the tables here in front of us, were listening. Now, normally they do not listen. They have better, other things and more pressing things to do. They are going about the business of the Senate, putting things together, looking up references, making arrangements, and so forth. I found them listening to what I was saying.

A quorum call was introduced, and I took the liberty of going up and saying, "Now, you were listening." They said, "Yes." I said, "Would I be wrong in thinking that this is the first time you have ever heard anyone say that Social Security would be available to you when you reached retirement age?" And they said, "Yes." I took an informal poll of nine persons here at the front desk, seven of whom agreed that Social Security would not be there when their time came.

Well, Mr. President, this legislation today makes it very much clearer that it will be. I hope we will see in very short order the introduction of an annual statement sent to every Social Security contributor of what his or her contributions that year had been, what survivors' benefits would be, where they stood in the earning of 40 quarters of coverage which vests Social Security in the individual, and what their ultimate retirement benefits would likely be at age 65.

All these things are easily done. In the sending out of such a statement, the largest cost involved is the postage stamp. But the cost of not doing so, which we have not done, is a near complete loss of confidence in younger people that the system is working. If young people think the Government is misleading them in something as elemental as Social Security, what else do they think they are misled about?

I recently received a letter from Robert M. Ball, one of the great authorities on this subject, a Social Security Commissioner, after a lifetime in the system, who spoke of the statements as "individual reports to each stockholder."

It is long past time this was done, long past time we had a proper Social Security card in plastic with a hologram and not the paper pasteboard product of the 1930's, which said rather assertively at the bottom "Not To Be Used For Identification." It is now issued to children at birth.

Yet, when we got the law passed to say that there would be a tamper-proof card, the Social Security Administration in the 1980's took about 2 years to carry out the statute. And one day I got in the mail an announcement that there was the new tamper-proof card, the exact same card we always had, with this difference—there were invisible fibers implanted in the paper so that a counterfeit card would be instantly recognizable under a microscope in an FBI laboratory.

Well, that was not the purpose of having a tamper-proof card. It was for the purpose of having something to show so you would know who they were; you would know they were part of the work force, and legally in the country, and citizens who had responsibilities and were carrying them out.

That sort of mismanagement got to the point of genuine abuse. In the mid-1980's, the present mayor of New York City, Mr. Rudolph Giuliani, who was then the U.S. attorney for the Southern District of New York, refused to defend the U.S. Government in disability benefit cases. He thought the management in the Social Security Administration was so bad because the Government was turning people out, turning people down, rescinding benefits, denying benefits. Appeals were made, benefits were restored or conferred, and the Government asked to go to court to contest. A U.S. attorney said, no, it is insufferable. And indeed it was.

So, Mr. President, today we write the final chapter in the effort to reestablish an independent Social Security Administration.

I ask that my colleagues join me in supporting this historic measure.

I ask unanimous consent that the editorial from the Rochester Times-Union be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Times-Union, July 26, 1994]

CUSTOMER SERVICE AT SOCIAL SECURITY

Any day now, President Clinton is expected to sign legislation to make the Social Security Administration an independent agency, separate from the Department of Health and Human Services.

Don't yawn. This apparently innocuous change, spearheaded by New York Sen. Daniel Patrick Moynihan, offers the best opportunity for improving service, which is the key to restoring confidence in the retirement system.

Just 39 percent of non-retired adults feel "very confident" or "somewhat confident" that they will collect benefits when they retire.

Cutting Social Security loose doesn't guarantee improvements, but it should raise the public profile of the agency and the director (Quick, who heads this $300 billion a year program?) who operate in obscurity, blissfully ignorant of even the most elementary principles of customer service.

CHECKING YOUR CONTRIBUTIONS

Eventually, the Social Security Administration should send every taxpayer an annual statement of contributions to date and an estimate of expected benefits at retirement age. That's not common practice now, but you can get a statement on request by calling 1–800–772–1213.

Did you ever try to get a call through to the SSA? Or get a new card? Or find out how much you've paid in to the system? Or get an estimate of your retirement benefits?

This is pretty basic stuff, but it's easy for an organization out of the public line of fire to forget even the basics.

The current Social Security commissioner, Shirley S. Chater, is the 12th in 17 years. You've probably never heard of her, although she presides over a budget larger than the defense budget.

If she and her successors are more visible—are actually interviewed on TV once in a while, or go before Congress—they should be more sensitive to you and your needs.

"You will get a decent Social Security card," Moynihan says, "You will get an annual statement of your contributions and expected benefits. When you call the local Social Security office, they will answer your call. And you will know someone is looking after your money."

Maybe, he's too optimistic. But not many Baby Boomers expect to get regular checks when they retire—despite the fact that Social Security payroll taxes were hiked a decade ago for the purpose of generating the huge surpluses (more than $70 billion this year alone) that would guarantee those benefits.

The money's going to be there. If the Social Security people begin to treat taxpayers as customers, the confidence will be there, too.

Mr. MOYNIHAN. Mr. President, with that, I conclude by noting that the majority leader would like to speak on this, which is a matter of great concern to him. Accordingly, sir, I conclude my remarks and suggest the absence of a quorum so that the majority leader might come to the floor.

I once again would like to thank Eduard Lopez for his incomparable advice for 10 years on such an enterprise, and Margaret Malone of the Finance Committee staff, and Webster Phillips of the Social Security Administration.

So, Mr. President, I suggest the absence of a quorum. I thank the Senate for its consideration.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, today is a historic day in the history of the Social Security system. I believe that it should not go without notice or comment.

Social Security is one of the broadest, most effective, and most widely supported of programs in our Nation's history. It has succeeded in large part because in the nearly 60 years of its history it has had champions in the Congress and in various administrations, men and women who have devoted much of there careers to gaining knowledge of the system and how it works, who have continually striven to improve and expand the system, and to enable it to better serve the American people.

Every Member of this Congress knows, and I hope that every American who is involved with the Social Security system knows, that the person most responsible for the legislation just enacted and the more than champion of the Social Security system, the man most responsible for educating other Members of Congress about the importance of the system, is the distinguished senior Senator from New York and the chairman of the Senate Finance Committee, Senator MOYNIHAN.

Senator MOYNIHAN has devoted countless hours to informing other Members of the Senate about the manner in which the system operates, about its importance in our society, and about how it can be improved. The legislation just enacted by the Senate is but the latest result of his efforts in that regard.

Senator MOYNIHAN will receive many words and much praise and tribute on this matter, all well deserved. But I think perhaps the greatest tribute he can receive is the fact that all across this country there are millions of Americans who will not say words of tribute because they do not know of his work, and perhaps do not even know of him, but who as a result of his efforts will lead better, longer, more full and meaningful lives. And I think in the end that is the greatest tribute that can be paid.

So, Mr. President, in behalf of all my colleagues, I thank the distinguished chairman for his efforts and hope that when the history of Social Security is written, those who write it will pay proper recognition and tribute to the man who has done more than any other to make it succeed and make it better, our friend and colleague, Senator MOYNIHAN.

Mr. MOYNIHAN. Mr. President, with deepest gratitude, I am not fully confident that I ought to speak any more. The majority leader's words were so generous, and they mean very much to this Senator. I am deeply thankful.

HEALTH CARE

Mr. MITCHELL. Mr. President, earlier today during an exchange on the Senate floor on the subject of health care, the distinguished Republican leader referred to comments made by Governor Cuomo of New York about health care legislation.

I was unaware of the comments that had been made, and following those remarks, I called to inquire. In response to my inquiry, Governor Cuomo of New York sent me a letter, with copies to Senators DOLE and MOYNIHAN.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. GEORGE J. MITCHELL,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: I am writing to applaud your efforts to advance the cause of national health care reform. I know how long and how hard you have worked to make health care coverage available to all Americans, and I want to make clear that I support your efforts to reform the health care system and work towards universal coverage. As you may know, I originally voiced some concern about the effect on your plan on New York. These concerns were based on the preliminary reports of your plan. However, based upon review of the legislative language that we received today, I am gratified to see that the bill makes significant progress in addressing a number of New York's concerns.

I look forward to working with you and others who believe in meaningful health care reform. Together, I am sure that we will be able to achieve significant change in health care for New Yorkers and the nation.

Sincerely,

MARIO.

Mr. MITCHELL. Mr. President, as I said earlier today, we will, next week, begin a very important debate. I think this incident illustrates the importance of all of us in keeping an open mind, trying to understand the other person's point of view, and trying to develop legislation that improves the lives of American families.

We come from different States, we represent different parties, but our highest obligation is to the American people. I hope that we can conduct a meaningful and high-level debate that will focus not on personalities but on issues, not on parties but on our people, and that we will measure our actions by one test and one test alone: what is in the best interest of the American people? That is ultimately why we were elected. It is ultimately why we serve.

I encourage my colleagues to study the issues carefully, review the bills carefully, debate vigorously. There are reasonable and principled differences of opinion. But I am convinced that, in the end, if we meet our obligation with honor, we can do what is right and best for the American people. That is my objective, that is my standard, and that is what I hope, in the end, all Senators will do.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following bill, previously received from the House of Representatives, was read the first and second times by unanimous consent and referred as indicated:

H.R. 810. An act for the relief of Elizabeth M. Hill; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time by unanimous consent and placed on the calendar:

S. 2346. A bill to establish a fund for various programs to strengthen and expand the capacity of State and local governments and other entities to improve the public health.

S. 2357. A bill to achieve universal health insurance coverage, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3164. A communication from the Acting General Counsel, Department of Defense, transmitting, pursuant to law, the list of required reports; to the Committee on Armed Services.

EC-3165. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a report with respect to a recent transaction involving U.S. exports to Russia; to the Committee on Banking, Housing and Urban Affairs.

EC-3166. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the status of Exxon and stripper well oil overcharge funds as of March 30, 1994; to the Committee on Energy and Natural Resources.

EC-3167. A communication from the Deputy Associate Director for Compliance, Department of the Interior, transmitting, pursuant to law, a report relative to offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-3168. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Community Nursing Organization Demonstration"; to the Committee on Finance.

EC-3169. A communication from the Chairman of the J. William Fulbright Foreign Scholarship Board, transmitting, pursuant to law, the annual report for calendar year 1993; to the Committee on Foreign Relations.

EC-3170. A communication from the Executive Secretary, Federal Reserve Employee Benefits System, transmitting, pursuant to law, the report for the plan year ending December 31, 1993; to the Committee on Governmental Affairs.

EC-3171. A communication from the President of the United States, transmitting, consistent with the Authorization for Use of Military Force Against Iraq Resolution, a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAUCUS, from the Committee on Environment and Public Works, with amendments and an amendment to the title:

S. 1857. A bill to authorize appropriations to assist in carrying out the North American Wetlands Conservation Act for fiscal year 1995 through fiscal year 2000, and for other purposes (Rept. No. 103-326).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 2218. A bill to provide authorization of appropriations for the Federal Emergency Food and Shelter Program for the fiscal years 1995 and 1996.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs:

Susan R. Baron, of Maryland, to be a Member of the National Corporation for Housing Partnerships for the term expiring October 27, 1994;

Danny K. Davis, of Illinois, to be a Member of National Corporation for Housing Partnerships for the term expiring October 27, 1996;

Julie D. Belaga, of Connecticut, to be a Member of the Board of Directors of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1995;

Julie D. Belaga, of Connecticut, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1999;

Janet L. Yellen, of California, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1994.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WELLSTONE (for himself and Mr. SIMON):

S. 2365. A bill to provide for a study of the health consequences for the spouses and descendants of atomic veterans of the exposure of such veterans to ionizing radiation; to the Committee on Veterans Affairs.

By Mr. HATCH:

S. 2366. A bill to amend the Internal Revenue Code of 1986 to extend the tax-exempt status of Christa McAuliffe Fellowships; to the Committee on Finance.

By Mr. WOFFORD:

S. 2367. A bill to amend section 3013 of title 18, United States Code, to double the special criminal assessment amounts for the purpose of enhancing revenues for the Crime Victims Fund of the Office of Victims of Crime; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 2368. A bill to implement the intellectual property right provisions of the Uruguay Round of the General Agreement on Tariffs and Trade, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Ms. MOSELEY-BRAUN, and Mr. FORD):

S. 2369. A bill to grant the consent of the Congress to amendments to the Central Midwest Interstate Low-Level Radioactive Waste Compact; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 215. A joint resolution designating September 5, 1994, Labor Day, as "Try American Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE (for himself and Mr. SIMON):

S. 2365. A bill to provide for a study of the health consequences for the spouses and descendants of atomic veterans of the exposure of such veterans to ionizing radiation.

ATOMIC VETERANS LEGISLATION

• Mr. WELLSTONE. Mr. President, the legislation I am introducing today was the subject of a statement I made on the floor of the Senate yesterday. It was also the subject of a colloquy yesterday between myself and Senator ROCKFELLER, the distinguished chairman of the Veterans' Affairs Committee. I refer my colleagues to yesterday's CONGRESSIONAL RECORD for a full explanation of the background and purpose of my introduction of this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY OF HEALTH CONSEQUENCES FOR FAMILY MEMBERS OF ATOMIC VETERANS OF EXPOSURE OF ATOMIC VETERANS TO IONIZING RADIATION.

(a) AGREEMENT FOR STUDY.—The Secretary of Veterans Affairs, in consultation with the Secretary of Defense and the Secretary of Health and Human Services, shall seek to enter into an agreement with the Medical Follow-up Agency of the Institute of Medicine of the National Academy of Sciences under which agreement the agency shall carry out the study described in subsection (c).

(b) ALTERNATIVE ORGANIZATION.—If the Secretary is unable within a reasonable period of time (as determined by the Secretary) to enter into an agreement with the agency referred to in subsection (a) to carry out the study required under that subsection, the Secretary shall seek to enter into an agreement to carry out the study with another appropriate organization or entity that—

(1) is not part of the Government;

(2) operates as a not-for-profit entity; and

(3) has an expertise and objectivity comparable to that of the agency referred to in subsection (a).

(c) NATURE OF STUDY.—The purpose of the study referred to in subsection (a) is to determine the nature and extent, if any, of the relationship between the exposure of veterans described in subsection (d) to ionizing radiation and the following:

(1) Genetic defects and illnesses in the children and grandchildren of such veterans.

(2) Untoward pregnancy outcomes experienced by the spouses of such veterans, including stillbirths, miscarriages, and neonatal deaths.

(d) COVERED VETERANS.—Subsection (c) applies to—

(1) any veteran who was exposed (as determined by the Secretary) to ionizing radiation as a result of—

(A) participation while on active duty in the Armed Forces in an atmospheric nuclear test that included the detonation of a nuclear device;

(B) service in the Armed Forces with the United States occupation force of Hiroshima or Nagasaki, Japan, before July 1, 1946; or

(C) internment or detention as a prisoner of war of Japan before that date in circumstances providing the opportunity for exposure to ionizing radiation comparable to the exposure of individuals who served with such occupation force before that date; and

(2) any other veteran that the Secretary designates for coverage under the study.

(e) REPORT.—Not later than each of March 1, 1995, October 1, 1995, October 1, 1996, and October 1, 1997, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the results of the study carried out under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out the study required under this section.•

• Mr. SIMON. Mr. President, I am pleased to join my good friend and colleague Senator WELLSTONE in sponsoring this bill to study the family health consequences of radiation exposure among atomic veterans.

In 1988, I introduced a bill which provides medical benefits to atomic veterans for the illnesses that resulted from their unknowing exposure to dangerous radiation during World War II and subsequent atomic tests. My interest began back in 1981 when I was in the House and met with Bob Farmer, an atomic veteran from southern Illinois. Besides his own illnesses, all nine of his children suffer from genetic defects which may be related to his service exposure. The pain and cost of raising children with deformities, tumors, and a variety of illnesses have taken a tremendous toll on the Farmer family. Yet there is no help for them because the Government does not know for sure if there is a link between Mr. Farmer's radiation exposure and his family's situation.

Now that we have moved into the second and third generations of atomic veteran's families, it is time to know what the indirect effects of our nuclear programs have been. With the public interest generated by Energy Secretary O'Leary's courageous opening of past radiation experiments, many descendants of atomic veterans are also coming forward with their own story of our atomic legacy.

I am pleased to join in introducing this bill and hope that the Senate will act quickly to look into this important matter.•

By Mr. HATCH:

S. 2366. A bill to amend the Internal Revenue Code of 1986 to extend the tax-exempt status of Christa McAuliffe Fellowships; to the Committee on Finance.

THE TAX EXCLUSION FOR CHRISTA MC AULIFFE SCHOLARSHIPS

Mr. HATCH. Mr. President, I rise today to introduce legislation to reinstate the tax-exempt status of the Christa McAuliffe fellowship.

The Christa McAuliffe fellowship is named after the teacher who gave her life in the explosion of the space shuttle *Challenger* in 1986. The fellowship is given to reward excellence in teaching by providing financial assistance to outstanding teachers. Only one or two teachers are chosen from each State per year. Recipients of the fellowship must use the funds in one of the following four ways: sabbaticals, consultation with school districts, innovative projects, or model teacher programs.

In the Technical and Miscellaneous Revenue Act of 1988 [TAMRA], Congress provided a tax exclusion for McAuliffe awards. The exclusion was applied only if the award was spent on a project approved by the Secretary of Education, and the money was not spent to directly or indirectly benefit the fellow. All award money used to personally benefit the fellow was fully taxable.

Congress, however, allowed this exclusion to expire in July of 1990, and now fellows must include the full amount of their award in taxable income. Because of this, the great honor of being awarded the Christa McAuliffe Fellowship is quickly dissipated by the heavy tax burden it creates for its recipients. Let me explain.

Sheri Lyn Sohm, of Salt Lake City, was the outstanding teacher selected to receive the Christa McAuliffe Fellowship in Utah for 1992. As the McAuliffe fellow, Sheri instructed teachers across the State in the techniques of community problem solving and assisted classes in implementing service projects. She used the fellowship money to purchase equipment and materials for these projects. Not until the money was spent did she learn that McAuliffe Fellowships were to be treated as taxable income. She was shocked to discover she owed $8,000 in taxes—$8,000 she had already spent to help educate American children.

Mr. President, this is not an isolated situation, nor was it caused by negligence on Sheri's part. Research shows that the tax information provided by the States and given to McAuliffe fellows is often inadequate and inconsistent. Many fellows do not learn their grants are taxable until the money is spent. The combination of taxing the grant and the States not providing reliable information has led to situations in which recipients who donate a large portion or their entire grants to schools end up paying the taxes out of their own pockets.

Mr. President, this is unfair. We should not tax these teachers on money they spend to help educate American children. Large portions of these fellowship awards are spent to buy such things as computers, equipment, and materials for service projects.

Mr. President, I do not believe it was the intent of Congress to place this undue tax burden on recipients of the Christa McAuliffe Fellowship. The bill I am introducing today will remedy this situation by retroactively reinstating the tax exclusion included in TAMRA. Award money the teacher spends on a project approved by the Secretary of Education would be excluded from taxable income. To prevent abuse, the bill also states that any amounts which directly or indirectly benefit the recipient are fully taxable.

This is not an expensive change to make in terms of revenue lost to the Treasury. The Joint Committee on Taxation has estimated the lost revenue over five years to be only $3 million.

This tax exclusion is only fair. We should not punish this country's most outstanding teachers by requiring them to pay taxes on money they spend to benefit our children. Excluding these fellowship awards would help teachers, students, and this great Nation meet its educational goals.

I urge each of my colleagues to support this bill.

By Mr. WOFFORD:

S. 2367. A bill to amend section 3013 of title 18, United States Code, to double the special criminal assessment amounts for the purpose of enhancing revenues for the Crime Victims Fund of the Office of Victims of Crime; to the Committee on the Judiciary.

THE CRIME VICTIMS FUND ENHANCEMENT ACT OF 1994

• Mr. WOFFORD. Mr. President, today I introduce the Crime Victims Fund Enhancement Act of 1994. My bill will double the special criminal assessment amounts paid by convicted Federal defendants for the purpose of enhancing revenues for the crime victims fund.

In the next few days we will begin debate on final passage of the crime bill, the most comprehensive anticrime legislation in history. In addition to putting 100,000 new cops on the street, providing funding for prison construction and prevention programs, the crime bill includes several important provisions to assist victims of crime. I support those provisions and my legislation will add to that effort by further assisting the real casualties of crime: The victims.

Since its beginning in 1986, the crime victims fund, created by the Victims of Crime Act of 1984 [VOCA], have increased from $68 million to a high of $221 million in 1992. Grants from the fund support State programs that compensate victims and their families for medical and other expenses resulting from violent crime and organizations that provide direct assistance to crime victims, such as rape crisis centers, shelters for battered spouses, and counseling for child sexual abuse victims.

But as crime and its costs have increased over the past 8 years, so has the demand for victims compensation and services. This demand has unfortunately outdistanced the supply of funding available through the crime victims fund.

By doubling the special criminal assessment my legislation will provide up to $10 million to the crime victims fund. Such an increase would mean an additional $1 million to Pennsylvania victims assistance programs and direct victims compensation.

While that sum may seem small to some, it can make a significant difference to a victims assistance program that is operating on a shoe string budget or an individual who might regain a element of dignity through the assistance or compensation available through the Crime Victims Fund. One such organization is the Daughin County Victim/Witness Assistance Program in Harrisburg, PA. In her letter of support of my legislation, Laurie A. Reiley-Snell, the executive director of the organization writes:

> The program I am with is a private, nonprofit agency. Because of the funding situation, especially with VOCA, each year I am tormented with the decision—should we move money around for staff benefits or should we move money to at least maintain the current level of service to victims. It is never an easy decision and up to now we have always chosen the clients. VOCA is a necessity for many of us and the thought of having the funds enhanced is exciting.

The organizations that benefit from the Crime Victims Fund and who will benefit from the enhanced funding provided by my bill serve millions of victims of crime nationwide. My legislation has the support of the National Organization for Victim Assistance, the National Victim Center, as well as many victims organizations across the Commonwealth of Pennsylvania.

Mr. President, day after day, we hear stories of violent crime and the lives and security of our citizens taken by such senseless acts. While the real loss to victims of crime can never be adequately measured, the least we can do, as a society, is provide adequate compensation and assistance to those we have failed to protect from violence. For the past 8 years the Crime Victims Fund has accomplished that. My legislation will enhance this essential effort.

I ask unanimous consent that the full text of the bill appear in the RECORD. I also ask unanimous consent that the letters of support of my legislation appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Crime Victims Fund Enhancement Act of 1994".

SEC. 2. SPECIAL CRIMINAL ASSESSMENTS.

Section 3013(a) of title 18, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) in clause (i) by striking "$5" and inserting "$10";

(B) in clause (ii) by striking "$10" and inserting "$20"; and

(C) in clause (iii) by striking "$25" and inserting "$50";

(2) in paragraph (1)(B)—

(A) in clause (i) by striking "$25" and inserting "$50";

(B) in clause (ii) by striking "$50" and inserting "$100"; and

(C) in clause (iii) by striking "$125" and inserting "$250"; and

(3) in paragraph (2)—

(A) in subparagraph (A) by striking "$50" and inserting "$100"; and

(B) in subparagraph (B) by striking "$200" and inserting "$400".

NATIONAL VICTIM CENTER,
Arlington, VA, August 1, 1994.

Hon. HARRIS WOFFORD,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR WOFFORD: On behalf of the Board of Directors and the Staff of the National Victim Center, we would like to offer our full support for the Crime Victims Fund Enhancement Act of 1994.

The National Victim Center works with more than 8,000 victim organizations and criminal justice agencies nationwide, many of which are the direct beneficiaries of the Victims of Crimes Act (VOCA) funds.

Since its creation in 1984 the VOCA Fund, has provided direct financial assistance to millions of crime victims through state administered compensation programs, and insured essential services to millions more through local victim assistance programs. For these thousands of organizations and agencies whose financial constraints force them to walk a precarious line between red and black ink, VOCA Funds have become their life blood.

The rising demand for victim assistance and services has mirrored the rise in the nation's crime rate. While demand has always outstripped available resources, in recent years demand has dramatically increased, while resources for victims and victim service organizations have actually declined.

VOCA fine collections dropped sixty percent from 1992 to 1993, from $221 million to $144 million. These reductions in Federal funding, coupled with budget cutbacks at the state and local level and reductions in private contributions, have led to a financial crisis of unparalleled proportions in the Victims' Movement.

The resulting funding famine becomes painfully evident when viewed on a state by state and case by case basis. Typical is the experience of the Jefferson County Domestic Violence Shelter in Arvada, Colorado. In 1993, alone 524 domestic violence victims, including 222 children, were turned away for lack of space.

Washington state recently funded a program to provide counseling and assistance to male victims of sexual assault (the preferred target of pedophiles). The program, designed to accommodate 50 victims, was swamped by more than 500 requests in the first three months of operation alone.

Texas has been forced to de-fund its Court Appointed Special Advocates Program, which provides critical counseling and advocacy to child victims of incest and abuse.

For organizations and agencies already operating with shoe string budgets, recent reductions in funding have pushed thousands to the brink of bankruptcy and hundreds more beyond the brink.

Additional Federal funding has become not only important, but imperative if victims and victim service organizations are to survive financially.

The introduction of the Crime Victim Fund Enhancement Act of 1994 could not have come at a more opportune time. By doubling the relatively small fines currently assessed to Federal offenders, the Act would raise more than $10 million in additional funding that would, in turn, be available to rescue financially strapped crime victims and victim organizations

In fact, there is virtually nothing Congress could do that would have a greater positive impact on the Victims' Movement and the lives of the millions of crime victims it serves, than passing legislation which will boost fines earmarked for the Victims of Crime Fund.

Indeed, the view was empirically confirmed by a poll conducted by the National Victim Center last month. The Center asked victim policy leaders and organizations to rank the relative importance of numerous victim-related issues of national consequence. Increasing VOCA funding ranked first by a considerable margin.

The proposed measure is supported by the National Victim Center, 8,000 victim organizations and the more than 6 million citizens who fall victim to violent crime each year. Moreover, with statistics indicating that five out of six Americans will be victims of violent crime at least once during their life time, virtually all Americans have a stake in the passage of this legislation.

The Board of Directors and Staff of the National Victim Center wish to applaud Senator Wofford for introducing this vital measure and we strongly urge his colleagues in Congress to lend their full support and endorsement.

Sincerely,

DAVID BEATTY,
Director of Public Affairs.

NATIONAL ORGANIZATION
FOR VICTIM ASSISTANCE,
Washington, DC, July 28, 1994.

Hon. HARRIS WOFFORD,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR WOFFORD: We understand that you are proposing to double the so-called penalty assessments that help to fund the Crime Victims Fund that was created by Victims of Crime Act (VOCA) of 1984. We warmly applaud your initiative of putting the assessments into a still-affordable range of $10 to $400 per offense, the first such increase in many years. A telephone call today from a former victim of violent crime helps to illustrate, with bad news and good, the importance of the additional $10 million that your VOCA amendment would generate.

As background, the woman had called our national helpline—1-800-TRY NOVA—after having seen it as a trailer on one of the many television programs that have recently focused on the crime of domestic violence. She wanted to complain that our number was not cross-referenced as a "domestic violence" service in the "800" directory assistance files. She urged us to correct that problem with our WATTS carrier.

The reason the woman had been looking for such a number was not to get help but to offer it. When she then heard that our 800 line is funded entirely by private donations, and has no funding whatever for the staff and volunteers who handle the calls 24 hours a day, she said she wanted to help in our fund-raising efforts to improve and expand that service.

That anecdote once again highlights the bad news that we face every day—namely, the huge gap that still exists between the need for victim assistance and its availability. A couple of years ago, the National Crime Survey found that one reporting victim in nine was offered some kind of victim services by the authorities—which meant that, finally, victim services were now registering on the radar screen, but that we still were failing to reach eight out of nine victims known to the justice system. Again, the task ahead of us is enormous.

But what motivated the caller in the first place to offer her help was the very encouraging news: she has been looking for years to pay back a movement whose help in her bleakest months had saved her life—figuratively and perhaps literally. That lifesaver was a talented victim advocate in a rural, VOCA-funded program who helped make sure the justice authorities took seriously the violence the woman's husband had done to her, and who helped the victim find the interior and external resources to see the case through and to reformulate her life.

The victims' movement survives on the goodwill of those it has helped. Our newest volunteer joins tens of thousands of other survivors of crime who, in gratitude for the help they have received, are offering crisis counseling to sexual assault victims, are helping to provide death notifications in the horrible aftermath of murder, are holding a child's hand in the alienating confines of a courtroom, and are organizing the yard sales that put a few more dollars in the local program's emergency fund.

But essential to all of these volunteer services are the full-time, paid staff who train and supervise them, who know the local justice officials and the victim rights laws they are supposed to honor, and who provide the workaday services that transform goodwill into concrete deeds—staff members like that VOCA-supported victim advocate whose skilled compassion indirectly led to our today's telephone offer of help.

The extra good news in this example is that each victim assistance advocate funded by VOCA has a major multiplier effect in the hundreds of victims they help every year and the recruits they enlist to help others. If, as we estimate, 200 or 300 additional advocates will be hired if your bill becomes law, the ripple effects will reduce in significant measure the gap between the aspirations and the actualities of our movement.

Thank you for your initiative; it will have our stringest support.

Sincerely,

MARLENE A. YOUNG, PH.D., J.D.,
Executive Director.

VICTIM/WITNESS
ASSISTANCE PROGRAM,
Harrisburg, PA, August 1, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: I write to you on behalf of the individuals who are victimized in Dauphin County, Pennsylvania. I was excited to hear that you are presenting legislation that will enhance the Crime Victims Fund.

The program that I am with is a private, non-profit agency. The staff consists of six members. Four staff members work with victims who are proceeding through the criminal justice system, one staff member works in the juvenile justice system and my position. We do not have a support staff—each individual is responsible for their own "paperwork". Four of the staff work 40 hours/week and the other two staff work 37.5 hours/week. The latter two are VOCA funded positions. No one has medical benefits. Because of the funding situation, especially with VOCA, each year I am tormented with the decision—should we move money around staff benefits or should we move money to at least maintain the current level of services to victims. It is never an easy decision and up to now we have always chosen the clients.

The Dauphin County Victim/Witness Assistance Program provides a variety of services to all different types of victims. The crimes range from harassment to theft to forgery to assault to homicide—and everything in between. Services include: accompaniment to any meeting or proceeding, assistance and follow-up with Crime Victims Compensation and restitution claims, referrals to other agencies, options counseling, crisis intervention, assistance with property return, case status updates, criminal justice system orientation, creditor and employer intercession notification (case outcome, offender release), victim input sentence, plea agreements), assistant with transportation and/or day care, legal options counseling, advocacy and most importantly we provide a caseworker that really does not care about how they are feeling about what happened to them. Each caseworker carries an average caseload of 150–200 clients (or more).

I am proud to say that we have a special component to our program that not all agencies are able to provide yet and that is the juvenile Justice System Coordinator. Often, the system does not always acknowledge victims of juvenile crime the way victims want to be acknowledged. In addition to all the above mentioned responsibilities of a caseworker, this position also includes; witness management, oversight of the Victim-Offender Mediation Program and the recruitment, training and coordination of the volunteer program that assists with duties mentioned. This position is funded by Drug Control and Systems Improvement funds which are received through the Pennsylvania Commission on Crime and Delinquency.

If there was an increase in the VOCA funding it may mean that the two VOCA staff members may be able to work the same number of hours per week as the other staff and/or have comparable wages ($8.00/hour is the maximum for current staff—VOCA pays $7.25/hour and $6.85/hour). It may mean five additional hours per week for clients. If the funds were increased significantly it would probably mean more in terms of client needs and/or staff benefits.

I thank you for the opportunity to bring to your attention one small program in the arena of many programs that are providing services. VOCA is a necessity for many of us and the thought of having the funds enhanced is exciting.

If there is any information that I can provide in the future, please contact me at the above address or telephone number. Good luck with your proposal. We will anxiously await a response on its progression. Thank you for your time.

Sincerely yours,

LAURI A. REILEY-SNELL,
Executive Director.

ANTI-VIOLENCE PARTNERSHIP
OF PHILADELPHIA,
Philadelphia, PA July 29, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: I am writing this letter in support of the Crime Victims Fund Enhancement Act of 1994. I have been very dismayed to see that most legislators do not include services to crime victims as they struggle to put together a comprehensive Crime package. Victims services have always been vastly underfunded. In the last decade, as crime and violence in America has risen, funding to victims services has not even increased proportionally—in fact it has been reduced.

Families of Murder Victims (FMV), a program of the Anti-Violence Partnership of Philadelphia (AVP) has received Victims of Crime Act (VOCA) funding since, 1986, the first year of VOCA'S inception. FMV was the first program in the United States created solely for the co-victims of homicide (friends and families of murder victims) to receive VOCA funding.

FMV, a non-profit victims service agency is located in the Philadelphia District Attorney's Office, and provides a wide array of services to co-victims. These services include accompaniment to court proceedings, assistance with filing for crime victims compensation, crisis counseling, grief and bereavement counselling, support groups, referrals to mental health and legal services, and orientation to the criminal justice system.

Last year, FMV provided services to more than 1,200 co-victims of homicide and assisted families in receiving more than $125,000.00 in reimbursement from the Pennsylvania Crime Victim Compensation Board. And we accomplished this with a budget of only $69,000.00, of which $36,00,000 was from VOCA funds.

This fiscal year, FMV faces an 8% cut in VOCA funding due to the VOCA funding shortfall. Considering our total budget of $69,000.00, this loss is very difficult to absorb and we are unable to make it up from other sources. This is on top of a total loss of $24,000.00 in revenue over the last two years. Some of this loss is as a result of governmental cutbacks as well as our chronic difficulty in attracting traditional funding. Without VOCA funding over the last eight years, FMV would have had to close down, or at the very least, sharply curtail services.

We applaud your efforts to try and restore some of your VOCA funding. Funding for crime victim services must be included in the campaign against crime and violence in our country. It is not an issue that deserves to be put on the back burner. There needs to be greater recognition that funding must be directed to assist those who have already been victimized by crime.

Thank you for recognizing this important issue and directing your energies and resources into The Crime Victims Fund Enhancement Act of 1994. Any additional efforts in this direction will be greatly appreciated by all victim services agencies and the crime victims they serve.

Sincerely

DEBORAH SPUNGEN,
Executive Director.

PENNSYLVANIA COALITION
AGAINST RAPE,
Harrisburg, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: On behalf of the Pennsylvania Coalition Against Rape, I am writing in support of the Crime Victims Enhancement Act of 1994. It is our understanding that this bill would substantially increase revenues for the Crime Victims Fund of the Office of Victims of Crime at the Justice Department.

PCAR represents 51 sexual assault centers in Pennsylvania which provide services to victims in 67 counties. These programs provide free counseling services to victims as well as other direct services; and in addition provide prevention education programs and trainings in their communities.

Many of the programs have experienced a decrease in the amount of funding received from various sources. This has impacted the centers by limiting the number of counseling hours which can be maintained to serve an ever-increasing number of children and adults requesting services. Many of the centers have had to establish waiting lists for services and reduce the number of professional trainings provided.

For these reasons, PCAR strongly supports your bill which would double the special criminal assessment amounts. The revenue provided would directly benefit victims of sexual assault as well as victims of other violent crimes. We look forward to hearing from you as to the passage of this important piece of legislation.

Sincerely,

BRENDA TODD ROBERSON,
Public Policy Analyst.

COALITION OF PENNSYLVANIA
CRIME VICTIMS ORGANIZATION,
Harrisburg, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR: On behalf of the Coalition of Pennsylvania Crime Victims Organization (COPCVO) I would like to express our support for your legislation, The Crime Victims Fund Enhancement Act of 1994. COPCVO is a coalition of over 150 victim advocacy programs and individuals in Pennsylvania who work directly with victims and on behalf of victims.

Since 1984 Victims of Crime Act monies have greatly enhanced services to child abuse, domestic violence, sexual assault and other serious crime victims in Pennsylvania. However, during this same period of time VOCA funding has had several years of decreases. The funding may decrease but the need for services continues to rise.

Increasing the assessments would, in fact, help to increase and possibly stabilize the fund. By increasing the fund we can continue to attempt to provide services to all those in need in our Commonwealth.

Please let me know if our coalition can assist you in anyway in future supporting this legislation.

Sincerely,

MARY ACHILLES,
Director, Office of Victim Services.

WOMEN'S CENTER & SHELTER
OF GREATER PITTSBURGH,
Pittsburgh, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: I am pleased to write in support of legislation to double the special assessments for enhancing revenues for the Crime Victims Fund of the Office of Victims of Crime at the Justice Department. Women's Center and Shelter of Greater Pittsburgh has provided sanctuary from stress and violence to women and their children for twenty years. As a recipient of Pennsylvania Commission on Crime and Delinquency Victims of Crime Act funding, we are well positioned to understand the urgent need for an increase in this funding.

As an agency committed to the elimination of domestic violence, the Women's Center and Shelter is in need of increased funding to help more victims of domestic violence. Women's Center and Shelter provides a safe and supportive community to women and their children, educates the public about the needs of women, especially those who are victims of domestic violence. We accompany women through the Criminal Justice System and inform them of the services available. We collaborate in order to utilize our resources effectively. Our focus is on the needs of women in domestic violence situations who come from all ethnic, racial, educational and economic backgrounds.

Women's Center and Shelter supports your efforts to increase funding for these much needed services. I am confident The Crime Victims Fund Enhancement Act of 1994 will provide increased funding for additional domestic violence services greatly needed in this community.

Sincerely yours,

MARTHA A. FRIDAY,
Executive Director.

WOMEN ORGANIZED
AGAINST RAPE,
Philadelphia, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: Women Organized Against Rape supports your legislation to increase funding for the Office of Victims of Crime.

As a rape crisis center operating in Philadelphia, PA, we see over 6,000 women, children and men each year who are victimized and traumatized by the prevalence of sexual violence. In order to provide the level of services demanded by our county, we need to maintain adequate funding. Such funding received from the Victims of Crime Act (VOCA) has enabled us to extend much needed counseling services in the form of individual, family and support group counseling. At present, approximately one-third of our clients are under the age of eighteen—many of whom grew up in abusive households where sexual abuse occurred on an ongoing basis. These same children come from families where the parent(s) were also victimized by sexual violence and suffered in silence.

An increase in funding would allow our center to provide more counseling support and decrease the waiting list of families needing our services. More funding would assist us in outreach efforts to women and children that respond to the sexual violence perpetrated in their communities by keeping quiet. Furthermore, a funding increase would enable us to expand our prevention education efforts in the community, addressing the attitudes and behaviors that condone the ever-increasing rate of sexual assault.

We thank you for your awareness of victim support and your development of the legislation to increase this much needed funding.

Sincerely,

VANESSA G. JACKSON,
Executive Director.

CENTER FOR VICTIMS OF
VIOLENT CRIME
Pittsburgh, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: This letter is in response to your Crime Victims Fund Enhancement Act of 1994 legislation, which will soon be introduced into the United States Senate. The Center for Victims of Violent Crime (CVVC) is unequivocally aware of the Victims of Crime Act of 1984, which created the Crime Victims Fund to provide federal financial assistance for Victims of Crime. Consequently, the Center has been a recipient of this fund for years.

According to our facts, the proposed legislation would increase funding for the Office of Victims of Crime, eventually providing greater funding for victim-witness groups in this country. The Center for Victims of Violent Crime is assuredly in support of this legislation and will continue to support your efforts throughout the legislative process.

CVVC provides assistance to thousands of crime victims, families of victims, and witnesses annually. Victims of Crime Act funding has enabled CVVC to provide victims with a 24-hour hotline, crisis intervention, home and hospital visits, court accompaniment, counseling support groups, post-trial advocacy, victim compensation claims assistance, and many other unique services.

Within the last four years, there has been an immense escalation in crime in Pennsylvania. Doubling the special criminal assessment amounts for the purpose of enhancing revenues for the Crime Victims Fund would be a desirable relief. This additional money would afford victim-witness groups in Pennsylvania the opportunity to enhance and create programs that are presently lacking.

Again, we are in favor of this bill and will do all in our power to help move it through Congress. If CVVC can provide you with additional information or assistance, please do not hesitate to contact Mary Phan-Gruber or Jeffrey Kerr at (412) 392-8582.

Sincerely,

NANCY WELLS,
Executive Director.

VICTIM WITNESS SERVICES
OF ERIE COUNTY,
Erie, PA, July 29, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WOFFORD: Victim Witness Services is a program of the Erie County Rape Crisis Center and receives more than one half of its funding from VOCA. This program was begun in 1986 to serve victims of personal injury crimes and family members of homicide victims.

The program provides individual and group counseling, crisis intervention, and accompaniment to criminal justice proceedings. Nearly one thousand victims and their significant others each year benefit from these and other services.

Fiscal year 94–95 brought us a decrease in federal funds and forced us to reduce a full time counselor position to twenty-one hours per week.

The Crime Victims Fund Enhancement Act, if passed, would assist many thousands of victims. Continued and increased financial support to victim assistance programs would enable the programs to continue and increase services to those in need.

Thank you for your continued work to improve the lot of crime victims.

Very truly yours,

ANGELA PORFILIO,
Program Director.

THE CRIME VICTIMS CENTER
OF CHESTER COUNTY,
West Chester, PA, August 1, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: I would like to take this opportunity to thank you for introducing The Crime Victims Fund Enhancement Act of 1994. As the Executive Director of The Crime Victims' Center of Chester County, Inc., I see, firsthand, the absolute need for additional financial assistance for victims of crime through both direct victims compensation and victims assistance programs.

The Crime Victims' Center of Chester County, Inc., is a non-profit, comprehensive victims' center that celebrated its 20th anniversary in November of 1993. We serve the County of Chester—762 square miles with a population of 376,396, 13 school districts, 5 hospital emergency rooms, 57 police municipalities (including 2 State Police Barracks and the County Detectives), 13 District Justices as well as the Chester County Court of Common Pleas. This agency provided 21,656 hours of direct service to 2,594 victims and family members/witnesses during fiscal year 1993–1994.

The range of services provided include 24 hour crisis response to 2 hotlines—sexual assault and other crimes, accompaniment to emergency rooms, police and court procedures, supportive counseling, both individual and groups, and assistance with Victim Impact Statement Procedures, the Victim Input program with the Pennsylvania Board of Probation and Parole, and Crime Victims' Compensation Forms.

It takes a variety of people with special skills and caring to provide these services. At a time when requests for services is increasing, the funding to provide these services is not keeping pace. Increased funding is essential, for our center and others like it, to accommodate the variety of victims' needs as they achieve recovery from emotional and physical trauma and to maintain the quality service provision to those who so need it.

We wholeheartedly support this piece of legislation and would certainly encourage everyone else to do likewise.

On behalf of the victims and families we serve, we thank you for your efforts.

Sincerely,

MARGARET D. GUSZ,
Executive Director.

YWCA,
Lancaster, PA, August 1, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WOFFORD: The Lancaster YWCA is in support of the Crime Victims Fund Enhancement Act of 1994, which provides greater funding for victims across the country.

The Lancaster YWCA Sexual Assault Prevention and Counseling Center provides direct services to child and adult victims of sexual assault in Lancaster County. We are dedicated to assisting survivors and their families through the entire healing process. All of our client services are free and confidential. Staff and trained volunteers are available 24 hours a day and 365 days a year.

The Lancaster YWCA Sexual Assault Prevention and Counseling Center provides a 24 hour hotline, short and long term counseling to victims and their families, accompaniment services to hospitals, police, and through court proceedings as necessary, information and referral services, Crime Victims Compensation information, referrals for children's medical exams, and prevention/education programs.

If the additional funds provided for in your proposal would become available, they would certainly make a difference for victims of sexual assault by providing victims with assistance for medical and other expenses. These funds are needed to help victims through the entire healing and recovery process.

Best Wishes for the passage of the bill!

Sincerely,

HEIDI WEBER,
Associate Executive Director.

PENNSYLVANIA COALITION
AGAINST DOMESTIC VIOLENCE,
Harrisburg, PA, August 1, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WOFFORD: I am pleased to write in support of the Crime Victims Fund Enhancement Act of 1994, which will provide additional revenue for the Crime Victims Fund administered by the Justice Department's Office of Victims of Crime.

Providers of domestic violence services in Pennsylvania have long struggled to meet the needs of battered women and their dependent children within the context of sharply limited resources. Passage of the legislation you have proposed will result in the availability of additional financial assistance to victims of domestic violence—in some instances through compensation for medical and other expenses resulting from the violent crimes which are committed against them, in other situations through increased funding for shelter programs and legal advocacy projects.

Many thanks for your efforts to provide the additional resources which can so positively affect the lives of women and children who are victims of domestic violence.

Sincerely,

SUSAN KELLY-DREISS,
Executive Director.

VICTIMS RESOURCE CENTER,
Wilkes-Barre, PA, August 1, 1994.

Hon. HARRIS WOFFORD,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR WOFFORD: On behalf of Victims Resource Center, I am writing to express our whole-hearted support of the Crime Victims Fund Enhancement Act of 1994. We, like the majority of crime victim service centers across the state of Pennsylvania, are in desperate need of additional funding to serve the ever increasing number of persons seeking aide at our center.

The services which we have developed in response to victim needs include crisis intervention; counseling; court orientation; personal advocacy; accompaniment services to hospitals, police interviews, and all court related proceedings; assistance in filing Crime Victims Compensation claims; and transportation. We provide these services to over 900 adult victims and 300 child victims each year, as well as to their family members. This is a 48% increase over the numbers of persons seeking services only three years before, and a 165% increase over five years ago.

Our resources to provide these services are extremely limited, and growing at a rate disproportionate to service demands. While these service demands have increased by 48% within the last three years, our operating income has grown only by 23%. Our VOCA funds, of which we will receive $47,657.00 this year, comprising 9% of our income, have in fact been reduced from the previous year by five percent.

Everyone knows that crime is escalating. This is true in suburban and rural America such as in Wilkes-Barre or Tunkhannock, Pennsylvania, just as it is true in urban centers. Increasing crime creates larger numbers of victims, each in need of information and support, and often crisis counseling and other services only available from victim service programs such as VRC. This escalating crime has created a demand well beyond our limited resources. As a result, it is difficult, but unfortunately necessary, for a victim of rape to hear that her counseling sessions must stop, because too many others are waiting for their first appointment. It is difficult, but necessary, for a child victim to hear that her or his counselor cannot attend their trial, because another child victim is testifying at the same time and also needs the counselor. These are difficulties that can only be solved with increasing funding of victim programs through an increasing commitment to crime victims.

We are therefore pleased to see the new legislation which would increase the funds available to centers such as ours, enabling us to restore higher levels of service to all victims seeking our aide. As I stated, our need is desperate.

Sincerely,

CAROL L. LAVERY,
Executive Director.

By Mr. DECONCINI:

S. 2368. A bill to implement the intellectual property right provisions of the Uruguay round of the General Agreement on Tariffs and Trade, and for other purposes; to the Committee on the Judiciary.

THE TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS IMPLEMENTATION ACT OF 1994

• Mr. DECONCINI. Mr. President, today I would like to submit the administration's draft legislation to implement the intellectual property provisions of the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. I believe it is important for the public to have the opportunity to review the changes that are being proposed to domestic law prior to the formal submission of the implementing legislation by the administration. For this reason, I am introducing this bill today.

The agreement on trade-related aspects of intellectual property rights [TRIP's] makes some positive improvements in the protection of intellectual property worldwide. It establishes comprehensive standards for the protection of intellectual property rights in countries which join the World Trade Organization [WTO]. Each member country is required to implement standards that supplement several existing intellectual property conventions and to ensure that critical enforcement procedures will be available to safeguard intellectual property rights.

Certain changes to United States law are necessary under the proposed Uruguay round. In the patent area, the agreement requires changing the term of patent protection. The agreement also provides that patents rights must include the exclusive right to offer for sale and to import patented goods. In addition, patent inventive activity in member countries will be treated the same as inventive activity in the United States allowing proof of a date of invention in any WTO country in order to establish priority of invention.

In the trademark area, the agreement requires that U.S. law prohibit the registration of trademarks for wines and spirits that contain misleading geographical indications. In addition, the definition of abandonment must be changed to require 3 consecutive years of non-use of a mark to cancel a registration rather than 2 years as currently required.

In the copyright area, the agreement requires member countries to provide rental rights in computer programs. Therefore, the draft implementing legislation would strike the sunset provision that exists in U.S. law on rental rights.

In addition, the draft implementing legislation proposes two additional changes to U.S. copyright law. First, it provides retroactive copyright protection to foreign works that fell into the public domain in the United States because of the failure to comply with copyright formalities prior to U.S. accession to the Berne Convention. The draft legislation also provides for both civil and criminal protection against the unauthorized creation and trafficking in bootleg copies of sound recordings of a live performances.

The purpose of introducing this bill is to provide the public with an opportunity to comment on the proposed changes. The procedure under which the GATT agreement and other fast-track trade agreements are considered in Congress significantly limits the ability of Congress and its committees to amend the legislation. Therefore, all concerns need to be resolved prior to the submission by the administration of their final bill. Strong U.S. intellectual property laws are critical to keeping this Nation the leader in technology and innovation. Only through careful consideration can we ensure that the proposed changes will responsibly improve intellectual property protection.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 2368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Intellectual Property Rights, Trade-Related Aspects of Implementation Act of 1994".

SEC. 2. RENTAL RIGHTS IN COMPUTER PROGRAMS.

Section 804(c) of the Computer Software Rental Amendments Act of 1990 (Public Law 101–650; 104 Stat. 5089, 5136) is amended by striking out the first sentence.

SEC. 3. CREATION AND TRAFFICKING IN BOOTLEG SOUND RECORDINGS PROHIBITED.

(a) IN GENERAL.—Chapter 113 of title 18, United States Code, is amended by inserting after section 2319 the following new section:

"§ 2319a. Creation of and traffic in bootleg sound recordings prohibited

"(a) Whoever, willfully and for purposes of commercial advantage or private financial gain, without the consent of a performer or a performer's agent—

"(1) fixes or causes to be fixed in a sound recording;

"(2) broadcasts, transmits, or otherwise communicates to the public or causes to be so broadcast, transmitted, or otherwise communicated, the sounds of a live performance; or

"(3) reproduces, distributes, sells, rents, offers for sale or rent, transports, broadcasts, transmits, or otherwise communicates to the public or possesses, for the purpose of—

"(A) creating any article in violation of paragraph (1); or

"(B) fixing the sounds therein,

shall, upon judgment of conviction, be fined not more than $250,000 or imprisoned for not more than 5 years, or both.

"(b) When any person is convicted of any violation of subsection (a), the court in its judgment of conviction shall, in addition to the penalty therein prescribed, order the forfeiture, destruction, or other disposition of the applicable articles, implements, devices, and equipment as required under section 4 (b) and (d) of the Intellectual Property Rights General Agreement on Tariffs and Trade Implementation Act of 1994.

"(c) The provisions of this section do not preempt any State statute or civil or criminal cause of action arising under a State's common law.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 113 of title 18, United States Code, is amended by inserting after the item relating to section 2319 the following:

"2319a. Creation of and traffic in bootleg sound recordings prohibited.".

(c) EFFECTIVE DATE.—This section shall take effect 1 year after the date of entry into force of the World Trade Organization Agreement as referred to under the Uruguay Round Implementation Act and shall apply to—

(1) all performances fixed on and after that date; and

(2)(A) all traffic in articles containing sounds fixed without their performer's authorization; and

(B) all broadcasts, transmissions or other disseminations of sounds fixed without their performer's authorization on and after that date without regard to the date upon which the article containing such sounds was fixed.

SEC. 4. PROHIBITION OF CREATION AND TRAFFICKING IN BOOTLEG SOUND RECORDINGS.

(a) IN GENERAL.—Whoever, without the consent of a performer or a performer's agent—

(1) fixes or causes to be fixed in a sound recording;

(2) broadcasts, transmits, or otherwise communicates to the public or causes to be so broadcast, transmitted, or otherwise communicated the sounds of a live performance; or

(3) reproduces, distributes, sells, rents, offers for sale or rent, transports, broadcasts, transmits, or otherwise communicates to the public or possesses, for the purpose of—

(A) creating any article in violation of paragraph (1); or

(B) fixing the sounds therein,

shall, upon judgment of liability in a civil proceeding, be subject to the sanctions under sections 502 through 505 of title 17, United States Code, as if he were an infringer of copyright under section 501 of such title.

(b) DISPOSITION OF ARTICLES CONTAINING UNAUTHORIZED FIXATIONS.—When any person is held liable for a violation of subsection (a), the court in its judgment shall, in addition to the other relief therein granted, order the forfeiture and destruction or other disposition of all articles created in violation thereof and all implements, devices, or equipment used in the manufacture of such articles.

(c) NO PREEMPTION.—The provisions of this section do not preempt any State statute or civil or criminal cause of action arising under a State's common law.

(d) FOREIGN-MANUFACTURED ARTICLES.—(1) In a case where the fixing of sounds in articles outside the United States would have been a violation of subsection (a) if said fixation had taken place within the United States, the importation, sale, rental, or other distribution of such articles is prohibited. Persons committing these acts shall be subject to the sanctions set out in subsection (a) to the same extent as if that subsection had been violated.

(2)(A) The Secretary of the Treasury and the United States Postal Service shall separately or jointly prescribe regulations for the enforcement of the provisions of this section prohibiting importation.

(B) The Secretary of the Treasury shall prescribe, by regulation, a procedure under which any performer or representative thereof may, upon payment of a specified fee, be entitled to notification by the United States Customs Service of the importation of articles that appear to consist of fixations of a particular performance.

(C) Articles imported in violation of the importation prohibitions of this section are subject to seizure and forfeiture in the same manner as property imported in violation of the customs revenue laws. Forfeited articles shall be destroyed as directed by the Secretary of the Treasury or the court, as the case may be, except that the articles may be returned to the country of export whenever it is shown to the satisfaction of the Secretary of the Treasury that the importer had no reasonable grounds for believing that his or her acts constituted a violation of law.

(e) EFFECTIVE DATE.—This section shall take effect 1 year after the date of entry into force of the World Trade Organization Agreement as referred to under the Uruguay Round Implementation Act and shall apply to—

(1) all performances fixed on and after that date; and

(2)(A) all traffic in articles containing sounds fixed without their performer's authorization; and

(B) all broadcasts, transmissions or other disseminations of sounds fixed without their performer's authorization on and after that date without regard to the date upon which the article containing such sounds was fixed.

SEC. 5. RESTORATION OF COPYRIGHT.

(a) IN GENERAL.—Section 104A of title 17, United States Code, is amended to read as follows:

"§ 104A. Copyright in certain works

"(a) RESTORATION OF COPYRIGHT; TERM OF RESTORED COPYRIGHT.—(1) Copyright in a restorable work shall vest automatically on the date of restoration.

"(2) Subject to the provisions of subsections (b) through (j), any restorable work shall have copyright protection under this title for the remainder of the term of copyright protection that it would have otherwise enjoyed in the United States.

"(3) Copyrights in certain motion pictures and works included therein as to which restoration was properly sought under section 104A of this title as it was in force on the day prior to the effective date of this section shall be deemed to have been restored thereunder, but shall otherwise be subject to all of the provisions of this section.

"(b) Ownership of Restored Copyright.—A restored copyright shall vest initially in the author of a restorable work as determined under the law of its source country.

"(c) Eligibility To File Notice of Intent To Enforce a Restored Copyright Against Reliance Parties.—(1) Any person who owns a restored copyright, or any exclusive right therein, may file or serve a notice of intent to enforce that copyright against reliance parties under the provisions of subsections (d) and (e) of this section.

"(2) The filing or service of such a notice shall create no presumption as to the truth of any statement set out in such notice.

"(d) Remedies and Limitations Thereon.—(1) Subject to paragraphs (2) through (4) of this subsection, the remedies set out in chapter 5 of this title shall be available, in respect of a restored copyright, immediately upon restoration, with respect to any act committed on or after the date of restoration.

"(2) The remedies for infringement set out in chapter 5 of this title shall be available against reliance parties only upon satisfaction of at least one of the following conditions:

"(A) The owner of the restored copyright files, between the date of restoration and 24 months thereafter, a notice of intent to enforce a restored copyright that complies with regulations of the Copyright Office that shall be published in the Federal Register no later than 60 days prior to the TRIPs effective date.

"(B) As against a particular reliance party, the owner serves upon that reliance party a proper notice of intent to enforce a restored copyright.

"(3) Notwithstanding the provisions of paragraph (2), no reliance party shall be subject to liability under this title, for any act other than reproduction of the work in which a restored copyright subsists, if such act is performed prior to the completion of 12 months after the earlier of publication of the title of the restored work in the Federal Register or receipt of notice in compliance with paragraph (2)(B).

"(4) Notwithstanding any other provision of law, a reliance party shall be subject to statutory damages or attorney's fees only with respect to any act of infringement committed after both—

"(A) January 1, 2000; and

"(B) receipt of notice that complies with subsection (e) (1), (2), and (4).

"(e) Notices of Intent To Enforce a Restored Copyright.—(1) Any notice of intent shall clearly identify—

"(A) the person who owns the restored copyright; and

"(B) the title of the restorable work, including—

"(i) an English translation of a foreign language title; and

"(ii) alternative titles by which the work, or a derivative work based thereon, may reasonably be expected to have been known in the United States, and any other information specified by regulation.

"(2) If a work has no formal title, it shall be described in sufficient detail so as to maximize the probability of its identification. Such notice shall be signed by the owner of the restored copyright or his agent. If such notice is signed by an agent, the agency shall have been constituted in a writing signed by the owner prior to execution of notice by the agent.

"(3) For a notice filed with the Copyright Office—

"(A) a reasonable fee may be imposed to cover its receipt, processing, recordation, or publication of the information set out in such notice of intent; and

"(B) minor errors and omissions may be corrected after the period established in subsection (d)(2)(A), and such corrections shall be published in the Federal Register.

"(4) For a notice served upon a reliance party, the notice shall identify with substantial precision the use to which the owner of the restored copyright objects.

"(5) Any material false statement or claim knowingly made in any notice of intent shall make void all claims and assertions set out therein, with respect to all titles set out therein.

"(6) The Copyright Office shall publish in the Federal Register, on a quarterly basis, beginning no later than 4 months after the TRIPs effective date, a list containing at least the information required under paragraph (1) with respect to restored copyrights as to which a notice of intent has been filed. With respect to works whose copyrights are restored after the TRIPs effective date, the Copyright Office shall publish a list containing at least the information required under paragraph (1) with respect to restored copyrights as to which a notice of intent has been filed, on a quarterly basis as established by regulation.

"(7) Such lists shall be cumulative on an annual basis. In order to facilitate the public identification of restored copyrights as to which enforcement is intended, at least one complete list shall be maintained in one or more files distinct from other Copyright Office records.

"(f) Effect of Restoration of Copyright in Derivative Works, Collective Works, and Compilations.—A copyright restored under this section shall protect only the copyrightable authorship contributed to the work whose title is set out in the notice of intent. Neither a restored copyright in a work upon which a derivative work is based nor a restored copyright in a separately copyrightable work contained in a collective work or compilation shall be enforceable against a reliance party unless a notice of intent has been filed in the Copyright Office or served on the reliance party.

"(g) Immunity From Warranty and Related Liability.—(1) No person who warranted, promised or otherwise undertook to guarantee that a work created by such person infringes no rights of another, and which warranty, promise, or guarantee is breached by virtue of the restoration of copyright under this section, shall be liable to any claimant seeking legal, equitable, arbitral, or administrative relief of any type whatsoever therefore.

"(2) No person shall be compelled to perform, or held liable for failure to perform, any act the performance of which is made infringing under the provisions of this section.

"(h) No Estoppel.—The act of filing any notice described in subsection (e) shall not prejudice the ability of a person to seek at any time a judicial determination that a particular work was never in the public domain in the United States.

"(i) Proclamation of Copyright Restoration.—Whenever the President finds that a particular foreign nation extends, to works by authors who are nationals or domiciliaries of the United States or to works that are first published in the United States, restored copyright protection to a similar extent as that provided to restorable works under this section, the President may by proclamation extend protection under this section to works of which one or more of the authors is, on the date of first publication, a national, domiciliary, or sovereign authority of that nation, or which was first published in that nation. The President may revise, suspend, or revoke any such proclamation or impose any conditions or limitations on protection under a proclamation.

"(j) Definitions.—For the purposes of this section and section 109(a):

"(1) The term 'date of adherence or proclamation' means the earlier of the dates upon which a foreign country that, as of the TRIPs effective date, is neither a member of the Berne Union or World Trade Organization, nor the subject of a proclamation under section 104A(i)—

"(A) becomes a member of either the Berne Union or World Trade Organization; or

"(B) is effectively proclaimed under section 104A(i).

"(2) The term 'date of restoration' of a restored copyright means—

"(A) the TRIPs effective date, if the work is restorable work on that date; or

"(B) the date of adherence or proclamation.

"(3) The term 'eligible country' means a country, not the United States, that on the date copyright is restored under the provisions of this section has either—

"(A) joined the World Trade Organization or adhered to the Berne Convention for the Protection of Literary and Artistic Works; or

"(B) been the subject of a proclamation under subsection (i).

"(4) The term 'reliance party' means a person who, prior to the date of enactment of the Intellectual Property Rights General Agreement on Tariffs and Trade Implementation Act of 1994, or with respect to a restorable work having a source country that was not an eligible country until after the TRIPs effective date, prior to the date of adherence or proclamation—

"(A) was engaged to a significant extent in, and, as of the relevant date, was continuing to do or authorize any of the acts set out in section 106 with respect to a restorable work; or

"(B) had, in preparing to do such acts, either—

"(i) acquired a substantial number of copies or phonorecords of a restorable work; or

"(ii) made substantial monetary investments in respect of such work.

"(5)(A) The term 'restorable work' means an original work of authorship that is not protected under this title by virtue of—

"(i) noncompliance with formalities imposed at any time by United States copyright law, including failure of renewal, lack of proper notice, or failure to comply with the manufacturing requirement;

"(ii) the absence of copyright relations between the United States and the source country; or

"(iii) by reason of section 301(c); but not in the public domain in its source country that—

"(I) has at least one author or, if the work is a sound recording a producer, who was, at the time the work was created, a national or domiciliary of an eligible country; and

"(II) if published, was published initially in an eligible country and not published within 30 days thereafter in the United States.

"(B) No work in which the copyright was ever owned or administered by the Alien Property Custodian which could if restored, be owned by a government or instrumentality thereof, shall be a restorable work.

"(6) The term 'restored copyright' means a copyright that becomes effective under the provisions of this section, without regard to whether such copyright was ever previously in effect in the United States.

"(7)(A) The term 'source country' of a restorable work means—

"(i) not the United States; and

"(ii)(I) in the case of an unpublished work, the eligible country in which—

"(aa) the author is a national or domiciliary; or

"(bb) if a restorable work has more than one author, the majority of foreign authors are nationals or domiciliaries; or

"(II) in the case of a published work, the eligible country in which the work is initially published.

"(B) If under subparagraph (A)(ii)(I) of this definition, no majority exists, or under subparagraph (A)(ii)(II) of this definition, a restorable work was published on the same day in two or more eligible countries, then the source country shall be the country other than the United States having the most significant contacts with the work.

"(8) The term 'TRIPs effective date' is the date upon which the obligations under the Agreement on Trade-Related Aspects of Intellectual Property become effective with respect to the United States.".

(b) Limitation on Exclusive Rights.—Section 109(a) of title 17, United States Code, is amended by striking out "copy or phonorecord." and inserting "copy or phonorecord; except that the sale or other disposition, without the authorization of the owner of a restored copyright, of copies or phonorecords manufactured before the date of restoration of works in which copyright has been restored under the provisions of section 104A of this title shall be authorized under this section—

"(1) only during the post-restoration grace period afforded to reliance parties established by section 104A(d)(3); and

"(2) thereafter, only as part of a sale or disposition of no more than one copy or phonorecord at a time.".

(c) Technical and Conforming Amendment.—The table of sections for chapter 1 of title 17, United States Code, is amended by amending the item relating to section 104A to read:

"104A. Copyright in certain works.".

SEC. 6. DEFINITION OF "ABANDONMENT".

Section 45 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946, commonly referred to as the Trademark Act of 1946 (15 U.S.C. 1127) is amended by amending the paragraph defining "abandonment" to read as follows:

"A mark shall be deemed to be 'abandoned' when either of the following occurs:

"(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for three consecutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.

"(2) When any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.".

SEC. 7. NONREGISTRABILITY OF MISLEADING GEOGRAPHIC INDICATIONS FOR WINES AND SPIRITS.

Section 2 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946, commonly referred to as the Trademark Act of 1946 (15 U.S.C. 1052(a)) is amended by amending subsection (a) to read as follows:

"(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or a geographical indication which, when used on or in connection with wines or spirits, identifies a place other than the origin of the goods and is first used on or in connection with wines or spirits by the applicant on or after the date of entry into force of the World Trade Organization Agreement as referred to under the Uruguay Round Implementation Act.".

SEC. 8. TREATMENT OF INVENTIVE ACTIVITY.

(a) In General.—Section 104 of title 35, United States Code, is amended to read as follows:

"§ 104. Invention made abroad

"(a) In General.—In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country or a WTO Member country, except as provided in sections 119 and 365 of this title. Where an invention was made by a person, civil or military, while domiciled in the United States or a NAFTA country or a WTO Member country serving in any other country in connection with operations by or on behalf of the United States or a NAFTA country or a WTO Member country, respectively, the person shall be entitled to the same rights of priority in the United States with respect to such invention as if such invention had been made in the United States or a NAFTA country or a WTO Member country, respectively. To the extent that any information in a NAFTA country or a WTO Member country concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the Office, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Commissioner, court, or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.

"(b) Definitions.—For purposes of this section:

"(1) The term 'NAFTA country' has the meaning given that term in section 2(4) of the North American Free Trade Agreement Implementation Act.

"(2) The term 'WTO Member country' has the meaning given that term under the Uruguay Round Implementation Act.".

(b) Effective Date.—The amendments made by this section shall apply to all patent applications that are filed on or after the date that is 1 year after the date of entry into force of the WTO Agreement, as referred to in the Uruguay Round Implementation Act, except that an applicant for a patent, or a patentee, may not establish a date of invention that is earlier than the effective date of this amendment by reference to knowledge or use thereof, or other activity with respect thereto, in a World Trade Organization country, except as provided in sections 119 and 365 of title 35, United States Code.

SEC. 9. PATENT RIGHTS CONFERRED.

(a) Contents of a Patent.—Section 154 of title 35, United States Code, is amended to read as follows:

"§ 154. Contents and term of patent

"(a) In General.—Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States and, if the invention is a process, of the right to exclude others from using, offering for sale, or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particulars thereof. Subject to the payment of fees as provided for in this title, such grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under sections 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed. Priority under sections 119, 365(a), or 365(b) of this title shall not be taken into account in determining the term of a patent. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"(b) Extension of Term if Certain Delay.—Where the issuance of an original patent is delayed because of a proceeding under section 135(a) of this title or the application is placed under an order pursuant to section 181 of this title, the term of the patent shall be extended for the period of delay up to 5 years.".

(b) Definition of Infringement.—Section 271 of title 35, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ", offers to sell," after "uses"; and

(B) by inserting "or importing into the United States any patented invention" after "the United States";

(2) in subsection (c) by striking out "sells" and inserting "offers to sell or sells within the United States or imports into the United States for such purposes";

(3) in subsection (e)—

(A) paragraph (1) by striking out "or sell" and inserting "offer to sell, or sell within the United States or import into the United States";

(B) paragraph (3) by striking out "or selling" and inserting "offering to sell, or selling within the United States or importing it";

(C) paragraph (4)(B) by striking out "or sale" and inserting "offer to sell, or sale within the United States or importation into the United States for such purposes"; and

(D) paragraph (4)(C) by striking out "or sale" and inserting "offer to sell, or sale within the United States or importation into the United States"; and

(4) in subsection (g)—

(A) in the first sentence by striking out "sells" and inserting "offers to sell, sells,";

(B) in the second sentence by inserting "offer to sell," after "importation,"; and

(C) in the second sentence by inserting ", offer to sell" after "other use".

(c) CONFORMING AMENDMENTS.—(1) Section 41(c)(2) of title 35, United States Code, is amended to read as follows:

"(2) No patent, the term of which has been maintained as a result of the acceptance of a payment of a maintenance fee under this subsection, shall abridge or affect the right of any person or his successors in business who made, purchased, or used anything protected by the patent within the United States, or imported anything protected by the patent into the United States after the 6-month grace period but prior to the acceptance of a maintenance fee under this subsection, to continue the use of, to offer for sale, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, used, or imported. The court before which such matter is in question may provide for the continued manufacture, use, offer for sale, or sale of the thing made, purchased, or used within the United States, or imported into the United States, as specified, or for the manufacture, use, offer for sale, or sale in the United States of which substantial preparation was made after the 6-month grace period but before the acceptance of a maintenance fee under this subsection, and it may also provide for the continued practice of any process, practice, or for the practice of which substantial preparation was made, after the 6-month grace period but prior to the acceptance of a maintenance fee under this subsection, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced after the 6-month grace period but before the acceptance of a maintenance fee under the subsection.".

(2) The second paragraph of section 252 of title 35, United States Code, is amended to read as follows:

"No reissued patent shall abridge or affect the right of any person or his successors in business who, prior to the grant of a reissue, made, purchased, or used within the United States, or imported into the United States anything patented by the reissued patent, to continue the use of, to offer to sell, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, used, or imported unless the making, using, offering for sale, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use, offer for sale, or sale of the thing made, purchased or used, or imported as specified, or for the manufacture, use, offer for sale, or sale in the United States of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.".

(3) Section 262 of title 35, United States Code, is amended—

(A) by inserting ", or offer to sell," after "may make use"; and

(B) by inserting "within the United States, or import into the United States," after "or sell the patented invention".

(4) Section 272 of title 35, United States Code, is amended by inserting "offered for sale," after "vehicle and is not".

(5) Section 287 of title 35, United States Code, is amended—

(A) in subsection (a) by striking out "making or selling any patented article for or under them," and inserting "making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States for such purposes,";

(B) in subsection (b)(1)(C) by inserting "offer for sale," after "importation, use,";

(C) in subsection (b)(4)(A) by inserting "or offered for sale" after "or sold";

(D) in subsection (b)(4)(A)(ii) by inserting "offer for sale," after "importation, use,";

(E) in subsection (b)(4)(C) by inserting "offered for sale or" after "patented process which have"; and

(F) in subsection (b)(4)(C) by inserting "or imported into the United States," after "United States".

(6) Section 292(a) of title 35, United States Code, is amended—

(A) by inserting "offered for sale," after "anything made, used,";

(B) by inserting "within the United States, or imported into the United States" before "by him"; and

(C) by striking out "made or sold" and inserting "made, offered for sale, sold, or imported".

(7) Section 295 of title 35, United States Code, is amended by inserting ", offer for sale," after "importation, sale".

(8) Section 307(b) of title 35, United States Code, is amended by inserting "within the United States, or imported into the United States," after "purchased, or used".

SEC. 10. PATENT TERM AND INTERNAL PRIORITY.

(a) TERM.—Section 154 of title 35, United States Code, is amended to read as follows:

"§ 154. Contents and term of patent

"(a) IN GENERAL.—Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States and, if the invention is a process, of the right to exclude others from using, offering for sale, or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particulars thereof. Subject to the payment of fees as provided for in this title, such grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under sections 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed. Priority under sections 119, 365(a), or 365(b) of this title shall not be taken into account in determining the term of the patent. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"(b) EXTENSION OF TERM IN CERTAIN DELAY.—Where the issuance of an original patent is delayed because of a proceeding under section 135(a) of this title or the application is placed under an order pursuant to section 181 of this title, the term of the patent shall be extended for the period of delay up to 5 years. Any and all extensions available under this subsection shall not extend the term of an original patent for more than 5 years.

"(c) TERMS OF CERTAIN PATENTS.—Except for patents for designs, the term of a patent in force on the effective date of this section shall be the greater of the 20-year term provided in this section or 17 years after the date of the grant. The remedies of sections 283, 284, and 285 of title 35, United States Code, shall not apply to any acts which were commenced or for which significant investment was made before the date of acceptance of the World Trade Organization Agreement by the United States and which became infringing because of the change in the term of a patent; except that such acts may only be continued upon the payment of an equitable remuneration to the patentee.".

(b) ESTABLISHMENT OF A DOMESTIC PRIORITY SYSTEM.—(1) Section 119 of title 35, United States Code, is amended to read as follows:

"§ 119. Benefit of earlier filing date; right of priority

"(a) IN GENERAL.—An application for patent for an invention filed in this country by any person who has, or whose legal representatives or assigns have, previously filed an application for a patent for the same invention in a foreign country which affords similar privileges in the case of applications filed in the United States shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if the application in this country is filed within 12 months from the earliest date on which such foreign application was filed; but no patent shall be granted on any application for patent for an invention which had been patented or described in a printed publication in any country more than 1 year before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country more than 1 year prior to such filing.

"(b) RIGHT OF PRIORITY.—No application for patent shall be entitled to a right of priority under subsection (a) unless a claim therefor and a certified copy of the original foreign application, specification, and drawings upon which it is based are filed in the Patent and Trademark Office before the patent is granted, or at such time during the pendency of the application as required by the Commissioner not earlier than 6 months after the filing of the application in this country. Such certification shall be made by the patent office of the foreign country in which filed and show the date of the application and of the filing of the specification and other papers. The Commissioner may require a translation of the papers filed if not in the English language and such other information as he deems necessary.

"(c) FOREIGN FILING.—In like manner and subject to the same conditions and requirements, the right provided under subsection (a) may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application, provided that any foreign application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

"(d) INVENTOR'S CERTIFICATES.—Applications for inventor's certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under subsection (a) as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents. Such applicants shall be entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing.

"(e) PROVISIONAL APPLICATION.—An application for patent filed under sections 111(a) or 363 of this title for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in a provisional application filed under section 111(b) of this title, by an inventor or inventors named in the provisional application shall have the same effect, as to such invention, as though filed on the date of the provisional application filed under section 111(b) of this title, if the application for patent filed under sections 111(a) or 363 of this title is filed within 12 months from the date on which the provisional application was filed and if it contains or is amended to contain a specific reference to the provisional application. A provisional application filed under section 111(b) of this title may not be relied upon in any proceeding in the Patent and Trademark Office unless the fee set forth in subsection 41(a)(1)(C) has been paid and the provisional application was pending on the filing date of the application for patent under sections 111(a) or 363 of this title.".

(2) Section 41(a)(1) of title 35, United States Code, is amended by adding at the end the following new subparagraph:

"(C) On filing each provisional application for an original patent, $150.".

(3) Section 111 of title 35, United States Code, is amended to read as follows:

"§ 111. Application

"(a) IN GENERAL.—(1) Application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include—

"(A) a specification as prescribed by section 112 of this title;

"(B) a drawing as prescribed by section 113 of this title; and

"(C) an oath by the applicant as prescribed by section 115 of this title.

"(2) The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner. Upon failure to submit the fee and oath within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee and oath was unavoidable or unintentional. The filing date of an application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

"(b) PROVISIONAL APPLICATIONS.—(1) A provisional application for patent shall be made, or authorized to be made, by the inventor, in accordance with regulations prescribed by the Commissioner. Such application shall include—

"(A) a specification as prescribed by the first paragraph of section 112 of this title; and

"(B) a drawing as prescribed by section 113 of this title.

"(2) A claim shall not be required in a provisional application. The application must be accompanied by the fee required by law. The fee may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner. Upon failure to submit the fee within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee was unavoidable or unintentional. The filing date of a provisional application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office. The provisional application shall be regarded as abandoned 12 months after its filing date and shall not be subject to revival thereafter. Subject to all the conditions in this subsection, sections 111(b)(2) and 119(e) and as prescribed by the Commissioner, an application for patent filed under section 111(a) of this title may be treated as a provisional application for patent.

"(3) A provisional application shall not be entitled to the right of priority of any other application under sections 119 or 365(a) of this title or the benefit of an earlier filing date in the United States under sections 120, 121, or 365(c) of this title.

"(4) The provisions of this title relating to applications for patent shall be applicable to provisional applications for patent, except as otherwise stated and except that provisional applications for patent shall not be subject to sections 115, 131, 135, and 157 of this title.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 156(a)(2) of title 35, United States Code, is amended by adding "under subsection (e)(1) of this section" after "extended".

(2) Section 172 of title 35, United States Code, is amended—

(A) by striking out "section 119" and inserting "section 119 (a) through (d)"; and

(B) by inserting at the end "The right of priority provided for by section 119(e) of this title shall not apply to designs.".

(3) Section 173 of title 35, United States Code, is amended by inserting "after the date of grant" after "years".

(4) Section 365 of title 35, United States Code, is amended—

(A) in subsection (a) by striking out "section 119" and inserting "section 119 (a) through (d)"; and

(B) in subsection (b) by striking out "the first paragraph of section 119" and inserting "section 119(a)".

(5) Section 373 of title 35, United States Code, is amended by striking out "section 119" and inserting "section 119 (a) through (d)".

(6) The table of sections for chapter 11 of title 35, United States Code, is amended—

(A) by striking the item relating to section 111 and inserting the following:

"111. Application.";

and

(B) by striking the item relating to section 119 and inserting the following:

"119. Benefit of earlier filing date; right of priority.".

SEC. 11. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the provisions of this Act and the amendments made by this Act shall take effect 1 year after the date of entry into force of the World Trade Organization Agreement as referred to under the Uruguay Round Implementation Act.

(b) PATENT TERM AND INTERNAL PRIORITY.—Section 10 shall take effect 6 months after the date of enactment of this Act and shall apply to all applications filed in the United States on or after the effective date. The term of a patent granted on a plant or utility application that is filed after the effective date and that contains a specific reference to an earlier filed application under the provisions of sections 120, 121, or 365(c) of title 35, United States Code, shall be determined from the filing date of the earliest filed application, a reference to which is made under sections 120, 121, or 365(c) of such title.●

By Mr. SIMON (for himself, Ms. MOSELEY-BRAUN and Mr. FORD):

S. 2369. A bill to grant the consent of the Congress to amendments to the central midwest interstate low-level radioactive waste compact; to the Committee on the Judiciary.

LEGISLATION ON THE CENTRAL MIDWEST COMPACT

● Mr. SIMON. Mr. President, at the request of Governor Edgar of Illinois, I am introducing legislation today granting congressional approval for various amendments to the central midwest compact on low-level radioactive waste.

The central midwest compact was established by Illinois and Kentucky in 1984 and received Congress' approval in 1986. The creation of the compact was a critical step in allowing Illinois and Kentucky to manage and control the disposal of radioactive waste within their borders.

This past year, both States adopted amendments to that compact that clarified its implementation and operation. Since these amendments modify an agreement between two States, they must receive congressional approval under the U.S. Constitution. The legislation I am offering provides that authorization.

In introducing this measure, I want to emphasize that I have taken no position on the merits of any specific waste disposal site or disposal plan. When these issues are subsequently debated in Illinois and Kentucky, it will be necessary for all concerned to act with the highest public concern for the health and safety of local citizens, for the protection of the environment, and for the efficient management of our waste materials.

I want to thank Senators MOSELEY-BRAUN and FORD for cosponsoring this legislation with me. We look forward to a speedy congressional approval.●

By Mr. DOLE:

S.J. Res. 215. A joint resolution designating September 5, 1994, Labor Day, as "Try American Day"; to the Committee on the Judiciary.

TRY AMERICAN DAY

Mr. DOLE. Mr. President, in the frequent debates we have in the Senate over the trade deficit, we pay a great deal of attention to the reasons for that deficit: the competitiveness of our producers, the trade barriers erected by some of our competitors, and the relative openness of the American market in comparison with other countries, to name a few.

The debate often overlooks one reason for the trade deficit—the tremendous appetite Americans have for products made outside the United States. That appetite helps make us the largest importing nation in the world.

Being the largest importer should not be a problem for us. In fact, it should serve as an argument for other countries to open their markets to American-made products.

I believe it would be constructive, however, if all Americans gave more thought to selecting American-made products whenever possible. It would be good if every American looked at products made here in the United States as not just a consumer's choice, but as a job in their locality, a paycheck for their neighbor, and a direct economic benefit to their community.

This idea should not just occur to the individual consumer but to corporate purchasers as well. Those corporations who come to Washington seeking some sort of protection might do well to survey their machine tools, their corporate vehicles and their capital equipment to see where they were produced and how the purchasing choice was made.

To try to promote the idea of considering American-made products, I am introducing today a joint resolution designating September 5, 1994, Labor Day, a "Try American Day." Last year, I introduced a similar joint resolution which passed the Senate. I am pleased to say that this joint resolution is supported by "USA-Owned/USA-Made," an organization which promotes American quality, services and products.

The designation "Try American Day" avoids any confusion with "Buy American" legislation or any Federal Government mandate. This should be a personal choice for the American buyer.

Labor Day has been chosen as an appropriate day to honor the American worker.

The joint resolution also identifies American agriculture as a salute to the productivity of that important sector of American life.

The joint resolution authorizes the President to issue a proclamation calling on Americans to observe the day with appropriate activities and the purchase of American-made goods and services. But I would hope, Mr. President, that the resolution would have a positive effect on the purchase of American-made goods and services for the other 364 days of the year as well.

Mr. President, to date, "Try America" joint resolutions similar to this one have been passed by State governments in Arizona, Nevada, and Utah and by counties and cities in California, Arizona, and Washington State and are expected to pass in a number of other States and localities.

I want to make it clear to my colleagues that this joint resolution is not intended as any sort of Government-imposed mandate or any criticism of goods produced in other countries. It is simply intended as a modest effort to make consumers more aware of the skills and hard work of the millions of American men and women producing world-class products in large companies, small businesses, agriculture, the food industry, and the service sector.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 215

Whereas the creativity and ingenuity of American working men and women in the United States have provided a host of new products and services which improve the quality of life in the United States and the world;

Whereas American workers should be recognized as one of our Nation's most valuable resources;

Whereas the American spirit of entrepreneurship, pride of craftsmanship, and commitment to quality are hallmarks recognized throughout the world;

Whereas the United States and its citizens have reason to celebrate the strength and quality of American products and services;

Whereas the quality and abundance of American goods are a tribute to the productivity and ability of American workers;

Whereas the ability of American companies to export, even in the face of strong trade barriers in many countries, is a sign of the true competitiveness of American products;

Whereas American farmers and ranchers provide this country and the world with a wide array of high quality food and fiber products and consistently create annual agricultural trade surpluses of more than $20,000,000,000;

Whereas the energy and perseverance of American business serves as a beacon for other nations that strive to ensure prosperity for their people; and

Whereas American small business provides a basis for economic progress and for the creation of jobs and opportunities for people from every corner of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 5, 1994, Labor Day, is designated "Try American Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities and to honor the day through the purchase of American-made goods and services.

ADDITIONAL COSPONSORS

S. 277

At the request of Mr. SIMON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 277, a bill to authorize the establishment of the National African-American Museum within the Smithsonian Institution.

S. 1037

At the request of Mrs. MURRAY, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1037, a bill to amend the Civil Rights Act of 1991 with respect to the application of such Act.

S. 2127

At the request of Mr. COATS, his name was added as a cosponsor of S. 2127, a bill to improve railroad safety at grade crossings, and for other purposes.

S. 2178

At the request of Mr. DASCHLE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2178, a bill to provide a program of compensation and health research for illnesses arising from service in the Armed Forces during the Persian Gulf War.

S. 2238

At the request of Mr. KENNEDY, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2238, a bill to prohibit employment discrimination on the basis of sexual orientation.

S. 2242

At the request of Mr. DASCHLE, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2242, a bill to establish a National Institute for the Environment, to improve the scientific basis for decisionmaking on environmental issues, and for other purposes.

S. 2363

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2363, a bill to establish registration and tracking procedures and community notification with respect to released sexually violent predators.

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 189

At the request of Mr. ROTH, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 189, a joint resolution designating October 1994 as "National Decorative Painting Month."

SENATE JOINT RESOLUTION 209

At the request of Mr. COCHRAN, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from Idaho [Mr. CRAIG], the Senator from Texas [Mrs. HUTCHISON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arizona [Mr. MCCAIN], the Senator from Ohio [Mr. METZENBAUM], the Senator from New York [Mr. MOYNIHAN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 209, a joint resolution designating November 21, 1994, as "National Military Families Recognition Day."

SENATE CONCURRENT RESOLUTION 66

At the request of Ms. MIKULSKI, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Concurrent Resolution 66, a concurrent resolution to recognize and encourage the convening of a National Silver Haired Congress.

AMENDMENTS SUBMITTED

LABOR—HHS APPROPRIATIONS ACT

SPECTER AMENDMENT NO. 2460

Mr. SPECTER proposed an amendment to the bill (H.R. 4606) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes, supra; as follows:

On Page 25, line 13, before the last period, insert the following:

SEC. 108. PROHIBITION ON THE USE OF THE UNITED STATES ARMED FORCES IN HAITI.

(a) FINDINGS.—Congress makes the following findings—

(1) Article I, Section 8 of the United States Constitution provides that Congress shall have the sole power to declare war; and

(2) On July 31, the United Nations Security Council adopted Resolution 940, which authorizes member states of the United Nations to use all necessary means to facilitate the departure from Haiti of the military leadership, consistent with the Governors Island Agreement, the prompt return of the legitimately elected President, and the restoration of the legitimate authorities of the Government of Haiti.

(b) PROHIBITION OF UNITED STATES ARMED FORCES IN HAITI.—The President is prohibited from using the United States Armed Forces to facilitate the departure of the military leadership and the restoration of the legitimately elected government.

(c) The prohibition in subsection (b) does not apply if—

(1) the use of the United States Armed Forces in Haiti is authorized in advance by Congress;

(2) the temporary deployment of forces of the United States Armed Forces into Haiti is necessary in order to protect or evacuate United States citizens from a situation of imminent danger and the President reports as soon as practicable to Congress after the initiation of the temporary deployment, but in no case later than 48 hours after the initiation of the temporary deployment; or

(3) the deployment of forces of the United States Armed Forces into Haiti is vital to the national security interests of the United States (including the protection of American citizens in Haiti), there is not sufficient time to seek and receive congressional authorization, and the President reports as soon as practicable to Congress after the initiation of the deployment, but in no case later than 48 hours after the initiation of the deployment.

MCCAIN AMENDMENT NO. 2461

Mr. MCCAIN proposed an amendment to the bill H.R. 4606, supra; as follows:

At the end of the committee amendment on page 69, at the end of line 5, insert the following: "Provided further, that $37,360,000 shall be transferred to Department of Health and Human Services to be used solely for AIDS research and prevention programs in Fiscal Year 1997."

BROWN (AND OTHERS) AMENDMENT NO. 2462

Mr. BROWN (for himself, Mr. SIMON, Mr. MURKOWSKI, and Mr. LIEBERMAN) proposed an amendment to the bill H.R. 4606, supra; as follows:

At the appropriate place in the committee amendment, add the following new section:

"SEC. . VISAS FOR OFFICIALS OF TAIWAN.

Section 4(b)(6) of the Taiwan Relations Act (22 U.S.C. 3302(b)(6)) is amended—

(1) by inserting "(A)" immediately after "(6)"; and

(2) by adding at the end the following:

"(B) Whenever the president of Taiwan or any other high-level official of Taiwan shall apply to visit the United States for the purposes of discussions with United States federal or state government officials concerning:

(i) Trade or business with Taiwan that will reduce the U.S.-Taiwan trade deficit;

(ii) Prevention of nuclear proliferation;

(iii) Threats to the national security of the United States;

(iv) The protection of the global environment;

(v) The protection of endangered species; or

(vi) Regional humanitarian disasters.

The official shall be admitted to the United States, unless the official is otherwise excludable under the immigration laws of the United States.".

HELMS AMENDMENT NO. 2463

Mr. HELMS proposed an amendment to the bill H.R. 4606, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . PROTECTION AGAINST THE HUMAN IMMUNODEFICIENCY VIRUS.

Chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§1118. Protection against the Human Immunodeficiency Virus

"(a) IN GENERAL.—Whoever, after testing positive for the Human Immunodeficiency Virus (HIV) and receiving actual notice of that fact, knowingly donates or sells, or knowingly attempts to donate or sell, blood, semen, tissues, organs, or other bodily fluids, except as determined necessary for medical research, shall be fined or imprisoned in accordance with subsection (c).

"(b) TRANSMISSION NOT REQUIRED.—Transmission of the Human Immunodeficiency Virus does not have to occur for a person to be convicted of a violation of this section.

"(c) PENALTY.—Any person convicted of violating the provisions of subsection (a) shall be subject to a fine of not less than $10,000 nor more than $20,000 and imprisoned for not less than 1 year nor more than 10 years, or both.".

DOLE (AND OTHERS) AMENDMENT NO. 2464

(Ordered to lie on the table.)

Mr. DOLE (for himself, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MOYNIHAN, Mr. WELLSTONE, Mr. EXON, Mr. FEINGOLD, Mr. HATCH, and Mr. DECONCINI) submitted an amendment intended to be proposed by them; as follows:

At the appropriate place, add the following:

SEC. . TERMINATION OF ARMS EMBARGO.

(1) TERMINATION.—The President shall terminate the United States arms embargo of the Government of Bosnia and Herzegovina no later than November 15, 1994 so that Government may exercise its right of self-defense under Article 51 of the United Nations Charter.

(2) DEFINITION.—As used in this section, the term 'United States arms embargo of the Government of Bosnia and Herzegovina' means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 F.R. 33322) under the heading 'Suspension of Munitions Export Licenses to Yugoslavia'; and

(B) any similar policy being applied by the United States Government as of the date of receipt of the request described in paragraph (1) pursuant to request described in paragraph (1) pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, the Committee on Small Business has scheduled a hearing for Tuesday, August 9, 1994. The purpose of the hearing is to receive testimony regarding recommendations to improve the Small Business Administration's [SBA] Minority Small Business and Capital Ownership Development Program [more commonly known as the SBA Section 8(a) Program]. The hearing will be conducted in the committee's hearing room, SR–428A, commencing at 10 a.m. The Senator from Massachusetts [Mr. KERRY] will chair the hearing.

The committee expects to receive testimony from SBA's Deputy Administrator, Cassandra M. Pulley, regarding SBA's concept for a new Minority

Enterprise Development [MED] Program.

Testimony will also be received from representatives of the minority business enterprise community regarding SBA's MED Program proposal and the Business Development Opportunity Act of 1994, being proposed by the Senator from Massachusetts [Mr. KERRY]. Representatives are expected from the Minority Business Enterprise Legal Defense and Education Fund [MBELDEF], the Latin American Management Association [LAMA], the National Federation of 8(a) Companies, the National Association of Minority Business [NAMB], and others.

Further information concerning this hearing may be obtained from the committee's procurement policy counsel, William B. Montalto. Bill may be reached at 224-5175.

COMMITTEE ON INDIAN AFFAIRS

Mr. BUMPERS. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a markup on Wednesday, August 10, 1994, beginning at 10 a.m., in 216 Hart Senate Office Building on S. 2036, the Indian Self-Determination Contract Reform Act of 1994; S. 2150, the Native Hawaiian Housing Assistance Act of 1994; S. 2259, the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act; S. 2269, the Native American Cultural Protection and Free Exercise of Religion Act of 1994; S. 2329, the Mohegan Nation of Connecticut Land Claims Settlement Act; and, for other purposes to be followed immediately by confirmation hearings for Harold Monteau to serve as the Chairman of the National Indian Gaming Commission and Gary Kimble to serve as the Commissioner for the Administration for Native Americans.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee has rescheduled the markup of the Small Business Reauthorization and Amendments Act of 1994. The markup will be held on Wednesday, August 10, 1994, at 1:30 p.m., in room 428A of the Russell Senate Office Building. The markup had previously been scheduled for Wednesday, August 3, 1994. For further information, please call Patricia Forbes, Deputy Staff Director of the Small Business Committee at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Friday, August 5, 1994 at 8:30 a.m., in SR-332, to consider the pending nominations, Dr. Jose Amador, of Texas, to be Assistant Secretary for Science and Education and Roger Viadero, of Virginia, to be Inspector General of the Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Friday, August 5, 1994 at 10 a.m., in SR-332, to discuss beef and dairy checkoff programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, August 5, beginning at 9:30 a.m., to conduct a hearing pursuant to Senate Resolution 229.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Friday, August 5 beginning at 9:30 a.m. to conduct a markup on the nominations of Janet Yellen to be a member of the Board of Governors of the Federal Reserve System; Julie Belaga to be a member of the Board of Directors of the Export-Import Bank; and Susan Baron and Danny David to be members of the National Corporation for Housing Partnerships.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the reproductive hazards for veterans associated with radiation, agent orange, and Gulf war exposures. The hearing will be held on August 5, 1994, at 10:30 a.m. in room 216 of the Hart Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Friday, August 5, 1994, to hold a hearing on "Oversight of the Insurance Industry: Blue Cross/Blue Shield—Federal Contracts."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DESALTING THE SEAS

• Mr. SIMON. Mr. President, the Waukegan News-Sun is one of the few newspapers in the United States that has taken an interest in a problem that is going to be afflicting not only this Nation but the world in the decades to come. They also note something that I was not aware of, a study by Population Action International that suggests, "by the year 2,025, one in three people on the face of the Earth will live where water is scarce."

I am talking about the water problems and the need to have research to find a less expensive way of converting salt water to fresh water.

It may seem strange for the Waukegan News-Sun, published in a community sitting at the edge of a huge body of water, Lake Michigan, to take an interest in the problem of water around the world.

But the reality is that if we do not move toward solving the desalination problem, the sons and daughters of the present residents of Waukegan are going to be adversely affected.

Legislation is now pending in the Senate to move ahead on this, and I hope we will move and move before long.

We should listen to the final two sentences of their editorial: "Furthering mankind's ability to cost-effectively produce fresh water from the sea is most important from a world survival perspective. We hope the usual indifference can be overcome so that better technology can be developed."

I ask to insert the entire editorial into the RECORD at this point.

The editorial follows:

[From the News-Sun, July 23-24, 1994]

DESALTING THE SEAS

At issue: The need for further research to develop cost-effective technology to drink water from the seas.

Desalination may seem a decidedly out-of-the-ordinary cause for one of Illinois' U.S. senators.

Yet, Sen. Paul Simon is the chief sponsor of a bill to revive the federal government's dormant research into desalination—removing salt and impurities from sea water to make it safe for human consumption and agricultural irrigation. No newcomer to this concern, Simon has been working on more research funding since 1986.

With Lake Michigan, many rivers and underground aquifers supplying in most years more than adequate supplies of water, we Illinoisans do not think about water shortages.

However, consider that less than one percent of the Earth's water is fit for human consumption.

We remember from geography that more of the Earth consists of great bodies of water than of land masses. That water, however, is salty.

Technology exists to desalt water from the oceans, but it is expensive and energy-intensive. Among the most arid nations, only rich countries such as Saudi Arabia can afford big-scale desalting plants.

The ocean states of California and Florida are forced by water shortages to rely on existing, expensive commercial desalination. And that can indeed have an impact here in Illinois. Shortages of cheap water for irrigation in California and Florida mean higher prices here for fruits and vegetables.

In Africa and the Middle East, droughts are common and water supplies always are scarce.

Sen. Simon said recently he has heard Israeli and Egyptian leaders talk more about water than oil—to the degree that the next war in that region well could be fought over water, not oil.

A study by Population Action International (PAI) forecasts that, by the year 2025, one in three people will live where water is scarce. Already, PAI noted, half of the world's population suffers from water-related diseases such as diarrhea, which claims the lives of four million infants a year.

With the world's population growing, it's clear, as the senator said, that we "are going to have to use the two-thirds of the world that is covered by salt water."

Simon's bill would authorize investment in research to develop "the best and most economical" means of desalination; $5 million in fiscal year 1995, $10 million in 1996 and "such sums as may be necessary" through 1999.

The measure also would authorize $50 million over the period for development of facilities in a cost-sharing arrangement with municipalities and states.

The United States was once considered at the forefront of desalination technology development. Federally funded research was largely curtailed in 1974, in part because of the Arab oil embargo. That created a shortage of fuel for the experimental plants. Also, the technology development was considered sufficient.

Simon acknowledges it doesn't have much sex appeal. Nevertheless, as he points out, "it really is important for civilization. It is one of these things that is going to have a huge impact on the future for our kids and future generations."

Furthering mankind's ability to cost-effectively produce fresh water from the sea is most important from a world survival perspective. We hope the usual indifference can be overcome so that better technology can be developed.●

CONGRATULATING PROFESSOR LOUIS W. STERN

● Ms. MOSELEY-BRAUN. Mr. President, I would like to take a moment today to congratulate a fellow Illinoisan, Prof. Louis W. Stern of the Kellogg Graduate School of Management at the Northwestern University in Evanston, IL. Professor Stern has just been awarded the AMA/Erwin distinguished Marketing Educator Award for 1994.

Professor Stern will be honored on Sunday, August 7, in a ceremony conducted by the American Marketing Association at their conference in San Francisco. He is very well known and respected and is a real leader in his field. He has written 9 books and over 80 articles on marketing management, behaviorial sciences, and legal issues.

In addition to his professional duties, Mr. Stern has served as a consultant to the Federal Trade Commission, IBM, Ford, Kodak, Xerox, and General Electric. He has also testified before committees in the House of Representatives regarding antitrust matters.

Professor Stern should be proud of his many accomplishments and Illinois is glad to call him one of its own.●

TV MENACE EATS AWAY AT CHILDREN, FAMILIES

● Mr. SIMON. Mr. President, a longtime friend of mine, Jack Mabley, who writes a column for the Daily Herald in suburban Cook County, Illinois, and who for many years wrote a column for the Chicago Daily News, recently had a column on television that provides insight.

It is a powerful argument why we have to maintain public television. And as many of my colleagues know, I am not pleased that public television is increasingly relying on the same commercial interests that support commercial television.

My colleagues have heard me speak often about television violence, and the evidence of the harm that has been done is overwhelming. I am pleased the industry is gradually turning around on entertainment television violence, but there is still the overall question of the impact it has on each of us and on our culture beyond the grossest forms of abuse.

I ask to insert the Jack Mabley column into the RECORD at this point.

The column follows:

TV MENACE EATS AWAY AT CHILDREN, FAMILIES

What is the most insidious, most harmful scientific development of this generation? In my opinion, television.

A good argument can be made for the nuclear bomb, which has the potential for eliminating the human race. I think the bomb is less of a menace because its danger is clearly recognizable, and it is under control. In fact, because of its deterrent value, a third world war may have been avoided.

The menace of television is not clearly recognized, and television is out of control. The physical means of transmitting television—the air waves—are a national asset, but we have turned this asset over to business people whose objective is to make money.

I wrote the above three paragraphs 18 years ago, and little has changed except the violence and vulgarity have increased.

William A. Kelly of Arlington Heights clipped that column and sent me a copy this week with his comment that my premonition now seems like an understatement.

"To attack TV now is to undermine the gods of sport, the gladiators, the craze to be entertained—stronger than patriotism," said Kelly, a retired circuit court judge.

The atrophying of the collective brains of families as they sit like mummies in front of the tube every night is bad enough, but the worst tragedy is what television is doing to our children.

Advertisers pour billions into television because they are convinced the medium influences viewers to buy their products.

It is difficult to argue that the content between the commercials does not affect the behavior and morals and ethical standards of the viewers, especially the young viewers who are impressionable and imitative.

And they still spend more time watching television than they spend in school.

I heard from a family who broke up over television. The mother told me:

"The saddest effect is what has been done to family life. Maybe, just maybe, a family can be drawn close together if each member is a video devotee.

"Bucking such a family addiction has had its bad effect, and I speak of a firm marriage that would have seen its silver year this year.

"My former spouse, whose goodness is unquestioned, got hooked, years ago. That example influenced our children. When 'what do we watch?' reached dispute proportions, the solution was yet another TV set.

"Piped-in strangers populated our home, each spouting an alien philosophy, in living color.

"In an effort to insulate myself from the bombardment, I insulated myself from my family. One day we looked at each other and beheld strangers. It wasn't grounds for divorce, but it was reason enough for me."

A few words about technical advancements in TV may be appropriate here.

The telecasts of World Cup soccer games, where they don't have TV timeouts and play is continuous, popularized (with advertisers) the crawl, that is, the ad that creeps across the bottom of the screen, like the warnings of storms or tornadoes that crawl across local TV screens. Look for more of this commercial intrusion.

Baseball has sneaked in a new advertising form by placing little billboards behind home plate, where the center field camera will pick them up.

To counteract this new ad assault, a New York company is selling a device that automatically zaps commercials in taped programs. It will list at $199 starting this month.

I still rely on the old fashioned way, a zapper at my side for live commercials, and fast forward for taped programs.●

SCHEDULE

Mr. MITCHELL. Mr. President, following discussions with several Senators, and following the reaching of certain agreements, some of which have been entered, and some of which I will shortly enter, I have decided upon the following schedule for next week:

Beginning at 10 a.m. on Monday, the Senate will resume consideration of the Labor—Health and Human Services appropriations bill. Under the agreement previously entered, the only amendments in order will be those contained in a list which was presented to the chair today and which will be published in the CONGRESSIONAL RECORD.

Further under that agreement, those amendments must be offered by noon on Monday. The managers will be present and will be prepared to debate any amendments that are offered by that day. Any votes which will be required as a result of those amendments will occur beginning at 10 a.m. on Wednesday morning.

Upon the completion of the debate on amendments to the Labor—Health and Human Services appropriations bill, the Senate will resume consideration of the Department of Defense appropriations bill. The managers will be present and will be prepared to receive and debate amendments.

On Monday, following completion of the debate on amendments to the Labor—Health and Human Services bill, and on Tuesday morning, it is my intention, and that of the managers; that action on the Defense Department appropriations bill will also be completed by Tuesday; and that any votes required on amendments to that appropriations bill will occur on Wednesday morning following the votes on the Labor—Health and Human Services appropriations bill.

In addition, I will shortly obtain unanimous consent to agreements regarding consideration of the military construction appropriations conference report and the foreign operations conference report. Under these agreements, there will be brief times for debate early next week, and these votes will also be stacked to occur beginning Wednesday morning.

So, Mr. President, there will be no rollcall votes until Wednesday morning beginning at 10 a.m. But Senators should be on notice that beginning at that time there are likely to be several votes. They will include all remaining votes on the Labor—Health and Human Services appropriations bill, all amendments to the Department of Defense appropriations bill, including final passage of both of those bills, and then votes on the two conference reports to which I have just referred and on which I will shortly obtain agreements—the military construction appropriations and foreign operations conference reports. So there will be several votes occurring beginning on Wednesday morning at 10 a.m., and every Senator is on notice to be present at that time.

I will not entertain any requests for changing the times of those votes. I want to make that clear in advance. No Senator should bother to call me and ask to change those times. We now have 5 days notice, ample opportunity for Senators to be present at that time. We have a lot of business to conduct here.

Finally, we will in accordance with our original schedule proceed to begin the debate on the health care reform bill on Tuesday. That will occur following completion of the amendments to the Department of Defense appropriations bill. There will be no votes on health care on Tuesday, however, and there will be no votes prior to 2 p.m. on Wednesday on that bill. Senators can expect soon thereafter that amendments will be offered, debate will occur, and votes will occur on those amendments beginning next Wednesday afternoon.

Finally, I repeat what I have said on several occasions until now. We will remain in session next week through and including Saturday on the health care bill. We will return to session the following Monday, and then we will remain in session continuously through and including each Saturday until we complete action on the bill.

I thank all of my colleagues for their cooperation and assistance.

Mr. President, I am now going to present the unanimous consent request to which I referred first regarding the military construction appropriations bill.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 4453

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader, following consultation with the Republican leader, may at anytime proceed to the consideration of the conference report accompanying H.R. 4453, the military construction appropriations bill, and that when the Senate considers the conference report it be considered under the following limitations; that there be a time limitation of 50 minutes for debate prior to adoption of the conference report, with the time divided as follows: 20 minutes equally divided and controlled between Senators SASSER and GORTON, or their designees, and 30 minutes under the control of Senator MCCAIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that upon adoption of the conference report, the Senate concur, en bloc, in the House amendments to the Senate amendments, and that the Senate recede from its amendment No. 29, and the motions to reconsider be laid upon the table, en bloc, with the above occurring without intervening action.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that it be in order to request the yeas and nays on adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, as I said earlier, it is my intention to schedule this vote to occur in the series of votes to occur beginning at 10 a.m. on Wednesday. I intend to schedule the debate at some time during Monday or Tuesday when it is most convenient for all participating in that debate.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 4426

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the majority leader, following consultation with the Republican leader, may at any time proceed to the consideration of the conference report accompanying H.R. 4426, the foreign operations appropriations bill, and that when the Senate considers the conference report, it be considered under the following limitations; that there be a time limitation of 50 minutes for debate prior to adoption of the conference report, with the time divided as follows: 15 minutes under the control of Senator LEAHY, 10 minutes each under the control of Senators MCCONNELL, HELMS, and SPECTER, and 5 minutes under the control of Senator GRAMM.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that it be in order to request the yeas and nays on adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, as previously stated this vote will occur in the sequence of votes beginning on Wednesday at 10 a.m.

NAVAL VESSELS TRANSFER ACT

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on a bill (H.R. 4429) to authorize the transfer of naval vessels to certain foreign countries.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate numbered 1 through 11 to the bill (H.R. 4429) entitled "An Act to authorize the transfer of naval vessels to certain foreign countries.".

Resolved, That the House agree to the amendment of the Senate numbered 12 to the aforesaid bill, with the following amendments:

Page 2, beginning on line 13, strike "or any other provision of law".

Page 3, strike line 3 and all that follows through line 9.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House and that any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the Senate concurred in the amendments of the House.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, AUGUST 8, 1994

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand adjourned until 10 a.m., Monday, August 8; and that when the Senate reconvenes on that day, the Journal of proceedings be deemed to have been approved to date, the call of the calendar be waived, and no motions or resolutions come over under the rule; that the morning hour be deemed to have expired; that the time of the two leaders be reserved for their use later in the day; and that immediately thereafter, the previous order regarding the Labor-HHS appropriations bill be executed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO MONDAY, AUGUST 8, 1994, AT 10 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I now move that the Senate stand adjourned as previously ordered.

The motion was agreed to, and the Senate, at 6:34 p.m. adjourned until Monday, August 8, 1994, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate August 5, 1994:

THE JUDICIARY

ROBERT N. CHATIGNY, OF CONNECTICUT, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF CONNECTICUT VICE WARREN W. EGINTON, RETIRED.

JUDITH D. MCCONNELL, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF CALIFORNIA VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

IN THE ARMY

THE FOLLOWING U.S. ARMY RESERVE OFFICERS FOR PROMOTION TO THE GRADES INDICATED IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SECTION 593(A) AND SECTION 3384, TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. MAX GUGGENHEIMER, [redacted]
BRIG. GEN. GEORGE J. STEINER, [redacted]
BRIG. GEN. THOMAS B. MURCHIE, [redacted]
BRIG. GEN. BILLY F. JESTER, [redacted]

To be brigadier general

COL. JAMES G. BROWDER, [redacted]
COL. DANIEL C. BALOUGH, [redacted]
COL. ROGER P. HAND, [redacted]

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADE INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593, 3385 AND 3392.

To be major general

SAM C. TURK, [redacted]

To be brigadier general

FEDERICO LOPEX III, [redacted]

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADE INDICATED BELOW, UNDER THE PROVISION OF TITLE 10, UNITED STATES CODE, SECTIONS 593, 3385 AND 3392:

To be brigadier general

COL. WAYNE D. MARTY, [redacted]

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE.

To be lieutenant colonel

ROBERT G. KOWALSKI, [redacted]
JOHN D. SHARKEY, [redacted]

THE FOLLOWING NAMED INDIVIDUALS FOR A RESERVE OF THE ARMY APPOINTMENT, WITHOUT CONCURRENT ORDER TO ACTIVE DUTY UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 593(A), 594(A), 3353 AND 3359:

MEDICAL CORPS

To be colonel

ALFRED S. GERVIN, [redacted]

MEDICAL CORPS

To be lieutenant colonel

WILLIAM M. DYER, JR., [redacted]
CHARLES J. FISHER, JR., [redacted]
MICHAEL F. WALSH, [redacted]

THE FOLLOWING NAMED INDIVIDUAL FOR A RESERVE OF THE ARMY APPOINTMENT, WITH CONCURRENT ORDER TO ACTIVE DUTY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593, 594, AND 689:

MEDICAL CORPS

To be Lieutenant Colonel

JOHNATHAN NEWMARK, [redacted]

IN THE MARINE CORPS

THE FOLLOWING NAMED LIEUTENANT COLONEL OF THE U.S. MARINE CORPS FOR PROMOTION TO THE TEMPORARY GRADE OF COLONEL UNDER THE PROVISIONS OF ARTICLE II, SECTION 2, CLAUSE 2 OF THE UNITED STATES CONSTITUTION:

TRUMAN W. CRAWFORD, [redacted]

HOUSE OF REPRESENTATIVES—*Friday, August 5, 1994*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 5, 1994.

I hereby designate the Honorable G.V. (Sonny) Montgomery to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer.

As we reflect on the stories and parables of individual experience, may we, O God, do unto others as we would have them do unto us. We know that the incidents and ordeals of human affairs can bring anxieties and apprehensions that hinder hope and the assurances of faith. As You, O God, have given us our lives and blessed us with all good things and created the heavens and the Earth, so keep each of us in Your grace now and evermore. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Pledge of Allegiance will be led by the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 617. An act to authorize research into the desalinization of water and water reuse and to authorize a program for States, cities, or any qualifying agency which desires to own and operate a desalinization or water reuse facility to develop such facilities; and

S.J. Res. 194. Joint resolution to designate the second week of August 1994 as "National United States Seafood Week."

CREATING JOBS WITH UNIVERSAL COVERAGE

Mr. GEJDENSON. Mr. Speaker, we in Connecticut have been battered by an economy that saw some of the most significant challenges we have faced in this century, defense downsizing, changes in the insurance industry, a loss of our banking system and capital. As we start to rebuild our economy and start to see recovery as much of the Nation has already seen, one of the greatest challenges in the formation of new businesses is the insurance for those individuals with the talent, the skill, and the courage to start new businesses, because when you have a handful of people who have worked all of their lives and have some assets, starting a business without health insurance for the employees it is a challenge worse than going to the roulette table.

Under today's system these businesses are at a disadvantage. They pay $3,000 and $4,000 more in insurance premiums than competitors that are larger and work right next door.

If we want to start new small businesses in America, passing a Universal Health Care Program will help this economy, help people go to work, and help continue this recovery.

LLOYD CUTLER'S REDACTIONS

Mr. LIVINGSTON. Mr. Speaker, on July 26, 1994, Lloyd Cutler, special counsel to the President, before the House Committee on Banking, Finance and Urban Affairs said:

> We have not redacted anything relevant to the committee's inquiries, and I'd like to add that as a lawyer who has been in the business of producing documents to other lawyers for a good 50 years, this is the first time that any other lawyer has ever questioned whether the production of redacted documents under my supervision has been unethical.

Despite Mr. Cutler's statement, the Wall Street Journal of August 5, 1994, amply demonstrated that Mr. Cutler did indeed redact, or delete, critical information from the material supplied to pertinent congressional committees.

It turns out he redacted references to the Rose Law Firm, the RTC, the disclosure or lack of disclosure on the impact on Madison Guaranty Savings & Loan, Mr. Hubbell's relationship with his father-in-law, Seth Ward, and litigation in Madison Guaranty, whether or if FDIC or RTC would review the conflicts of interests, civil and criminal liability of the Rose Law Firm and other attorneys for failure to disclose civil actions on James and Susan and McDougal on the board of Madison Savings & Loan and on professional law firms and accounting firms involved in those same circumstances.

Mr. Cutler, you owe the American people an explanation. You have redacted, or deleted, vital information. In my opinion, you should consider resignation as counsel to the President of the United States.

I shall expand on these comments in a 5-minute special order this afternoon, August 5, 1994.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind the gentleman from Louisiana that he should direct his remarks to the Chair.

HEALTH CARE: THE AMERICAN MANDATE

(Mr. DERRICK asked and was given permission to address the House for 1 minute.)

Mr. DERRICK. Mr. Speaker, cynics and wiseacres tell us that health care reform is nothing more than an empty political gambit. They say it is a sham designed to wow the voters, and hint at freedom-choking mandates.

Reform opponents also imply that no one really believes in the issue. It is all politics, they say. A crusade for saps with no grassroots support.

Mr. Speaker, it is these cynics that threaten America. The idea that no one cares about reform belies reality. Americans are literally dying for it.

Thousands of business associations, consumer groups, health organizations, and citizens' leagues understand the vital importance of reform. I intend to make my colleagues aware of the broad and profound support for reform, and I will be highlighting those groups that daily join the swelling ranks of reform supporters. Health care reform is not a sham—it is the mandate of the American majority.

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

FAMILY LEAVE BILL MAKES AMERICA MORE FAMILY FRIENDLY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today I take the well to prove I really am a gentle lady, because the reason I like to come down here is to feed the words back of some of the Members that fought so hard against family leave. Now family leave has been in effect for exactly 1 year in America, and guess what? No companies have gone under, productivity has not dropped off, it has not become a complex thing to administer. There have been fewer than 1,000 complaints and almost all of them were solved by phone.

Yes, America is much more family friendly. I honestly thing that people cannot stand up and say they are pro-family and then vote against all family-friendly legislation.

Thank goodness the good buys won on this one and Americans for the last year have had a much more family-friendly workplace. Let us get on, let us do more, and let us measure these things against the facts rather than rhetoric.

LET US HAVE REALISTIC HEALTH CARE REFORM

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Chairman, more than 6 months ago Bill Clinton stood here in the House, held up a credit card and announced he would produce health care for everyone that would never be taken away. He did not talk about the cost, who would pay. He did not talk about the increase in bureaucracy. He did not talk about the reduction in choice, just that there would be another mother of all unfunded mandates.

As Americans figured out the many details, the messy details, that idea bombed. Last evening the House Democrat leadership was here with the major pitch: benefits for everyone. Did they talk about who would pay? No. Did they talk about the expansion of entitlements which is driving the budget? No. Did they talk about the expansion of government bureaucracy needed in the plan? No.

Good public policy will not come from snake oil sales techniques. Benefits have costs. There really is no free lunch.

We only have a short time left in this session. Let us not fill it with campaign pitches. Let us deal with the tough job of realistic pay-as-you-go policy.

□ 1010

NOT A BAD RACKET

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, with all this health care reform talk, insurance companies are literally worried sick.

So to make sure the insurance companies keep their hands in the bank, the insurance companies are now buying the hospitals.

Now, think about this. Insurance companies only insure healthy people who do not get sick, and they make a lot of money. Then they take that money off the healthy people, and they buy the hospitals. Now, the hospitals make money treating all of those sick people that the insurance companies will not cover.

That is not a bad racket.

All this health reform is really getting the industry to make major adjustments. Think about it.

LET US VOTE ON HEALTH CARE IN SEPTEMBER

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, here we go again. We have four bills that have not been drafted, that are, indeed, changing daily, have not been scored, and yet you tell us we will be voting on them in 2 weeks. Most of them will be over a thousand pages long.

Mr. Speaker, the CBO has not had a chance to score them. This is not the end of the process, Mr. Speaker.

We should draft these bills. We should have them available to the public, the 250 million Americans who will be vitally affected by what we do or what we do not do. Let them read it, read it ourselves, indeed, and come back the first week in September and vote on it.

That is good policy, that is good procedure, and that is what we should follow.

SET ASIDE PARTISAN INTERESTS

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, 1 year ago, on the first Friday in August, I announced my intention to retire from Congress.

Part of my motivation was the fierce partisanship that now dominates our congressional behavior. It has not always been this way.

Social Security was passed by overwhelming margins of support in both the Democratic and Republican caucuses. The Federal Highway Act of 1956, a landmark bill, had nearly unanimous support from both Democrats and Republicans. The Civil Rights Act of 1964 had substantial Democratic and Republican support. Even Medicare, the centerpiece of the Great Society, had the support of most Democrats and nearly half of all Republicans.

Recent polls show that Americans are increasingly displeased with the performance of their national leadership. Maybe it is because today on so many issues, from the budget to health care, they see a partisan display instead of efforts to build a bipartisan consensus.

History demonstrates the truly important issues know no party lines.

Americans will once again respect their Government when they see political leaders setting aside partisan interests and, instead, working together for the national interest.

FAMILY HEALTH FIRST

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, a lot of words have been spilled on the House floor about the importance of family, about quality time with children, about making Congress family-friendly.

Apparently, Congress puts families first in theory, but not in practice. We would rather sound good than act right.

Because the House leadership wants a vote on the health care plan, they have pushed back the summer recess until the third week of August. House leaders may not have school-aged children but dozens of other Members of Congress do. Since school activities resume in August, that means very short or no summer family vacations.

If we are going to vote on health care, let us set aside artificial deadlines, give Congress time to consider the legislation and the American people time to find out what is in it. A good health care plan next month is better than a bad plan this month.

Honoring the scheduled 2-week August recess and giving health care the scrutiny it deserves will do more for family health than hasty debate and rushed votes.

Who knows, if Congress practiced what it preached about families, maybe it would get a cleaner bill of health from the American people.

DO NOT LET THE CRIME BILL GET HIJACKED

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, special interests, lobbies, and partisan politics could kill the crime bill, the one issue all Americans want us to tackle immediately and without partisanship.

Poll after poll show the American people are fed up with crime and desperately want us to pass a crime bill.

Mr. Speaker, are we prepared to vote against 100,000 new cops on the beat? Are we prepared to vote against three strikes and you are out, the death penalty for over 60 Federal crimes? Are we prepared to vote against tougher sentencing and very strong and effective prevention measures?

Mr. Speaker, the American people do not want petty partisan politics or special interests to hijack this crime bill. Let us pass it, and let us pass it soon.

WRONG TO RUSH HEALTH CARE

(Mr. HOBSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOBSON. Mr. Speaker, let me take you back almost 1 year ago. It was then that President Clinton unveiled his health care plan to a joint session of Congress and the American public. It has taken nearly a year for the American public to discover what was in the Clinton bill, that it contained, among other unpopular measures: job-killing employer mandates; global budgets that ration care; restrictions on choice of doctors and health care plans; and deep cuts in Medicare.

And it has taken nearly a year for the American people to reject this Clinton plan and to bury it. In its place a Clinton-Gephardt bill cropped up that, while hard to imagine, was even worse.

Now it appears that this bill may be pulled as well and will be replaced with the Senate's version, the Mitchell bill, which nobody has had a chance to read. Nearly all we know about the Mitchell bill is that it is 7 inches thick and contains 17 new taxes.

Now the White House and the majority want to force the Mitchell bill through Congress during the next 2 weeks. Mr. Speaker, I plead for time so that the American people and their elected representatives can study this plan and root out the hidden costs. It would be irresponsible and could be disastrous to the American health care system to proceed any other way.

THE FAMILY AND MEDICAL LEAVE ACT

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, what will history remember about the 103d Congress? I believe it will remember what this Congress did to give American families more security. And that started exactly 1 year ago with passage of the Family and Medical Leave Act.

Who did this new law give security to?

To seniors and children, who now can count on the care of their families during medical emergencies.

To parents, who can now balance their careers and family without fear of losing their jobs.

Mr. Speaker, the Family and Medical Leave Act brought this Nation into the modern era. But we cannot stop there.

Real security also means health care coverage that can never be taken away, and safety on our streets and in our homes.

Let us use today's important anniversary of the Family and Medical Leave Act to press ahead by passing comprehensive health care coverage and a crime bill that balances tough punishment and smart prevention. Let us give American families the security they deserve.

TIME NEEDED TO STUDY THE HEALTH BILL

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, it is becoming more and more clear as I speak to my constituents that the American people do not just want Congress to pass any health care plan they can. They want us to take our time and get it right. Because whatever we pass, we know one thing for sure. It will affect every single American.

I am worried about what happens after the House and Senate have passed their bills. As usually happens, the leaders who control both bodies will meet secretly behind closed doors to write one health care bill. We will have no idea who they are talking to or what deals will be made. Then they may try to ram their plan through in the early morning hours after a marathon session, without giving the Members of Congress or the American people enough time to study the details.

Mr. Speaker, I hope you will make a pledge today that all meetings of the conference committee will be open to the public and that the American people will be given adequate time to study and debate the details of the final health bill before the last votes are taken.

The American people deserve no less.

IN SUPPORT OF MFN STATUS FOR CHINA

(Mr. INSLEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INSLEE. Mr. Speaker, I rise in support of the President's decision to delink MFN status for China from the internal affairs of China. There is a reason for that, and that reason is if we do not follow that policy, we will be taking a simple step, and that is to shoot ourselves in the foot.

□ 1020

Because a failure to delink is simply going to result in a retaliation against American exports to China. We will be losing American jobs associated with export and getting nothing.

When I say getting nothing, that is because the simple sanctions against a few simple products from China is going to only be a pinprick in the hide of this 1 billion population country. It will affect nothing.

The way to affect human rights in China is to give them inspiration, not aggravation. It is to engage them, it is to get to know them, it is to trade with them, because the one thing about America is that when we affect people the way we affect people is to let them get to know us. We have got to get to know them better, not less.

Support the President on MFN.

FLORIDA SENIORS DISTURBED BY AARP'S ENDORSEMENT OF CLINTONCARE

(Mr. MILLER of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Florida. Mr. Speaker, today's Washington Post reports that the AARP has endorsed Clinton-Gephardt's sweeping expansion of Medicare coverage to include the unemployed and other uninsured workers. Coupled with nearly $500 billion in Medicare cuts, this expansion is a recipe for disaster for seniors.

This massive new entitlement is also the final step toward a single-payer, Government-controlled system, and again, seniors will be the first victims. Britain's single-payer system, for instance, often denies renal dialysis to elderly patients because the cost is deemed too high.

Their members in my district do not agree with the AARP's blanket endorsement of Clintoncare. According to Florence J. Irving of Sun City Center, "the AARP does not speak for many of its members." William G. Smith of Holmes Beach, writes "the AARP 'leadership' has become part of the 'Washington Establishment'— [they] do not represent [their] membership vis-a-vis health care reform."

Mr. Speaker, what is going on over in the Washington offices of the AARP?

"HARRY AND LOUISE" TV ADS ON HEALTH CARE CHANGED, ENDORSE UNIVERSAL COVERAGE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, there is an old saying that goes: "Be careful what you wish for, you just might get it." It is a maxim that, today, should be hanging on the walls of the Health Insurance Association of America. The HIAA is best known as the creator of Harry and Louise, the celluloid couple who led the $50 million attack on the Clinton health care plan.

But, now that the Clinton bill is off the table, the HIAA is afraid Congress may pass the disastrous Republican alternative without universal coverage and that has Harry and Louis singing a different tune. Ironically, the HIAA is now calling for a plan that has universal coverage as its foundation—much like the Clinton plan which they just spent untold millions to defeat.

Here is a copy of their new ad: "Insurance Reform and Universal Coverage—They Work Together." Democrats in this body could not agree more—that is why the Gephardt bill contains both and why it is the best path to health care reform. We are happy to see that Harry and Louise have finally seen the light. We just wish they had not been in the dark so long.

THE HEALTH CARE DEBATE: A LOGICAL SCHEDULE

(Mr. HOEKSTRA asked and was a given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOEKSTRA. Mr. Speaker, yesterday the majority leader outlined a timeline for debating what may be the most important legislation that we have dealt with in Congress in a generation. Incredibly, the leadership apparently wants us to debate and vote on this important issue without being able to examine the proposed legislation in any depth, and without being able to discuss the legislation in any depth, and without being able to discuss the legislation with our constituents.

My question is: What is the hurry? We still have plenty of time left in this Congress to deal with this issue in a responsible fashion. In fact, I and many of my freshman colleagues today will hold a press conference outlining a schedule that allows us to review these bills next week, to go home and review the materials with our constituents, and then come back and debate and vote on this legislation in September.

The President last night began a series of nightly television ads. The Cabinet is being mobilized to go to the American people. But Congress will be held hostage. We will be forced to vote before we can ever discuss these materials and this issue with our constituents.

Please, do not hold elected Representatives of the American people hostage during the health care debate.

HEALTH REFORM NOW

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, the people of this Nation are asking us to pass health reform now. They benefit from health care reform.

Let me talk about the typical person, "Mary," who works fulltime for a large company and is currently insured. She needs health reform now. Why? She will be able to continue to receive coverage under her private health plan. It will not change. However, she will be guaranteed the right to choose at least one plan, offering unrestricted choice of a doctor or a managed care plan.

She will be able to continue to receive the benefits she is receiving now but they will even be better because they will have to include the national benefit package in addition to the benefits she is currently receiving which her employer will be required to continue.

Her employer will be required to pay at least 80 percent of the plan. She will be protected against some reduction if the employer tried. She will never lose her coverage.

Mary needs health care reform. She benefits. All of our people benefit from health reform. Let us pass it.

TRUE CRIME

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, an article on the front page of yesterday's New York Times grossly misrepresents the motives and diligence of many Members of this House. According to the article:

> All 178 Republicans in the House can be expected to vote against the crime bill since they do so regardless of the nature of the legislation.

If the Times wants to go into the pulp fiction business, that's their concern. But let us separate myth from fact: I and my Republican colleagues want nothing more than to lend full support to a tough and smart crime bill. The problem is that no such legislation exists. What we call a crime bill is little more than a $33 billion social spending bill full of pork and waste. It is a bill that does a whole lot more to raise the deficit than it does to reduce crime. Right now this so-called crime bill is in Democratic Party gridlock caught up in Democratic Party machinations. It is not the Republicans holding it up.

MS. SMITH WANTS COVERAGE, AFFORDABILITY, AND GUARANTEED ACCESS

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, real people and how they are affected: Ms. Smith, who works for a small company, is currently insured. Under the Gephardt House leadership plan, she receives coverage under either a private plan offered by her employer, a private plan offered through the Federal Employee Health Benefits Plan, or Medicare part C. And she will have a choice of plans within that—choice, important and critical—a choice of at least one plan offering unlimited choice of doctors.

Americans are concerned about that. We are assuring that happens.

Benefits that will be the same or better than she now has? Have her employer pay at least 80 percent of the cost of her premiums, as most employers under this scenario that have insurance now, now pay. She will never lose coverage even if she loses her job. That is what Ms. Smith cares about, the coverage that she can get and afford an always be sure that it is there.

DEMOCRATS, NOT REPUBLICANS, RESPONSIBLE FOR DELAYING HEALTH CARE REFORM

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, let us see if we can figure it out. In an article in yesterday's Wall Street Journal, several people blamed Republicans for delaying health care reform.

Let us look at the facts: It was the Clinton administration that was over 6 months late in introducing their bill, H.R. 3600, the one everyone was waiting for to start the process.

The Republican alternative, H.R. 3080, was introduced more than 2 months before H.R. 3600. The Republican bill has 38 more cosponsors than the President's bill and 51 more cosponsors than the single-payer bill, H.R. 1200.

And now the recess is being delayed because the majority still does not have their bill ready.

Our side of the aisle has been ready, willing, and able to pass needed and necessary health care reform, Mr. Speaker, but we have not had the opportunity.

I think we have now figured it out. Those on the other side of the aisle control the schedule, and they are responsible for the delays.

□ 1030

GIVING SMALL BUSINESS THE OPPORTUNITY TO OFFER HEALTH INSURANCE

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I happen to be one of those small businesses that cannot afford at this time to offer health care coverage. With the plan that we have coming before us, Mr. Speaker, for the first time I will be able to offer health insurance to the persons that work for my company. Right now I am limited to those who have retired from other jobs or those who can get coverage through their parents or spouses. It does decrease choices. It does cause the feeling that one cannot afford to hire certain people because we cannot afford to offer the plan. With this plan people will have an opportunity to make a choice between plans and never lose their health care coverage whether they continue to work for my company or not.

Mr. Speaker, it is time for us to be able to do that. Small businesses need the opportunity to offer insurance without going out of business. The opportunity is now. We can do it now.

CLINTON-KENNEDY BILL ACTUALLY WORSE THAN CLINTON-GEPHARDT BILL

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, once again the Democratic leadership has come up with a good press conference and a bad health bill. The Clinton-Kennedy bill, introduced by Senator MITCHELL, is in fact a bill that has 20 new Government agencies and 17 new taxes. It is a bill which is so complex and so convoluted that it is actually worse than the Clinton-Gephardt bill, which is a giant Government program, but at least it is only one giant Government program.

I simply urge all my colleagues to look very carefully at the Clinton-Kennedy bill introduced by Senator MITCHELL. I say, "Make sure you understand all the taxes, all the Government agencies, all the different ways in which it makes life more complicated, and health more expensive and the ways in which it raises taxes, for example, on virtually every union member in the country. It raises taxes in a very bizarre way on virtually everyone who has a complete health program, and it is a very strange bill put together by staff, not yet printed, not yet truly seen by anyone, with no hearings held on it. It is, in fact, worse than the Clinton-Gephardt bill."

HERE ARE THE FACTS

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, I hope people can put aside all the rhetoric about taxes and big government bureaucracies. The facts on this plan will come out, and, just because revenues are referenced in the Tax Code 1 time or 17 times does not make it a new tax.

There are a lot of people in my district who need this plan. I have lots of independent farm families paying a lot for health insurance with $5,000 and $6,000 deductible policies. Basically all they have is catastrophic coverage unless, of course, they are married to someone who works for a public agency so that they can shift their health care costs to them.

Mr. Speaker, what I hope my constituents understand is: "If you can accept the plan that we are offering, and I hope we can pass it and put it in place, you will have a plan, a private plan, available to you. You will have Medicare part C available to you, something that offers you an unlimited choice of doctors or a managed care plan and a private plan offered through the Federal Health Employee Benefit Program providing you with many, many options. You will have access to fair, community-rated insurance prices under each of the options in the Democratic plan. You will also have 80 percent of the costs of your premium deducted because today self-employed people get zero in terms of tax deductions for the health costs."

Mr. Speaker, this is a huge increase in the pockets of people who are self-employed, farmers and the kinds of self-employed small business people. They need our help. We should pass this bill.

WHERE ARE THE DETAILS?

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker and our colleagues, our Founding Fathers must be rolling over in their graves as they watch the prospect of how we are going to handle the most massive bill ever introduced in Congress to take control of one-seventh of the Nation's economy. It is called health care reform, and we do not have a bill.

I heard the people from the other side of the aisle talking about all the glorious parts of this, but all it is, Mr. Speaker, is talking points, like the candy man telling someone how good the candy is going to be and not talking about the fact that it is full of sugar.

Where are the details? The details do not exist.

We know when we are going to pass it: August 19. We know when we are going to start the debate. We are going to do that on August 15. But where is the legislation that we are going to debate?

We all know that the devil is in the details, and the American people have a right to know what is in this legislation. They have a right to participate in this debate, and today, without the details, none of us can do that.

I think it is a shame.

SALUTING THE PRESIDENT AND CONGRESS FOR THEIR SUPPORT OF FAMILIES

(Mrs. UNSOELD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. UNSOELD. Mr. Speaker, 1 year ago we stood in the Rose Garden. A mother held the binder while President Clinton signed the Family and Medical Leave Act into law. This was a mother whose child suffered from cancer—a mother whose ability to hold a job and her husband's ability to keep his job were simply denied at a time in their lives when family unity was of the highest priority; denied because employers would not grant medical leave to these parents.

Today 2.5 million people—including 57 percent of working mothers with children under the age of 6—are now able to spend valuable time with a child or with an elderly parent without fear of losing their jobs.

That is support for families. That is a family value.

And guess what? By the end of 1993 most business organizations already have family and medical leave policies in place that go beyond the minimum requirements of this act. For example, 9 out of 10 employers continue to provide benefits other than health care for employees who are taking FMLA leave.

Today we salute the leadership of President Clinton and this Congress in their support of families—support when and where it counts.

MFN ENSURES CONTINUED IMPROVEMENT IN THE HUMAN RIGHTS SITUATION IN THE PEOPLE'S REPUBLIC OF CHINA

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, one of the most inhumane, immoral things that this Congress could possibly do would be to deny most-favored-nation trading status to the People's Republic of China. Every shred of evidence that we have seen over the past several years has demonstrated that the human rights situation in China has improved. Why? Because of U.S. investment and exposure to Western values.

Now just a couple of weeks ago, Mr. Speaker, reports came out that 80,000,000 people were killed during the Mao era. That report has just come out. It came out today because in a closed society, Mr. Speaker, years ago this information did not get out to the

West, and, if one listens to the statements of some of the most prominent Chinese dissidents, like Yang Zhao who said, "MFN status helps our economic reforms, and in the long run that will help improve human rights," we must renew most-favored-nation trading status for the People's Republic of China so we can ensure improvement in the area of human rights.

CELEBRATING THE 1-YEAR ANNIVERSARY OF THE FAMILY AND MEDICAL LEAVE ACT

(Mr. BECERRA asked and was given permission to address the House and to revise and extend his remarks.)

Mr. BECERRA. Mr. Speaker, as we forge past the gridlock in this Congress that is trying to stop meaningful and needed health care reform, let me rise today in honor of the 1-year anniversary of the Family and Medical Leave Act. It provides essential rights for the working people of our country. It also affords workers an opportunity to take better care of their families. Looking back to where we were merely a year ago, guaranteed family and medical leave was just not available to Americans. Only 37 percent of women in companies with more than 100 employees even had maternity leave, and now most American workers have access to these and even other benefits.

I am a new parent myself, and I say to my colleagues, as a son, as a husband, and now as a very proud father, that no person should be forced to choose between keeping a job and caring for a sick child, parent or spouse, nor should parents be forced to choose between leaving their new-born baby immediately after the child's birth and keeping that job.

If workers lose their jobs because they choose to meet family responsibilities, it not only creates personal strife for that family, but also a burden on social programs and the rest of America.

Mr. Speaker, I am pleased that in celebrating the 1-year anniversary of the Family and Medical Leave Act we can also celebrate the fact that no American worker will have to make such choices between work and family.

HEALTH CARE REFORM

(Mr. PACKARD asked and was given permission to address the House for 1 minute.)

Mr. PACKARD. Mr. Speaker, the other night President Clinton addressed the American people and urged them to contact their Representatives in Congress to express their views about health care reform. My constituents took the President's advice and started calling my district offices immediately after the speech and they are still calling.

And what are they saying? Oppose the President's plan; keep big government out of my doctor's office; and prevent bureaucrats from tinkering with my health care.

As a dentist, I can understand their concerns. Health care is a personal relationship between doctor and patient. The Clinton-Gephardt-Mitchell approach to health care reform is exactly the kind of big government, one size fits all approach to health care reform my constituents hate.

Instead, those who called my office asked me to work for the kind of health care reforms which address their concerns. My constituents want us to ensure access to health insurance, to protect them from losing their insurance in case they should change jobs or get sick, and to control costs by reforming malpractice laws.

Mr. Speaker, I hope the President is listening, because I sure am. I urge my colleagues to listen as well. Fix what is wrong with the system instead of handing over the entire thing to Government bureaucrats to deal with. It is not what the American people are saying they want or need.

□ 1040

NRA PROFESSES TO FIGHT CRIME, YET OPPOSES THE CRIME BILL

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, like a bad horror movie, the NRA is back, rearing its ugly head in a desperate attempt to block action on the crime bill.

For months the NRA has been trying to fool the American people by talking tough on crime.

The NRA says it is committed to fighting crime, but it opposes our tough, smart crime bill that will lock criminals behind bars, put 100,000 new police officers on the beat, and get guns off the streets.

The NRA claims to care about women's safety, but it will not support the Violence Against Women Act, which will help prosecute rapists and help victims of domestic violence.

Let us face it, the NRA does not care about crime, or about victims, or about the safety of our communities and our families.

The NRA cares about one thing, and one thing only: guns.

The NRA is trying to defeat this crime bill because it contains a ban on assault weapons—weapons of war that have been turned on our police officers in the streets and on our children in schoolyards.

Keeping these killing machines legal is more important to the NRA than the lives and safety of the American people.

Mr. Speaker, this Nation needs this crime bill. The public supports it. We cannot let the special interest NRA block the way. It is time to stand up for our constituents, stand up to the NRA, and pass this crime bill.

STOPPING PORK-BARREL POLITICS FROM INFECTING THE HEALTH CARE DEBATE

(Mr. ZIMMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, we are all familiar with the hundreds of millions of dollars in favors that were dispensed by the White House in exchange for votes for the North American Free-Trade Act. Now it looks like this let's-make-a-deal attitude has become a part of the health care reform process. Yesterday the Wall Street Journal ran an editorial that said, and I quote, "The White House and Democratic leadership have decided to get this thing passed the old-fashioned way: They're cutting deals, any deals whatever * * *"

I would like my colleagues to know that I will be introducing the Health Care Pork Repeal Act to rescind all the pork-for-votes deals that we can identify. I ask my colleagues and I ask the public to keep your eyes open and let me know about any deals that you become aware of so we can include them in this legislation. We need to put an end to what the Wall Street Journal called the pork spectacle.

FAMILY LEAVE

(Mr. KLINK asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. KLINK. Mr. Speaker, I rise today on the first anniversary of the passage of the Family and Medical Leave Act. This is an important piece of legislation, one I was very happy to work on in my first session here in Congress as a member of the Committee on Education and Labor. Unfortunately for my brother, who lives in Colorado, who was a veteran and who was injured in service to his country, he ended up losing his job because he broke his wrist in an automobile accident just before this piece of legislation became law.

But I do remember the many people who came to me when I was running for this office and said, "You know, we hate to have to make that decision between taking care of a child or parent or a spouse who is sick and our jobs." It is just not right, and that is why this Family and Medical Leave Act is so important.

It simply provides 12 weeks of unpaid leave in the case of a medical emergency in a family. That is unpaid leave. Most industrialized countries require 12 to 14 weeks of paid leave. This is unpaid leave.

The American family has changed dramatically over the years. The days are gone when you usually had a single breadwinner at work and another parent who is at home. So we really need to commend the chairman of the committee, the gentleman from Michigan [Mr. FORD], and the subcommittee chairman, the gentleman from Montana [Mr. WILLIAMS], for what they did, and we also need to commend the President for signing this bill. It has made a tremendous difference in the lives of Americans.

PORK-BARREL PROGRAMS IN THE CRIME BILL

(Mr. GOODLATTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Speaker, taxpayer-funded midnight basketball leagues. Federally funded arts and crafts. Dance programs paid for with Federal money. A local partnership act. Sound like a brand new, huge Federal giveaway program? Well, it is. Unfortunately, it is President Clinton's so called crime bill.

Under the guise of crime fighting, President Clinton is trying to spend billions of dollars we do not have on pork-barrel programs which were rejected last year in his so-called stimulus package.

We can do better and we must do better.

Let us reject this bloated bureaucratic boondoggle and pass a real crime fighting bill that focuses on tougher sentencing for crooks, steamlines endless death penalty appeals puts enough police on the beat, and builds the needed prison space.

COMMEMORATION OF SIGNING OF VOTING RIGHTS ACT

(Ms. BROWN of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Speaker, I rise today to commemorate the signing of the Voting Rights Act by President Lyndon B. Johnson almost 30 years ago. Unfortunately, we are fighting the same hard-won battles all over again—whether the Congress of the United States should look like all Americans or just some.

It took us 25 years to get the Voting Rights Act enforced. Now that Congress finally begins to look like all Americans—women, African-Americans, Hispanics, and other minorities—the bad old boys from the bad old days are trying to send us back to the back of the political bus.

The recent decision in North Carolina approving the current map, is both timely and proper; it reaffirms my belief that districts created to remedy violations of the Voting Rights Act should not be stricken down by the courts. The shape of a district is not in the Constitution, but fair representation is guaranteed. The North Carolina decision demonstrates the correctness of looking at what unites districts, not just race, but that these districts have been economically disadvantaged for too long.

In Florida, there was no African-American in Congress for over 120 years. Now there are three African-Americans and two Hispanics, but these accomplishments have been attacked in court.

As President Clinton recently stated,

> We are committed to the gains made by minority voters through enforcement of the Voting Rights Act. Inclusion of all Americans in the political process is not a luxury; it is central to our future as the world's most vibrant democracy.

□ 1050

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4658 AND H.R. 4841

Mr. HILLIARD. Mr. Speaker, I ask unanimous consent to have my name removed from cosponsorship of H.R. 4658 and H.R. 4841.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

GATT UNFAIR TO AMERICAN PATENT HOLDERS

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, this body will soon be making a decision on GATT. Unfortunately, powerful interest groups are using this trade legislation as a vehicle to accomplish other goals for themselves. Few of my colleagues realize that the GATT implementation language will dramatically reduce the patent rights of our Nation's inventors, to the benefit of huge Japanese and American multinational corporations.

Mr. Speaker, I support free trade. I was a strong advocate of NAFTA. I ask my colleagues today to join me in opposing GATT as long as it contains provisions that will whittle away the patent rights of our inventors to provide a windfall to the big guys.

I am insulted that they are trying to pull this sort of thing in the first place. Let us send GATT back to Mickey Kantor, tell him to pull out these provisions of GATT, and send it back to the House. Let us not undo the rights of our inventors so that big buys overseas and big guys here can make a profit and benefit from their inventions, while we restrict the patent rights of our own creative people.

HEALTH CARE REFORM

(Mr. HOKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOKE. Mr. Speaker, I was in my office and I heard the gentlewoman from Texas speak of the problem that she had been unable to buy insurance for her small business. I felt that I had to come over and respond, because I too founded a small business, and what I would like to say to the gentlewoman is that we do not have to change the health care system so that 15 percent of the American economy is nationalized in order to solve this problem. We can do the same thing we did up in Cleveland, OH, which is the city I represent, and have a purchasing cooperative and small business health insurance purchasing reform. That is a part of the Republican health care package that has got 135 or so cosponsors.

The other thing I wanted to speak to is this notion that somehow Republicans are responsible for holding up a health care bill in Congress. That is absolutely preposterous. The numbers speak for themselves. There are 257 Democratic votes in this House. Give us 257 votes, and I guarantee you, we will pass in the next week a complete comprehensive health reform package that will include insurance reform, malpractice tort reform, paperwork reform, small business reform, and medical savings accounts.

MEMBERS URGED TO SUPPORT DISCHARGE PETITION FOR CONGRESSIONAL REFORM

(Mrs. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I would like to call Members' attention to Discharge Petition No. 26 which I filed today. If you have been telling your constituents that you support congressional reform, then you want to sign this discharge petition.

It will allow us to consider the recommendations of the Joint Committee on the Organization of Congress under an open amendment process.

The Speaker has promised to consider the joint committee package on the floor sometime in September. The question is what package and under what kind of rule.

Yesterday, the Rules Committee began marking up a weak version of the reform package. If we are forced to vote on that package with a closed rule, we will not have real congressional reform.

The rule I seek to discharge would guarantee an open amendment process, one that will allow those of us who truly want to see this institution run in a more efficient and effective manner make that happen.

I urge my colleagues to sign Discharge Petition No. 26.

FEDERAL CROP INSURANCE REFORM ACT OF 1994

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 507 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 507

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution. The committee amendment in the nature of a substitute, as modified, shall be considered as read. All points of order against the committee amendment in the nature of a substitute, as modified, are waived. Before consideration of any other amendment it shall be in order to consider the amendments printed in part 2 of the report of the Committee on Rules. Each amendment printed in part 2 of the report may be offered only by a Member designated in the report, shall be considered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in part 2 of the report are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 507 is an open rule providing for the consideration of H.R. 4217, the Federal Crop Insurance Reform Act of 1994. The resolution waives all points of order against consideration of the bill, and provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

The amendment in the nature of a substitute recommended by the Committee on Agriculture, now printed in the bill, as modified by the amendments printed in part one of House Report 103–666, will be considered as an original bill for the purpose of amendment under the 5-minute rule. All points of order against the committee substitute, as modified, are waived.

Before consideration of any additional amendments, it will be in order to consider the two amendments printed in part two of House Report 103–666: First, an amendment offered by Representative PENNY or Representative GUNDERSON or a designee, and second, an amendment offered by Representative DE LA GARZA or a designee as a substitute for the Penny-Gunderson amendment.

Each amendment may be offered only by a Member specified in the report, will be considered as read, and will be debatable for 30 minutes, equally divided and controlled by the proponent and an opponent thereto. Although both amendments will be open to further amendment under the rule, neither amendment will be subject to a demand for a division of the question in the House or the Committee of the Whole. All points of order against the two amendments are waived, and finally, the resolution provides for one motion to recommit with or without instructions.

Mr. Speaker, the Federal Crop Insurance Reform Act of 1994 would make significant changes in the 1980 Federal Crop Insurance Act and related statutes. These changes are designed to improve the crop insurance program to protect farmers from crop losses caused by natural disasters, and to eliminate the need for ad hoc disaster assistance legislation.

The 1980 Federal Crop Insurance Act attempted to broaden crop insurance coverage and increase farmer participation, spreading the risk of crop losses over a much broader base. However, the level of participation in the program has not reached the level expected when Congress passed the 1980 Act. As a result, the Federal Crop Insurance Corporation has experienced substantial losses since 1981.

The legislation made in order by this rule is designed to improve participation and reduce future losses. It would require the Corporation to establish a new catastrophic risk protection plan for the 50 crops currently insured against loss through drought, flood, or other disasters. The bill would allow producers to purchase additional coverage for these crops currently insured. The bill would create a permanent disaster assistance program for those crops not currently insurable under the program.

The legislation makes other improvements to the 1980 Act, and it will amend the Balanced Budget and Emergency Deficit Control Act of 1985, better known as Gramm-Rudman, to prevent the designation of appropriations for crop disaster assistance as emergency spending that does not count against discretionary spending limits.

Mr. Speaker, I urge Members to vote for this open rule, which will allow for expeditious consideration of the bill.

□ 1100

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY] the distinguished chairman of the Committee on Rules, for yielding time to me, and I join him in supporting this open rule. When the Federal Crop Insurance Reform Act came before the Rules Committee, it had two major problems which will be resolved by this rule. First, there were provisions in the bill which constituted appropriations in a legislative bill, and second, there was a provision within the jurisdiction of the Ways and Means Committee. The rule self-executes amendments which eliminate these problems.

Normally, I would oppose self executing amendments, but in this case the amendments become part of the base text and are open to further amendment. Therefore, I do not object.

Over the last year, my home State of Tennessee has experienced devastating drought, followed closely by immense flooding in rural areas that forced many farmers to rely on Federal assistance for survival. Other areas of the country fell victim to similar situations, and Congress often must pass emergency disaster assistance bills to pay for crop losses and other damage. The Federal Crop Insurance Program was designed with the best of intentions, but it is not working, and we must make some reforms so that the taxpayers do not have to pay for emergency appropriations each time disaster strikes our Nation.

The change made in this bill will improve the delivery and coverage of Federal crop insurance programs by offering crop producers premium-free catastrophic insurance coverage for crops. One of the main reasons the current program is inadequate is because of lack of participation. This bill provides strong incentives to encourage crop producers to purchase additional coverage from private insurers.

There are some conflicting views over the potential budget impact of this bill, and two differing amendments are expected to be offered which address this issue. The rule provides for these amendments to be considered first, but they would each be subject to further amendment under this open rule.

Mr. Speaker, I urge adoption of this rule.

Mr. Speaker, I include for the RECORD the following information.

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted[1]	Open rules		Restrictive rules	
		Number	Percent[2]	Number	Percent[3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	85	24	28	61	72

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through August 4, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number and date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149, Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173, May 18, 1993	MC	S.J. Res. 45: United States Forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National Defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	A: 245–171 (Mar. 10, 1994).
H. Res. 401, Apr. 12, 1994	MO	H.R. 4092: Violent Crime Control	180 (D–98; R–82)	68 (D–47; R–21)	A: 244–176 (Apr. 13, 1994).
H. Res. 410, Apr. 21, 1994	MO	H.R. 3221: Iraqi Claims Act	N/A	N/A	A: Voice Vote (Apr. 28, 1994).
H. Res. 414, Apr. 28, 1994	O	H.R. 3254: NSF Auth. Act	N/A	N/A	A: Voice Vote (May 3, 1994).
H. Res. 416, May 4, 1994	C	H.R. 4296: Assault Weapons Ban Act	7 (D–5; R–2)	0 (D–0; R–0)	A: 220–209 (May 5, 1994).
H. Res. 420, May 5, 1994	O	H.R. 2442: EDA Reauthorization	N/A	N/A	A: Voice Vote (May 10, 1994).
H. Res. 422, May 11, 1994	MO	H.R. 518: California Desert Protection	N/A	N/A	PQ: 245–172 A: 248–165 (May 17, 1994).
H. Res. 423, May 11, 1994	O	H.R. 2473: Montana Wilderness Act	N/A	N/A	A: Voice Vote (May 12, 1994).
H. Res. 428, May 17, 1994	MO	H.R. 2108: Black Lung Benefits Act	4 (D–1; R–3)	N/A	A: VV (May 19, 1994).
H. Res. 429, May 17, 1994	MO	H.R. 4301: Defense Auth., FY 1995	173 (D–115; R–58)		A: 369–49 (May 18, 1994).
H. Res. 431, May 20, 1994	MO	H.R. 4301: Defense Auth., FY 1995		100 (D–80; R–20)	A: Voice Vote (May 23, 1994).
H. Res. 440, May 24, 1994	MC	H.R. 4385: Natl Hiway System Designation	16 (D–10; R–6)	5 (D–5; R–0)	A: Voice Vote (May 25, 1994).
H. Res. 443, May 25, 1994	MC	H.R. 4426: For. Ops. Approps, FY 1995	39 (D–11; R–28)	8 (D–3; R–5)	PQ: 233–191 A: 244–181 (May 25, 1994).
H. Res. 444, May 25, 1994	MC	H.R. 4454: Leg Branch Approp, FY 1995	43 (D–10; R–33)	12 (D–8; R–4)	A: 249–177 (May 26, 1994).
H. Res. 447, June 8, 1994	O	H.R. 4539: Treasury/Postal Approps 1995	N/A	N/A	A: 236–177 (June 9, 1994).
H. Res. 467, June 28, 1994	MC	H.R. 4600: Expedited Rescissions Act	N/A	N/A	PQ: 240–185 A: Voice Vote (July 14, 1994).
H. Res. 468, June 28, 1994	MO	H.R. 4299: Intelligence Auth., FY 1995	N/A	N/A	A: Voice Vote (July 19, 1994).
H. Res. 474, July 12, 1994	MO	H.R. 3937: Export Admin. Act of 1994	N/A	N/A	A: Voice Vote (July 14, 1994).
H. Res. 475, July 12, 1994	O	H.R. 1188: Anti. Redlining in Ins	N/A	N/A	A: Voice Vote (July 20, 1994).
H. Res. 482, July 20, 1994	O	H.R. 3838: Housing & Comm. Dev. Act	N/A	N/A	A: Voice Vote (July 21, 1994).
H. Res. 483, July 20, 1994	O	H.R. 3870: Environ. Tech. Act of 1994	N/A	N/A	A: Voice Vote (July 26, 1994).
H. Res. 484, July 20, 1994	MC	H.R. 4604: Budget Control Act of 1994	3 (D–2; R–1)	3 (D–2; R–1)	PQ: 245–180 A: Voice Vote (July 21, 1994).
H. Res. 491, July 27, 1994	O	H.R. 2448: Radon Disclosure Act	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 492, July 27, 1994	O	S. 208: NPS Concession Policy	N/A	N/A	A: Voice Vote (July 28, 1994).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number and date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 494, July 28, 1994	MC	H.R. 4801: SBA Reauth & Amdmts. Act	10 (D–5; R–5)	6 (D–4; R–2)	PQ: 215–169 A: 221–161 (July 29, 1994).
H. Res. 500, Aug. 1, 1994	MO	H.R. 4003: Maritime Admin. Reauth.	N/A	N/A	A: 336–77 (August 2, 1994).
H. Res. 501, Aug. 1, 1994	O	S. 1357: Little Traverse Bay Bands	N/A	N/A	A: Voice Vote (August 3, 1994).
H. Res. 502, Aug. 1, 1994	O	H.R. 1066: Pokagon Band of Potawatomi	N/A	N/A	A: Voice Vote (August 3, 1994).
H. Res. 507, Aug. 4, 1994	O	H.R. 4217: Federal Crop Insurance	N/A	N/A	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 507 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 4217.

The Chair designates the gentleman from Maryland [Mr. CARDIN] as Chairman of the Committee of the Whole, and requests the gentleman from Washington [Mr. DICKS] to assume the chair temporarily.

□ 1104

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes, with Mr. DICKS, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 30 minutes, and the gentleman from Texas [Mr. COMBEST] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I find myself in a very awkward and uneasy situation in that we have a simple bill that hopefully will correct the crop insurance program, take away the perennial ad hoc disaster that has cost $2.3 billion, $3 some billion, if we correct properly the crop insurance for farmers which benefits farmer, consumer, and allows for the continuation of producing food and fiber, indeed, for our very national security.

This is a situation that, hopefully, we are trying to correct. The government/private sector partnership in providing low-cost insurance to the producers.

Why low-cost insurance? For a very simple reason: If it were a viable money-making endeavor, the private sector would be doing it on their own. They cannot. So we have to intervene for our very national security to provide for the food and fiber.

We are the best fed nation in the world, in the history of the world, with the least amount of disposable income per family of the major industrialized countries in the world. That does not change. That is the reason that we have this safety net.

But because of budgetary constraints and trying to help, indeed, our friends and colleagues from the Committee on Appropriations, we put on budget ad hoc disaster and say that farmers have to buy the insurance, pay up front and then a comprehensive. So that our friends on the Committee on Appropriations will not have to work or worry about ad hoc disasters in the billions of dollars.

And we are here because the President recommended a fix to the crop insurance program. His budget allowed for a billion dollars to do that. We did not get the billion dollars. We were some $200 plus million short.

This is what the argument will be about, that how do we take care of that?

We propose, and I will offer an amendment that pays for 3 years. Allows us time for a GAO study to find out where we are, to find out what we need to do in order to make it a viable program. It never has been a pay-go situation.

If anyone, if anyone at any time points a finger at this committee, they do so unjustly, because we have been at the forefront. We have saved $60 billion in the past 12 years.

If every committee in this House had done that, we would not have a deficit. We have been responsible. We have taken the blows from agriculture. We never have asked anyone to share the burden with us. We have taken the blow. I am very concerned, disappointed and frustrated that somehow the issue has come around that it is us versus WIC or feeding programs.

□ 1110

This is erroneous. Some of the "Dear Colleague" letters are completely erroneous in that respect. We meet the pay-go. It was this committee that established the Mickey Leland legislation. We have been in the forefront. For anyone to say or even insinuate that we are out to get WIC or endanger WIC, it is not accurate. It is not correct.

We have been in the forefront. I, me personally, my colleague from Texas died working to help hungry people. I would be the last one personally to in any way smear his name or endanger the programs that he worked so hard for.

On the contrary, some of those that are now accusing us have at one time or another sought reductions in some of those programs, Public Law 480, food stamps. Somehow the stripes on some of those individuals have changed, and they put us in this very awkward, frustrating situation.

I challenge anyone to say that our committee has not been in the forefront. On the contrary, when the Select Committee on Hunger in the wisdom of this House was abolished, we established a Subcommittee on Hunger, so it would not die, so that Mickey Leland's name would not die with him.

Odd as it may seem, even though we had reduced the number of subcommittees, I asked that we add another subcommittee, that we add hunger to that subcommittee, and the gentleman from Minnesota [Mr. PENNY] was made chairman of that subcommittee.

That is our history. That is what we have done. I am so frustrated that because of misinformation, that there are those that are now pointing the finger at us: If you fund crop insurance, WIC will die.

Under my amendment and under this bill, WIC is funded for 3 years. We are arguing about 2 years that should not be. I hope that the Members would listen to the facts, would not get carried away with emotion, but most of all, that my colleagues would look to the background of this committee, of this gentleman from Texas, of the members of our committee who have worked diligently, hand in hand with the appropriators.

We do not want a problem with the appropriators. They have a hard enough problem without us intervening or interfering, but we have a difference of opinion. Unfortunately, some personalities have come into the picture.

I want to disassociate myself from all that. The question, Mr. Chairman, is very simple, actually, very truthfully. One program, they think they pay for everything in 5 years. They think they do. They now accuse us, that if we do it our way, somehow we will endanger WIC and the feeding programs and Public Law 480. We do not do that. That is not our intention. That has not been our background. That has not been what we have done.

I come before my colleagues, actually putting my name and my person on the line, the activity of our committee on the line, and saying, "Look at what we have done, and pay no heed of what we are being accused unjustly, unmerited, unwarranted, and totally without fact."

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the House considers legislation that has been in the making since 1990 and is long past due in becoming law. The goal of H.R. 4217, the Federal Crop Insurance Reform Act of 1994, is to stop ad hoc agricultural disaster assistance, that has become an annual event, it seems, and to provide a slightly better crop insurance product than farmers can buy today. This two-part goal is worthy of adoption by the House.

H.R. 4217 is designed to save us from ourselves. Whether or not it will, frankly, remains to be seen. When acts of God strike, the Congress understandably wants to assist those who have been harmed. Last year's Midwest floods are estimated to cost $3.3 billion in assistance to agriculture. It is costly, and this cost is the reason for bringing H.R. 4217 to the floor.

Let me take 1 minute to provide some perspective. During the last 5 years, the Federal Government has spent on average $1.5 billion on agricultural disaster assistance. That is in addition to the more than $750 million that has been spent in the multiperil crop insurance program.

A General Accounting Office report published in January 1992, provides the numbers between 1980 and 1990 that show why we need to reform agricultural disaster assistance. Indeed, why we can no longer afford such assistance. I should note that some of these expenditures overlap from one calendar year to the next. But in 1989 alone, generally as a result of the devastating 1988 drought, the Federal Government dispersed a little more than $7 billion in crop insurance indemnities, disaster payments, and Farmers Home Administration emergency loans. In every year between 1980 and 1990, crop disaster payments or loans were made to producers, and those payments totaled more than $25 billion, according to the GAO.

Using his experience while a member of the Agriculture Committee and responding to the Midwest floods, Secretary Mike Espy earlier this year proposed legislation that I found to be on the right track. It tracked a legislative proposal that the House Agriculture Committee had been pursuing since the drought years of 1988 and 1989, and most importantly, it recognized more funds were needed to make the proposal work.

The bill is reform. It prohibits spending under the budget act by excluding agricultural disasters from those emergencies the President may declare as off budget. It also provides a catastrophic insurance policy to all farmers who produce crops currently reinsured by the Federal Crop Insurance Corporation [FCIC]. It provides assistance comparable to what producers have received under past disaster legislation.

It also gives producers the option of buying higher insurance coverage for both yield and price selection, and it does this at a slightly lower cost than under the current program.

For a $50 administrative fee per crop per county that is capped at $100 per farmer per county, producers receive this protection. If they participate in any price support or production adjustment program at USDA or benefit from any Farmers Home Administration farm lending program, they are required to obtain the catastrophic insurance coverage. The committee believes that offering producers an insurance policy they can plan for and depend on makes good risk management sense. Because most of our farmers depend on annual loans for crop production, lenders also agree that this is a positive initiative that will help the entire agribusiness community.

For those who produce crops not currently insured by FCIC, a standing disaster assistance program will be available until FCIC can offer reinsurance for those crops. This permanent disaster assistance is available generally to producers of speciality crops such as floracultural, ornamental nursery, Christmas tree or turfgrass crops as well as other food and fiber crops not currently insurable.

While the bill beefs up multiperil crop insurance and gives all farm program participants and others a backstop against catastrophic perils, it also makes several significant administrative changes to cut abuses and the evergrowing paperwork burdens of the delivery system. It does this by tracking agents who may be abusing the system and by moving sales closing dates forward in the planting year to restrict possible producer abuse. Additionally, it requires the FCIC to determine the per policy costs of administering this program and to take affirmative action to cut costs where appropriate.

Finally, and unfortunately, Mr. Chairman, a fair breeze has not propelled this legislation through the committee and here to the floor. To be blunt, our colleagues on the appropriations committee spent money in the fiscal year 1995 spending bill that has traditionally been used for administrative and operating expenses of insurance companies and agents. I am not going to get into the details of this matter; all of our committees have had to make tough decisions about where limited funds are to be spent. The appropriations committee is no exception.

Today, however, the Agriculture Committee will offer an amendment that will contribute $489 million in budget authority and $226 million in outlays during 1995 through 1999. It hits producers and the insurance industry to make these program reductions. Mr. Chairman, this effectively pays for the House Appropriations Committee's responsibility for crop insurance for the next 3 years. It is a fair compromise.

I would urge my colleagues to support it, and to oppose the Penny amendment.

Mr. Chairman, I would like to also talk a moment about what I think is some misinformation that in fact is circulating. The Committee on Agriculture has been accused of punting the ball, passing the ball, passing the buck, not living up to its responsibility, not living up to the pay-go provisions of the budget rules.

Mr. Chairman, that is simply not correct, in that the House Committee on Agriculture had substantially less to work with than was initially anticipated and recommended by the administration. The committee made the cuts that were required in order to legitimatize this bill with pay-go provisions.

All that the committee asked was that we would have an opportunity in a major crop insurance reform to determine whether or not that reform was going to work. If in fact the Penny-Gunderson amendment is accepted, it will be a self-fulfilling prophesy, and the crop insurance program will not work, and we will be right back where we started before this bill was ever introduced.

We have asked for the opportunity to see if, as anticipated, this program is going to work the way we would like to see it work. The Committee on Agriculture is not going to pass the buck to the appropriators, it is not going to shirk the responsibility to someone else. The chairman of the committee has rightly stated that "I do not believe that there is a committee in the House that has been more responsible, when given the task of making cuts, to make those cuts ourselves."

□ 1120

All we are asking is give this bill that we pay for for 3 years the opportunity to see if it is going to work, and then let us make those budgetary decisions based upon that information.

In the meetings with the chairman of the House Appropriations Subcommittee on Agriculture, in meetings with the gentleman from Minnesota [Mr.

PENNY], who is a member of the committee, in meetings with the gentleman from Wisconsin [Mr. GUNDERSON], who is a member of the Agriculture Committee, we have indicated that we have no intentions at all to pass this responsibility to someone else. We are going to take this responsibility, we are going to do it as painful as it may be, and we are going to try to do it in the least negative fashion that we possibly can.

But, Mr. Chairman, the concerns and the expressions of the fact that we are not doing our job, and that we are going to leave this job to someone else, and that we are not paying for this bill are simply, absolutely not true.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from South Dakota [Mr. JOHNSON], chairman of the subcommittee that has jurisdiction over this matter.

Mr. JOHNSON of South Dakota. Mr. Chairman I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in strong support of H.R. 4217, the Federal Crop Insurance Reform Act of 1994. I applaud my colleagues on the Agriculture Committee for passing a bipartisan bill that makes fundamental changes to the way our farmers will manage financial risk due to crop shortfalls. I particularly want to commend the gentleman from Texas [Mr. COMBEST], ranking member of the committee, for his constructive work on this very difficult legislation.

As the chairman of the Agriculture Subcommittee with jurisdiction over this bill, I held four hearings on H.R. 4217. At each hearing there was unanimous consent that the present crop insurance program was not working. Two problems with the current program were immediately evident: First, participation was too limited to be a successful risk management tool for our Nation's farmers; and second, coverage was often inadequate when crops losses did occur.

It was realized that broadening participation and increasing benefits would increase the cost of the Federal crop insurance program. The administration requested that the average annual expenditures for ad hoc disaster payments for farmers of $1 billion be added to the budget baseline. I want to thank my colleagues on the Budget Committee for honoring this request.

I also want to emphasize to my colleagues that this is a fiscally responsible bill. You may hear debate today about the funding mechanism and who pays for the reform package, whether the money is charged to the authorizing committee or the appropriating committee, whether the funding should be discretionary or mandatory. But, this is inside-the-beltway talk. The money added to the baseline will not increase the deficit. It merely redirects how the money will be spent—instead of enacting annual emergency ad hoc disaster payments that are not subject to pay-go rules, the money will be used to fund the reform of the crop insurance program. In fact, the bill saves money over the next 5 years.

Let me tell you about the improved benefits of the bill. It provides two levels of protection. For the 50 crops that are insured, catastrophic coverage is free, except for a $50 processing fee. Crops not covered by crop insurance are available for free noninsured disaster assistance payments. Payments are made to a farmer when they lose more than half their crop. For greater protection, higher levels of crop insurance coverage can be purchased with Government subsidies averaging about 40 percent of the premium, in effect reducing a farmer's out-of-pocket costs by 8 to 17 percent from present levels. With increased levels of protection being offered and lower costs, farmer participation is expected to increase from present levels of about 30 percent to about 80 percent of all insurable land.

But the bill does more than just help our farmers. Unlike, ad hoc disaster payments, funding for crop insurance is guaranteed to be in place every year. This means that farmers can take crop insurance to the bank, and use the insurance as collateral for farm loans. With secure financing and income protection from crop losses due to natural disasters, consumers can be assured of a plentiful supply of food at reasonable prices. For these reasons, I urge my colleagues to support H.R. 4217.

Mr. QUILLEN. Mr. Chairman, I yield whatever time he might consume to the gentleman from Pennsylvania [Mr. MCDADE], ranking member of the Committee on Appropriations.

(Mr. MCDADE asked and was given permission to speak out of order and to revise and extend his remarks.)

ADMINISTRATION MUST GIVE US TOTAL PICTURE IN RWANDA

Mr. MCDADE. Mr. Chairman, I express my deep appreciation to the gentleman from Texas for yielding me the time. I rise not to speak on this particular bill. I rise to bring before the committee a matter that I consider to be of grave importance.

Mr. Chairman, I urge my colleagues to pay full attention to the reports from Rwanda being brought to us by our news organizations and their outstanding correspondents. I commend the media—especially the Washington Post and the New York Times—for providing us with in-depth coverage of the troubles in Rwanda.

Unfortunately, the information on this crisis provided to Congress by the administration—as far as I have learned, as the ranking member of the Defense Appropriations Subcommittee—has not kept pace with the reporting done by news organizations. I regret drawing a parallel, but I fear that we may be seeing similarities between the current Rwandan situation and our involvement in Vietnam nearly 30 years ago.

I do not mean to say that we will be confronted by a formidable armed adversary with the same capabilities as the North Vietnamese. But now, as then, I believe that the American people do not know the stakes involved in a Rwandan commitment. Also, what I have heard from the administration is not in line with what I have learned from the news reports. And like 30 years ago, I believe that the administration's funding requests for this mission have been vastly understated.

In 1965 and 1966, the Johnson administration minimized the extent of our involvement in Vietnam by not fully requesting of Congress the funding required to carry out our deepening involvement there. And in this situation in Rwanda, the administration has only asked Congress for those funds needed to carry out the humanitarian mission through the end of September. It should be apparent to everyone that a sustained humanitarian effort will take more than 8 weeks.

As we move into a new fiscal year in October, it is important to note that the administration estimates that the Rwanda effort will cost the Department of Defense at least $45 million per month. Over the course of an entire year, this would be $540 million which neither has been budgeted nor requested.

I was delighted to see the Secretary of Defense publicly articulate yesterday, four guidelines to govern the use of our military in Rwanda and other humanitarian and peacekeeping missions ensuring the safety of our troops; preventing mission creep, or going in with good intentions but being caught in an unforeseen and expanded mission; assessing the effects on our total military readiness; and evaluating whether it is a proper mission for the U.S. military.

But without total candor regarding future defense budget requirements and the complexities of the situation on the ground in Rwanda, we cannot properly evaluate our role in Rwanda or the impact on our national defense. It is my hope that the current administration will avoid the mistakes of the past, and give the American people the fullest possible picture of our military's mission in Rwanda.

To paraphrase the philosopher George Santayana, "Those who do not know the past are condemned to repeat it."

☐ 1130

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, today I rise in support of this comprehensive reform of our Nation's crop insurance system. This legislation will fundamentally change the way the Federal Government responds to natural disasters in rural America.

Recent evidence has shown us that the Federal crop insurance program is in dire need of change due to chronic losses, limited participation, and claims of inadequate coverage.

Despite the program's $900 million annual price tag, Congress and the administration have provided ad hoc disaster payments in the last 8 years at an average cost of $1 billion per year.

This bill will combine the present crop insurance program and the ad hoc disaster programs into a single new catastrophic insurance program.

In doing so, current legal authorities for ad hoc disaster are repealed. In the future, this new program will replace these disaster bills as the Federal response to emergencies involving widespread crop loss.

By replacing crop loss disaster aid with expanded more accessible crop insurance, it brings reality to the budget process and provides security for farmers against uncontrollable weather and natural disaster.

The American taxpayer must be assured that their tax dollars are being used in a cost-effective and efficient manner, while the American farmer must have access to a risk management tool that will allow him to manage the high cost associated with agriculture today.

I believe this bill is a step in the right direction, therefore, I urge my colleagues to support this legislation that will provide our farmers with an affordable and predictable risk management program and end the constant need for emergency disaster declarations.

Mr. Chairman, I also hope that other committees will follow the leadership of the Committee on Agriculture and have similar legislation on the floor in the very near future.

Mr. COMBEST. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. ROBERTS], the ranking member of the committee.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the crop insurance reform package as reported by the House Committee on Agriculture.

When our committee started action on crop insurance reform, we were very confident this legislation would establish a viable and reformed crop insurance program that provided our farmers and ranchers an array of risk-management tools. We also thought it would forcefully meet the challenge of preventing the future consideration of costly ad hoc disaster assistance programs.

If we do that, it is going to save taxpayers about $400 million a year based on the annual average of the disaster assistance that we have had in the past. With this bill, we thought it would address the immediate concerns in regard to the shortfall in discretionary funding relative to the current program. However, subsequent to the committee action, we were made aware of additional concerns relative to the budget-scoring process as well as concerns of other committees.

Consequently, the chairman and I worked, hopefully in bipartisan fashion, to fashion an amendment to insure that this crop insurance reform would be fully funded, be fully funded, and within the budget rules of the House, and the chairman's amendment does that, that it would make additional cuts in the program where reasonable and appropriate, and in such a manner so as not to destroy the viability of the reform package to meet its goals of preventing future cost outlays for disaster programs.

Most important, and something that has not been mentioned very often here, is that it would provide our farmers and ranchers with the proper risk-management tools so they could stay in business during very difficult times.

I want to reiterate to all of my colleagues that the de la Garza amendment to be considered on down the road here as we debate this addresses the concerns of the Committee on the Budget, and in doing so, made the tough choices that provide our colleagues on the Committee on Appropriations some solutions relative to the anticipated discretionary spending shortfalls.

I think simply, to sum up, we have a choice. We can go ahead with crop insurance reform that will work, or we can take another course where farmers and ranchers will be hit with the costs of a crop insurance program that will be less desirable, and this Congress will be subject to the pressures again of disaster bills. That is exactly what Secretary Espy has said in a letter to all of us, and I encourage my colleagues to read the letter from the Secretary in reference to what this administration wants.

Let me say, as a Republican member of the Committee on Agriculture, as the ranking member, that I respect the administration's decision finally to step up to crop insurance reform and to provide the needed funds so that we can get the job done. It is a paradox of enormous irony that we have people in this House that, for some reason, and I will not go into all of those, and I hoped that that would not be part of the debate here, in terms of strong differences of opinion, that would take away from this funding and make crop insurance reform not possible and our farmers and ranchers pay for it.

So I would urge my colleagues to consider this carefully, and when the amendment offered by the chairman, the gentleman from Texas [Mr. DE LA GARZA], is offered, the committee amendment, to support it.

Mr. DE LA GARZA. Mr.Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, this is a topic of great interest to me.

The bill involves a program, Federal crop insurance, that has been extremely important to the farmers I represent in North Dakota. North Dakota has one of the highest rates of participation in Federal crop insurance year after year after year.

In addition, my background as a State insurance regulator has had me working very closely to make sure the crop insurance reforms embodied in this bill are put together in a manner that will work.

At the heart of this legislation is a historic tradeoff, a tradeoff of the prospect of future disaster relief in exchange for an improved Federal crop insurance program. Now, without the ag disaster programs that have been funded by Congress, thousands of North Dakota farmers would have been wiped out in the 1988 drought, the 1993 flood, and countless other times where it has been critical, and the relief has been critical. So to trade off the prospect of future ag disaster relief is a frightening prospect when you represent North Dakota.

I am prepared to do it, because I think an improved Federal crop insurance program gives the farmers a better deal. It gives them certainty. It gives them a risk-management tool they know will be there, not a disaster program that depends upon the whim and the will of Congress on an ad hoc basis. So the tradeoff, while it is a frightening one, is a good one provided, and only provided, that the Federal Crop Insurance Program actually works, that we give them an improved product at the end of the day.

This is where the difference in the amendments to be brought to be considered this afternoon are so critical. The amendment offered by my friend and colleague, the gentleman from Minnesota [Mr. PENNY], in my opinion, breaks the public-private partnership required to make this program work. I believe it takes private sector reimbursement levels to an area where we will not have the participation from the private sector required to make the program work. This is where the chairman's amendment has involved so much effort, so many discussions with all of the participants, to actually fashion a level of funding that will retain private-sector participation.

□ 1140

When you have a public-private partnership, the private partner must be treated fairly. The private partner must be compensated at a level essential to keep them in the business if they are going to rely on that private partner to make the program work.

That is exactly what is at stake here. It is a historic tradeoff. It will be a huge step for improving budget discipline of this country. It involves some risk to production agriculture and, therefore, the program has to work.

Go with the deal cut by the chairman and support the de la Garza amendments before you this afternoon and support the bill.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. SMITH], a member of the committee.

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, crop insurance has been a second cousin to disaster relief since I have been in Congress, and we played one off against the other, costing billions of dollars in additional money, I believe, to the American public.

If we pass this bill, H.R. 4217, I think we will clear up one of the major problems we have had between these two programs. For the first time, if you grow a program crop you must have crop insurance and, therefore, you cannot come to the Congress and ask for disaster relief.

However, there is a very difficult problem here. For many, many years I have followed the gentleman from Minnesota, Mr. PENNY's lead in trying to trim Government, reduce the cost of Government, and yet he has gone beyond good judgment in this case with his amendment, very frankly, because he costs farmers more money than is necessary and he costs insurers to the point that we do not know whether they will even offer insurance.

Therefore, we think Mr. PENNY goes too far.

The gentleman from Texas' [Mr. DE LA GARZA] amendment addresses the policy question of funding crop insurance and it is much more prudent to do that.

Mr. PENNY's position lost heavily in committee. It is opposed by the administration. It is opposed by every leader in the Agriculture Committee that you have heard and will hear, and we believe the de la Garza amendment is a responsible way to address this issue.

The only thing assured here about this whole discussion is simply that the gentleman from Minnesota [Mr. PENNY] and I will not be here next year to answer the consequences of what we do because we are both going to retire.

Mr. DE LA GARZA. Mr. Chairman, I yield such time as I may consume to myself.

Mr. Chairman, again I continue with the same degree of frustration, exasperation as to the events that have brought us here. One of them is a "Dear Colleague" letter that has been distributed by Mr. PENNY and Mr. MCMILLAN that is actually an insult to our committee and to those of us who have worked so diligently, saving $60 billion of taxpayers' money in the past 12 years. It shows two cows at a table saying, "Please pass the buck." This is below the level of debate in our committee, and has been all along.

But my concern, though, is that that "Dear Colleague" says only one-half of the funding responsibility for the package is paid for honestly. This statement is not correct.

Another: While this approach technically adheres to pay-go restriction, it does not conform to the spirit of fiscal responsibility. Mr. Chairman, is not $60 billion worth of cuts fiscal responsibility? I ask my colleagues.

While passing the buck, leaving their fingerprints on difficult decision, without spending cuts required to pay for the program.

I come back, $60 billion, and our fingerprints are on it, our name is on it, the name of our committee is on it, and we tell the world.

Mr. Chairman, it is not fair, it is not accurate, it is an abuse of the privilege of debate which we should always honor and adhere to under the norm, which this committee has always worked toward. With the respect and admiration that we have for all the members, we have never, you have never seen a "Dear Colleague" like this from the Agriculture Committee.

I keep repeating, I hope that we get it: The issue is very simple, as a matter of fact, I could stand here—and I will; Mr. COMBEST almost said it—we tell the chairman of the Subcommittee on Appropriations that deals with this matter that we, if we are here 3 years from now, we will see that this responsibility does not fall on your committee. We never have done that, and we are not going to start now.

I stand here and pledge my sacred name and honor that we are not going to in any way impose on the Agriculture Committee because we have never done it. We are being accused of things that never were, that might not be, and I hope that my colleagues would understand that, that our pledge is that we are trying to fix a program that is broken, that does not work. Mr. Chairman, the best minds in our committee rejected the Penny amendment. I cannot do anything about that.

The members voted "no."

Mr. PENNY insisted that he be given an opportunity. So I went to the Committee on Rules and in his presence said allow the Penny amendment so that he can have an opportunity to present it to the House.

That did not merit this type of "Dear Colleague" letter when we honestly, directly, and I personally and the ranking member said, "Allow Mr. PENNY his day in court."

We are here to do that. We are here to do that.

I am proud of the fact that this is how we operate, openly, aboveboard.

I know there is an attack on agriculture, per se, for many reasons, most of it mass media, I guess. But the fact is that we have been responsible. Our contract with the Budget Committee, we sat down with Chairman SABO and we did what he said we should do. We will do more in the amendment. But our commitment with the Budget Committee has always been and will continue to be that you give us a number, allow us to do the cuts, and we will give you that amount.

We have done it every time since we have had a budget, and we will continue to do that.

But I still feel frustrated that putting us against WIC, that is not the case. That has never been the case. We have been at the forefront of feeding the needy, feeding the poor. All of those commodities you see going to Rwanda, those are U.S. commodities that go on the Surplus Commodities Program to the schools, that comes from things that we do.

So I assure the Members, and I hope and implore that you do what in your heart you feel is the right thing to do, but that you do it with the honest interpretation of the facts, which have been misrepresented by many of the "Dear Colleague" letters.

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield myself 1 minute.

I want to make just a follow-up comment on what the chairman, the gentleman from Texas, just said. The chairman is not making a promise to be upheld in the future with no history of background; this committee, as I had indicated earlier, has always taken the number the Budget Committee has given us and we have made the hard, difficult choices ourselves and we have not passed those to anyone else.

I would also like to mention that in the Penny-McMillan "Dear Colleague" letter they say "this approach," the chairman's approach, the committee's approach, "technically adheres to pay-go. It does not conform to the spirit."

Mr. Chairman, what are the rules? The rules are that if you adhere to the rules of the House, you adhere to them.

□ 1150

Are we going to start making a judgment on:

"Well, gee, you adhere to the rule, but you didn't go far enough beyond that?"

We are within the budget. The Committee on the Budget has agreed to that. We have addressed the concerns and the rules of the House. Let us make the decision based upon the fact of, if the rules were met in this case, we meet the rules.

Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. Mr. Chairman, the intent of this legislation is to put in place an alternative to what has become annual, off-budget, ad hoc disaster relief bills, and still provide agricultural producers with risk management protection for their crops. This is something that needs to be done, but if not structured correctly, this bill will create financial problems for farmers at a time when they most need assistance.

While I will support the bill, I still have reservations about the long-term financing mechanism upon which it relies. Unfortunately, the administration's luke-warm attempt to secure the appropriate funds to pay for its bill—and this is the administration's bill—causes me serious concern.

Having said that, I want to thank the chairmen and ranking members of both the subcommittee and full committee, for working with me during the process, to help construct a program that encourages private sector participation, in order to better serve farmers, and lower the overall Government cost per insurance policy.

Specifically, my amendment, which is incorporated in the bill before us, directs the Federal Crop Insurance Corporation to reduce the paperwork burden to private insurance providers and agents, and lower the cost of each policy held by farmers. Further, the corporation after reporting to Congress, must adopt new procedures to reduce the cost of each crop insurance policy by a targeted percentage.

Not only will these provisions allow the private sector to more efficiently deliver crop insurance, but the excessive administrative costs of the Federal Crop Insurance Corporation will be reduced.

With reference to the so-called dual delivery system included in H.R. 4217, many current USDA employees—those people now administering the commodity programs—have told me that they want no part of becoming insurance salespersons. And in checking with the department, I have found there is nothing budgeted to help train and cover the expenses for these local offices to adequately sell crop insurance.

The simple fact is that the USDA will not be able to pull off crop insurance sales, and the department knows this. USDA will need—and I think fully expects—the private sector to help deliver crop insurance.

What I found frustrating is that knowing this, the administration fought my efforts to include stronger language for private delivery throughout consideration of this bill in subcommittee and full committee.

Although this bill is not all I had wanted in the name of crop insurance reform, Mr. Chairman, it is a step in the right direction, and it should help our producers.

I support the bill, and I urge the House to pass it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman and Members, this is the first time in my 14 years as a member of the House Committee on Agriculture that I have come to the floor and had a disagreement with the leadership of my committee, and I say that because I think it is important to understand what the problem is today. The problem, very frankly, is that this administration, to their credit, allocated $1.1 billion over the next 5 years to make crop insurance an available program, and the problem is that the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and related agencies spent the money elsewhere, and so we are in a dilemma here this morning of what are we going to do.

Mr. Chairman, we have a couple of choices. The first premise is that we are going to pass crop insurance in lieu of disaster insurance. Now there are 18 States, including Wisconsin, that have less than 10 percent of our eligible acreage in crop insurance, and yet we are not going to make that the basis of all commodity security in this country. That would be fine, if we had the public-private partnership that our colleague from North Dakota [Mr. POMEROY] said that crop insurance is, but the problem is it is not a public-private partnership anymore. That money, through no fault of the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], through no fault of the gentleman from Kansas [Mr. ROBERTS], through no fault of anybody on the House Committee on Agriculture, was spent elsewhere.

So, Mr. Chairman, now we have this dilemma in front of us, and it is very simple.

It all boils down to money—who is going to pay and how much. Now, I am not going to stand here and justify the Appropriations Committee's act of underfunding the current Federal Crop Insurance Program by $213 million in the upcoming fiscal year. Plain and simple, that action was wrong and it is the root cause of the fiscal problems we are addressing right now as we try to pass crop insurance reform legislation.

At the same time, that battle is over and we lost. So adopting the budgetary assumption that this lack of funding continues over the next 5 fiscal years, the current issue is where are we going to make up the difference? Rest assured, we have to cut the baseline somewhere. And, if we do not make those cuts in the crop insurance program itself, we will have to find the money elsewhere—research, extension, FmHA, WIC, commodity programs, or the like.

The chairman of our committee is quite correct when he talks about the $60 billion of cuts which the Agriculture Committee has made in recent years. Indeed, if every other committee was as frugal as we have been, the budget mess facing this Congress would have been solved in large part. I agree with him that it is fundamentally unfair to balance the Federal budget on the backs of the American farmer.

Actually, that is exactly what the Penny-Gunderson amendment seeks to prevent, Mr. Chairman. All we are saying is that fair is fair whether we are trying to balance the entire Federal budget, or just a single program, on the backs of farmers.

The bottom line of the Penny-Gunderson amendment is that, if we have a shortfall in crop insurance funds, we need to make up that difference within that program. Here's why. In my own congressional district, only 10 percent of eligible acres are enrolled in crop insurance. That's because either the Federal Crop Insurance Corporation doesn't have a policy for the crops they grow or the rate structure doesn't justify participation. Why should the rest of my producers have to take cuts in their commodity, loan, or conservation programs in order to fund higher policy subsidies for the small percentage of farmers which participate in the program or to fund higher reimbursement rates for the participant's agents?

This situation is not unique to the State of Wisconsin, Mr. Chairman. According to the most recent statistics available from the Federal Crop Insurance Corporation, Arizona, California, Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Tennessee, and Vermont all have 10 percent or less of insurable acres actually enrolled in Federal crop insurance. Why should those producers have to take cuts in their commodity, loan, or conservation programs to fund the participation of producers in other States?

The answer is simple—they shouldn't. All the Penny-Gunderson amendment does is find sufficient cuts within the Federal Crop Insurance Program itself to meet the budget parameters within which that program has to operate over the next 5 fiscal years. With four exceptions, it is identical to the chairman's amendment which will be offered as a substitute. Here are the differences: First, it reduces the agent reimbursement to 30 percent for new policies and 28 percent for renewals immediately, rather than waiting 2 years to make that reduction; second, it charges a $50 fee for all policies issued whether a farmer sticks with the basic policy or buys supplementary coverage; third, it reduces the catastrophic coverage provided by the basic policy from 50–60 to 50–56; and fourth, it requires a filing fee for producers to make a disaster claim for crops for which no policy is offered.

These changes are hardly draconian. If we're reducing the agent reimbursement rate in the out years, why not immediately? The proposed 28–29–30 percent reimbursement rate for crop insurance far exceeds the 10–11–12 percent reimbursement rate on automobile insurance. Now, I recognize that there is a volume difference between the two; however, dropping the reimbursement rate 2 percent 2 years early is not going to drive anyone out of business, particularly if we can get some paperwork reduction to those agents.

Similarly, the reduction in catastrophic coverage from 50–60 to 50–56 will result in a maximum reduction of 2 percent in the maximum loss payment received by any farmer under the basic policy. Again, every little bit hurts, but it is a small price in terms of the big picture.

The ultimate question, Mr. Chairman, is if we are unwilling to make the cuts necessary in the program itself, are we better off with permanent disaster assistance authority in lieu of any crop insurance program? The simple facts are that, even with a Federal Crop Insurance Program, we have had to make billions of dollars of crop emergency assistance available in each of the last 8 years—sometimes as much as $3.5 billion. That's why CBO has consistently scored hundreds of millions of dollars in savings annually from eliminating the crop insurance program in favor of permanent disaster assistance authority.

So, Mr. Chairman, fundamental fairness requires the adoption of the Penny-Gunderson amendment so that other important agricultural and feeding programs do not suffer from the shortfall in funding for crop insurance. If we're unwilling to do that, then I suggest we consider dropping the whole crop insurance program in favor of permanent disaster authority. In the long run, producers and taxpayers would be better off.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I noticed that the previous gentleman did not offer any no fault to the appropriators, so we are here under no fault conditions.

I want to say at the outset that we are dealing with an issue in these two committees that there are no ready answers to. We have already initiated a crop insurance program in these United States under the auspices of both committees, and it did not work. It broke, as the chairman of the Committee on Agriculture has said. We have got a broken system because we pushed no crop insurance, or crop insurance, to the point that it could not sustain itself. It did not work because we did not give it a chance to work. We tried to make it do all the things for all people in agriculture to get us out of the disaster payment mode nationwide.

Mr. Chairman, we on the Committee on Appropriations did the very best job with the work that we had to do with the elements we had to deal with and the systems we dealt with. We offer no apologies to anybody, but we do need some help to come up with a compromise that is going to make this thing work. In my view, Mr. Chairman, I think we have arrived at that position because I think the chairman of the House Committee on Agriculture, and the ranking member and those members who are supporting it have an amendment that will work because it gives it time with a finite set of conditions and funding for at least 3 years. I am not going to score the other alternatives because once again I think we have to look at function first, and we are assured of function, at least in this particular program; we are not in others because once again we rely on going back to the private sector and saying, "We'll just dump the funding load back on you for the 5-year term."

Mr. Chairman, I cannot agree to that, so we are here today talking a compromise. I think we have it at hand, one we are going to have to deal with. I say to my colleagues, "If you're going to be real about this thing, and ask the private sector to engage in that kind of insurance, and get us out of this disaster quagmire, we have got the system to do it and the mechanism to do it, and we ought to make the right choice, and I think the right choice is Chairman DE LA GARZA's and Mr. ROBERTS' amendment, and I support it."

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, I rise today in support of H.R. 4217 and in support of the amendment offered by the gentleman from Texas [Mr. DE LA GARZA], and I oppose the Penny-Gunderson amendment.

One important part of this insurance program is that we will now have every farmer in this country who participates in a Federal program to sign up for this program which gives some protection to the Federal Government in the case of those farmers who lose their crops. It also will give protection to banks who loan money to those producers who loan money to buy the seed, or whatever it takes, to produce those crops. So, it is truly an insurance program that every producer in this country who participates in Federal farm programs will participate in, and we do create incentives to encourage farmers to buy up, to have additional coverage, which, by buying additional coverage, helps protect themselves, as well as the Government and as well as those banks and loan programs.

I encourage my colleagues to vote for H.R. 4217.

□ 1200

The CHAIRMAN. The gentleman from Texas [Mr. COMBEST] has 4½ minutes remaining, and the gentleman from Texas [Mr. DE LA GARZA] has 4 minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Chairman, we are here today because the Federal crop insurance program in America does not work.

I want to congratulate the chairman of the committee, the ranking member, and all the members of the committee who have worked hard to try to find a way to make the system work better for all farmers in America. Most of my farmers in Ohio do not sign up because it is not economically feasible. It makes no sense because the system is weighted to help somebody else.

The bill that we have before us helps to fix the current system, and the current system does need fixing.

One of the reasons we have this problem with crop insurance is that we undercut it every even-numbered year with some disaster payments that Congress wants to come along and provide and look like Santa Claus in all those even-numbered years, and so we undercut the ability of the program to work.

The bill that we have before us takes some of that disaster money that gets spent and puts it into a crop insurance program that will work for every farmer in America. It makes a great deal of sense, so let us pass it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, year in and year out the folks in this country who have chosen the noble profession of farming are faced with an uncertainty that very few occupations in our Nation must endure. Drought, hail, flood, tornado, hurricane, and other natural disasters threaten the livelihood of every agriculture professional who provides our great Nation with the food that our citizens eat, enjoy, and expect.

Most agree that the Federal budget cannot continue to support both an on-budget subsidized crop insurance program and off-budget emergency ad hoc disaster payments. The question of the day is, "How do we best deal with the unknowns that face our nation's farmers?" How can we effectively minimize their risk in an equitable and workable fashion?

I believe that H.R. 4217 as reported out of the Agriculture Committee and as hopefully altered by my chairman's amendment is the right answer to this question. This is the vehicle that will eliminate the need for future off-budget disaster supplemental appropriations bills. By getting significantly more producers insured, we will have provided them the assurance that their risk management and disaster relief needs are met.

Historically 1 out of every 12 acres planted by farmers is not harvested because of adverse weather conditions or other natural disasters. We are at a proverbial fork in the road of agricultural risk management. We must decided today whether we want a workable crop insurance program that provides adequate coverage at a cost that is affordable to the farmer and all other taxpayers. Or do we want to continue and play ad hoc disaster roulette by passing legislation that will undermine any attempt to adequately expand our current crop insurance program and leave our response to natural disasters that damage crops largely in the hands of Mother Nature.

Mr. Chairman, I would like to encourage my fellow Members to vote in favor of the de la Garza amendment and for final passage of H.R. 4217. It is a fiscally responsible and workable measure that will protect American farmers from financial ruin and the Federal deficit from being increased by future ad hoc disaster bills.

Mr. DE LA GARZA. Mr. Chairman, I yield such time as he may consume to our distinguished colleague, the gentleman from Michigan [Mr. BARCIA].

Mr. BARCIA of Michigan. Mr. Chairman, I thank the chairman of the committee very much for his gracious cooperation in working to address the problems that Michigan farmers have faced and the problems that farmers across the country have faced, especially in light of the recent disastrous torrential rainfalls that have occurred throughout the Midwest and around the country.

Mr. Chairman, I compliment the committee and its chairman for having moved forward with important improvements in the crop insurance program. I am concerned, though, that this bill does not go far enough in providing insurance for all commodities.

Mr. Chairman, while insurance is available in Michigan for 17 commodities, it is not for 74 others. I believe that if we move toward a cost-of-production insurance program, we can expand the range of crops that are covered and eligible for crop insurance. The Senate bill contains a pilot cost-of-production insurance program very similar to the program I had proposed in H.R. 3623. Such a pilot program would work extremely well in Michigan.

Can the chairman of the committee assure me that this provision in the Senate bill will receive full consideration in the conference?

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield, let me say that the gentleman has my assurances that this provision will be given every consideration by our committee.

Mr. COMBEST. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Chairman, before I was elected to Congress I sold insurance, and I, in fact, am the only chartered casualty property underwriter in this body, so I have been out there on the streets and know what is real and know what is just congressional talk. So I want to speak in behalf of the bill and speak against the Penny amendment.

This bill will work. It is not perfect, but this body has never worried about perfection. It is better than what we have now. One of the key components of it is this concept of spreading the risk, getting more farmers to participate. One of the things you have to have in order to do that is a distribution system of the private sector. Insurance agents can sell this product. Right now they are not doing it because there is no money in crop insurance for the insurance agent, and they do not want to do it.

The only reason an insurance agent would do it is to pick up a guy's homeowner's insurance or the insurance on his tractor or his truck. They do not go out and make a living selling crop insurance. That is why there is not much market penetration right now.

The Penny amendment would reduce that even further and thus pull out one of the strong legs of this whole program.

Mr. Chairman, I urge my colleagues to vote for the bill and against the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. COMBEST] has 1½ minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield that minute and a half to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, let me say that this is an important debate. I am probably one of the few Members that actually introduced legislation to revise our Federal crop insurance program, and that was a result of my first campaign for Congress, which was a special election in the middle of the drought in 1991. So I saw it firsthand. I saw the importance of a good Federal crop insurance program, and we did not have one.

The Clinton administration has given us an opportunity to have an excellent Federal crop insurance program. We need to seize on that. We need to pass this bill.

Members might ask, what is the problem? Well, of course the problem is the dispute between the appropriators and the authorizing committee, and they really did not cut all that much money, but enough was cut to cripple the program.

I believe that the chairman of the Committee on Agriculture has presented us with a reasonable, well thought out solution to that problem, and we ought to get behind it. We need to pass this bill and move on. It is good for American agriculture, it is good for the American taxpayers, it is wise public policy by the Clinton administration, and I urge a yes vote for the bill and support for Chairman DE LA GARZA's amendment.

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] has 2½ minutes remaining in general debate.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I rise to address the body this morning with respect to the crop insurance reform proposal.

All of us have heard a number of arguments as to the importance of this legislation. The one thing that needs to be emphasized now is that we must encourage broad participation in Federal crop insurance throughout the Nation.

One of the difficulties that we have suffered from is adverse selection. the so-called moral hazard, where people purchase crop insurance when they find that crop insurance is going to benefit them and then their neighbors who are somewhat unhappy about the existence of benefits do not make the purchase. The result is that in certain sections of the country we have very low participation and at the same time very high losses.

The Federal crop insurance reform legislation which is before us today will end that type of practice. It will also make a number of reforms in the way Federal crop insurance is financed, and in the end, I think, it will make this program a model of Federal insurance that we can then use to try to make sure that our agricultural programs and disaster programs generally benefit this country.

□ 1210

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the scenario as we see it, it could change, but there will be an amendment offered by the gentleman from Minnesota [Mr. PENNY] and there will be a substitute offered.

Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, I am pleased to rise in support of H.R. 4217, the Federal Crop Insurance Reform Act of 1994, as reported by the committee. Because thousands of acres of farmland in my district were flooded during the recent flood in Georgia, I am especially sensitive to the need for an adequate crop insurance program.

This legislation presents a historic opportunity to provide improved risk protection for our Nation's farmers, including my own farmers in Georgia. For several years, we have experienced good participation in the Federal Crop Insurance Program by producers of high-value crops, such as peanuts and tobacco. Unfortunately, the same cannot be said for crops like corn and soybeans.

Under the bill adopted by the Committee on Agriculture, of which I am a member, thousands of additional farmers in Georgia and throughout the Nation will be strongly encouraged to take catastrophic crop insurance for a minimum and reasonable fee, per farmer, per county.

In return, a farmer will receive a catastrophic insurance policy. While this policy will provide only a minimum coverage of 50 percent of a farmer's yield, at 60 percent of the market price it will be consistent with what farmers have traditionally received from disaster bailouts—when they were lucky enough to receive Federal assistance.

More importantly, the Crop Insurance Reform Program is structured to strongly encourage farmers to buy additional federally subsidized crop insurance from private insurance agents. The farmer is encouraged to purchase a level of protection that he needs to stay in business in case of a crop failure. If disaster does strike, this approach is far more preferable to the traditional combination of insurance policies and disaster bailouts.

Normally, farmers do not receive additional assistance from the Federal Government unless the drought, flood, or other natural disaster is wide spread enough to warrant congressional passage of a special legislative disaster bill.

Unfortunately, there are different parts of my congressional district that are hit by a different disaster or crop failure every year. Many times there will be a drought that will cause crop failure in one part of a county and yet, there are other parts of the county that will produce bumper crops. Therefore, the only sound way to true risk management and disaster protection is a program that encourages every farmer to buy the level of protection, with Government assistance, that they need. H.R. 4217 meets that test.

At the same time, I support the committee bill, and I strongly urge my colleagues to vote against an amendment offered by Congressman PENNY and Congressman GUNDERSON to cut over $600 million from this program.

If this magnitude of cut is made in the committee bill, the program will no longer be attractive to many of the farmers in my district. Moreover, drastic cuts in reimbursement for the private delivery system will make it uneconomical to deliver crop insurance to many of the small family farmers in my district.

Therefore, I hope that my colleagues will not be tempted to vote for the Penny-Gunderson amendment in an effort to achieve savings that are not necessary to comply with the Budget Act.

As reported by the committee, and amended by the chairman, H.R. 4217 is in full compliance with budget rules and would in fact save taxpayers money.

Again, let us not jeopardize this long, and hard-fought effort to bring a true and sound risk assessment to agriculture, offering to our farmers in the United States—this great breadbasket to the world—the tools they need to successfully till the soil, feed our livestock, and nurture our children.

Ms. LAMBERT. Mr. Chairman, I rise today in strong support of H.R. 4217, the Federal Crop Insurance Reform Act. I believe that this legislation moves us toward a positive and responsible effort to provide stability to farm income while at the same time making wise use of taxpayer resources.

This bill would provide premium-free catastrophic risk protection for a minimal $50 processing fee with the option of buying more comprehensive coverage from a private insurer. Our current program has been dramatically inept at providing the risk management that America's producers need to remain competitive. Because the program has been so unattractive—providing too few benefits at too great of a cost—whenever disaster has struck, our producers have relied on the Government to provide ad hoc disaster assistance, and we have done so—year after year after year. The result has been a massive cost to the American taxpayer and an unreliable system of reimbursement to often-devastated farm families.

This legislation delivers a reformed program that provides basic protection with the flexibility to insure at higher levels, thereby giving the farmer, the taxpayer, and the Government a reliable, fiscally sound insurance program.

I would like to commend the administration for their diligence in pursuing this issue as well as subcommittee chairman JOHNSON for his hard work on a technically challenging bill. I also commend my colleague, Mr. PENNY, for his commitment to fiscal responsibility as well as Chairman DE LA GARZA for his leadership and hard work.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the bill, modified by the amendments printed in part 1 of House Report 103-666, is considered as an original bill for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 4217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, TABLE OF CONTENTS, AND DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Crop Insurance Reform Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title, table of contents, and definitions.
Sec. 2. Members of Board of Directors of Federal Crop Insurance Corporation.
Sec. 3. General powers of Corporation.
Sec. 4. Personnel.
Sec. 5. General authority to offer crop insurance.
Sec. 6. Catastrophic risk protection, buy-up levels, premiums, and yield determinations.
Sec. 7. Preparation of policies, claims, and reinsurance.
Sec. 8. Authorization of appropriations and crop insurance fund.
Sec. 9. Advisory Committee.
Sec. 10. Noninsured crop disaster assistance.
Sec. 11. Crop insurance requirements under price support programs.
Sec. 12. Elimination of gender references.
Sec. 13. Prevented planting.
Sec. 14. Effective date.

(c) DEFINITIONS.—Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended—

(1) by striking the section heading and "SEC. 502." and inserting the following:

"SEC. 502. PURPOSE AND DEFINITIONS.

"(a) PURPOSE.—"; and

(2) by adding at the end the following new subsection:

"(b) DEFINITIONS.—For purposes of this title:

"(1) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(2) CORPORATION.—The term 'Corporation' means the Federal Crop Insurance Corporation established under section 503.

"(3) BOARD.—The term 'Board' means the Board of Directors of the Corporation established under section 505(a).

"(4) LOSS RATIO.—The term 'loss ratio' means the ratio of all sums paid by the Corporation as indemnities under all crop insurance policies to that of the premiums designated for anticipated losses and a reasonable reserve, not including the portion of the premiums designated for operating and administrative expenses.

"(5) TRANSITIONAL YIELD.—The term 'transitional yield' means the maximum average production per acre or equivalent measure that is assigned to acreage for a crop year by the Corporation in accordance with its regulations whenever the producer fails—

"(A) to certify that acceptable documentation of production and acreage for that crop year is in the producer's possession; or

"(B) to present such acceptable documentation upon the demand of the Corporation or an insurance company reinsured by the Corporation.".

(d) CONFORMING AMENDMENTS.—The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) is amended—

(1) in section 503 (7 U.S.C. 1503), by striking "(herein called the Corporation)"; and

(2) in section 505(a) (7 U.S.C. 1505(a)), by striking "(hereinafter called the 'Board')".

SEC. 2. MEMBERS OF BOARD OF DIRECTORS OF FEDERAL CROP INSURANCE CORPORATION.

Section 505(a) of the Federal Crop Insurance Act (7 U.S.C. 1505(a)) is amended in the second sentence—

(1) by striking "or Assistant Secretary" the first place it appears; and

(2) by striking "the Under Secretary or Assistant Secretary of Agriculture responsible for the farm credit programs of the Department of Agriculture" and inserting "one additional Under Secretary of Agriculture (as designated by the Secretary of Agriculture)".

SEC. 3. GENERAL POWERS OF CORPORATION.

(a) CLAIMS SETTLEMENT.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended—

(1) by redesignating subsections (j), (k), (l), (m), and (n) as subsections (k), (l), (m), (n), and (o), respectively; and

(2) by inserting after subsection (i) the following new subsection:

"(j) CLAIMS SETTLEMENT.—The Corporation shall have the authority to make final and conclusive settlement and adjustment of any claims made by or against the Corporation or the accounts of its fiscal officers.".

(b) REGULATIONS; PREEMPTION.—Subsection (e) of such section is amended—

(1) by striking "governing" and inserting "to carry out this title and to govern"; and

(2) by adding at the end the following new sentence: "State and local laws or rules shall not apply to rules and regulations adopted by the Corporation to the extent that such rules and regulations so provide or to the extent that State and local laws or rules are inconsistent with such rules and regulations.".

(c) DEFINITION OF SUBSTANTIAL BENEFICIAL INTEREST.—Subsection (m) of such section (as redesignated by subsection (a)(1)) is amended in paragraph (4) by striking "5 percent" and inserting "10 percent".

(d) PENALTY FOR FALSE INFORMATION.—Subsection (n) of such section (as redesignated by subsection (a)(1)) is amended in paragraph (1) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) disqualify the person—

"(i) from purchasing catastrophic risk protection under section 508(b) or participating in the noninsured assistance program under section 519 for a period not to exceed 2 years; and

"(ii) from receiving any other benefit under this title for a period not to exceed 10 years.".

(e) ACTUARIAL SOUNDNESS.—Subsection (o) of such section (as redesignated by subsection (a)(1)) is amended—

(1) in paragraph (1), by striking "beginning farmers from obtaining adequate Federal crop insurance, as determined by the Corporation" and inserting "beginning farmers, as determined by the Secretary, from obtaining Federal crop insurance";

(2) in paragraph (3), by striking "and" at the end of the paragraph;

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph:

"(4) establishing a database that contains social security numbers or employee identification numbers of insurance agents and adjusters and using the numbers to identify agents and adjusters who are high risk for actuarial purposes, and for other purposes permitted by law; and".

(f) REGULATORY AND PAPERWORK REDUCTION.—Such section is further amended by adding at the end the following new subsection:

"(p) REGULATORY AND PAPERWORK REDUCTION.—

"(1) CATASTROPHIC RISK PROTECTION.—In developing and carrying out the policies and procedures for catastrophic risk protection under section 508(b), the Corporation shall minimize, to the maximum extent practicable, the paperwork required and the complexity and costs of procedures governing the application for, and the processing and servicing of, catastrophic risk protection.

"(2) OTHER PLANS.—To the extent that the policies and procedures developed under paragraph (1) may be applied to other plans of insurance offered under this title without jeopardizing the actuarial soundness or integrity of the crop insurance program under this title, the Corporation shall apply the policies and procedures to the other plans of insurance within a reasonable period of time (as determined by the Corporation) after the effective date of this paragraph.

"(3) SOLICITATION OF COST INFORMATION AND COST-REDUCTION PROPOSALS.—

"(A) COST INFORMATION.—The Corporation shall solicit from private insurance providers and agents information regarding—

"(i) their average cost per policy of complying with requirements, regulations, procedures, and processes under this title; and

"(ii) the data upon which such costs are determined.

"(B) COST-REDUCTION PROPOSALS.—The Corporation shall also solicit from private insurance providers and agents proposals for modifying or altering the requirements, regulations, procedures, and processes under this title to reduce their total average cost per policy.

"(C) REPORT.—By June 1, 1995, the Corporation shall submit a report to Congress containing the information received under subparagraph (A) and an evaluation of the cost-reduction proposals received under subparagraph (B).

"(4) COST REDUCTION PLAN.—

"(A) PLAN REQUIRED.—Subject to the condition that the Corporation maintain the integrity of the crop insurance program under this title, the Corporation shall include in the report required under paragraph (3) a plan to reduce the average cost per policy incurred by private insurance providers and agents to comply with requirements, regulations, procedures, and processes under this title. To the extent practicable, the Corporation shall set a target percentage by which such costs should be reduced.

"(B) IMPLEMENTATION OF PLAN.—Not later than 60 days after submitting the report required under paragraph (3), and in accordance with the plan contained in the report, the Corporation shall adopt such measures consistent with maintaining the integrity of the crop insurance program under this title as the Corporation determines are appropriate—

"(i) to improve Corporation liaison with policyholders and private insurance providers; and

"(ii) to reduce the average cost per policy to meet the target percentage set by the Corporation.".

(g) IMPROVED PROGRAM COMPLIANCE.—Such section is further amended by inserting after subsection (p) (as added by subsection (f)) the following new subsection:

"(q) PROGRAM COMPLIANCE.—

"(1) TIMELINESS.—The Corporation shall work actively with private insurance providers to address program compliance and integrity issues as such issues develop.

"(2) NOTIFICATION OF COMPLIANCE PROBLEMS.—The Corporation shall notify in writing any private insurance provider with whom the Corporation has an agreement under this title of any error, omission, or failure to follow Corporation regulations or procedures for which the private insurance provider may be responsible and which may result in a debt owed the Corporation. Such notice shall be given within 3 years of the end of the insurance period during which the error, omission, or failure is alleged to have occurred, except that such time limit shall not apply with respect to errors, omissions, or procedural violations that are willful or intentional. The failure to timely provide the notice required under this subsection shall relieve the private insurance provider from the debt owed the Corporation.".

SEC. 4. PERSONNEL.

Section 507 of the Federal Crop Insurance Act (7 U.S.C. 1507) is amended—

(1) in subsection (a), by striking ", and county crop insurance committeemen";

(2) in subsection (c), by striking ", in which case the agent or broker" in the first sentence and all that follows through the period at the end of the second sentence and inserting a period;

(3) in subsection (d), by striking ", except that" and all that follows through the period at the end of the subsection and inserting a period; and

(4) by adding at the end the following new subsection:

"(g) SPECIALTY CROPS COORDINATOR.—The Corporation shall establish a senior-level position to be known as the Specialty Crops Coordinator. The Specialty Crops Coordinator shall have primary responsibility for addressing the needs of specialty crop producers and for providing information and advice in connection with the Corporation's activities to improve and expand the insurance program for specialty crops. In carrying out such responsibility, the Specialty Crops Coordinator shall act as the Corporation's liaison with representatives of specialty crop producers and provide the Corporation with the producers' knowledge, expertise, and familiarity with risk management and production issues pertaining to specialty crops. The Specialty Crops Coordinator shall also use information collected from Corporation field office directors in States in which specialty crops have a significant economic effect and from other sources, including the extension service and colleges and universities.".

SEC. 5. GENERAL AUTHORITY TO OFFER CROP INSURANCE.

(a) GENERAL AUTHORITY TO OFFER INSURANCE.—Subsection (a) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended to read as follows:

"(a) AUTHORITY TO OFFER INSURANCE.—

"(1) GENERAL AUTHORITY AND LOSSES COVERED.—If sufficient actuarial data are available, as determined by the Board, the Corporation may insure (or provide reinsurance for insurers of) producers of agricultural commodities grown in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved. To qualify for coverage under these plans of insurance, the losses of the insured commodity shall be due to drought, flood, or other natural disaster, as determined by the Secretary.

"(2) PERIOD OF COVERAGE.—Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field. For the purpose of the foregoing sentence, in the case of aquacultural species, the term 'field' means the environment in which the commodity is produced.

"(3) EXCLUSIONS.—Insurance provided under this section shall not cover losses—

"(A) due to the neglect or malfeasance of the producer;

"(B) due to the failure of the producer to reseed to the same crop in those areas and under such circumstances where it is customary to reseed; or

"(C) due to the failure of the producer to follow good farming practices, as determined by the Corporation.

"(4) EXPANSION TO OTHER AREAS OR SINGLE PRODUCERS.—

"(A) AREA EXPANSION.—The Corporation may offer plans of insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands in the same manner as provided in this section for production of agricultural commodities in the United States.

"(B) PRODUCER EXPANSION.—In areas in the United States or specified in subparagraph (A) where crop insurance is not available for a particular agricultural commodity, the Corporation may offer to enter into a written agreement with an individual producer operating in that area for insurance coverage under this title if the producer has actuarially sound data relating to the producer's production of that commodity and such data is acceptable to the Corporation.

"(5) DISSEMINATION OF CROP INSURANCE INFORMATION.—The Corporation shall make available to producers through local offices of the Department of Agriculture—

"(A) current and complete information on all aspects of Federal crop insurance; and

"(B) a listing of insurance agents and companies offering to sell crop insurance in their area.

"(6) ADDITION OF NEW AND SPECIALTY CROPS.—

"(A) DATA COLLECTION.—Not later than 6 months after the date of the enactment of this paragraph, the Secretary shall issue guidelines for publication in the Federal Register for data collection to assist the Corporation in formulating crop insurance policies for new and specialty crops.

"(B) ADDITION OF NEW CROPS.—Not later than 1 year after the date of the enactment of this paragraph, and annually thereafter, the Corporation shall report to Congress on the progress and expected timetable for expanding crop insurance coverage under this title to new and specialty crops.

"(C) ADDITION OF DIRECT SALE PERISHABLE CROPS.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall report to Congress on the feasibility of offering a crop insurance program designed to meet the needs of specialized producers of vegetables and other perishable crops who market through direct marketing channels.".

(b) REPORT ON IMPROVING DISSEMINATION OF CROP INSURANCE INFORMATION.—Not later than 6 months after the date of the enactment of this Act, the Federal Crop Insurance Corporation shall submit a report to Congress containing a plan to implement a sound program for producer education regarding the crop insurance program and for the dissemination of crop insurance information to producers, as required by section 508(a)(5) of the Federal Crop Insurance Act. Subsequent reports on the progress of the implementation of the program shall be submitted to Congress in 1996 and 1997.

SEC. 6. CATASTROPHIC RISK PROTECTION, BUY-UP COVERAGE, PREMIUMS, AND YIELD DETERMINATIONS.

(a) IN GENERAL.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking subsections (c), (e), (f), (g), (h), (i), (l), (m), and (n);

(2) by redesignating subsections (b) and (d) as subsections (h) and (i), respectively; and

(3) by inserting after subsection (a) the following new subsections:

"(b) CATASTROPHIC RISK PROTECTION.—

"(1) CATASTROPHIC RISK PROTECTION REQUIRED.—The Corporation shall offer to producers of agricultural commodities grown in the United States a catastrophic risk protection plan to indemnify a producer for crop losses due to loss of yield or prevented planting resulting from drought, flood, or other natural disaster, as determined by the Secretary, if the producer is unable to plant other crops for harvest on that acreage for that crop year.

"(2) AMOUNT OF COVERAGE.—

"(A) IN GENERAL.—Subject to subparagraph (B), under catastrophic risk protection, the Corporation shall offer producers—

"(i) coverage equal to 50 percent loss in yield (determined on an area or individual yield basis as described in subsection (g)) indemnified at 60 percent of the expected market price of the commodity (as determined by the Corporation); or

"(ii) other coverage established by the Corporation that is comparable to the coverage described in clause (i).

"(B) REDUCTION IN ACTUAL PAYMENT.—The amount paid to a producer on a claim under catastrophic risk protection may reflect a reduction that is proportional to the out-of-pocket expenses that are not incurred by the producer as a result of not planting, growing, or harvesting the crop for which the claim is made, as determined by the Corporation.

"(3) YIELD AND LOSS BASIS.—Producers shall have the option of purchasing catastrophic risk protection based on either an individual yield and loss basis or on an area yield and loss basis, as described in subsection (g), when both options are offered by the Corporation.

"(4) SALE OF CATASTROPHIC RISK PROTECTION.—

"(A) APPLICATION.—Except as provided in subparagraph (B), producers shall submit an application at the local office of the Department of Agriculture or to a private insurance provider approved by the Corporation to participate in catastrophic risk protection. To the extent sales of catastrophic risk protection are made through local offices of the Department of Agriculture, the Secretary may require the local office to contract with private insurance providers to service the insurance contracts.

"(B) RESTRICTION OF SALES TO PRIVATE INSURANCE PROVIDERS.—If the Secretary determines that the number or capacity of private insurance providers in a county is sufficient to adequately provide catastrophic risk protection to producers in that county for a particular crop year, the Secretary may discontinue the sale for that crop year of catastrophic risk protection at local offices of the Department of Agriculture serving that county. A determination of the Secretary under this subparagraph to discontinue the sale of catastrophic risk protection at local offices of the Department of Agriculture, and the process by which the determination is made, shall not be subject to judicial review under the Administrative Procedure Act or any other provision of law.

"(C) CONSIDERATIONS.—In making a determination under subparagraph (B) with respect to discontinuing the sale of catastrophic risk protection at local offices of the Department of Agriculture, the Secretary shall consider equally the following factors:

"(i) Whether the use of Department personnel and offices to provide catastrophic risk protection is the most efficient and cost-effective use of Department resources.

"(ii) The availability and training of Department personnel to handle applications for catastrophic risk protection.

"(iii) The needs of, and fairness to, local producers.

"(D) COMPARISON OF PRIVATE AND PUBLIC DELIVERY SYSTEMS.—To evaluate the appropriateness of determinations under subparagraph (B), the Secretary shall require each local office of the Department of Agriculture at which producers apply for catastrophic risk protection to annually provide to the Secretary information regarding the number of catastrophic risk protection policies sold, the training and personnel costs incurred to provide and service the policies, the average cost per policy to provide and service the policies directly, and (if applicable) the cost of contracting with private insurance providers to service the policies. For comparison purposes, the Secretary may also request comparable information from private insurance providers selling catastrophic risk protection.

"(E) REPORT.—Not later than 18 months after the date of the enactment of the Federal Crop Insurance Reform Act of 1994 (and annually thereafter), the Secretary shall submit to Congress a report—

"(i) listing the counties at which producers were permitted to apply for catastrophic risk protection during the period covered by the report; and

"(ii) containing and evaluating the information collected under subparagraph (D) for that period.

"(5) ADMINISTRATIVE FEE.—

"(A) FEE REQUIRED.—Producers shall pay an administrative fee for catastrophic risk protection. The administrative fee for each producer shall be $50 per crop per county, but not to exceed $100 per producer per county. The administrative fee shall be paid by the producer at the time the producer applies for catastrophic risk protection.

"(B) WAIVER OF FEE.—The Corporation shall waive the administrative fee for limited resource farmers, as defined by the Corporation.

"(C) USE OF FEES.—There are authorized to be appropriated from fees required under subparagraph (A) such sums as may be necessary for operating and administrative expenses incurred for the delivery of catastrophic risk protection.

"(6) COVERAGE OF ALL CROPS.—To be eligible for benefits under any commodity price support, production adjustment, or conservation program administered by the Department of Agriculture, or for the farmer loan programs of the Farmers Home Administration or any successor of that agency, a producer must obtain at least catastrophic risk protection for each crop of economic significance produced on each farm in any county in which the producer has an interest, if insurance is available in the county for those crops. For purposes of this paragraph, the term 'crop of economic significance' means a crop that has contributed, or is expected to contribute, 10 percent or more of the total expected value of all crops grown by the producer.

"(7) COVERAGE UNDER ONE POLICY.—If a producer applies for catastrophic risk protection for a crop produced by the producer in a county, the producer shall be required to secure such protection under a single policy.

"(8) AUTHORITY TO LIMIT CATASTROPHIC RISK PROTECTION.—The Board may limit the availability of catastrophic risk protection in any county or area, or on any farm, on the basis of the insurance risk involved.

"(9) TRANSITIONAL COVERAGE FOR 1995 CROPS.—Effective only for the 1995 crops and for which the sales period for crop insurance expires before the date of the enactment of the Federal Crop Insurance Reform Act of 1994, the Corporation shall allow producers of such crops until at least the end of the 6-month period beginning on such date to obtain catastrophic risk protection for such crops. Upon the enactment of such Act, producers who made timely purchases of a crop insurance policy before the date of the enactment of such Act, under the provisions then in effect, shall be eligible for the same benefits to which a producer would be entitled under comparable buy-up coverage under subsection (c).

"(c) COVERAGE LEVELS GREATER THAN CATASTROPHIC RISK PROTECTION.—

"(1) BUY-UP COVERAGE GENERALLY.—The Corporation shall offer to producers of agricultural commodities grown in the United States plans of crop insurance providing levels of coverage greater than that available under catastrophic risk protection under subsection (b). Plans of insurance under this subsection shall be known as 'buy-up coverage'. Producers shall apply to private insurance providers approved by the Corporation for purchase of buy-up coverage if such coverage is available from private insurance providers. If buy-up coverage is unavailable privately, the Corporation may offer buy-up coverage plans of insurance directly to producers. If a producer applies for catastrophic risk protection at an office of the Department of Agriculture but then elects to purchase buy-up coverage under this subsection, the insurance file for that producer shall be transferred to the approved private insurance provider servicing the buy-up coverage policy.

"(2) ADMINISTRATIVE FEE.—

"(A) FEE REQUIRED.—If a producer elects to purchase buy-up coverage for a crop at a level less than 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the producer shall pay an administrative fee for such buy-up coverage. Subsection (b)(5)

shall apply in determining the amount and use of the administrative fee or in determining whether to waive the administrative fee.

"(B) EXCEPTION.—If a producer elects to purchase buy-up coverage for a crop equal to 65 percent or more of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the producer shall not be subject to the administrative fee required by this paragraph or subsection (b)(5). If the producer has already paid the administrative fee for a lower level of coverage for that crop, the administrative fee shall be refunded to the producer unless the refund would reduce to less than $100 the total amount of the administrative fee paid by the producer for more than 2 crops in the same county for which a lower level of coverage is obtained.

"(3) YIELD AND LOSS BASIS.—Producers shall have the option of purchasing buy-up coverage based on either an individual yield and loss basis or on an area yield and loss basis, as described in subsection (g), when both options are offered by the Corporation.

"(4) YIELD ELECTIONS.—Yield coverage shall be made available to the producer on the basis of any yield election that equals or is less than 85 percent of the individual yield or 95 percent of the area yield, as determined by the Corporation.

"(5) PRICE LEVELS.—

"(A) IN GENERAL.—The Corporation shall establish a price level for each commodity on which buy-up coverage is offered that—

"(i) shall not be less than the expected market price for the commodity, as determined by the Corporation; or

"(ii) at the discretion of the Corporation, may be based on the actual market price at the time of harvest, as determined by the Corporation.

"(B) SPECIAL RULE FOR MALTING BARLEY.—For malting barley covered by a contract between a producer and a processor, the Corporation may offer a plan of insurance that allows the producer to select the contract price as the price election if—

"(i) the contract is definite as to the quantity and the price;

"(ii) the producer submits a copy of the contract with the application for insurance prior to the sales closing date for the crop;

"(iii) coverage does not exceed the quantity contained in the contract;

"(iv) the contracted quantity does not exceed the production guarantee;

"(v) the contract is usual and customary in form and content for the area;

"(vi) the processor is completely independent from the producer; and

"(vii) the processor does not have an insurable interest in the crop.

"(6) PRICE ELECTIONS.—Subject to paragraph (10), insurance coverage shall be made available to the producer on the basis of any price election that equals or is less than that established by the Board.

"(7) LEVEL OF COVERAGE.—Not later than the beginning of the 1996 crop year, the level of coverage shall be quoted in terms of dollars per acre.

"(8) REDUCTION IN ACTUAL PAYMENT.—The amount paid to a producer on a claim under buy-up coverage may reflect a reduction that is proportional to the out-of-pocket expenses that are not incurred by the producer as a result of not planting, growing, or harvesting the crop for which the claim is made, as determined by the Corporation.

"(9) FIRE AND HAIL COVERAGE.—For levels of buy-up coverage equal to 65 percent or more of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the producer may elect to delete from the buy-up coverage any coverage against damage caused by fire and hail if the producer obtains an equivalent or greater dollar amount of coverage for damage caused by fire and hail from a private insurance provider. Upon written notice of such election to the company issuing the policy providing buy-up coverage and submission of evidence of substitute coverage on the commodity insured, the producer's premium shall be reduced by an amount determined by the Corporation to be actuarially appropriate, taking into account the actuarial value of the remaining coverage provided by the Corporation. In no event shall the producer be given credit for an amount of premium determined to be greater than the actuarial value of the protection against losses caused by fire and hail that is included in the buy-up coverage for the crop.

"(10) LIMITATIONS ON BUY-UP COVERAGE.—The Board may limit the availability of buy-up coverage under this subsection in any county or area, or on any farm, on the basis of the insurance risk involved. The Board shall not offer buy-up coverage equal to less than 50 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage.

"(d) PREMIUMS.—

"(1) PREMIUMS REQUIRED.—The Corporation shall fix adequate premiums for all its plans of insurance at such rates as the Board deems actuarially sufficient to attain an expected loss ratio of not greater than 1.1.

"(2) PREMIUM AMOUNTS.—The premium amounts for catastrophic risk protection under subsection (b) and buy-up coverage under subsection (c) shall be fixed as follows:

"(A) In the case of catastrophic risk protection, the amount of the premium shall be sufficient to cover anticipated losses and a reasonable reserve.

"(B) In the case of buy-up coverage below 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, but greater than 50 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the amount of the premium shall—

"(i) be sufficient to cover anticipated losses and a reasonable reserve; and

"(ii) include an amount for operating and administrative expenses, as determined by the Corporation, that is less than the amount established for coverage at 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage.

"(C) In the case of buy-up coverage equal to or greater than 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the amount of the premium shall—

"(i) be sufficient to cover anticipated losses and a reasonable reserve; and

"(ii) include an amount for operating and administrative expenses, as determined by the Corporation, on an industry-wide basis as a percent of the amount of the premium used to define loss ratio under section 502.

"(3) PREMIUM REDUCTION.—If a private insurance provider determines that it may provide insurance more efficiently than the expense reimbursement amount established by the Corporation, the private insurance provider may reduce, subject to the approval of the Corporation, the premium charged the insured by an amount corresponding to such efficiency. The private insurance provider shall apply to the Corporation for authority to reduce the premium before making such a reduction, and the reduction shall be subject to the rules, limitations, and procedures established by the Corporation.

"(e) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—

"(1) IN GENERAL.—For the purpose of encouraging the broadest possible participation of producers in the catastrophic risk protection provided under subsection (b) and the buy-up coverage provided under subsection (c), the Corporation shall pay a part of the premium in the amounts provided in this subsection.

"(2) AMOUNT OF PAYMENT.—The amount of the premium to be paid by the Corporation shall be as follows:

"(A) In the case of catastrophic risk protection, the amount shall be equivalent to the premium established for catastrophic risk protection under subsection (d)(2)(A).

"(B) In the case of coverage below 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, but greater than 50 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, the amount shall be equivalent to the amount of premium established for catastrophic risk protection coverage and the amount of operating and administrative expenses established under subsection (d)(2)(B).

"(C) In the case of coverage equal to or greater than 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, on an individual or area basis, the amount shall be equivalent to an amount equal to the premium established for 50 percent loss in yield indemnified at 75 percent of the expected market price and the amount of operating and administrative expenses established under subsection (d)(2)(C).

"(3) STATE SUBSIDY AUTHORIZED.—The Board may enter into agreements with any State or agency of a State under which the State or agency may pay to the approved insurance provider an additional premium subsidy to further reduce the portion of the premium paid by producers in the State.

"(f) ELIGIBILITY REQUIREMENTS.—

"(1) PERSONS ELIGIBLE.—Except as otherwise provided in this title, no producer may be denied insurance under this section if the producer meets the definition of person, as defined by the Secretary. In the case of plans of insurance under this title other than catastrophic risk protection, the definition of person shall include a producer who is over 18 years of age or older and has a bona fide insurable interest in a crop as an owner, owner-operator, landlord, tenant, or sharecropper.

"(2) SALES CLOSING DATE.—A producer who desires to obtain catastrophic risk protection under subsection (b) or buy-up coverage under subsection (c) for a crop shall submit an application by the sales closing date for the crop. The Corporation shall establish sales closing dates to maximize convenience to producers in obtaining benefits under commodity price support and production adjustment programs of the Department whenever feasible; except that, in establishing such dates, the Corporation shall ensure that the goal of actuarial soundness for the crop insurance program under this title is met.

"(3) RECORDS AND REPORTING.—To obtain catastrophic risk protection under subsection (b) or buy-up coverage under subsection (c), a producer shall—

"(A) provide, to the extent required by the Corporation, records acceptable to the Corporation of historical acreage and production of the crops for which the insurance is sought or accept a yield determined by the Corporation; and

"(B) report acreage planted and prevented from planting by the designated acreage reporting date for that crop and location as established by the Corporation.

"(4) LIMITATION ON MULTIPLE BENEFITS FOR SAME LOSS.—If a producer who is eligible to receive benefits under catastrophic risk protection

under subsection (b) or noninsured crop disaster assistance under section 519 is also eligible to receive assistance for the same loss under any other program administered by the Secretary, the producer shall be required to elect whether to receive benefits under this title or under such other program, but not both. A producer who purchases buy-up coverage under subsection (c) may also receive assistance for the same loss under other programs administered by the Secretary, except that the amount received for the loss under the buy-up coverage together with the amount received under such other programs may not exceed the amount of the producer's actual loss.

"(g) YIELD COVERAGE DETERMINATIONS.—

"(1) IN GENERAL.—The Corporation shall implement crop insurance underwriting rules that ensure that yield coverage, as specified in this subsection, is provided to eligible producers obtaining catastrophic risk protection under subsection (b) or buy-up coverage under subsection (c).

"(2) INDIVIDUAL YIELD BASIS.—

"(A) ACTUAL PRODUCTION HISTORY.—The Corporation shall determine yield coverage using the producer's actual production history over a period of not less than the 4 previous consecutive crop years and not more than 10 consecutive crop years. Subject to subparagraph (B), the yield for insurance purposes for the year for which insurance is sought shall be equal to the average of the producer's actual production history during the period considered.

"(B) ASSIGNMENT OF YIELD.—Except as provided in subparagraphs (C) and (D), if a producer does not submit adequate documentation of production history to determine crop yield under subparagraph (A), the Corporation shall assign to the producer a yield equal to not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual production reflected in the records acceptable to the Corporation for continuous years), as specified in regulations issued by the Corporation based on production history requirements.

"(C) PILOT PROGRAM OF ASSIGNED YIELDS FOR NEW PRODUCERS.—

"(i) PROGRAM REQUIRED.—For each of the 1995 and 1996 crop years, the Corporation shall carry out a pilot program to assign to eligible new producers higher assigned yields than would otherwise be assigned to such producers under subparagraph (B). The Corporation shall include in the pilot program 30 counties that are determined by the Corporation to be adequate to provide a comprehensive evaluation of the feasibility, effectiveness, and demand among new producers for increased assigned yields.

"(ii) INCREASED ASSIGNED YIELDS.—In the case of an eligible new producer participating in the pilot program, the Corporation shall assign to the new producer a yield equal to not less than 110 percent of the transitional yield otherwise established by the Corporation.

"(iii) ELIGIBLE NEW PRODUCER.—The Secretary shall establish a definition of new producer for purposes of determining eligibility to participate in the pilot program.

"(D) ALTERNATIVE ASSIGNED YIELDS FOR PRODUCERS OF FEED OR FORAGE.—

"(i) FEED OR FORAGE YIELDS.—For the first crop year for which an eligible producer described in clause (ii) obtains catastrophic risk protection under subsection (b) or buy-up coverage under subsection (c) for a feed or forage crop, the Corporation shall assign to the producer a yield equal to not less than 80 percent of the transitional yield established by the Corporation (adjusted to reflect the actual production history of the producer) if the producer does not provide satisfactory evidence of the yield under subparagraph (A). For not more than three additional years, the Corporation shall provide the producer with a yield based on the greater of—

"(I) the producer's actual production history for the preceding year (or years if available); and

"(II) the assigned yield determined under this clause.

"(ii) ELIGIBLE PRODUCERS.—An eligible producer referred to in clause (i) is a producer that, as determined by the Secretary—

"(I) grows the insured feed or forage crop primarily for on-farm use in a livestock, dairy, or poultry operation; and

"(II) derives over 50 percent of the producer's gross farm income from the livestock, dairy, or poultry operation.

"(iii) TERMINATION OF AUTHORITY.—The authority provided by this subparagraph shall apply only during the 1995 through 1998 crop years.

"(3) AREA YIELD BASIS.—The Corporation may offer a crop insurance plan based on an area yield that allows an insured producer to qualify for an indemnity if a loss occurs in an area, as specified by the Corporation, in which the farm of the producer is located. Under an area yield plan, an insured producer shall be allowed to select the level of area production at which an indemnity will be paid consistent with the terms and conditions established by the Corporation.

"(4) COMMODITY-BY-COMMODITY BASIS.—A producer may choose between either individual yield or area yield coverage, where available, on a commodity-by-commodity basis.".

(b) CONFORMING AMENDMENTS.—

(1) REPEAL OF EXISTING CROP INSURANCE YIELD COVERAGE.—Section 508A of the Federal Crop Insurance Act (7 U.S.C. 1508A) is repealed.

(2) PREEMPTION.—Section 511 of such Act (7 U.S.C. 1511) is amended by adding the following sentence: "The Corporation's contracts of insurance and the contracts of insurance reinsured by the Corporation shall be exempt from taxation imposed on any State, municipality, or local taxing authority.".

(3) PERSONS UNDER 21 YEARS OF AGE.—Section 520 of such Act (7 U.S.C. 1520) is repealed.

SEC. 7. PREPARATION OF POLICIES, CLAIMS, AND REINSURANCE.

(a) SUBMISSION OF POLICIES.—Subsection (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508), as redesignated by section 6(a)(2), is amended—

(1) in paragraph (1), by striking "subsection (a)" and inserting "subsection (c)"; and

(2) by striking paragraphs (2), (3), and (4) and inserting the following new paragraphs:

"(2) SUBMISSION OF POLICIES.—A policy or other material submitted to the Board under this subsection may be prepared without regard to the limitations contained in this title, including the requirements concerning the levels of coverage and rates and the requirement that a price level for each commodity insured must equal the expected market price for the commodity as established by the Board. In the case of such a policy, the payment by the Corporation of a portion of the premium of the policy may not exceed the amount that would otherwise be authorized under subsection (e).

"(3) REVIEW AND APPROVAL BY THE BOARD.—A policy or other material submitted to the Board under this subsection shall be reviewed by the Board and, if the Board finds that the interests of producers are adequately protected and that any premiums charged to such producers are actuarially appropriate, shall be approved by the Board for reinsurance and for sale to producers as an additional choice at actuarially appropriate rates and under appropriate terms and conditions. The Corporation may enter into more than one reinsurance agreement with the private insurance provider simultaneously to facilitate the offering of such new policies.

"(4) GUIDELINES FOR SUBMISSION AND REVIEW.—The Corporation shall issue regulations to establish guidelines for the submission and Board review of policies or other material submitted to the Board under this subsection. At a minimum, the guidelines shall ensure the following:

"(A) Proposals submitted to the Board under this subsection shall be considered as confidential commercial or financial information for purposes of section 552(b)(4) of title 5, United States Code, until approved by the Board. Proposals disapproved by the Board shall remain confidential commercial or financial information.

"(B) The Board shall provide an applicant with the opportunity to present the proposal to the Board in person if the applicant so desires.

"(C) The Board shall provide an applicant with notification of intent to disapprove a proposal not later than 30 days prior to taking such action. An applicant that receives such notification may modify such application, and such modification shall be considered an original application for purposes of this paragraph.

"(D) Specific guidelines shall deal with the timing of submission of proposals under this subsection and timely consideration by the Board so that any approved proposal may be made available to all persons reinsured by the Corporation in a manner permitting them to participate, if they so desire, in offering such a proposal in the first crop year in which it is approved by the Board for reinsurance, premium subsidy, or other support offered by this title.

"(5) REQUIRED PUBLICATION.—Any policies, provisions of policies, and rates approved under this subsection shall be published as a notice in the Federal Register and made available to all persons contracting with or reinsured by the Corporation under the same terms and conditions as between the Corporation and the person originally submitting the policy or other material.".

(b) CLAIMS FOR LOSSES AND REINSURANCE.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is further amended—

(1) by redesignating subsections (j) and (k) as subsections (l) and (m), respectively; and

(2) inserting after subsection (i), as redesignated by section 6(a)(2), the following new subsections:

"(j) CLAIMS FOR LOSSES.—

"(1) IN GENERAL.—Under rules prescribed by the Corporation, the Corporation may provide for adjustment and payment of claims for losses. The rules prescribed by the Corporation shall establish standards to ensure that all claims for losses are adjusted, to the extent practicable, in a uniform and timely manner.

"(2) DENIAL OF CLAIMS.—

"(A) IN GENERAL.—Subject to subparagraph (B), if a claim for indemnity is denied by the Corporation or by the private insurance provider, an action on the claim may be brought against the Corporation or Secretary or the insurance provider only in the United States district court for the district in which the insured farm is located.

"(B) STATUTE OF LIMITATIONS.—A suit on the claim may be brought not later than 1 year after the date on which written notice of denial of the claim is provided to the claimant.

"(3) INDEMNIFICATION.—The Corporation shall provide private insurance providers with indemnification, including costs and reasonable attorney fees incurred by the private insurance provider, due to errors or omissions on the part of the Corporation.

"(k) REINSURANCE.—Notwithstanding any other provision of this title, the Corporation shall, to the maximum extent practicable, provide reinsurance to insurers approved by the Corporation that insure producers of any agricultural commodity under a plan or plans acceptable to the Corporation. Such reinsurance shall be provided upon such terms and conditions as the Board may determine to be consistent with subsections (b) and (c) and sound reinsurance principles. The Corporation's reinsurance agreements with the reinsured companies shall require the reinsured companies to bear a sufficient share of any potential loss under such agreement so as to ensure that the reinsured company will sell and service policies of insurance in a sound and prudent manner, taking into consideration the financial condition of the reinsured companies and the availability of private reinsurance.''.

(c) Cross References.—

(1) Claims for losses.—Section 506(d) of the Federal Crop Insurance Act (7 U.S.C. 1506(d)) is amended in the first sentence by striking ''section 508(f)'' and inserting ''section 508(j)''.

(2) Submission of materials to board.—Section 507(c) of such Act (7 U.S.C. 1507(c)) is amended in the last sentence by striking ''section 508(b)'' and inserting ''section 508(h)''.

(3) Definition of agricultural commodity.—Section 518 of such Act (7 U.S.C. 1518) is amended by striking ''or (k)'' and inserting ''or (m)''.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS AND CROP INSURANCE FUND.

Section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516) is amended to read as follows:

"SEC. 516. FUNDING.

''(a) Authorization of Appropriations for Corporation Salaries and Agent Commissions.—There are hereby authorized to be appropriated such sums as are necessary to cover the salaries and administrative expenses of the Corporation and the administrative and operating expenses of the Corporation for the sales commissions of agents.

''(b) Crop Insurance Fund.—

''(1) Establishment.—There is hereby established an insurance fund for deposit of premiums collected under section 508(d), income from reinsurance operations, and appropriations made available under paragraph (2).

''(2) Authorization of appropriations.—There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of the insurance fund.

''(c) Purposes of Insurance Fund.—In such aggregate amount as is provided in advance in appropriations Acts, the Corporation may use amounts in the insurance fund to pay the following:

''(1) Beginning with the 1996 crop year, the administrative and operating expenses of approved insurance providers, other than expenses for which funds are authorized to be appropriated under subsection (a).

''(2) All other expenses of the Corporation (other than expenses for which funds are authorized to be appropriated under subsection (a)), including all premium subsidies and indemnities.

''(3) For the 1995 crop year, all administrative and expense reimbursements due under a reinsurance agreement with an approved private insurance provider.

''(4) Expenses incurred by the Corporation to carry out research and development.

''(5) For the 1996 crop year, the administrative and operating expenses of the Corporation for the sales commissions of agents, but not to exceed an amount equal to 10.5 percent of the total amount of premiums paid by producers for insurance policies for the 1996 crop year.''.

SEC. 9. ADVISORY COMMITTEE.

The Federal Crop Insurance Act is amended by inserting after section 514 (7 U.S.C. 1514) the following new section:

"SEC. 515. ADVISORY COMMITTEE FOR FEDERAL CROP INSURANCE.

''(a) Establishment and Termination.—The Secretary may establish within the Department of Agriculture an advisory committee to be known as the advisory committee for Federal Crop Insurance. If established, the Advisory Committee shall remain in existence until September 30, 1998.

''(b) Primary Responsibility.—The primary responsibility of the Advisory Committee shall be to advise the Secretary on the implementation of this title and on other issues related to crop insurance, as determined by the Manager.

''(c) Membership.—The Advisory Committee shall be composed of the Manager of the Corporation, the Secretary (or a designee of the Secretary), and not less than 12 members representing organizations and agencies involved in the provision of crop insurance under this title. Not less than 3 of the members of the Advisory Committee shall be representatives of the specialty crops industry. The organizations or agencies represented by members on the Advisory Committee may include insurance companies, insurance agents, farm producer organizations, experts on agronomic practices, and banking and lending institutions.

''(d) Administrative Provisions.—

''(1) Terms.—Members of the Advisory Committee shall be appointed by the Secretary for a term of up to 2 years from nominations made by the organizations and agencies specified in subsection (c). The terms of the members shall be staggered.

''(2) Chairperson.—The Advisory Committee shall be chaired by the Manager of the Corporation.

''(3) Meetings.—The Advisory Committee shall meet at least annually. The meetings of the Advisory Committee shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Advisory Committee shall be kept and made available to the public on request.

''(e) Reports.—Not later than June 30 of each year, the Advisory Committee shall submit to the Secretary a report specifying its conclusions and recommendations regarding—

''(1) the progress toward implementation of the provisions of this title;

''(2) the actuarial soundness of the Federal crop insurance program;

''(3) the rate of producer participation in both catastrophic risk protection under section 508(b) and buy-up coverage under section 508(c); and

''(4) the progress toward improved crop insurance coverage for new and specialty crops.''.

SEC. 10. NONINSURED CROP DISASTER ASSISTANCE.

(a) In General.—Section 519 of the Federal Crop Insurance Act (7 U.S.C. 1519) is amended to read as follows:

"SEC. 519. NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

''(a) Establishment of Program.—

''(1) Establishment.—In the case of an eligible crop described in paragraph (2), the Corporation shall establish a noninsured crop disaster assistance program to provide coverage equivalent to the catastrophic risk protection otherwise available under section 508(b).

''(2) Eligible crops.—

''(A) In general.—For purposes of this section, the term 'eligible crop' means each commercial crop or other agricultural commodity (except livestock)—

''(i) for which catastrophic risk protection under section 508(b) is not available; and

''(ii) which is produced for food, fiber, or as an industrial crop (as defined by the Corporation).

''(B) Crops specifically included.—The term 'eligible crop' shall include floricultural, ornamental nursery, and Christmas tree crops and turfgrass sod.

''(3) Cause of loss.—To qualify for assistance under this section, the losses of the noninsured commodity shall be due to drought, flood, or other natural disaster, as determined by the Secretary.

''(b) Application for Noninsured Crop Disaster Assistance.—

''(1) Timely application.—To be eligible for assistance under this section, producers shall submit an application for noninsured crop disaster assistance at a local office of the Department of Agriculture. The application shall be in such form, contain such information, and be submitted at such time as the Corporation may require.

''(2) Records and reports.—To obtain noninsured crop disaster assistance, a producer shall—

''(A) provide records acceptable to the Corporation of historical acreage and production of the eligible crops for which assistance is sought or accept a yield determined by the Corporation; and

''(B) report acreage planted and prevented from planting by the designated acreage reporting date for that crop and location as established by the Corporation.

''(3) Exclusions.—Noninsured crop disaster assistance under this section shall not cover losses due to—

''(A) the neglect or malfeasance of the producer;

''(B) the failure of the producer to reseed to the same crop in those areas and under such circumstances where it is customary to reseed; or

''(C) the failure of the producer to follow good farming practices, as determined by the Corporation.

''(4) Revenue limitation.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any noninsured crop disaster assistance payments. For purposes of this section, the term 'qualifying gross revenues' means—

''(A) if a majority of the person's gross revenue is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

''(B) if less than a majority of the person's gross revenue is received from farming, ranching, and forestry operations, the person's gross revenue from all sources.

''(c) Loss Requirements.—

''(1) Required area loss.—A producer of an eligible crop shall not receive noninsured crop disaster assistance unless the average yield for that crop, or an equivalent measure in the event yield data are not available, in an area falls below 65 percent of the expected area yield, as established by the Corporation.

''(2) Prevented planting.—Subject to paragraph (1), the Corporation shall make a prevented planting noninsured crop disaster assistance payment if the producer is prevented from planting more than 35 percent of the acreage intended for the eligible crop because of drought, flood, or other natural disaster, as determined by the Secretary.

''(3) Reduced yields.—Subject to paragraph (1), the Corporation shall make a reduced yield noninsured crop disaster assistance payment if the total quantity of the eligible crop that a producer is able to harvest on any farm is, because of drought, flood, or other natural disaster as determined by the Secretary, less than 50 percent of the expected individual yield for the crop, as determined by the Corporation, factored for the producer's interest for the crop.

''(d) Payments.—

''(1) Reduced yields.—If the producer is eligible for reduced yield noninsured crop disaster assistance, payments shall be made for farm losses in excess of 50 percent of the established farm yield for the eligible crop indemnified at 60 *percent of the average market price for that crop, or a comparable coverage as determined by the Corporation. Any eligible crop that is produced with significant and variable, post-planting expenses, the payment shall be reduced to reflect reduced production costs and harvesting costs if the crop is not harvested.*

"(2) PREVENTED PLANTING.—If the producer is eligible for a prevented planting payment under this section, the amount paid to the producer on a claim under this section may reflect a reduction that is proportional to the out-of-pocket expenses that are not incurred by the producer as a result of not planting, growing, or harvesting the crop for which the claim is made, as determined by the Corporation.

"(e) YIELD DETERMINATIONS.—

"(1) ESTABLISHMENT.—The Corporation shall establish farm yields for purposes of providing noninsured crop disaster assistance under this section.

"(2) ACTUAL PRODUCTION HISTORY.—The Corporation shall determine yield coverage using the producer's actual production history over a period of not less than the 4 previous consecutive crop years and not more than 10 consecutive crop years. Subject to paragraph (3), the yield for the year in which noninsured crop disaster assistance is sought shall be equal to the average of the producer's actual production history during the period considered.

"(3) ASSIGNMENT OF YIELD.—If a producer does not submit adequate documentation of production history to determine a crop yield under paragraph (2), the Corporation shall assign to the producer a yield equal to not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual production reflected in the records acceptable to the Corporation for continuous years), as specified in regulations issued by the Corporation based on production history requirements.

"(f) PAYMENT OF LOSSES.—Payments for noninsured crop disaster assistance losses under this section shall be made from the insurance fund established under section 516. Such losses shall not be included in calculating the premiums charged to producers for insurance under section 508.

"(g) PAYMENT LIMITATIONS.—The total amount of payments that a person shall be entitled to receive annually under this section may not exceed $100,000. For purposes of applying this limitation, the Secretary shall issue regulations defining the term 'person' that shall conform, to the extent practicable, to the regulations defining 'person' issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).".

(b) CONFORMING AMENDMENTS.—

(1) EXISTING EMERGENCY CROP LOSS ASSISTANCE PROGRAM.—Effective July 1, 1995, chapter 3 of subtitle B of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) is amended by striking subchapter A.

(2) EMERGENCY APPROPRIATIONS.—Effective July 1, 1995, the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in section 251(b)(2)(D)(i) (2 U.S.C. 901(b)(2)(D)(i)), by adding at the end the following new sentence: "The preceding sentence shall not apply to appropriations to cover agricultural crop disaster assistance."; and

(B) in section 252(e) (2 U.S.C. 902(e)), by adding at the end the following new sentence: "The preceding sentence shall not apply to direct spending provisions to cover agricultural crop disaster assistance.".

SEC. 11. CROP INSURANCE REQUIREMENTS UNDER PRICE SUPPORT PROGRAMS.

(a) RICE.—Section 101B(c) of the Agricultural Act of 1949 (7 U.S.C. 1441–2(c)) is amended—

(1) by striking paragraph (1)(F); and

(2) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(b) EXTRA LONG STAPLE COTTON.—Section 103(h) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)) is amended—

(1) by redesignating paragraph (16) as paragraph (17) and moving the margin 2 ems to the left; and

(2) by inserting after paragraph (15) the following new paragraph:

"(16) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(c) UPLAND COTTON.—Section 103B(c) of the Agricultural Act of 1949 (7 U.S.C. 1444–2(c)) is amended—

(1) by striking paragraph (1)(F); and

(2) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(d) FEED GRAINS.—Section 105B(c) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)) is amended—

(1) by striking paragraph (1)(G); and

(2) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(e) TOBACCO.—Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by striking subsection (e) and inserting in lieu thereof the following:

"(e) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(f) WHEAT.—Section 107B(c) of the Agricultural Act of 1949 (7 U.S.C. 1444b–3a(c)) is amended—

(1) by striking paragraph (1)(G); and

(2) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(g) PEANUTS.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(h) OILSEEDS.—Section 205 of the Agricultural Act of 1949 (7 U.S.C. 1446f) is amended—

(1) by redesignating subsection (n) as subsection (o); and

(2) by inserting after subsection (m) the following new subsection:

"(n) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(i) SUGAR.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

"(j) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(j) HONEY.—Section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

"(j) CROP INSURANCE REQUIREMENT.—As a condition of receiving any benefit (including payments) under this section, a producer must obtain at least catastrophic risk protection insurance coverage under section 508(b) of the Federal Crop Insurance Act for the crop and crop year in which the benefit is sought, if such coverage is offered by the Federal Crop Insurance Corporation.".

(k) DISASTER PAYMENTS.—Section 208 of the Agricultural Act of 1949 (7 U.S.C. 1446i) is repealed.

SEC. 12. ELIMINATION OF GENDER REFERENCES.

(a) MANAGEMENT OF CORPORATION.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended—

(1) in subsection (a), by striking the third sentence and inserting "The Board shall be appointed by, and hold office at the pleasure of, the Secretary. The Secretary shall not be a member of the Board."; and

(2) in subsection (d)—

(A) by striking "upon him"; and

(B) by striking "He shall be appointed by," and inserting "The manager shall be appointed by,".

(b) PERSONNEL.—Section 507 of such Act (7 U.S.C. 1507) is amended—

(1) in subsection (a), by striking "as he may determine: Provided, That" and inserting "as the Secretary may determine appropriate. However,"; and

(2) in subsection (d), by striking "as he may request" and inserting "that the Secretary requests".

(c) INDEMNITIES EXEMPT FROM LEVY.—Section 509 of such Act (7 U.S.C. 1509) is amended by striking "or his estate" and inserting "or the estate of the insured".

SEC. 13. PREVENTED PLANTING.

(a) IN GENERAL.—Effective for the 1994 crop year, a producer described in subsection (b) shall receive compensation under the prevented planting coverage policy provision described in subsection (b)(1) by—

(1) obtaining from the Secretary of Agriculture the applicable amount that is payable under the conservation use program described in subsection (b)(4); and

(2) obtaining from the Federal Crop Insurance Corporation the amount that is equal to the difference between—

(A) the amount that is payable under the conservation use program; and

(B) the amount that is payable under the prevented planting coverage policy.

(b) ELIGIBLE PRODUCERS.—Subsection (a) shall apply to a producer who—

(1) purchased a prevented planting policy for the 1994 crop year from the Federal Crop Insurance Corporation prior to the spring sales closing date for the 1994 crop year;

(2) is unable to plant a crop due to major, widespread flooding in the Midwest, or excessive ground moisture, that occurred prior to the spring sales closing date for the 1994 crop year;

(3) had a reasonable expectation of planting a crop on the prevented planting acreage for the 1994 crop year; and

(4) participates in a conservation use program established for the 1994 crop of wheat, feed grains, upland cotton, or rice established under section 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), or 101B(c)(1)(D), respectively, of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(E), 1444f(c)(1)(E), 1444–2(c)(1)(D), or 1441–2(c)(1)(D)).

(c) OILSEED PREVENTED PLANTING PAYMENTS.—

(1) IN GENERAL.—Effective for the 1994 crop year, a producer of a crop of oilseeds (as defined in section 205(a) of the Agricultural Act of 1949 (7 U.S.C. 1446f(a))) shall receive a prevented planting payment for the crop if the requirements of paragraphs (1), (2), and (3) of subsection (b) are satisfied.

(2) SOURCE OF PAYMENT.—The total amount of payments required under this subsection shall be made by the Federal Crop Insurance Corporation.

(d) PAYMENT.—A payment under this section may not be made before October 1, 1994.

SEC. 14. EFFECTIVE DATE.

Except as provided in section 10(b) and section 13, this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to the provision of crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with the 1995 crop year. With respect to the 1994 crop year, the Federal Crop Insurance Act (as in effect on the day before the date of the enactment of this Act) shall continue to apply.

The CHAIRMAN. Before consideration of any other amendment, it shall be in order to consider the amendments printed in part 2 of the report. Each amendment may be offered only by a Member designated in the report, shall be considered as read, shall be debatable under the terms specified in the report, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in part 2 of House Report 103–666. For what purpose does the gentleman from Minnesota rise?

PARLIAMENTARY INQUIRY

Mr. PENNY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PENNY. Mr. Chairman, I have a technical, or I should not call it technical, a modifying amendment to our amendment. In what fashion could that be considered so as not to complicate the debate time on the subsequent amendments?

The CHAIRMAN. The gentleman should offer his amendment first and then ask for the modification.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PENNY: Page 46, line 4, insert after "operations," the following: "all other amounts collected by or on behalf of the Corporation,"

Page 46, strike lines 10 through 12 and insert the following:

"(c) EXPENDITURES FROM INSURANCE FUND.—In such aggregate amount as provided in advance in appropriation Acts, the Corporation may use amounts in the insurance fund to pay the following:

Page 11, strike lines 8 through 11 and insert the following new paragraph:

(2) in subsection (c), by striking ", in which case the agent or broker" in the first sentence and all that follows through the period at the end of the second sentence and inserting the following: ", except that the reimbursement rate established by the Board for such agents and brokers may not exceed 30 percent of the premium for each new sale and may not exceed 28 percent of the premium for the renewal of an insurance policy for a successive term.";

Page 17, line 12, strike "indemnified at 60 percent" and insert "indemnified at 56 percent".

Page 18, strike line 7 and all that follows through line 7 on page 21, and insert the following new paragraph:

"(4) APPLICATION.—To participate in catastrophic risk protection, producers shall submit an application at the local office of the Department of Agriculture or to a private insurance provider approved by the Corporation.

Page 21, line 13, strike "$100 per producer per county." and insert "$200 per producer per county up to a maximum of $600 per producer for all counties in which a producer has insured crops.".

Page 21, strike lines 20 through 25 and insert the following new subparagraph:

"(C) DEPOSIT OF FEES.—Administrative fees collected by an office of the Department of Agriculture or by a private insurance provider shall be deposited in the crop insurance fund established under section 516(b), to be available to the Corporation in such amounts as provided in advance in appropriation Acts.

Page 24, strike line 11 and all that follows through line 11 on page 25 and insert the following new paragraph:

"(2) ADMINISTRATIVE FEE REQUIRED.—If a producer elects to purchase buy-up coverage for a crop, the producer shall pay an administrative fee for such buy-up coverage. Subsection (b)(5) shall apply in determining the amount and use of the administrative fee or in determining whether to waive the administrative fee. If the producer has already paid the administrative fee for catastrophic risk protection for the same crop, the producer shall not be required to pay an additional administrative fee for buy-up coverage for that crop.

Page 31, after line 4, add the following new paragraph:

"(4) INDIVIDUAL AND AREA CROP INSURANCE COVERAGE.—The Corporation shall allow approved insurance providers to offer to producers a plan of insurance that combines both individual yield coverage and area yield coverage at a premium rate determined by the provider, subject to the following conditions:

"(A) The individual yield coverage shall be equal to or greater than catastrophic risk protection, as described in subsection (b).

"(B) The combined policy shall include area yield coverage that is offered by the Corporation or similar area coverage, as determined by the Corporation.

"(C) The Corporation shall provide reinsurance on the area yield portion of the combined policy at the request of the provider, except that the provider shall agree to pay to the producer any portion of the area yield and loss indemnity payment received from the Corporation or a commercial reinsurer that exceeds the individual indemnity payment made by the provider to the producer.

"(D) The Corporation shall pay a part of the premium equivalent to—

"(i) the amount authorized under subsection (e)(2) (except provisions regarding operating and administrative expenses); and

"(ii) the amount of operating and administrative expenses authorized by the Corporation for the area yield coverage portion of the combined policy.

"(E) The provider shall provide all underwriting services for the combined policy, including the determination of individual yield coverage premium rates, the terms and conditions of the policy, and the acceptance and classification of applicants into risk categories, subject to subparagraph (F).

"(F) The Corporation shall approve the combined policy unless the Corporation determines that the policy is not actuarially sound or that the interests of producers are not adequately protected."

Page 33, line 22, add after the period the following: "Beginning with the 1995 crop year, the Corporation shall establish for each insurable crop a sales closing date that is 30 days earlier than the corresponding sales closing date that was established for the 1994 crop year.".

Page 53, after line 17, insert the following new paragraph:

"(4) EFFECT OF CONTRACT PAYMENTS.—A producer who receives a guaranteed payment for production, as opposed to delivery, of a crop pursuant to a contract shall have the production of the producer adjusted upward by an amount equal to the difference between—

"(A) the amount of the production corresponding to the contract payment received; and

"(B) the amount of the production actually delivered by the producer under the contract.

Page 55, after line 12, insert the following new paragraphs:

"(4) PROHIBITION ON ASSIGNED YIELDS IN CERTAIN COUNTIES.—If the acreage of a crop in a county has increased by more than 100 percent since the 1987 crop year, a producer who produces that crop on a farm located in that county may not obtain an assigned yield under paragraph (3). Instead, the producer must provide detailed documentation of production costs, acres planted, and yield (as required by the Corporation) to become eligible for a noninsured assistance payment.

"(5) LIMITATION ON RECEIPT OF SUBSEQUENT ASSIGNED YIELD.—A producer who receives an assigned yield for the current year of a natural disaster because required production records were not submitted to the local office of the Department shall not be eligible for an assigned yield for the year of the next natural disaster unless the required production records of the previous 1 or more years (as applicable) are provided to the local office.

"(6) YIELD VARIATIONS DUE TO DIFFERENT FARMING PRACTICES.—The Corporation shall ensure that noninsured crop disaster assistance accurately reflects significant yield variations due to different farming practices, such as between irrigated and nonirrigated acreage.

Page 55, line 18, add after the period the following: "A producer who makes a claim for payment under this section shall be responsible for an administrative fee of $50, which shall be deducted from the payment made to the producer."

Page 63, strike line 6 and all that follows through line 5 on page 65.

MODIFICATION TO AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer a modification to the amendment just offered, and I ask unanimous consent for its acceptance.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. PENNY: The amendment is modified by adding at the end the following:

Page 6, line 13, insert the following new paragraph (and redesignate subsequent paragraphs accordingly):

(1) in the matter preceding the paragraphs, by inserting after "1.1," the following: "and on and after October 1, 1998, an overall projected loss ratio of not greater than 1.0,";

Page 29, line 3, insert after "1.1" the following: ", on and after October 1, 1995, and not greater than 1.0, on and after October 1, 1998".

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[NOTE: The foregoing modification only adds language at the end of the original amendment, as printed hereinbefore, and the complete amendment, as modified, is, therefore, not reprinted at this point.]

The CHAIRMAN. Pursuant to the rule, the gentleman from Minnesota [Mr. PENNY], will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

AMENDMENT OFFERED BY MR. DE LA GARZA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PENNY, AS MODIFIED

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment as a substitute for the amendment, as modified.

The CHAIRMAN. The Clerk will designate the substitute amendment.

The text of the amendment offered as a substitute for the amendment, as modified, is as follows:

Amendment offered by Mr. DE LA GARZA as a substitute for the amendment offered by Mr. PENNY as modified: Page 31, after line 4, add the following new paragraph:

"(4) INDIVIDUAL AND AREA CROP INSURANCE COVERAGE.—The Corporation shall allow approved insurance providers to offer to producers a plan of insurance that combines both individual yield coverage and area yield coverage at a premium rate determined by the provider, subject to the following conditions:

"(A) The individual yield coverage shall be equal to or greater than catastrophic risk protection, as described in subsection (b).

"(B) The combined policy shall include area yield coverage that is offered by Corporation or similar area coverage, as determined by the Corporation.

"(C) The Corporation shall provide reinsurance on the area yield portion of the combined policy at the request of the provider, except that the provider shall agree to pay to the producer any portion of the area yield and loss indemnity payment received from the Corporation or a commercial reinsurer that exceeds the individual indemnity payment made by the provider to the producer.

"(D) The Corporation shall pay a part of the premium equivalent to—

"(i) the amount authorized under subsection (e)(2) (except provisions regarding operating and administrative expenses); and

"(ii) the amount of operating and administrative expenses authorized by the Corporation for the area yield coverage portion of the combined policy.

"(E) The provider shall provide all underwriting services for the combined policy, including the determination of individual yield coverage premium rates, the terms and conditions of the policy, and the acceptance and classification of applicants into risk categories, subject to subparagraph (F).

"(F) The Corporation shall approve the combined policy unless the Corporation determines that the policy is not actuarially sound or that the interests of producers are not adequately protected.".

Page 33, line 22, add after the period the following: "Beginning with the 1995 crop year, the Corporation shall establish for each insurable crop a sales closing date that is 30 days earlier than the corresponding sales closing date that was established for the 1994 crop year.".

Page 55, after line 12, insert the following new paragraphs:

"(4) PROHIBITION ON ASSIGNED YIELDS IN CERTAIN COUNTIES.—If the acreage of a crop in a county has increased by more than 100 percent since the 1987 crop year, a producer who produces that crop on a farm located in that county may not obtain an assigned yield under paragraph (3). Instead, the producer must provide detailed documentation of production costs, acres planted, and yield (as required by the Corporation) to become eligible for a noninsured assistance payment.

"(5) LIMITATION ON RECEIPT OF SUBSEQUENT ASSIGNED YIELD.—A producer who receives an assigned yield for the current year of a natural disaster because required production records were not submitted to the local office of the Department shall not be eligible for an assigned yield for the year of the next natural disaster unless the required production records of the previous 1 or more years (as applicable) are provided to the local office.

"(6) YIELD VARIATIONS DUE TO DIFFERENT FARMING PRACTICES.—The Corporation shall ensure that noninsured crop disaster assistance accurately reflects significant yield variations due to different farming practices, such as between irrigated and nonirrigated acreage.

Page 63, strike line 6 and all that follows through line 5 on page 65.

Page 50, strike lines 9 through 11 and insert the following new clause:

"(ii) which is produced for food or fiber.

Page 18, strike line 7 and all that follows through line 7 on page 21, and insert the following new paragraph:

"(4) APPLICATION.—To participate in catastrophic risk protection, producers shall submit an application at the local office of the Department of Agriculture or to a private insurance provider approved by the Corporation.

Page 11, strike lines 8 through 11 and insert the following new paragraph:

(2) in subsection (c), by striking ", in which case the agent or broker" in the first sentence and all that follows through the period at the end of the second sentence and inserting the following: ", except that the rate established by the Board of reimburse approved insurance providers and agents for their administrative and operating costs shall not exceed, for the 1997 crop year, 29 percent of the premium used to define loss ratio under section 502, and for the 1998 and 1999 crops, such reimbursement rate shall not exceed 28 percent of the premium used to define loss ratio under section 502. Consistent with the provisions of section 506(p), the Board shall provide regulatory relief to such approved insurance providers and agents in an amount proportional to the reduction in the reimbursement rate established by the Board for the 1997, 1998, and 1999 crop years. No action shall be taken which would jeopardize program integrity, enhance opportunities for fraud or abuse, hinder program expansion or diminish quality of service to customers.".

Page 21, line 13, strike "$100 per producer per county." and insert "$200 per producer per county up to a maximum of $600 per producer for all counties in which a producer has insured crops.".

Page 25, strike lines 8 through 11 and insert the following: "would reduce to less than $200 the total amount of the administrative fees paid by the producer for 2 or more crops in the same county for which a lower level of coverage is obtained.".

On page 65, strike line 6 and insert the following:

SEC. 14. GAO CROP INSURANCE PROVIDER STUDY.

The General Accounting Office shall, within 2 years of enactment, investigate the contractual relationship between the Federal Crop Insurance Corporation and approved insurance providers to determine the quality, costs and efficiency of the provision of multiperil crop insurance to producers of agricultural commodities covered in this Act. The study shall be completed in two parts. The first, to be completed within one year of enactment, shall examine the currently available data to make the determinations required by this section. The second part shall examine the changes that occur because of expansion of the program as participation increases.

This study shall include, but not be limited to, an investigation of providers' actual cost of delivery of multiperil crop insurance for which providers receive reimbursement from the Corporation, cost differences for different provider firm sizes, and changes in cost resulting from expansion of the program. The study shall also compare delivery costs of multiperil crop insurance to other insurance coverage that the provider may sell and identify any corss-subsidization from federally reimbursed delivery to delivery costs of other insurance coverage.

The study shall assess, to the extent practicable, alternative methods of reimbursing delivery costs to providers. In addition, the study shall identify unnecessary expenditure, if any, required by the Corporation for compliance and program integrity.

In addition, the study shall include, but not be limited to, the provisions of the standard reinsurance agreement between the Corporation and approved providers including the risk transferred to Corporation under the terms of the agreement, the return on providers' capital, a determination of the return on capital relative to differences in provider firm size, and a determination of the return on providers' capital in multiperil crop insurance relative to other insurance coverage.

The study shall assess, to the extent practicable, the potential for provider firm concentration in the multiperil crop insurance industry and any economic distortions that might occur from such concentration.

In conducting this study, the General Accounting Office shall maintain the privacy of provider proprietary information.

The General Accounting Office shall have full powers to subpoena any required information from any provider firm.

SEC. 15. EFFECTIVE DATE.

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes. Is the gentleman from Minnesota in opposition to the de la Garza substitute?

Mr. PENNY. Mr. Chairman, I am in opposition to the de la Garza substitute.

The CHAIRMAN. The Chair will treat the time as fungible. The gentleman from Texas [Mr. DE LA GARZA], will be recognized for 30 minutes, and the gentleman from Minnesota [Mr. PENNY] will be recognized for 30 minutes.

Mr. DE LA GARZA. Mr. Chairman, I yield 15 minutes of the time allocated to me to the distinguished gentleman from Texas [Mr. COMBEST], and ask unanimous consent that the gentleman be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. PENNY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PENNY. Mr. Chairman, if there were an amendment to the substitute, would that have to be presented at this point, or could that be presented later in the debate?

The CHAIRMAN. It can be presented at any time that the substitute is pending.

Mr. PENNY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I want to stipulate there are many positive features in this legislation. It would require as a prerequisite for participation in farm programs that all farmers buy crop insurance coverage. It would eliminate the need for annual disaster bills and in fact places any future disaster legislation on budget, which is to say there would be points of order against the consideration of these emergency spending measures.

The goal obviously is to increase participation in the crop insurance program and make it a successful program. It is estimated that the provisions of this bill might in fact double the rates of participation in our crop insurance program. These are salutary objectives and deserve the support of this body.

It certainly moves us in the right direction. The basic thrust of this bill is abolsutely on target and long overdue.

Mr. Chairman, it is unpleasant to be in a position of disagreement with so many of my committee colleagues. It is seldom that I appear on the floor to oppose the legislation of our committee, because I think generally we have been a responsible committee, contributing, as the chairman has indicated, over $60 billion toward deficit reduction in this past decade.

I like my colleagues on this committee and it is not easy to strain that relationship by opposing the chairman and other leaders on this particular issue.

What I do not like is our Congressional budget procedures under which we operate in a nonsensical fashion. These procedures allow us to technically approve legislation requiring appropriations of funds when in fact we know full well that those funds will not be available. The dollars that we are calling to be spent on subsidies for this program are not available in the appropriations process. Those dollars are gone, and yet our budget rules allow us to pretend that somehow they are there.

The fundamental issue at stake on the amendments under debate at this moment is accountability. The issue is accountability. We can pay now by cuts within the crop insurance program, or we will certainly pay later as the Committee on Appropriations pits crop insurance against other priority items.

Again, the goals are all in agreement. We need crop insurance reform, we need to eliminate these emergency disaster bills. The Clinton administration has allowed within the budget $1 billion for us to implement crop reform. That is a generous amount. Nonetheless, as reported, the Committee on Agriculture bill presents a $600 million problem. These uncovered costs would be passed along to the Committee on Appropriations and, quite frankly, again, in an era of ever tighter budgets, the Committee on Appropriations will be hard pressed to find the money for this program without cutting other vital programs.

The Penny-Gunderson amendment simply calls for a slight reduction in the subsidy to insurance agents and a slight reduction in the disaster payments made to farmers. It is as simply as that. Capitol Hill allows us to proceed with a nonsensical debate in which we can say that it is not our committee that is responsible for these cuts, it is some other committee's problem, and that it is not this year we ought to make these cuts, but we should make them 2 and 3 years down the road.

The central issue here today is accountability. We can either pay now up front, or we will certainly pay later.

□ 1220

The responsible thing for us to do is to pay now. We can do that by supporting the Penny-Gunderson amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

I rise in opposition to the amendment and, again, reiterate the fact, we are not intending to shift the burden on any other committee. We have never done this. We do not intend to begin now. This is just a matter that we have a different way to get to the point that all of us want to get to.

But the fact of life is that we need a viable, workable crop insurance program, because now, out there, the reality is that when a farmer goes to the bank, they ask him two questions: "Are you in a Federal program or do you have crop insurance?" If not, they will not speak to him. That is the need for the reform of the crop insurance, to make it viable and workable.

And the misrepresentation that somehow we are trying to evade our responsibility, we are not. We never have. That is not in the history of this committee in the past 12 years. We never have shifted the responsibility.

Now, if my distinguished colleague and friend from Minnesota has a problem with the budget process, we cannot do that for him. Goodness knows, he has had enough opportunities on the floor, combined with other Members. We cannot reform the budget process. We go by the rules as they are. We satisfy the rules as they are. That is what we have done and intend to do.

Again, I really hate going back to my original frustration that we are pictured as ogres trying to evade the budget, trying to impose the burden on another committee, trying to cut the WIC, trying to let hungry children go hungry. Just look around, just look at the record of this committee. We have never done that, and we are not going to start now.

I hope the Members vote against the Penny amendment, against his amendment, whichever face it takes, and support the committee version.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I thank the gentleman for yielding time to me. I wish to commend the gentleman and the gentleman from South Dakota [Mr. JOHNSON], the gentleman from Texas [Mr. COMBEST], and the rest of the Committee on Agriculture for this legislation.

I, for one, recognize that in this bill we are doing away with disaster relief for my producers and all over the United States. And we are doing it with the assumption that in this bill our producers will not only participate in the catastrophic coverage but the buy-up coverage.

With that understanding, I look at the amendments that we have from the gentleman from Minnesota and the gentleman from Texas. Under the amendment of the gentleman from Minnesota, which I strongly oppose, my participation rate of my farmers is not going to go up; it is probably going to go down, which means that they will not have any disaster relief. They will not have any crop insurance. And when they do have a drought or a flood or the rains come and do not end and they cannot plant, they get nothing. And what it means is, we do not have a program at all for our farmers under the Penny amendment.

Therefore, I request the Members of the House to do like the USDA, the Department of Agriculture, which opposes the Penny amendment, strongly supports the amendment of the gentleman from Texas, my chairman, the gentleman from Texas [Mr. DE LA GARZA].

Mr. PENNY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, I rise in support of the Penny-Gunderson amendment, obviously, and in opposition to the chairman's amendment.

The reason I do that is because, folks, we are at a point where we have to decide. The reality is that both of these amendments pay for crop insurance in the first 3 years. The reality also is that in years 4 and 5, there is about a $250 million gap.

The chairman is right, under pay-go we meet the first 3-year requirement. But the question we face is exactly the question the chairman brought up. Are we going to take money out of WIC? Are we going to take money out of CRP? Are we going to take money out of conservation? Are we going to take money out of commodities support programs?

I do not want to send a signal to America and to America's farmers that disaster assistance is gone, crop insurance is here, without making that tough decision.

Now, if we are going to have crop insurance and if the money is not available from someplace else, and Lord knows, it is not, then we ought to face the music today. We ought to say, if 28-percent reimbursement means that we are not going to have any agent sell insurance, then let us face that music today. Let us not put this off for 3 years and say, "now we have got a problem because the agents will not continue to carry and issue the policies."

If there is a problem in terms of the filing fees, than let us deal with that issue today. If there is a problem, as the gentleman from Missouri [Mr. VOLKMER] said, in what is going to be the catastrophic coverage, then let us deal with this up front, because there will not be any money tree that grows out of nowhere between now and 3 years from now that is going to make that decision any easier to make.

We ought to face the music. We ought to face the facts and say, if crop insurance is going to work, it will have to work on its own, because the hard, cold reality is, there isn't any other money that is going to come along and bail this program out.

I do not enjoy saying that, Lord knows. But if it is reality, then let us deal with it openly and honestly today.

I ask my colleagues, support the Penny-Gunderson amendment. It is the only way we are going to say to this program, from day one and through the 5 years it is going to be in existence, that it is a program that is going to be paid for. Either it is going to work or we will have to deal with reality that it does not work and come up with a different solution.

Mr. COMBEST. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. ROBERTS], a member of the committee.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding time to me.

The gentleman from Minnesota says pay now and pay later, either pay now or pay later. It is time to assess some responsibility.

We have already paid. We have already paid. This administration, after 16 years of trying to reform crop insurance, provided $1.1 billion to do the job. Now, some of that money has been taken and is now spent on other programs. The chairman of the full committee has indicated exactly what other programs. We are not into a fight with that.

If we are going to fund that, fund that. But we already took the crop insurance money, and it went for somebody else. That is the responsibility.

Now, how do we pay for the difference? Do we take it out of the crop insurance program? Do we take it out of farmers and ranchers? Or do we go back to the 16-year record of the appropriations subcommittee and at least pay for the delivery of the service? That is what has been done. Now we are in a new world order.

Now we have on the subcommittee on appropriations a different scheme. We are going to take it out of farm programs on down the road.

What happens if we take it out of crop insurance? What happens?

□ 1230

Mr. Chairman, I will tell the Members what will happen. I am quoting from Secretary Espy. The Penny-Gunderson amendment would make farmers pay for less insurance. The amendment proposes to increase the fee a farmer would pay for the basic catastrophic coverage, while at the same time decreasing the extent to which the policy would protect a farmer in times of disaster.

I will not go into the rest of it. However, the bottom line, in short, Secretary Espy says, "When the effect of these provisions is combined, it could undermine the ability of the crop insurance reform program to serve as an adequate substitute for disaster assistance." Secretary Espy says this will not work. It will cost us more money down the road.

What happens, Mr. Chairman? The farmer pays more for less insurance, and he will not sign up. We hear a lot of talk in this well and in this Congress about something called unfunded mandates. The secret to this is, every farmer that wants to participate in the farm program, and every Southern producer of nonprogram crops, once they sign on to this, this is a mandate and we are not funding it. It is an unfunded mandate.

I have an amendment already prepared that, if we are not going to fund this, I may introduce the amendment and say, "Let us not mandate it on our farmers." In some respects, this is an unfunded mandate.

Let us talk about something called blackmail, or milkmail, or wheatmail, or cottonmail. The reason the gentleman from Wisconsin [Mr. GUNDERSON] wants the Penny-Gunderson amendment is that he does not want the Committee on Appropriations to take the money out of the dairy program next time when we consider the farm bill. The reason others and many farm commodity groups are hiding in the bushes on this is that they live in mortal fear of what the Committee on Appropriations is going to do down the road.

The farmer walks by and he says, "Come by the Committee on Appropriations park. We will give you crop insurance reform." and we mug him, and we say, "You have to pay more for less." He says, "I do not think that is a pretty good deal." We say, "You had better sign up, or you will not get the farm program. When you walk through the park again, we are going to mug you again, because if you do not pay for it on crop insurance, you are going to pay for it down the road in regard to farm programs."

Mr. Chairman, this is not going to work. This is not going to work. I would ask the Members to please support the amendment of the chairman of the Committee on Agriculture. We can fix crop insurance. We can get out of the disaster business. We can treat the farmer and rancher fairly, and yes—yes, on down the road we can work with our good friends and our colleagues on the Committee on Appropriations on a new definition of "fair share."

Mr. PENNY. Mr. Chairman, I would inquire as to how much time we have remaining.

The CHAIRMAN. The gentleman from Minnesota, Mr. PENNY, has 23 minutes remaining, and each of the gentleman from Texas, Mr. COMBEST and Mr. DE LA GARZA, has 11 minutes remaining.

Mr. PENNY. Mr. Chairman, I yield myself 2 minutes, in order to clarify.

Mr. Chairman, I have the highest regard for the gentleman from Kansas [Mr. ROBERTS] and the arguments he has made about the viability of this program are well-taken. We do not want a crop insurance program that will discourage enrollment. We need the highest level of participation in order to make crop insurance a substitute for annual emergency disaster bills.

It is estimated, Mr. Chairman, that the provisions of this legislation would double the participation rates in our crop insurance program. It has been suggested, however, by the gentleman from Kansas [Mr. ROBERTS] and others that if we adopt the Penny-Gunderson amendment, we will devastate the program and discourage enrollment in the program.

Mr. Chairman, I find that remarkable. We have to look at some basic facts here. Right now insurance agents are reimbursed at 31 percent of the price of the premium. That is a very generous reimbursement rate. We only marginally reduce that with the Penny-Gunderson amendment. They would still be reimbursed at 30 percent of new policies and 28 percent of premium on renewal policies.

Mr. Chairman, when we compare that to property and casualty, most insurance agents across America receive a 10 percent or 12 percent commission on premium, so this is a tremendously generous insurance subsidy. It will not discourage insurance agents from selling these policies if we adopt the Penny-Gunderson amendment.

Furthermore, Mr. Chairman, we only marginally reduce the benefits to farmers by slightly reducing the percentage of price that would be paid on disastrous losses, and by charging each farmer a nonrefundable $50 for that disaster coverage.

Mr. Chairman, my farmers in southern Minnesota do not want something for nothing. A $50 fee is not a burdensome fee for them to pay for very generous disaster coverage. I just wanted to take this time to refute the arguments of the gentleman from Kansas [Mr. ROBERTS], because I believe the program will be a success with the Penny-Gunderson amendment.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to the gentleman from South Dakota [Mr. JOHNSON], the distinguished chairman of the Subcommittee on General Farm Commodities of the Committee on Agriculture.

Mr. JOHNSON of South Dakota. Mr. Chairman, I simply want to respond briefly to the remarks of the gentleman from Minnesota about how reimbursement to insurance agents is somehow extravagant. I would have to say that, with all due regard and respect for the gentleman from Minnesota, I do not believe that he is particularly expert in the insurance industry.

However, Mr. Chairman, I would say that the leadership of the Federal Crop Insurance Corporation, which is expert, the leadership of the U.S. Department of Agriculture, the Office of Management and Budget, and the White House have all said in writing that if the Penny amendment is adopted, it will in fact unravel the crop insurance scheme, and this thing will simply not work.

Those who are professional, who are expert in that area, have opinions which differ very sharply from those of the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, will the gentleman yield on that point?

Mr. JOHNSON of South Dakota. I yield to the gentleman form Minnesota.

Mr. PENNY. Mr. Chairman, does the gentleman acknowledge in the substitute amendment offered by the gentleman from Texas [Mr. DE LA GARZA], the chairman of the full committee, that the reduced payments to insurance agents is part of that amendment and would go into effect in the out years?

Mr. JOHNSON of South Dakota. It goes in the out years after the level of crop insurance purchased has vastly expanded.

Mr. COMBEST. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, on this subject, let us get to the real world. One of the reasons we finally got this out of committee was that the crop insurance agents were writing farmers and saying, "We are not going to renew your insurance." What we have here is a proposal to reduce the Government subsidy, if you will, or payment on the reimbursement part to pay for the delivery of the service.

Mr. Chairman, I will tell the Members what the insurance folks are now telling us. They are saying that if the Federal Crop Insurance Corporation cannot reduce the paperwork, they are getting out of the business. That is the real world. We just heard the gentleman from Georgia [Mr. KINGSTON]. He was in the business. People do not sell crop insurance to make a profit. People sell crop insurance because it is obligatory. It is the thing to do to sell other insurance.

What is going to happen when the amendment offered by the gentleman from Minnesota [Mr. PENNY], which sounds very good in this budget world here, is that the crop insurers are not going to sell the product unless we get regulatory reform. Mr. Ken Ackerman has cardiac arrest, and he is in charge of FCIC, every time he tries to do that. That is an impossible goal. It will unravel crop insurance reform.

AMENDMENT OFFERED BY MR. DURBIN TO THE AMENDMENT OFFERED BY MR. DE LA GARZA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PENNY, AS MODIFIED

Mr. DURBIN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Texas [Mr. DE LA GARZA] as a substitute for the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. DURBIN to the amendment offered by Mr. DE LA GARZA as a substitute for the amendment, offered by Mr. PENNY, as modified: amend the de la Garza substitute amendment by striking section 15.

Mr. DURBIN. Mr. Chairman, if we understand insurance to mean people at risk paying sufficient premiums for insurance to cover their losses, Federal crop insurance is not even close. Our crop insurance program is not an insurance program. In fact, it is a program that is heavily subsidized by the taxpayers of this country.

Having said that, Mr. Chairman, it is still a very important and valuable program which should be maintained and modernized. I salute the Committee on Agriculture. They have taken on this challenge and have made meaningful changes in the crop insurance program to reduce the disaster payments paid each year, to bring each farmer into the program buying insurance, and thereby reduce, in the long haul, the obligations of America's taxpayers. In that regard, they have done a good job.

Unfortunately, Mr. Chairman, they are two-steps away from having done a great job. That is a 5-year change. For the first 3 years, the proposal by the Committee on Agriculture in fact will pay for the reform. It is a pay-as-you-go plan. They say to farmers, "As you make this change, you pay for it in 3 years." I salute them for that. I think that is admirable.

Where I take exception, Mr. Chairman, and why I join the gentleman from Minnesota [Mr. PENNY] in his effort, is because at the end of 3 years they drop the ball. At the end of 3 years they end up constructing a program, a reform program, which will cost taxpayers almost $300 million, $300 million over the massive subsidies which we will continue to put in this crop insurance program.

What happens to the $300 million? It is my responsibility as chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and related agencies of the Committee on Appropriations to come up with that money.

□ 1240

That is why I am here today. I think we should truly have a pay-as-you-go crop insurance reform, and so does the gentleman from Minnesota [Mr. PENNY]. He has made proposals to achieve that. If he fails in his effort, then in those 2 years I will have to cut another $300 million in spending on programs funded by the U.S. Department of Agriculture, programs like conservation, soil and water conservation, programs like wetlands reserve, programs like agricultural research and yes, programs like the supplemental feeding program for women, infants and children, a program which today serves 40 percent of the mothers and infants in America to make sure that they get prenatal counseling and good nutritious food so kids grow up healthy. I will have to cut money from those programs, 300 million dollars' worth to make up for the shortfall in the proposal by the House Agriculture Committee.

I do not think that is fair. In fact, let me tell Members how frustrating it is. Many Members today are standing up and saying forget the $300 million. We will worry about it later. If you have to make cuts, we'll do it on another day. Come on. It is down the line. That is a future Congress. Many of these same Members just weeks ago refused to vote for my appropriations bill on agriculture saying "It cuts too much from agriculture programs." Yet today we create a situation where in the future years I will have to cut more, and they will come up with the same lame excuses why they cannot go along with the cuts. That is what this is all about.

I am in favor of crop insurance. I am in favor of crop insurance reform. But it is only fair for the farmers and producers who are part of this program to shoulder the burden and carry it forward in reform. Do not push this burden off to future appropriation bills. Do not push it off on the WIC Program. Do not push it off on agriculture research. Make this program stand on its own two feet. A GAO study is not going to do it. The Penny amendment will do it.

I have listened to this debate this afternoon. I am amazed at the Members who have stood up and said they oppose the Penny amendment. They ought to look, as they can in virtually every agriculture district, and see what we as taxpayers lose on every policy of crop insurance that is written. A farmer pays a certain premium, the Federal Government steps in and pays 30 percent of every dollar he owes to start with, and then covers his loses. Like I said, it is not real insurance, so that when the losses come due, the premiums are never enough to pay. So we continue to lose, year after year after year, hundreds of millions of dollars on this program.

What the chairman of the Committee on Agriculture is doing today is a step in the right direction. It is a good change, but two steps away from being a great change.

I urge all of my colleagues from agriculture districts and across the United States to support the Penny amendment. It is the responsible way to deal with crop insurance reform.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words and I rise to speak against the amendment.

Mr. Chairman, I appreciate the concern of my distinguished colleague from the Appropriations Committee. I share his concern. We are aiming in the same direction. But we have to deal with facts, and those who know the facts say that if the Penny amendment is agreed to it will have the possibility of dismantling the program. Secretary Espy says that.

This amendment would frustrate the fundamental goals of crop insurance reform, and will make it more likely that Congress will once again be asked to provide ad hoc disaster assistance. This is what we are trying to protect the appropriations subcommittee from, that we do not have those ad hoc disaster payments that now will come on budget. We do not want him to be making those decisions. We are arguing over something we should not be arguing about.

I am honestly telling Members we do not have all of the facts. We are hoping that in 3 years the GAO will have sufficient information to allow us to proceed in an orderly manner and see where and how the program has worked.

OMB has agreed with us. They say that Congress will again be asked to provide ad hoc disaster assistance if we adopt the Penny amendment and dismantle what we are trying to correct in the crop insurance.

So it is not pay now or pay later. We know, we admit that is what we are aiming for. But we need more facts.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to my distinguished colleague, the gentleman from Kansas.

Mr. GLICKMAN. I thank my colleague for yielding.

First of all, I think the gentleman from Minnesota [Mr. PENNY] deserves a lot of credit for bringing the issue up in terms of how to pay for crop insurance. I think that the de la Garza amendment is an appropriate response, but it would not have happened without the gentleman from Minnesota [Mr. PENNY] bringing this issue up in the first place.

Why are we doing this? We are doing this reconstruction of crop insurance so that we can eliminate these ad hoc annual disaster payments that people do not like and cost too much money. So we have to have a crop insurance program that works and people will want to participate in, because if we do not, everybody will be out of it, and they will all come back up here wanting disaster assistance every single year, which costs a lot of money.

So my concern is that the Penny amendment and all of its kind of nuances will so discourage participation in the crop insurance program that what will happen is we will end up with nothing in it, we will then push people back into the disaster program, annual yearly disaster program.

The de la Garza amendment provides for the first 3 years of reduction in crop insurance spending, and the last 2 years comes out of the appropriated account. So spending is reduced all 5 years. It is just done in a different way.

The second thing is this: The issues we are talking about here directly relates to what we are going to do in next year's farm bill, the reauthorization of all farm programs. A well constructed crop insurance program will reduce farm bill spending. So next year when we come back here we will look at deficiency payments, and target prices, and other spending and we will have to have a crop insurance program that works well in order to get that spending down. A poorly constructed crop insurance program will have us coming back next year as part of the farm bill with increased spending in order to deal with the disaster payments or other problems of farmers.

Which is the best approach? My judgment is the best approach to give farmers some stability that the crop insurance program will work, in my judgment the de la Garza amendment is better than the Penny amendment and will make sure that people come into the program. Then next year when we rewrite the 1990 farm bill we will look at some of the other issues that relate to crop insurance, risk management, and the deficiency payment problems.

So while I compliment the gentleman from Minnesota [TIM PENNY] for what he has done here, as usual he has brought intellectually the debate to a high level where we talk seriously about a reduced Federal spending generally and in agriculture, I honestly believe the best interests of farmers and ranchers in this country, and best interests of agriculture are best served by the adoption of the de la Garza amendment.

PARLIAMENTARY INQUIRY

Mr. COMBEST. Mr. Chairman, are we operating under the 5-minute rule on the Durbin amendment?

The CHAIRMAN. The gentleman is correct.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. PENNY] has 21 minutes remaining, the gentleman from Texas [Mr. DE LA GARZA] has 10 minutes remaining, and the gentleman from Texas [Mr. COMBEST] has 10 minutes remaining.

Mr. COMBEST. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, I would like to point out one disadvantage that I see in the Penny amendment. I object philosophically to a program that mandates that every farmer that participates in farm programs in this country be required to buy into catastrophic insurance.

The Penny amendment will increase the cost to these farmers and decrease insurance benefits in the event of a disaster. Having mandated insurance programs that require more paper work, increased regulations, and result in increased numbers of bureaucrats that are going to walk on your farm for more inspections is bad enough. I am philosophically opposed to it. Farmers should have the option of whether or not to buy this insurance in the first place. I see the Penny amendment having the advantage of reducing cost to the taxpayer and the disadvantage of increasing the cost to farmers for crop insurance that this bill requires they sign up for.

Mr. PENNY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

☐ 1250

Mr. MILLER of California. I rise in support of the Penny-Gunderson amendment. I do so out of the concerns of recognizing that this account can only handle so many draws on it, and if we have a crop insurance program that continues to be underfunded, that obviously is going to come out of the hide of other programs, and one of those programs that I am deeply concerned about and have spent my entire time in Congress working on is the Women, Infants, and Children nutritional program that has tremendous bipartisan support because we recognize how much this contributes to the health of low-income pregnant women and to newborn infants, newborn babies, and during their first year of life.

It is well documented that without this program we would be spending far more money in excess of what we are spending on the program to take care of low-birthweight babies that are born that cost us somewhere between $60,000 to $100,000, spend many more days in the hospital than a normal birthweight baby. This program, the Women, Infants, and Children Program, has a direct impact on the health of those pregnancies and those mothers including all of the other attendant benefits we get out of health screening and counseling and discussions with these women about cessation of smoking, about alcohol use, drug use, all of those benefits, and that is why over and over again every independent audit has strongly supported the program on the basis we benefit far in excess of what we spend on that program.

It is very clear, unfortunately, because of our inability to raise sufficient revenues to fund this Government, that all of these accounts are in trouble. We have the same problem in the natural resources area. We are going back to the users of those programs. We are imposing fees on those individuals, where once we could afford to fund them as a Federal Government, but we cannot.

But when you have this kind of a program where it has the wherewithal to fund it, and you pit it against something like WIC where there is not the ability of those households to fund it, we have got to be concerned about what a continued deficit in the crop insurance program is going to mean to those other programs that come out of the agricultural appropriations.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Chairman, I want to commend yourself and the subcommittee for bringing this bill up and commend the gentleman from Minnesota [Mr. PENNY] for raising this issue.

I think we need to step back and look at this a little bit and just look at what we are talking about.

You know, really what we are talking about is who you believe when we are looking at where we are going to be 2 years from now in terms of the money that is going to be needed for this program.

I guess I would err on the side of making sure this program is going to work, and I am persuaded, as the gentleman from South Dakota [Mr. JOHNSON] pointed out, all of the people that are experts in this say they think this Penny amendment is going to potentially damage this program and make it not work as well.

Really what we are talking about is do we know how much money this is going to cost us in the fourth and fifth year of this program. I would argue we do not. We are looking at projections from actuaries, from budget analysts. I do not think any of them can predict what we are going to be spending in the fourth and fifth year of this program, because we have got a farm bill coming up. We do not know what is going to happen with disasters and so forth.

So I would encourage all of my colleagues to err on the side of making this program work.

PARLIAMENTARY INQUIRY

Mr. COMBEST. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state this parliamentary inquiry.

Mr. COMBEST. Mr. Chairman, who would have the right to close debate? Would it be the gentleman from Texas [Mr. DE LA GARZA]?

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] would have the right to close debate.

Mr. PENNY. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I rise in support of the funding provisions offered my good friend, the gentleman from Minnesota.

I believe in fiscal responsibility, and I believe in individual responsibility. Mr. Chairman, I see here an example of the heartburn you get into when you go into weaning time. It is always tough when it is time to wean, and I can tell you that when you are being weaned from the milk of sacred cows, you are bound to get heartburn in no uncertain terms. That is what we see today.

The fact of the matter is when people are told you will no longer get as whole a subsidy or as complete a subsidy for what you enjoy from the Federal Government, they tend to believe they cannot get along without it, because they have been too dependent upon it for too long.

But in order to put this dilemma in context, the arguments are difficult on both sides, let us return for a moment, if we will, to first principles. The American taxpayer is not obliged to pay the farmers for their crop failures. The American taxpayer is not obliged to pay for crop insurance for those farmers. It is a choice that we make, because we do not think that a hurricane or a tornado or a flood or a drought or a hailstorm should ruin a farmer. But it is the choice we make.

We can make a choice to give farmers 10 cents on the dollar for their losses. For that matter, we can make a choice to give farmers 90 cents on the dollar for their losses. We can provide a straightforward handout, or we can encourage individual responsibility by asking the beneficiaries of a generous program to contribute to that program.

Mr. Chairman, I am alarmed that we are presently considering a proposal to fund a very generous program for farmers without asking them to contribute their fair share. Mr. Chairman, I was shocked to see statistics about how heavily we have subsidized crop insurance policies. Did you know that over the past 8 years in one congressional district on a per acre basis, the Government subsidized 40 percent of the cost of the insurance premium? Did you know that over the past 8 years in that same district on a per acre basis the taxpayers paid more than $16 in claims, that is $16 per acre, at the taxpayers' expense? did you know that the estimated cost per acre that the Penny-Gunderson amendment would impose on a farmer in that district is 50 cents? Penny-Gunderson costs him only half of $1 per acre.

Mr. Chairman, I see absolutely no reason why we should not make a choice to ask farmers to shoulder some of the costs of this program. I see absolutely no reason why they should be given something for next to nothing.

The de la Garza substitute is something for next to nothing.

I oppose the de la Garza substitute, and I support the Penny-Gunderson amendment, and I urge my colleagues to do the same.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I thank my distinguished colleague for yielding. I appreciate it.

I just wanted to mention that somehow the impression is that this committee has not done its fair share, and we have reduced expenditures by $60 billion in the past 12 years. We are still the best-fed people in the world for the least amount of disposable income per family, so if there is a subsidy, it is the American consumer that is being subsidized on the back of the American farmer. That is where the subsidy is.

Mr. ARMEY. If I might just quickly say I appreciate how hard the Committee on Agriculture has worked to live up to the constraints imposed by the budget process, but my reference to fair share was in paying your fair share of an insurance premium.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Chairman and my colleagues, I come to the floor today as someone who is as concerned about the Federal deficit as any Member in this Chamber, and have a record of cutting spending as good as any Member of this Chamber.

But there are some things that we do around her that are penny wise and pound foolish.

When we look at the crop insurance program that has been brought to this floor by the committee, we are, as the gentleman from Texas just pointed out, beginning to wean ourselves and our farmers from spending money, and that is the area of disaster payments. The reason for this crop insurance reform bill down here is very simple: to eliminate disaster payments for farmers.

But if we pass the Penny amendment, here is what is going to happen: We are going to discourage farmers from signing up for crop insurance. That is the problem we have today. We are going to eliminate the effectiveness that has been put into this bill by the committee.

So if farmers do not sign up, guess what is going to happen. They are going to want disaster payments as soon as we have the next flood, the next hurricane, the next freeze; they are going to be pounding on every Member in this Chamber for more disaster money. That is what we are trying to avoid.

So if you want to vote for the Penny amendment, just understand that you are gutting the effectiveness of this bill. You are making sure that crop insurance is not going to be fixed. You are making sure we are going to have a system that we are going to have to come back and fix sooner or later, and you are guaranteeing you are going to have to come here to the floor once again and provide disaster money for people in America when disasters occur.

□ 1300

So I want to say to all of my friends this is penny wise and pound foolish. Let us defeat the Penny amendment and support the chairman and the ranking member with the committee amendment which will soon follow.

Mr. PENNY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I simply want to take this time to admit my astonishment at the number of legislators who have suggested that these modest changes in the crop insurance program would somehow devastate the workability of the program.

Most of the people who have opposed the Penny-Gunderson amendment are fierce advocates not only of deficit reduction—and I have worked with many of them and admire their work in that regard—but of the private sector, the free enterprise system. I am simply suggesting that when we have a heavily subsidized insurance program, maybe the Government can trim the subsidy just a little bit. When you compare the insurance subsidy paid to these crop insurance agents, compared to the commission they would receive on any other type of insurance that they might offer, it is generous. It is a third larger, 100 percent larger in some cases, 300 percent larger in other cases. And to say that somehow paying a smaller subsidy to these insurance agents is going to drive them out of the program is, I think, nonsense on the face of it.

Mr. COMBEST. Mr. Chairman, I would yield myself 1 minute.

Mr. Chairman, I have joined with the gentleman from Minnesota [Mr. PENNY] on many of these budget reduction efforts. But to hear him talk about what the committee has done, one would think that we were beyond the realm of reason. We have met the rules of pay-go, Mr. Chairman. The committee letter from the Secretary of Agriculture said the Federal crop insurance reform the House will consider replaces ad hoc disaster assistance that has been costing us billions of dollars a year. The reform proposed by the Agriculture Committee is budget-responsible, it pays for itself, satisfies pay-go, produces savings for taxpayers. Simply put, the Federal crop insurance program reform makes good farm sense and makes good budget sense.

Additionally, the gentleman from Minnesota talks about the minor changes, the minor differences. Well, we have stretched this proposal as far as we can stretch it and still feel like it can work. The Department of Agriculture agrees with that. It says the Penny-Gunderson amendment believes that the magnitude of the cuts would compromise the effectiveness and the operation of the reform crop insurance program and consequently opposes it.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 2 minutes to our distinguished colleague, the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I voted for the budget this year that called for cuts that we are talking about today, and I also supported the Agriculture Appropriations Committee when they had to do the tough work that they had to do to conform to the budget. And it was not easy. I supported the Penny amendment in the full committee because I agree that we have to squeeze every dollar where we can squeeze every dollar, internally or externally, from agriculture or from everywhere else.

Since that vote, though, there has been a question mark raised in my own mind as to whether or not these additional cuts will in fact jeopardize the program which we all agree needs to be done today.

This is a legitimate question. I do not come saying it is going to devastate, but I am here to say to my colleagues that it might. And if it might, then might we not have another second thought about what we should do today?

Now, I find it very interesting, my colleague from Texas a moment ago making his usual speech about weaning agriculture. I found that very, very interesting for two reasons, one of which is: If you analyze what has happened to agriculture in entitlement spending, which is what we sometimes do not want to talk about right around here, but from 1985 to 1991, of the 12 top entitlement programs agriculture ranks

12th and it was the only entitlement program that has been cut, weaned, if you please. And we have done it, as Chairman DE LA GARZA has said, over and over.

We have done it in the Agriculture Committee meeting the budget requirements that this body put on upon us every single time. In fact, from 1991 to 1997, we will reduce by another 1.4 percent the entitlement nature of the agriculture programs.

Now I find it interesting because when we are talking in terms today of $300 million difference, we come out of the woodwork to make speeches about cutting. But about a week ago we had an amendment on the floor that would have provided capping entitlement spending, all entitlements, including agriculture, which has been cut, and we provided that it would be capped at the full cost-of-living adjustment for every single program, plus 1 percent, plus demographics. And only 37 Members of this body voted for that $83.4 billion cut over the next 5 years.

Now it is time for a little bit of honesty, folks. Come and make the speeches, do all of the wonderful things that get the headline, but when it comes time to vote the real cuts, then stand up and be counted too.

My colleague from Texas was not there a week ago.

Read the vote.

Now I want to meet the appropriators halfway because I fully appreciate what the gentleman from Illinois, Chairman DURBIN, and his committee are having to do. The chairman's amendment comes closer to meeting us halfway and putting us in the proper perspective of what we should do, to give crop insurance a chance to work.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to speak in favor of the bill and against the Penny amendment. There is somewhat of a little antifarmer, antiagriculture hint here in this body; certainly not by the authors of this particular amendment, but often there is. And what we have is a situation that the farm crop insurance is the only subsidized program.

Well, there is a wind storm insurance pool, there is a national flood pool, there is a crime program for high-risk crime areas, assigned-risk automobile programs. All of these are taxpayer-subsidized for areas that the private insurance sector will not go into. I think that is something maybe we should address at some point. But when we are talking about weaning, let us not say the farmers are the only one that are getting some sort of a subsidized program.

Now, to diminish this subsidy, the bill at hand gives us this opportunity to say we are going to cut the fee to the delivery system in the private sector is just going to say we are going to put the subsidy on their back and tax them.

But to say that we are going to charge the independent agents who are selling this is ridiculous. Crop insurance is already a loss loser, most agents do not sell it now. The only reason why you do it is try to pick up the other lines: Automobile, house so forth, and other farmers.

Finally, one of the things the Penny amendment requires us to do is a $50 charge for filing the claim.

When I was selling fire insurance, I could not dream of going to a homeowner's house that had just burned down and say, "Well, we are going to pay you what this insurance is intended to do, but you have to pay $50 for us to file the claim." That is an insult and that is not the way the insurance works in any sector.

So, Mr. Chairman, I recommend strongly to my colleagues, vote against the amendment and vote for the bill.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, you know, often the debate gets so hung up in ideological positions that we kind of lose sight of what is at hand. We just heard from the right about wasteful subsidies, we have heard from the left about women, infants and children's funding. None of it involves really what is at hand, which is: Is this crop insurance program going to work under the Penny amendment? We have not had any hearings on it. So I suppose the best way to figure that one out is look at the agency that runs that program. They say, "no," they say the Penny amendment will not. That is why we ought to vote it down this afternoon. We ought to vote in favor, instead, of the chairman's amendment.

A public/private partnership has to work and the private component of crop insurance involves the delivery of policies, adjustment of losses and a portion of the reinsurance. If they do not participate, we have just unleashed a disaster. That is why I ask for support of the chairman's amendment. It is a workable approach. I ask rejection of the Penny amendment.

□ 1310

Mr. PENNY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, as my colleagues know, we have heard a lot of talk here from people who profess to have worked in the insurance business, and I have not. I have just bought a few policies over the years.

It is important to understand what the gentleman from Minnesota [Mr. PENNY] is suggesting in his amendment. What he is suggesting is:

> If you happen to be a farmer with 3,000 acres of land, the Federal Government will say to you, "If you lose more than half of your crop on that farm, we, as taxpayers, will insure it, up to 56 percent of it, for $100 a year. Three thousand acres, losses over 50 percent, covered up to 56 percent, for $100 a year."

Mr. Chairman, I do not think that is bashing farmers. I think that is very realistic, and very honest and very reasonable.

And the second thing the Penny amendment does, Mr. Chairman, is it says to the private insurance industry, which we allow to sell these policies and make a profit:

> We're going to reduce your level of profit on each one of these policies by 1 or 2 percent in an effort to move toward reducing our budget deficit.

A private insurance industry, making money through selling policies subsidized by the taxpayers, is being asked to tighten its belt by 1 or 2 percent. That does not sound unreasonable either.

But if my colleagues listened to the debate, they would think the end of the world would be caused by the Penny amendment. It will not. But what may be the end of the world for a lot of important programs 3 years down the line is when we have to pay the bill for this crop insurance reform that is not being taken care of in this bill. We will have to cut $300 million more from programs like ag research, soil and water conservation and the WIC program.

Let us be reasonable here. Crop insurance is important. We should maintain it. But, it should face the same sort of regimen we are asking of every program in the Federal Government.

I say to my colleagues,

> You have to be a little more reasonable. A hundred dollar policy; does that sound unreasonable for thousands of acres being covered? A couple percent off the amount of profit you would make at the Federal Government's expense for selling the policy; is that unreasonable?

Stick with the Penny amendment. It is a sensible way to deal with a serious problem.

Mr. DE LA GARZA. Mr. Chairman, I had advised the Members and my colleagues that we would try to conclude this by 1:30, and I am still willing to do that. I have only like about 1 or 2 minutes left, which I will take to conclude debate.

The CHAIRMAN. The gentleman from Texas [Mr. DE LA GARZA] reserves the balance of his time.

Mr. PENNY. Mr. Chairman, I, too, reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, we have one remaining speaker, and I yield the balance of my time to the gentleman from Iowa [Mr. NUSSLE] who has been a leader on the efforts to pay for disasters.

Mr. NUSSLE. Mr. Chairman, this is not a matter today of weaning ourselves from a sacred cow. I will tell my colleagues what it is. It is weaning ourselves from a disaster system, a disaster system that puts our farmers and our victims at the mercy of CNN.

Mr. Chairman, if a victim is able to get on CNN, if the disaster is big enough to get on CNN, if they can rush the cameras out there, then Congress reacts. But heaven help us and heaven help the victims if CNN does not arrive on the scene and if Congress only has one or two districts, or one or two Members, that have a problem that they try and come here to deal with the Congress of the United States. We are at the mercy of politics, of politicians that love to hand out money to victims, who walk around flooded fields, walk around disaster areas with wrinkled brows and telling people how concerned we are and how much we want to act.

Let me tell my colleagues what this is. This is not a handout. This is personal responsibility at its best.

My farmers tell me; they say,

> We want to be accountable, we want to be responsible, we want the opportunity to show you that we can deal with disasters, if you give us a program that we can work with, not one that's underfunded, not one that doesn't quite hit the mark, but one that is responsible.

There is no secret here today that the Congress of the United States and the Federal Government has determined that food security is a priority. Sure, we make subsidies. That is not a surprise. The difference here today, however, is that we want to be accountable, we want to plan ahead for disasters, we want to provide the assistance to victims, and we want to pay for it. This system will do it.

However, Mr. Chairman, the Penny amendment allows us to fall very short of that mark, and I would say to my very good friend, the gentleman from Minnesota [Mr. PENNY], that I do not remember a time I have ever disagreed with him on any issue. In fact, it was last year that Mr. PENNY and I took the floor under a lot of heat together with the majority of Members from flooded districts and said, "We have got to change the program."

What did we hear?

> Wait until next year.
> Wait until it's dry.
> Let's plan.
> Let's have a system.
> Let's pay for it.
> Let's talk about crop insurance.

We do not want to do disasters either, so let us try to fix the system. It has been 1 year.

Have we fixed the system? We set up a nice little task force. I serve on this task force to repair disasters, but we have not fixed the system. This allows us to fix the system so that we can be responsible, so that the farmers can participate, so that we can be accountable to the taxpayers and so that we have a system that can survive without the pressures and the cross-pressures of social welfare programs in this country. It is not our responsibility here today to shift responsibility.

But let me point out to my colleagues that it was the chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies that fought the hardest last year to make sure that the disaster took care of itself for the flood victims, and he promised us all then that we can deal with this when the weather is calmer, when the fields are drier, when we do not have the disaster facing us.

We do not have a disaster facing us today, my colleagues. It is time to fix the system. The Penny amendment misses the mark. The de la Garza amendment gets us to the middle ground we need between the Committee on Appropriations and the authorizing committee.

Mr. Chairman, I urge strenuously my colleagues who join me on many occasions for fiscal responsibility to join me today to be fiscally responsible in making sure we do not have year, after year, after year of disaster programs which are political, which do not plan ahead, which do not adequately provide assistance to victims and which do not pay for the assistance that it provides.

Mr. PENNY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the issue is simply over a full payment for all the costs attributable to this bill or a partial payment.

The gentleman just preceding me made eloquent points about the need to reform crop insurance so that we no longer have to resort to annual emergency disaster legislation. We are in full agreement on that. This crop insurance reform is the answer to that annual problem, and the farmers across America, and, I believe, the insurance agents that sell these policies, are also willing to participate in honestly financing a solution to this annual disaster in which we have to deficit spend in order to take care of losses due to natural disasters.

The main difference between the Penny-Gunderson amendment and the amendment offered by the gentleman from Texas [Mr. DE LA GARZA] is in how much to pay now. Penny-Gunderson pays for the entire cost now. The de la Garza amendment only goes half way, leaving us a $300 billion gap which will have to be made up later.

□ 1320

We can make the tough choices now, or we can put it off for another day. Let us not back away from our responsibilities once again. Let us step up to the plate. Let us do the right thing. Vote against the de la Garza amendment; vote for Penny-Gunderson.

Mr. Chairman, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank all of the participants for the level of debate and the tone that has been set. I am still frustrated with inaccuracies that were floated out, but I will accept that there is part of people's interest personally on one topic, one subject matter.

I, as chairman of the committee, have to deal with the spectrum, as my colleague, the chairman of the Subcommittee on Appropriations, does. And to all who have heard pay now or pay later, you have heard my pledge to the chairman of the Subcommittee on Appropriations that we will not let this happen, that we have shared our responsibility, we have met our responsibility, we will continue to meet our responsibility, and no one can point the finger at us.

Also I would like to say, this has nothing to do with WIC or with any of the other programs. They have to make those decisions, but it comes all out of one pot.

This bill, with my amendment, will cut $226 million in 5 years. But what I want Members to see is this. The red is ad hoc disaster, $2.3 billion, 1994; $3.4 billion, 1951.

OMB, USDA Secretary Espy, Mr. Ackerman of Crop Insurance, all of them say the Penny amendment will have a tendency to harm the program. If you harm the program, you are back to ad hoc disasters.

Mr. Chairman, it was mentioned by one of my colleagues, the policy is if it rains for one straight day in any one of our 50 States, in the morning the Governor is calling the White House wanting an emergency disaster declaration. And look what they cost, in the billions of dollars.

Here in the green is the crop insurance. We share. And all we are saying is the experts tell us we need time. So we fund for 3 years. We pledge ourselves to fulfill the rest of the requirement, if it be needed, but in the interim have a GAO report, a GAO study, so we can have the accuracy that we need to legislate.

Why do we need accuracy? I could just as well go along and say pay now, to heck with it. What happens to our food supply? What happens to our exports?

Agriculture is the only one bringing money back from abroad at this time. Everything nonagriculture collectively is in a deficit. And you heard the amount of the deficit. Agriculture is the only one bringing money back from abroad. We are feeding all our people and half of the world, and you might risk this by willy-nilly saying, well, we are just going to cut. Pay now or pay later.

It sounds good. It sounds very good. But I do not want to have the responsibility of saying, "Hey, we are out of food, because we cut out the safety net which we called crop insurance."

A vote yes on the de la Garza amendment is a vote for the American people, it is a vote for the consumer, it is a vote for fiscal responsibility. It is an A-1, all-American vote, and I urge you to vote aye.

Mr. Chairman, I yield back the balance of my time.

Ms. McKINNEY. Mr. Speaker, I come before you today in support of the Penny-Gunderson amendment to H.R. 4217, the Federal Crop Insurance Reform Act of 1994. When the committee marked this bill up on Tuesday, no one mentioned there was a wrinkle included.

All programs that are included in the pool of agriculture programs will have to contribute funds to pay for H.R. 4217.

Mr. Speaker, I am concerned that the funding shortfall in H.R. 4217 will contribute to further pressure on the WIC Program, Public Law 480, and TEFAP.

These programs were set up to assist the poor and hungry, not the rich and famous.

Currently, because of lack of funding, WIC reaches only two-thirds of those eligible to participate in the program as it is. Surely we can't afford another cut to a program that's never been fully funded. Approximately 2.5 million more people could benefit from the program if all of the funds were there.

In this climate of purse tightening, we must be aware if we exceed our budget we have to suffer the consequences of damaging other programs.

Mr. Speaker, I support the Penny-Gunderson amendment, I urge my colleagues to do the same.

Ms. MARGOLIES-MEZVINSKY. Mr. Chairman, I am here today to bring up a concern of many of us in Congress who work to protect programs that assist the poor and hungry. We are concerned that the funding shortfall in H.R. 4217 will contribute to further budget pressure on these vital programs in the future. I'm speaking specifically about the WIC program, Public Law 480 and TEFAP. All programs that are included in the pool of agriculture programs which will have to contribute funds to pay for H.R. 4217.

WIC currently reaches only about two-thirds of those eligible to participate in the program. Approximately 2.5 million people who could benefit from the program do not, because it is not yet fully funded. This year, the Appropriations Committee struggled to find an additional $260 million for WIC, falling $80 million short of the level requested by the administration. A $600 million shortfall in the Federal Crop Insurance Program will make it even more difficult to ensure full funding for the WIC Program in the future.

The administration opposes this amendment, but it has not identified which programs should be cut to pay for the funding shortfall. I want to know now. I don't want to find out later. I don't want to find out next year or the year after or the year after that, that WIC has been cut to pay for crop insurance.

In this climate of fiscal belt tightening, every time we go over budget, we must be aware of the repercussions to other programs. In another time there would not be a connection between Federal crop insurance reform legislation and the WIC Program or TEFAP or Public Law 480. But today there is. These times require us to make decisions about priorities. These times require us to live within our means. If we don't, other programs we hold dear can be affected through unintended consequences.

I support the Penny-Gunderson amendment. I support fiscal responsibility. I urge my colleagues to do the same.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA] as a substitute for the amendment offered by the gentleman from Minnesota [Mr. PENNY], as modified.

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DE LA GARZA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to the provisions of clause 2(c) of rule XXIII, the Chair announces that he may reduce to 5 minutes the time within which an electronic vote will be taken on the Penny amendment, without any intervening debate.

This will be a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 253, noes 156, not voting 30, as follows:

[Roll No. 377]

AYES—253

Abercrombie
Allard
Bachus (AL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Becerra
Bentley
Bereuter
Bevill
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Callahan
Camp
Canady
Castle
Chapman
Clayton
Clinger
Clyburn
Coleman
Collins (GA)
Combest
Conyers
Cooper
Cramer
Crapo
Danner
de la Garza
DeLay
Derrick
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards (TX)
Ehlers
Emerson
English
Everett
Ewing
Faleomavaega (AS)
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Ford (MI)
Fowler
Franks (NJ)
Frost
Furse
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Grams
Grandy
Hall (TX)
Hamburg
Hamilton
Hansen
Hastert
Hastings
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kasich
Kennedy
Kennelly
Kim
King
Kingston
Klink
Kopetski
LaFalce
Lambert
Lancaster
LaRocco
Laughlin
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Livingston
Lloyd
Long
Lucas
Manton
Manzullo
Martinez
Matsui
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McKeon
McNulty
Meek
Menendez
Meyers
Michel
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Murtha
Neal (MA)
Neal (NC)
Nussle
Olver
Ortiz
Oxley
Parker
Paxon
Payne (VA)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Rahall
Ravenel
Richardson
Ridge
Roberts
Roemer
Rogers
Rose
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Scott
Serrano
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stenholm
Strickland
Stupak
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Volkmer
Vucanovich
Walker
Walsh
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff

NOES—156

Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Armey
Barca
Barrett (WI)
Beilenson
Bilbray
Byrne
Cantwell
Cardin
Carr
Clay
Coble
Collins (IL)
Collins (MI)
Condit
Coppersmith
Costello
Cox
Coyne
Crane
Cunningham
Deal
DeLauro
Dellums
Deutsch
Dixon
Duncan
Durbin
Edwards (CA)
Engel
Eshoo
Evans
Farr
Fawell
Fingerhut
Flake
Frank (MA)
Franks (CT)
Gallo
Gejdenson
Goss
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hancock
Harman
Hefley
Hoekstra
Horn
Hoyer
Inslee
Jacobs
Johnson (CT)
Johnston
Kaptur
Kildee
Kleczka
Klein
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lantos
Lazio
Lewis (GA)
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Mazzoli
McCandless
McCloskey
McDermott
McInnis
McKinney
McMillan
Meehan
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Moorhead
Moran
Morella
Myers
Nadler
Norton (DC)
Oberstar
Obey
Orton
Owens
Packard
Pallone
Pastor
Payne (NJ)
Pelosi
Penny
Peterson (FL)
Petri
Porter
Poshard
Quinn
Ramstad
Rangel
Reed
Regula
Reynolds
Rohrabacher
Rostenkowski
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Sensenbrenner
Sharp
Shays
Shepherd
Skaggs
Slaughter
Smith (MI)
Stark
Stearns
Stokes
Studds
Stump
Thomas (CA)
Torres
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Waters
Watt
Waxman
Weldon
Wyden
Yates
Zimmer

NOT VOTING—30

Andrews (TX)
Bacchus (FL)
Baker (LA)
Ballenger
Berman
Bonior
Boucher
Calvert
Clement
Darden
de Lugo (VI)
DeFazio

Diaz-Balart
Foglietta
Ford (TN)
Gallegly
Gephardt
Goodling
Gordon
Green
Hayes
Lipinski
Machtley
Murphy
Romero-Barcelo (PR)
Ros-Lehtinen
Shaw
Sundquist
Synar
Washington

□ 1346

The Clerk announced the following pairs:

On this vote.

Mr. Darden for, with Mr. Diaz-Balart against.

Mr. Green for, with Mr. Synar against.

Ms. PELOSI, Mrs. SCHROEDER, Mrs. LOWEY, Ms. VELÁZQUEZ, and Messrs. THOMAS of California, MINETA, PAYNE of New Jersey, LANTOS, CRANE, ROYCE, MORAN, FLAKE, and CUNNINGHAM changed their vote from "aye" to "no."

Messrs. LANCASTER, BACHUS of Alabama, MATSUI, and HINCHEY changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment, as modified, was agreed to.

The result of the vote was announced as above recorded.

□ 1350

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 401, noes 1, not voting 37, as follows:

[Roll No. 378]

AYES—401

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goss
Grams
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Livingston
Long
Lowey
Lucas
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—1

Applegate

NOT VOTING—37

Andrews (TX)
Bacchus (FL)
Baker (LA)
Ballenger
Berman
Bonior
Boucher
Calvert
Clement
Darden
de Lugo (VI)
DeFazio
Diaz-Balart
Foglietta
Ford (TN)
Gallegly
Goodling
Gordon
Green
Hayes
Lipinski
Lloyd
Machtley
McNulty
Miller (CA)
Murphy
Quillen
Romero-Barcelo (PR)
Ros-Lehtinen
Shaw
Solomon
Spratt
Sundquist
Synar
Torkildsen
Washington
Wheat

□ 1357

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to advise the Members that we have pending three minor conforming amendments that the committee will accept. Then we will go to final passage. It is not the intention of the committee to call for a recorded vote on final passage.

I thank the Members for their patience and kindness and their vote.

□ 1400

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: Page 43, lines 19 and 20, strike "or by the private insurance provider"; and

Page 43, lines 21 and 22, strike "or the insurance provider".

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, this is a technical amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding. We have considered his amendment and we have no objection to accepting it.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to my good friend, the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, we have looked at the amendment and have no objection to it. We accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. VOLKMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Michigan: Page 32, line 12, strike "an amount" and insert "the amount, subject to the provisions of pargraph 3,"

Page 32, after line 17, insert the following new subparagraph:

"(D) Payment of buy-up coverage proportional to level of risk.

"(i) GENERAL.—In the case of policyholders under subparagraph (C), the Corporation shall ensure to the extent practicable the producer cost of buy-up coverage shall be directly and proportionally related to the level of risk and that the dollar amount of the premium payment made by the Corporation under subparagraph (C) on behalf of policyholders with an average national average insurance risk does not exceed 200 percent of the dollar amount of the premium payment made for the same level of coverage for a crop and farming practice obtained by policyholders with a national average insurance risk. In order to make this comparison of those policyholders with an above national average insurance risk with those policyholders with a national average insurance risk, the Corporation shall determine the dollar amount of its national average insurance risk premium payments utilizing county, crop, and farming practice data.".

"(ii) REALLOCATION OF COST SAVINGS.—The cost savings in premiums realized by the Corporation under clause (i) shall be reallocated on an equitable basis to policyholders.".

Mr. SMITH of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Michigan. Mr. Chairman, because we are a compassionate society, we have helped many of our fellow Americans who have failed to purchase insurance and have suffered losses from natural disasters. Unfortunately, this has sent the message to farmers and others that they can live, build, and farm in high-risk areas without insurance because the Government with bail them out. This distorts economic decisionmaking by encouraging people to undertake activities where the risk outweighs the benefits, thus using resources inefficiently.

Currently, the Government pays a percentage of a farmer's crop insurance premium. The Government gives higher premium subsidies to high-risk, higher loss policyholders. Those policyholders with lower risk and hence, lower insurance premium rates, receive a smaller subsidy. Together with past Government disaster bailouts, this creates an incentive to farm in high-risk areas. In the insurance literature, this is known as moral hazard.

I believe we should restructure Government premium subsidies to improve farmers' incentives to manage risk and reduce taxpayers' costs for a Federal crop insurance program. This amendment would limit the taxpayer premium subsidy for buy-up coverage, that is coverage equal to or greater than 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage to 200 percent of the dollar amount of the subsidy given to policyholders for the same level of coverage for a crop and farming practice based on a national average risk premium rate.

In other words, if we make higher risk farmers pay closer to their fair share for crop insurance by limiting the subsidy for that crop insurance premium to not more than 200 percent of the national average subsidy, lower risk farmers will be more likely to buy crop insurance because their premiums will be reduced by $48 million.

In conclusion, I would hope the conference committee will reevaluate the disparity in subsidized premiums between high- and low-risk farmers.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 47, line 8, strike the close quotation marks and period at the end and insert the following new subsection:

"(d) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—

"(1) SENSE OF CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased by the Corporation using funds made available to the Corporation should be American-made.

"(2) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into my contract with, any entity for the purchase of equipment and products to carry out this title, the Corporation, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in paragraph (1) by the Congress.".

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I yield to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, after having examined the amendment sponsored by my distinguished colleague, the gentleman from Ohio, we accept it on our side.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, being very familiar with the amendment offered by the gentleman from Ohio, we accept it.

Mr. TRAFICANT. Mr. Chairman, if we buy some American-made equipment and products, maybe we will have some American jobs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 46, line 13, strike "1996 crop year" and insert "1998 crop year".

On page 46, line 22, strike "1995 crop year" and insert "1995, 1996, and 1997 crop years".

On page 47, strike lines 3 through 8, and insert closing quotation marks and second period after "development." on line 2.

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, this is a technical amendment, conforming in nature, and I ask for its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. RICHARDSON) having assumed the chair, Mr. CARDIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4217) to reform the Federal Crop Insurance Program, and for other purposes, pursuant to House Resolution 507, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I regret my absence for rollcall votes No. 377 and No. 378, amending H.R. 4217, the Federal Crop Insurance Reform Act. I was attending the funeral services for a family member.

Had I been present, I would have voted "nay" on rollcall vote No. 377 and "aye" on rollcall vote No. 378.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, I was absent for rollcall vote No. 377 and No. 378. Had I been present, I would have voted "no" on rollcall vote No. 377 and "aye" on rollcall vote No. 378.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4217, FEDERAL CROP INSURANCE REFORM ACT OF 1994

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 4217, the clerk be authorized to correct the table of contents, section numbers, punctuation, citations, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4217, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER ON MONDAY, AUGUST 8, 1994, OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON H.R. 4649, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1995, AND DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1994

Mr. DIXON. Mr. Speaker, I ask unanimous consent that notwithstanding the provisions of clause (2) of rule XXVIII, it be in order at any time on August 8, 1994, or any day thereafter, to consider the conference report, amendments in disagreement, and motions to dispose of amendments in disagreement, to the bill H.R. 4649, making appropriations for the District of Columbia for the fiscal year ending September 30, 1995, and for other purposes, and that the conference report, amendments in disagreement, and motions printed in the joint explanatory statement of the committee of conference to dispose of amendments in disagreement be considered as read when called up for consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF CONFERENCE REPORT ON H.R. 4277, SOCIAL SECURITY ADMINISTRATIVE REFORM ACT OF 1994

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that it be in order at any time to consider the conference report on the bill (H.R. 4277), to establish the Social Security Administration as an independent agency and to make other improvements in the Old-Age, Survivors, and Disability Insurance Program, that any points of order against the conference report and its consideration be waived, and that the conference report be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. HANCOCK. Mr. Speaker, reserving the right to object, we on the Republican side of the aisle have no objection to the consideration of H.R. 4277 in the manner described by my colleague from Florida.

This issue has been a bipartisan one from the beginning, and that spirit continued through the conference. In the end, the conference report was signed by all three of our conferees—and we will be pleased for it to be considered by the House as expeditiously as possible.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF A JOINT RESOLUTION AND A BILL RELATING TO MOST-FAVORED-NATION TREATMENT FOR THE PEOPLE'S REPUBLIC OF CHINA

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–673) on the resolution (H. Res. 509) providing for consideration of a joint resolution and a bill relating to most-favored-nation treatment for the People's Republic of China, which was referred to the House Calendar and ordered to be printed.

□ 1410

ANNOUNCEMENT BY CHAIRMAN OF THE COMMITTEE ON RULES, CONCERNING PLANS FOR CONSIDERATION OF H.R. 3800, SUPERFUND ACT OF 1994

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today to notify Members regarding the Rules Committee's plans with respect to H.R. 3800, the Superfund Act of 1994. The Rules Committee plans to meet the week of August 8, to grant a rule. A request may be made for a structured rule, which would permit only those floor amendments designated in the rule.

In order to ensure Members' rights to offer amendments under the rule that may be requested, they should submit 55 copies of each amendment, together with a brief explanation of each amendment, to the committee office at H–312, the Capitol, by 5 p.m. Wednesday, August 10.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time in order that I might inquire of the distinguished chairman of the Democratic Caucus the program for next week.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I thank the distinguished minority leader, my good friend, the gentleman from Illinois.

The schedule for next week is we will go in at 10:30 for morning hour. After the morning hour, we will then go to a series of suspensions. We have on the list now some 27 suspensions, a list of which I believe the gentleman's side has. We will do those suspensions. There will be no votes until 5 o'clock, not before 5 o'clock. And I have had pointed out, in addition to the 27 suspensions, we will also be considering the District of Columbia appropriations conference report.

Then Tuesday and the balance of the week, the House will meet at 10:30 a.m. for morning hour on Tuesday, and the House will go into session at noon on Tuesday, and we will consider, during Tuesday and the balance of the week, the following bills: The Energy and Water Development Appropriations bill conference report, the resolution regarding China's MFN, which is, of course, subject to a rule, the Omnibus Crime Control Act conference report, also subject to a rule, the Congressional Accountability Act, subject to a rule as well, the Social Security Administration Reform Act of 1994 conference report, the Full Budget Disclosure Act of 1994, which deals with baselines, the Emergency Spending Control Act of 1994, subject to a rule, H.R. 3433, to provide for the management of the Presidio, which is also subject to a rule, the Lobbying Disclosure Act of 1994 conference report, the Superfund Reform Act of 1994, subject to a rule, and the Hydrogen and Fusion Research and Development Programs Authorization, subject to a rule.

There may be additional conference reports. We do not know at this time.

Mr. MICHEL. I thank the gentleman.

I have to make the observation that, noting several of them, considerable authorizations of agencies, departments of government, not necessarily departments, but agencies of government that involve considerable sums of money. We are going to have to start looking over these suspensions very carefully, because instead of having a measure that ought to be debated out here involving $10 billion, $12 billion, $13 billion on Suspension Calendar, I have real reservations about that, and I know that sometimes it is done to foreclose so-called unfriendly amendments. But also it tends to demean the whole legislative process when we shortchange the debate on a measure that is as important as some of these are to 20 minutes for, 20 minutes against.

As is always the case as we get near the end of a session or of the Congress, we have the inclination to pile onto the Suspension Calendar. But just a note of caution.

Mr. HOYER. If the gentleman will yield further, I very much appreciate the minority leader's observations. I understand his concern.

I want to assure him, as he knows, that all of these have been done in consultation, as he knows, with the ranking members on your side of the aisle on the committees. It is obviously generally the belief that these are relatively noncontroversial. But the gentleman's point is well taken.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank the distinguished minority leader for yielding.

I have asked him to yield so that I might inquire where we stand on the issue of congressional reform. I note that my colleagues, the gentlewoman from Florida [Mrs. FOWLER] and the gentlewoman from Washington [Ms. DUNN] and the gentleman from Massachusetts [Mr. TORKILDSEN], have just put a discharge petition in the well, Discharge Petition No. 26, which I have just signed, which will actually bring forward the entire congressional reform package, H.R. 3801.

Throughout calendar year 1993 we had the opportunity to listen to my friend, the gentleman from Maryland, and a wide range of others who came before our committee and testified on the need to bring about reform of the institution, and we have been promised the bill in the fall of last year, early spring of this year, late spring, the summer, and here we are now waiting for some action to take place upstairs in our Committee on Rules. We had a plan to mark it up today, and that has not worked out.

I just wondered where we could expect this thing to proceed in the weeks to come as we charge toward adjournment.

Mr. HOYER. If the gentleman will yield further, I thank the gentleman for his observations.

I know he has been concerned about this issue, as we have on this side of the aisle. As you know, next week we have on the calendar for consideration the Congressional Accountability Act dealing with the coverage of the Congress on those items dealing with worker safety, worker working conditions, issues of discrimination against employees, and applying those fully to the Congress of the United States as they have been applied to the private sector.

In addition, it is the Speaker's intention, and he has made it known, that he is hopeful and believes and is committed to this matter coming to the floor, the balance of the reform package, which is being considered in the gentleman's committee, in the Committee on Rules, currently to come to the floor in the early fall.

Mr. DREIER. If my friend would yield further, I would just like to say for the record that I am very concerned about this issue of breaking it up into bits.

My colleague, the gentleman from Indiana [Mr. HAMILTON], who served with me on the committee, said that he thought it necessary that the sweetener of congressional compliance, the bill to which my friend referred, was very important if we were going to succeed in getting the other equally important, but very tough, reforms which I believe a majority of the Members of this institution want to have put into place. But I just want the record to show that, and I am very, very disappointed in that we have made this decision to break the measure into bits.

Mr. HOYER. If the gentleman will yield further, I thank the minority leader for yielding, I appreciate the gentleman's concern. As the gentleman knows, this bill is a bipartisan bill; the gentleman from New Hampshire [Mr. SWETT] on our side, the gentleman from Connecticut [Mr. SHAYS] on your side, and others; of course, that was considered by the Committee on House Administration, broad-based support of it, and I think broad-based support on the floor, and it was felt that this ought to move ahead, because it is a matter of great concern to the American public, as you know, and great concern to many Members of the Congress.

But there is also a continuing concern about the package that has been put together by the joint committee, and I appreciate the gentleman's concerns.

Mr. MICHEL. As the gentleman well knows, we are going to be devoting then the week following next week's program to health care. I suspect it is no secret that what we would probably like to see is a couple of days, Monday and Tuesday, of general debate, and then a rule that gets us to a voting situation for Wednesday, Thursday, Friday, and, you know, earlier at leadership meetings and in this program, I see nothing about GATT. Does that assume that is pretty well put off until we come back in September?

We want to be working together, and that is very important for the country's welfare, and I know there is some angst in various quarters about the particulars of that measure.

The gentleman may want to volunteer an observation on that one.

□ 1440

Mr. HOYER. I appreciate the minority leader's observation on both of these issues, which are both obviously very, very important issues and about which we are very concerned. First as to the minority leader's observation on health care, we do expect and plan to have that matter up on the floor the week after next. As you know, the minority leader is absolutely correct. On Monday there will be no votes, Monday, the 15th. However, we do expect to start the debate on the health care bill and have, not only on the bill that is currently being considered, but the House Democratic leadership bill, so-called Gephardt bill, but in addition the minority leader's bill and any other bills on your side of the aisle will be discussed.

We hope to continue that debate on Tuesday, consider the rule on Wednesday, and for the balance of the week consider the health care legislation.

But again I would stress there are no votes on Monday, the 15th.

With respect to GATT, as the gentleman I am sure knows, there is a lot of preconferencing going on, trying to work out some of the disagreements which are substantial in terms of a number of matters dealing with GATT. We are hopeful that that will move ahead. Until such time, however, as the various committees advise us on the progress they are having, we have not added that to the calendar because we do not know whether we can move forward on it.

We realize the importance of this issue. The leadership is very much committed to moving this ahead. As soon as we have an indication from the committee that they are ready, we are going to try to move ahead and make room.

Now, quite clearly it would be doubtful that we could do this in conjunction with health care in that week. But we do not want to preclude it at this point.

Mr. MICHEL. I appreciate the gentleman's response. It has been my understanding that because we have orchestrated the program the way it will unfold, hopefully, in the next 2 weeks, that that second week is pretty much confined to health care, not to have our attention distracted by any other, conceivably controversial, piece of legislation. I think what we will be dealing with that week will be controversial enough. But at least it will focus the attention of the American people and Congress where it ought to be, on that biggest of all issues for this year. And we can dispose of it, hopefully, amicably whatever the bill is.

Mr. HOYER. I would like to say, on our side, if the gentleman will continue to yield, that we appreciate the cooperative spirit that we have discussed, the consideration of this for the week of the 15th. We both agree, on both sides of the aisle, that this is an issue of sufficient magnitude to really warrant fully focusing on it during that week, having full debate on it, full exposition of the issues, so that the American public and every Member of the House can understand the bill and the legislation, what it does and what it does not do.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, I yield back the balance of my extended minute.

ADJOURNMENT TO MONDAY, AUGUST 8, 1994

Mr. HOYER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10:30 a.m. on Monday next.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, August 10, 1994.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2739, AVIATION INFRASTRUCTURE INVESTMENT ACT OF 1993

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, Friday, August 5, 1994, to file a conference report on the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL PEARL HARBOR REMEMBRANCE DAY

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 131) designating December 7 of each year as "National Pearl Harbor Remembrance Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. MENENDEZ). Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority does not object. I at this point would yield to the prime sponsor of this important resolution, which would designate December 7 of each year as National Pearl Harbor Remembrance Day, the gentleman from Illinois [Mr. SANGMEISTER].

Mr. SANGMEISTER. I thank the gentlewoman for yielding to me.

Mr. Speaker, I would like to thank and commend the gentleman from Missouri [Mr. CLAY], the chairman of the full committee for his distinguished leadership, his strong support of this measure and for moving this bill so expeditiously. I would also like to thank the ranking member from Indiana [Mr. MYERS] for his support.

Mr. Speaker, House Joint Resolution 131, would designate December 7 of each year as National Pearl Harbor Remembrance Day.

On December 8, 1941, President Roosevelt uttered the words, "December 7, 1941—a date which will live in infamy." He was standing in this House Chamber giving a speech before a joint session of Congress, asking that a state of war be declared between the United States and Japan.

This attack, killing more than 2,000 citizens of the United States and wounding another 1,000, marked the entry of the United States into WW II. Between the period of December 7, 1941, and December 31, 1946, over 16 million Americans served in the Armed Forces of the United States. Of that number 671,000 were wounded in action; 292,000 were killed in action; and an additional 114,000 died of non-battle causes for a total of 406,000 Americans making the ultimate sacrifice in defense of freedom around the world.

I believe that House Joint Resolution 131 will promote a greater understanding and appreciation of this sacrifice.

Mr. Speaker, this measure does not create a Federal holiday which will cost taxpayers money. It simply designates December 7 of each year as a working holiday and encourages Federal agencies to fly the flag at half-staff and mark the day with appropriate ceremonies. Passage of this legislation will ensure that new generations of Americans, particularly school children, would be reminded of the sacrifices their forefathers made to give them the freedom they enjoy in the greatest Nation in the world.

As our World War II veterans age and begin to pass on, it is especially important that we appropriately memorialize their contribution to our great Nation.

Mr. Speaker, I would be remiss if I did not recognize the efforts of Mr. Richard Foltynewicz—a constituent of mine who has worked tirelessly to make this bill a reality—and Mr. Lee Goldfarb—a Pearl Harbor survivor and President of the National Pearl Harbor Survivors Association. He has been exceedingly instrumental in bringing this measure to the floor. I urge my colleagues to favorably consider House Joint Resolution 131, so that we may never forget.

Mrs. MORELLA. Mr. Speaker, further on my reservation of objection, I want to congratulate the prime sponsor, the gentleman from Illinois [Mr. SANGMEISTER], for his leadership in this regard because this resolution that I have cosponsored, as has my colleague, the gentlewoman from Virginia [Mrs. BYRNE], will now designate every year, December 7, as commemorating Pearl Harbor Remembrance Day.

Mr. GILMAN. Mr. Speaker, I am pleased to rise today in support of a joint resolution designating December 7 of each year as "National Pearl Harbor Remembrance Day."

Every generation has a day forever emblazoned in its consciousness. For my parents, it was the 11th hour of the 11th day of the 11th month in 1918, when the guns fell silent on the Western Front of Europe. For another generation, it was an autumn afternoon when the crack of gunfire snuffed out the life of our young, vibrant President Kennedy in a Dallas motorcade.

But for my generation, the day we will never forget was 50 years ago, when a quiet Sunday afternoon was interrupted by the shocking news that the Japanese Empire had launched an unexpected, unprovoked air attack upon our naval base at Pearl Harbor, HI.

Anyone who was around on December 7, can tell you exactly where they were and what they were doing when these deadly bombs fell. Other images of that day are vivid in all of our minds: The thousands of American soldiers, sailors, and airmen performing personal acts of heroism in the midst of that sudden vicious attack, and a nation suddenly united with a common purpose.

There is another lingering thought about Pearl Harbor. The knowledge that we must never again allow the oceans along our shorelines to lull us into a sense of complacency—that never again should we allow our national defense to be so ill-prepared for any hostile action. From December 7, 1941 on, we Americans knew that we would have to strengthen our defenses and bear the mantle of world leadership, recognizing that events anywhere in the world would henceforth affect us here at home.

Mr. Speaker, December 7, 1994, is an appropriate time for our Nation to take a moment, remembering the important and unforgettable lesson that Pearl Harbor Day taught us—that never again can we allow ourselves to be unprepared.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 131

Whereas, on December 7, 1941, the Imperial Japanese Navy and Air Force attacked units of the armed forces of the United States stationed at Pearl Harbor, Hawaii;

Whereas more than 2,000 citizens of the United States were killed and more than 1,000 citizens of the United States were wounded in the attack on Pearl Harbor;

Whereas the attack on Pearl Harbor marked the entry of the United States into World War II;

Whereas the veterans of World War II and all other people of the United States commemorate December 7 in remembrance of the attack on Pearl Harbor; and

Whereas commemoration of the attack on Pearl Harbor will instill in all people of the United States a greater understanding and appreciation of the selfless sacrifice of the individuals who served in the armed forces of the United States during World War II: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That December 7 of each year is designated as "National Pearl Harbor Remembrance Day" and the President is authorized and requested—

(1) to issue annually a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities; and

(2) to urge all Federal agencies, and interested organizations, groups, and individuals, to fly the flag of the United States at half-staff each December 7 in honor of the individuals who died as a result of their service at Pearl Harbor.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ITALIAN-AMERICAN HERITAGE AND CULTURE MONTH

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 175) designating October 1993 and October 1994 as "Italian-American Heritage and Culture Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER por tempore. Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I yield to the gentleman form New York [Mr. ENGEL], who is kind of a converted Italian-American, and who is the chief sponsor of House Joint Resolution 175.

Mr. ENGEL. I thank the gentlewoman from Maryland, who is a dear friend, for yielding this time to me.

Mr. Speaker, I rise today to thank my colleagues for joining me for the fifth year in passing House Joint Resolution 175, legislation which designates October 1994 as "Italian-American Heritage and Culture month."

During the past 5 years, the month of October has become a time for great celebration for the Italian-American community in honor of the Achievements and contributions of Italian-Americans throughout the history of our country. This month is marked by activities planned at the national and local level in recognition and celebration of these contributions.

The Italian-American community is one of the largest in this country, made up of some 25 million citizens who comprise thousands of organizations and clubs throughout the United States and who greatly contribute to the prosperity and progress of our Nation on a yearly basis. Italian-Americans contribute to this country in all aspect of our society: Art, science, civil service, military service, athletics, education, and politics.

Italian-American Heritage and Culture Month is a time for all Americans to reflect on the achievements of Italians and Italian-Americans throughout History. During this month we celebrate those figures of Italian heritage who have contributed to the history of this country and the world. We note the achievements of the great explorer, Christopher Columbus, for whom we have a national day of observance in the month of October. We honor Philip Mazzei, the noted Italian patriot and immigrant to whom we attribute the phrase, "All men are created equal," and who fought for religious and political freedom during the American Revolution. We remember Enrico Fermi, the recipient of the 1938 Nobel Prize in physics. Our country also celebrates the cultural heritage of Italian history which has given us the works of Dante, Giotto, Michelangelo as well a the music of Antonio Vivaldi and Giuseppe Verdi.

Italian-American Heritage and Culture Month gives us all the opportunity to reflect on the ideals and values common to both Americans and Italians. Our nations are bonded by the ideals of the importance of individuality, the protection of basic human rights and freedoms, and the advancement of mankind.

Mr. Speaker, we are giving a great honor to one of the largest ethnic communities in this country by passing this resolution and I am thankful for the many contributions that Italian-Americans have made to our society. I look forward to this resolution's passage in the Senate as well as proper Presidential recognition of this important commemorative Legislation.

□ 1430

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from New York [Mr. ENGEL] for introducing this resolution to recognize October of this year, as well as 1993, as Italian-American Heritage and Culture Month.

Mr. Speaker, further reserving the right to object, it now gives me pleasure to yield to the gentleman from Wisconsin [Mr. BARCA] on this resolution.

Mr. BARCA of Wisconsin. Mr. Speaker, I appreciate this opportunity, and I will be very brief: I just want to take a minute to add my strong support to this motion and to this resolution. The gentleman from New York [Mr. ENGEL] very articulately outlined the many contributions of Italian-Americans, and, being of Italian-American descent, personally this brings me great pleasure to have this opportunity to add my voice in support.

It is 1 year ago that I lost my father, Peter Barca, Sr., who was of Italian descent, who came to this country in 1920, like so many Italian-Americans and people of other heritages just wanting to make a contribution to this great country and to raise his family with dignity and pride, and for that reason I am just very pleased to add my support to this motion.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I want to commend the gentleman from Wisconsin [Mr. BARCA] for the tribute to his father, and it is the same kind of tribute that we have to all of our ancestors who have come from other countries who have chosen this as their own.

As someone whose married name is Morella, which is of Italian background, and whose maiden name was Albanese, which is also Italian in background, I can indicate that I do value this particular resolution because it does talk about the fact that we respect our heritage, the traditions that we in America respect the greatness of this country, and this is what makes this Congress so great and this country so great, the combination of the mosaic of different backgrounds, all with the common heritage which is as Americans.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of House Joint Resolution 175, legislation to designate October 1994 as Italian-American Heritage and Culture Month. I am pleased to have cosponsored this legislation and wish to commend the gentleman from New York [Mr. ENGEL] for his sponsorship of this legislation.

Italian-Americans in the United States represent one of the largest ethnic groups in our Nation. With 20 million Americans of Italian descent it would be difficult, if not impossible, to name the many contributions they have made to the formation and development of our great Nation.

Perhaps the greatest contribution made by an Italian, of course, is the discovery of America by Christopher Columbus.

Mr. Speaker, it is a pleasure to rise in support of House Joint Resolution 175, and I urge my colleagues to support this measure.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MENENDEZ). Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 175

Whereas Italians and Italian-Americans have contributed to the United States in all aspects of life, including art, science, civil service, military service, athletics, education, law, and politics;

Whereas Italian-Americans make up one of the largest ethnic groups in the United States;

Whereas in recognition of the accomplishments of Christopher Columbus, recognized as one of the greatest explorers in world history and the first to record the discovery of the Americas, a national observance day was established in October of every year;

Whereas the phrase in the Declaration of Independence "All men are created equal", was suggested by the Italian patriot and immigrant Philip Mazzei;

Whereas the people of the United States take great pride in the accomplishments of the many outstanding men and women of Italian descent who have enriched our Nation's history such as Fiorello La Guardia, the beloved Mayor of New York City, and Enrico Fermi, who won the 1938 Nobel Prize in Physics;

Whereas Italy enjoys a rich cultural heritage and has given the world the great works of Dante, the breathtaking art of Giotti and Michelangelo, and the inspirational music of Antonio Vivaldi and Domenico Scarlatti;

Whereas the Americas were named after the Italian explorer Amerigo Vespucci;

Whereas Giuseppe Verdi, one of the world's most renowned opera composers, was born October 10, 1813;

Whereas William Paca, an Italian-American, was one of the signers of the Declaration of Independence; and

Whereas during October 1993 and October 1994 special attention will be directed at National, State, and local programs that promote Italian heritage and culture: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That October 1993 and October 1994 are each designated as "Italian-American Heritage and Culture Month". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MRS. BYRNE

Mrs. BYRNE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BYRNE: Page 2, strike line 3 and insert "That October 1994 is designated".

The SPEAKER pro tempore. The question is on the amendment offered by the gentlewoman from Virginia [Mrs. BYRNE].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL MILITARY FAMILIES RECOGNITION DAY

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 188) designating November 22, 1993, as "National Military Families Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I yield to the gentleman from Washington [Mr. KREIDLER] who is the chief sponsor of House Joint Resolution 188.

Mr. KREIDLER. Mr. Speaker, I am proud to be the sponsor for a second year of this resolution to designate the Monday before Thanksgiving as "National Military Families Recognition Day."

Since the Senate version of this legislation was enacted last year, we are simply amending House Joint Resolution 188, with its 220 cosponsors, to reflect updated statistics and the correct date of this year as November 21, 1994.

This will be the sixth consecutive year that Congress has designated a special day to recognize and honor the mothers, fathers, husbands, wives, and children of our military personnel.

Too often they are forgotten heroes of our Nation's defense, whose service to their country deserves our gratitude and respect.

Many people do not understand how demanding military life can be: Families face the hardships of frequent moves and reassignments, long separations from loved ones, financial pressures, and the constant anxiety of an uncertain tomorrow.

Each and every day military families make personal, professional, financial, and emotional sacrifices on behalf of their country.

But there are few medals for these acts of courage and honor, only the unspoken rewards that come from love and family.

I represent a district that includes Fort Lewis Army Base, McChord Air Force Base, and Madigan Army Hospital.

The families stationed at these bases work hard in the midst of great instability to create a decent life for themselves and their children.

Military Families Recognition Day is a day to honor the dedication and commitment of these families. They are people like:

Jennifer Hutchins, who had to face most of her first pregnancy without her husband, Senior Airman Sheldon Hutchins, when he was deployed for more than 6 months in Somalia, Louisiana, and New Mexico.

Hutchins is a member of the 62d Combat Control Squadron at McChord Air Force Base. While he was deployed in support of Somalia famine relief efforts, Jennifer was pregnant with her first child.

Fortunately, her parents were nearby and able to help. But Jennifer and Sheldon missed sharing this once-in-a-lifetime experience.

Sharon King, whose husband, Capt. Ed King, was deployed to Somalia just 2 weeks after she had their second child.

Ed is based out of the 62d Aerial Port Squadron at McChord AFB and was deployed to Somalia for 3 months earlier this year.

Sharon had to care for a child and a newborn on her own, without a husband to share the joys and struggles.

And the Carter family—Maj. Frederick Carter, his wife Reta, and their two sons Ray and Ben—who were honored as Fort Lewis' Family of the Year last November.

The award, given each year as part of U.S. Army Family Week, is to honor a family for its teamwork and love for each other, and friendship and service to others.

The Carter family had its share of difficulties when Fred was deployed to Iraq for 6 months during the Persian Gulf war.

But they have always taken time to participate in their community—both Frederick and Reta are involved with the PTA and Reta also serves as a social work counselor for the Salvation Army and a facilitator for Army Management counseling sessions.

Mr. Speaker, during the past recent months we have celebrated Memorial Day and the 50th anniversary of D-day, paying our respects to those living and dead for their sacrifice to their country.

We need to remember that for each of those servicemembers, there was a mother and father, wife or husband, sister or brother, daughter or son, who gave that service man or woman the support and love they needed to serve our Nation.

We salute you, all the military families in America, for your invaluable contribution to our Nation.

□ 1440

Mrs. MORELLA. Mr. Speaker, I want to thank the gentleman for introducing this resolution and for his very moving comments. It is appropriate with this resolution that Congress demonstrate their appreciation of the commitment and devotion and sacrifice of military families, present and past.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of House Joint Resolution 188, legislation designating November 22, 1993, as "National Military Families Recognition Day."

As the House of Representatives discusses this measure today, we pay tribute to an often forgotten group of people, the families of our Nation's service men and women.

When our military personnel are called to service, we rightly praise their bravery and honor. However, we often forget about the family members who remain at home. This measure recognizes the encouragement and support that is provided by military family members.

I urge my collegues to join me in supporting this important resolution.

Mrs. MORELLA. I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MENENDEZ). Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 188

Whereas the Congress recognizes and supports the Department of Defense policies to recruit, train, equip, retain, and field a military force that is capable of preserving peace and protecting the vital interests of the United States and its allies;

Whereas military families shoulder the responsibility of providing emotional support for their service members;

Whereas, in times of war and military action, military families have demonstrated their patriotism through their steadfast support and commitment to the Nation;

Whereas the emotional and mental readiness of the United States military personnel around the world is tied to the well-being and satisfaction of their families;

Whereas the quality of life that the Armed Forces provide to military families is a key factor in the retention of military personnel;

Whereas the people of the United States are truly indebted to military families for facing adversities, including extended separations from their service members, frequent household moves due to reassignments, and restrictions on their employment and educational opportunities;

Whereas 74 percent of officers and 55 percent of enlisted personnel in the Armed Forces are married;

Whereas families of active duty military personnel (including individuals other than spouses and children) account for more than half of the active duty community, and spouses and children of members of the Reserves in paid status account for more than half of the individuals in the Reserves community;

Whereas hundreds of thousands of spouses, children, and other dependents living abroad with members of the Armed Forces face feelings of cultural isolation and financial hardship;

Whereas the significantly reduced global military tensions after the end of the cold war have led to a down-sizing of the national defense and a refocusing on national priorities to strengthening the American economy and competitiveness in the global marketplace;

Whereas the Congress is grateful for such sacrifices and is committed to assisting the service members and their families who undergo the transition from active duty to civilian life; and

Whereas military families are devoted to the overall mission of the Department of Defense and have accepted the role of the United States as the military leader and protector of the free world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the Congress acknowledges and appreciates the commitment and devotion of present and former military families and the sacrifices that such families have made on behalf of the Nation; and

(2) November 22, 1993 is designated as "National Military Families Recognition Day". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

AMENDMENT OFFERED BY MRS. BYRNE

Mrs. BYRNE. Mr. Speaker, I join with my colleagues in this resolution to honor military families, and I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BYRNE:

Page 3, line 8, strike "November 22, 1993" and insert "November 21, 1994".

The SPEAKER pro tempore. The question is on the amendment offered by the gentlewoman from Virginia [Mrs. BYRNE].

The amendment was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MRS. BYRNE

The joint resolution was ordered to be engrossed.

Mrs. BYRNE. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mrs. BYRNE:

Page 2, strike "Whereas 74 percent of officers and 55 percent of enlisted personnel in the Armed Forces are married;" and insert "Whereas 75 percent of officers and 57 percent of enlisted personnel in the Armed Forces are married;".

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentlewoman from Virginia [Mrs. BYRNE].

The amendment to the preamble was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MRS. BYRNE

Mrs. BYRNE. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mrs. BYRNE: Amend the title by striking "November 22, 1993" and inserting "November 21, 1994".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

CONSTITUTION DAY

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 390) designating September 17, 1994, as "Constitution Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The Speaker pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I wanted to acknowledge that the gentleman from Pennsylvania [Mr. BORSKI], who is the chief sponsor of House Joint Resolution 390. I think all of us recognize the need to designate September 17, 1994, as Constitution Day.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 390

Whereas the Constitution of the United States is the cornerstone of the Nation's system of governments under law;

Whereas the Constitution of the United States signifies the importance of the rule of law and affirms the Nation's dedication to the principles of freedom and justice;

Whereas the Constitution of the United States is recognized by many to be the most significant and important document in history for establishing freedom and justice through democracy;

Whereas the Constitution of the United States provides the framework of the Nation's law, spirit, and beliefs;

Whereas the Constitution of the United States deserves the recognition, respect, and reverence of all Americans;

Whereas every American should celebrate the freedom and responsibilities of the Constitution of the United States; and

Whereas the Constitution of the United States was signed on September 17, 1787: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 17, 1994, is designated as "Constitution Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FAMILY CAREGIVERS WEEK

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate Joint Resolution (S.J. Res. 153) to designate the week beginning on November 21, 1993, and ending on November 27, 1993, and the week beginning on November 20, 1994, and ending on November 26, 1994, as "National Family Caregivers Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I just want to acknowledge that the gentlewoman from Maine [Ms. SNOWE] is the prime sponsor of this resolution. We have no objections to it. This resolution is important. With National Family Caregivers Week, to be designated in November, family caregivers have become so very important, and particularly as we look at health care reform, I know I for one am a long-distance caregiver. Many others are caring for other members of their families and should be saluted.

Ms. SNOWE. Mr. Speaker, I would like to thank the Post Office and Civil Service Committee for bringing this resolution, National Family Caregivers Week, to the House floor.

At Thanksgiving we traditionally take time to be with our families. Therefore, it is appropriate that National Family Caregivers Week, which has been recognized for 6 years, is celebrated over Thanksgiving Week.

National Family Caregivers Week allows us to recognize the care and devotion the estimated 17 million family caregivers show each and every day. They are responsible for two-thirds of the home care provided in this country at an enormous cost savings to our health care system. They also provide between 80 and 90 percent of the medical care, household maintenance, transportation, and shopping needed by older persons. More importantly, they allow their loved one to maintain their independence, their dignity and their self-respect—three items on which no cost can be placed.

Some may wonder just who these caregivers are. They are our friends, our neighbors, and our coworkers. They are the adult child of an aged parent, the well spouse of an ill or disabled spouse, the parents of a child with an illness or disability, a friend or a companion.

Numerous studies have found that family caregivers give up their jobs, have reduced their working hours, or have rejected promotions in order to provide long-term care to loved ones. In fact, last year the GAO issued a report I had requested on family caregivers in the workplace. The report noted that 2 million caregivers work and provide significant unpaid care to elderly or disabled relatives. In addition, 6 million more employed persons have parents or spouses who are disabled and may also need assistance with these activities.

Caregivers are in great need of our support. They give their money, their time, and their love in order to allow their family member to have a more comfortable and independent life. While such commitment to a family member offers many rewards, many caregivers often find themselves under a great deal of pressure in their attempt to juggle the competing demands of their immediate families, their careers, and their own personal needs.

It is appropriate that we consider this resolution as we stand ready to take up health care reform. I hope that this resolution will serve as a reminder that we need to work harder to enhance the home care programs, respite and support groups available in order to assist those who take on the challenge of caregiving. In addition, as the population ages, the pressing need for caregiving will increase. Through improved public-private partnerships, eldercare, tax credits, and expanded family medical leave policies, I believe that we may begin to address the seriousness of caregivers' concerns.

Mr. Speaker, I am glad that we can once again celebrate our Nation's caregivers during National Family Caregivers Week.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of Senate Joint Resolution 153, National Family Caregivers Week.

Family caregivers not only fulfill a functional need in our society, but moreover they provide care that serves to reinforce the family structure in our society. Unfortunately, my colleagues in the Congress have been discouraged to witness the deterioration of this structure lately. The family plays an integral part in the perpetuation of values, high standards, morals, and sound judgment.

I believe we all know the value of a loving, caring family. These caregivers go beyond the normal responsibilities to family and offer help to loved ones who are frail and disabled. This selfless offering is commendable indeed.

Mr. Speaker, I am pleased to be a cosponsor of National Family Caregivers Week and I urge my colleagues to join me in supporting this measure.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the Senate Joint resolution, as follows:

S.J. RES. 153

Whereas the number of Americans who are age 65 or older is growing dramatically, with an unprecedented increase in the number of frail elderly age 85 or older:

Whereas approximately 5,200,000 older persons have disabilities that leave them in need of help with their daily tasks, including food preparation, dressing, and bathing;

Whereas families provide help to older persons with such tasks, in addition to providing between 80 and 90 percent of the medical care, household maintenance, transportation and shopping needed by older persons;

Whereas 80 percent of disabled elderly persons receive care from their family members, most of whom are their wives, daughters, and daughters-in-law, who often must sacrifice employment opportunities to provide such care;

Whereas family caregivers are often physically and emotionally exhausted from the amount of time and stress involved in caregiving activities, and therefore need information about available community resources for respite care and other support services;

Whereas the contributions of family caregivers help maintain strong family ties and assure support among generations; and

Whereas there is a need for greater public awareness of and support for the care that family caregivers are providing older persons: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on November 21, 1993 and ending on November 27, 1993, and the week beginning on November 20, 1994 and ending on November 26, 1994, are each designated "National Family Caregivers Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs, ceremonies, and activities.

AMENDMENT OFFERED BY MRS. BYRNE

Mrs. BYRNE. Mr. Speaker. I offer an amendment.

The clerk read as follows:

Amendment offered by Mrs. BYRNE:

Page 2, beginning on line 3, strike "the week beginning on November 21, 1993 and ending on November 27, 1993, and".

Page 2, line 6, strike "are each" and insert "is".

Page 2, line 9, strike "weeks" and insert "week".

The SPEAKER pro tempore. The question is on the amendment offered by the gentlewoman from Virginia [Mrs. BYRNE].

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MRS. BYRNE

Mrs. BYRNE. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mrs. BYRNE: Amend the title so as to read: "Joint Resolution to designate the week beginning on November 20, 1994, and ending on November 26, 1994, as 'National Family Caregivers Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL CHARACTER COUNTS WEEK

Ms. BYRNE. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 178) to proclaim the week of October 16 through October 22, 1994, as "National Character Counts Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution:

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I yield to the gentleman from Ohio [Mr. HALL], the chief sponsor of House Joint Resolution 366.

Mr. HALL of Ohio. Mr. Speaker, I thank the kind gentlewoman for yielding to me.

Mr. Speaker, today I rise to support this resolution which I sponsored along with my colleagues, Messrs. WOLF, HAMILTON, HYDE, MOAKLEY, EMERSON, HUGHES and SMITH of Michigan, to designate the week of October 16 through October 22, 1994, as National Character Counts Week. I also want to extend my appreciation to both Chairman CLAY and Ranking Member MYERS for allowing this resolution to be considered on the House floor today.

The purpose of this resolution is to bring national attention to the issue of character education and to encourage communities, schools and youth organizations to promote six core elements of character. These are: Trustworthiness, respect, responsibility, justice and fairness, caring, and civic virtue and citizenship.

Mr. Speaker, character education programs teach civic values and character traits that have widespread support among the American people. The ultimate goal of character education is to teach students about the shared values evident in our country which contribute to ethical behavior and good citizenship. This is particularly relevant to our efforts to combat drugs and school violence. If we do not teach children sound moral principles, we cannot expect them to act with moral common sense or make judgments of right and wrong. Families have the primary responsibility to teach values to their children, but when they do not, schools must step in and teach our age old principles.

In July 1992, a group of scholars, educators, and youth leaders drafted a document known as the Aspen declaration which articulates a framework for character education appropriate to our diverse and pluralistic society. Included in the Aspen declaration are the six core elements of character which can be appropriately taught to our children. The bipartisan Character Counts Coalition was formed to promote these six core elements of character as an effort to promote stronger individuals and thus a stronger Nation.

Advisory members of the Character Counts Coalition represent many ideological views. Advisors include William Bennett of Empower America; Marian Wright Edelman, president of the Children's Defense Fund; our former colleague Barbara Jordan; actor Tom Selleck; Nina Link, publisher of the Children's Television Workshop; and, Sylvia Peters, a founding partner of the Edison Project. In addition, this solution is supported by the Character Education Partnership [CEP], an organization of nationwide organizations and individuals involved in education and youth service. CEP's membership includes the National Education Association, the American Federation of Teachers, the National Association of School Boards, the National Association of Evangelicals and many others.

Mr. Speaker, Theodore Roosevelt said: "To educate a man in mind and not in character is to educate a menace to society." This commemorative resolution will give communities across the country an opportunity to embrace character education and to promote the six core elements of character. The other body has already passed overwhelmingly a similar resolution on June 24. I want to personally thank the 218 Members who have signed onto this resolution, and I urge my colleagues to vote for it.

Mr. Speaker, I also personally want to thank my very able aide, Gabrielle Williamson, who worked very hard to gather these signatures.

□ 1450

Mrs. MORELLA. Mr. Speaker, continuing my reservation of objection, I again want to thank the gentleman from Ohio [Mr. HALL] for his leadership on this important resolution.

Mr. Speaker, I yield to the gentleman from Virginia [Mr. WOLF], another major sponsor of this resolution.

Mr. WOLF. Mr. Speaker, before I make a statement, let me just say I want to pay particular tribute to the gentleman from Ohio [Mr. HALL], because he has been working on this issue for a number of years and it is a pleasure to be here at the culmination when this finally passes.

I also, on the Senate side, Senator PETE DOMENICI, who has worked so hard and has now instituted these programs in the Albuquerque and some of the other New Mexico schools.

It has been said that values are the emotional rules by which the Nation governs itself. As a member of Congress, been deeply concerned about the disturbing trends I have observed in the well-being of our Nation's families and children. From our inner cities to our suburbs, the wheels are coming off on many of the younger generation and clearly your children cannot steer clear of trouble without the guidance from a set of basic principles of character which contribute to ethical behavior and good citizenship.

I am pleased to be part of the effort in Congress to promote National Character Counts Week to focus attention on the core elements of character to which we as a nation must commit ourselves to provide positive influence for our next generation:

Trustworthiness, no one can differ with that; respect, no one can differ with that; responsibility, no can differ with that; justice and fairness and caring and civic virtue and citizenship. These are all things that we, I think, all can agree upon. Our children need to know that character does count.

Again, I thank the committee for bringing this legislation out, particularly my colleague from Ohio for providing the leadership, and again Senator DOMENICI for making a difference on the Senate side.

Mr. SMITH of Michigan. Mr. Speaker, I rise as one of the prime sponsors of H.J. Res. 366 to support its passage. We need to remember that our actions influence our children. When they see public officials seeking special treatment, or parents not being totally honest or "fudging" on their income tax, or teachers or any other person in a leadership position flouting the law or not showing respect to others, they often conclude that honesty and character are not that important. When they see the government reward irresponsibility, young people too often choose to be irresponsible.

Ethical values are critical to maintaining a free and civilized society. We must teach these values at home, and reinforce them in our schools and our society. As a strong believer in the importance of character, I introduced and passes a sense of Congress amendment to the Elementary and Secondary Education Act, that would encourage States and local school systems to work with and support parents by reinforcing the ethical principles of trustworthiness, respect for others, responsibility, fairness, caring, and citizenship.

I'm working to promote these principles in consultation with the Character Coalition and the Josephson Institute of Ethics. The coalition is a national partnership of individuals and over 40 organizations including the 4-H club, Big Brothers/Big Sisters, United Way, YMCA, and the National Association of Secondary Principals, committed to improving the character of America's young people through education and training.

One concern about teaching values has been the question of whose values to teach. That's why the idea of building character by emphasizing the importance of six basic defined values might be the answer. As parents and citizens, we should all get involved to combat violence, dishonesty, and irresponsibility by strengthening the moral fiber of the next generation. We must put character development at the forefront if we're ever going to be successful at cutting crime, improving education, fixing the welfare system, reducing dependence on government and achieving greater individual responsibility.

For young people to develop good character and strong values, they need good examples at home that are reinforced at school, and in the community. As Theodore Roosevelt said, "to educate a person in mind but not morals is to educate a menace to society."

The six-core ethical values encouraged in House Joint Resolution Res. 366 are trustworthiness:

Honesty—Do: tell the truth; be sincere. Don't: betray a trust, deceive, mislead, cheat, or steal; don't be devious or tricky.

Integrity—Do: stand up for your beliefs; be your best self; walk your talk; show commitment, courage, and self-discipline. Don't: do anything you think is wrong.

Promise-Keeping—Do: keep your word and honor you commitments; pay your debts and return what you borrow.

Loyalty—Do: stand by, support and protect your family, friends, and country. Don't: talk behind people's backs; spread rumors or engage in harmful gossip; don't do anything wrong to keep or win a friendship or gain approval; don't ask a friend to do something wrong.

Second, respect for others:

Do: judge all people on their merits; be courteous and polite, tolerant, appreciative and accepting of individual differences; respect the right of individuals to make decisions about their own lives. Don't: abuse demean, or mistreat anyone; don't use, manipulate, exploit or take advantage of others.

Third, responsibility:

Accountability—Do: think before you act; consider the consequences on all people affected; think for the long-term; be reliable; be accountable; accept responsibility for the consequences of your choices; set a good example for those who look up to you; Don't make excuses, blame others for your mistakes or take credit for others achievements.

Excellence—Do: your best and keep trying; be diligent and industrious. Don't: quit or give up easily.

Self-Restraint—Do: exercise self-restraint and be disciplined.

Fourth, justice and fairness:

Do: treat all people fairly; be open-mined; listen to others; try to understand what they are saying and feeling, make decisions which affect others only after appropriate considerations. Don't: take unfair advantage of other's mistakes or take more than your fair share.

Fifth, caring:

Do: show you care about others through kindness, caring, sharing and compassion, live by the Golden Rule and help others. Don't: be selfish, mean, cruel or insensitive to other's feelings.

And sixth, citizenship:

Do: play by the rules; obey laws; do your share; respect authority; stay informed; vote; protect your neighbors; pay your taxes; be charitable; help your community by volunteering service; protect the environment; conserve natural resources.

I urge every family, community, and every organization working with young people to be active in recognizing October 16 through October 22, 1994, as "National Character Counts Week".

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I have no other requests to speak on this very important resolution, except I am pleased to note and certainly subscribe to the six core elements of character that were mentioned from the Aspen Declaration of trustworthiness, respect, responsibility, justice and fairness, caring, civic virtue, and citizenship.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. pro tempore (Mr. MENENDEZ). Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 178

Whereas young people will be the stewards of our communities, Nation, and world in critical times, and the present and future well-being of our society requires an involved, caring citizenry with good character;

Whereas concerns about the character training of children have taken on a new sense of urgency as violence by and against youth threatens the physical and psychological well-being of the Nation;

Whereas more than ever, children need strong and constructive guidance from their families and their communities, including schools, youth organizations, religious institutions and civic groups;

Where as the character of a Nation is only as strong as the character of its individual citizens;

Whereas the public good is advanced when young people are taught the importance of good character, and that character counts in personal relationships, in school, and in the workplace;

Whereas scholars and educators agree that people do not automatically develop good character and, therefore, conscientious efforts must be made by youth-influencing institutions and individuals to help young people develop the essential traits and characteristics that comprise good character;

Whereas character development is, first and foremost, an obligation of families, efforts by faith communities, schools, and youth, civic and human services organizations also play a very important role in supporting family efforts by fostering and promoting good character;

Whereas the Congress encourages students, teachers, parents, youth and community leaders to recognize the valuable role our youth play in the present and future of our Nation, and to recognize that character is an important part of that future;

Whereas, in July 1992, the Aspen Declaration was written by an eminent group of educators, youth leaders and ethics scholars for the purpose of articulating a coherent framework for character education appropriate to a diverse and pluralistic society;

Whereas the Aspen Declaration states that "Effective character education is based on core ethical values which form the foundation of democratic society";

Whereas the core ethical values identified by the Aspen Declaration constitute the Six Core Elements of Character;

Whereas these Six Core elements of Character are—

(1) trustworthiness;
(2) respect;
(3) responsibility;
(4) justice and fairness;
(5) caring; and
(6) civic virtue and citizenship.

Whereas these Six Core Elements of Character transcend cultural, religious, and socioeconomic differences;

Whereas the Aspen Declaration states that "The character and conduct of our youth reflect the character and conduct of society; therefore, every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character.";

Whereas the Congress encourages individuals and organizations, especially those who have an interest in the education and training of our youth, to adopt these Six Core Elements of Character as intrinsic to the well-being of individuals, communities, and society as a whole; and

Whereas the Congress encourages communities, especially schools and youth organizations, to integrate these Six Core Elements of Character into programs serving students and children: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 16 through October 22, 1994, is designated as "National Character Counts Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to embrace these Six Core Elements of Character and to observe the week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. BYRNE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

DEMOCRAT DREAM ECONOMICS

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. DELAY. Mr. Speaker, the proponents of the Clinton-Gephardt health care reform plan are playing with dream economics. They dream that the economics are the way they wish them to be.

Mr. Speaker, yesterday for instance, during special orders the majority leader, Mr. GEPHARDT, suggested that raising the minimum wage would not increase unemployment. Frankly, I was shocked by his comments. I thought everyone knew that raising the minimum wage would eliminate jobs for American workers.

After a little bit of research, I think I have discovered the source of the majority leader's confusion. Back in 1988, when the Democrat majority in Congress proposed to raise the minimum wage from $3.35 to $5.05, the Congressional Budget Office issued a report which concluded that such an increase would result in the loss of 250,000 to 500,000 jobs. However, the Democrats on the Education and Labor Committee had CBO rewrite the report without the job loss estimate.

As a result, the majority leader may have never had a chance to find out what CBO had to say about the employment effects of raising the minimum wage. In the interest of academic freedom, I would be happy to share with the majority leader a copy of CBO's original report.

Mr. Speaker, I include for the RECORD the two versions of the CBO report, which were printed in the RECORD on May 4, 1988, so that the public can see for itself how the truth is suppressed.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 25, 1988.
HON. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 1834, the Fair Labor Standards Amendments of 1988, as ordered reported by the House Committee on Education and Labor on March 16, 1988. At the request of several Committee members, the estimate also includes a discussion of the possible impact of H.R. 1834 on the economy.

If you wish further details on this estimate, please call me or have your staff contact Michael Pogue.

Sincerely,

JAMES L. BLUM,
Acting Director.

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

March 25, 1988.

1. Bill number: H.R. 1834.

2. Bill Title: Fair Labor Standards Amendments of 1988.

3. Bill status: As ordered reported by the House Committee on Education and Labor on March 16, 1988.

4. Bill purpose: To amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992	1993
Estimated: Authorization level	0	3	13	25	35	30
Estimated outlays	0	3	13	25	35	30

Basis of estimate.—H.R. 1834 would increase the federal minimum wage in four steps between now and January 1, 1992. The new levels would be $3.85 per hour for the year beginning January 1, 1989; $4.25 per hour for the year beginning January 1, 1990; $4.65 per hour for the year beginning January 1, 1991; and not less than $5.05 per hour after December 31, 1991.

The Office of Personnel Management estimates that the wage bill for certain support personnel on U.S. military bases would increase by the amounts shown in the table above. Currently these workers are paid at hourly rates between the $3.35 per hour minimum wage and the minimum wage rates proposed in H.R. 1834.

Increasing the minimum wage could also increase administrative and enforcement caseloads within the Wage and Hours Division of the Employment Standards Administration at the Department of Labor (DOL). While this could result in higher costs to the federal government. H.R. 1834 provides no additional appropriations for this purpose.

Additional provisions.—Several other amendments to the Fair Labor Standards Act are included in H.R. 1834. The small business exemption would increase from the current level of $362,500 in annual gross sales to $500,000. The current tip credit is 40 percent of the applicable minimum wage, or $1.34 out of $3.35 per hour in 1988. This tip credit is the maximum amount of tip an employer can use to reduce employee wages, and still be in compliance with minimum wage laws. H.R. 1834 would increase this rate to 45 percent during the year beginning January 1, 1989 and to 50 percent after December 31, 1989. In addition, legislative branch employees (except for Members' personal staffs) would now be covered by the Fair Labor Standards Act. These amendments are estimated to have no cost effect on the unified federal budget.

Effects on the economy.—Passage of H.R. 1834 may result in changes in macroeconomic variables, particularly in employment levels and the inflation rate. However, because of uncertainty surrounding the overall macroeconomic impact of minimum wage legislation, and uncertainty over future federal monetary policy, this estimate does not take into account federal revenue and outlay effects of these changes.

The Congressional Budget Office (CBO) estimates that the increases in the minimum wage contained in H.R. 1834 could cause the loss of approximately 250,000 to 500,000 jobs, or about 0.2 to 0.4 percent of total employment. In general, the negative impact on employment would be larger in the sectors of the economy and the groups in the labor force with low wage rates. The loss of jobs probably would be minimal in durable goods manufacturing and in metropolitan areas where labor markets are tight and jobs readily available. Among demographic groups, the loss of jobs most likely would be concentrated among youth, and especially among teenagers.

Increases in the minimum wage also could have three principal impacts on inflation. First, a "direct" effect as the average hourly earnings of workers earning less than the new minimum wage were increased to the new wage floor. Second, a broader or "ripple" effect as other wages were adjusted at least partially to retain relative wage differences. Third, a "wage-price-wage" effect, as these wage increases caused employers to raise prices, which was reflected in turn in higher wages. Thus, CBO estimates that H.R. 1834 could add about 0.2 to 0.3 percentage points to the annual inflation rate during the projection period.

These estimates are based primarily on a review of available economic studies of the impact of minimum wages. Because of estimating difficulties, the estimates should be interpreted as no more than rough orders of magnitude. These estimates do not include a consideration of the small business exemption provision in H.R. 1834.

Currently, the federal minimum wage rate is exceeded in 10 jurisdictions (Alaska, Connecticut, District of Columbia, Hawaii, Maine, Massachusetts, Minnesota, New Hampshire, Rhode Island, and Vermont). Also, California is scheduled to raise its rate from the current federal minimum to $4.25 per hour in July 1988, and Connecticut's rate will rise from $3.75 an hour to $4.25 an hour in October 1988. Thereafter, H.R. 1834 could have less of a macroeconomic impact than if all states were at the current federal minimum wage rate.

6. Estimated cost to State and local Government: To the extent that state and local governments have workers who are paid at the current minimum wage or between the current minimum wage and the higher rates prescribed in H.R. 1834, state and local government wage costs could increase with passage of H.R. 1834. There is no data available that allows CBO to estimate the magnitude of these costs. However, there are 10 states which have set minimum wage levels above the federally mandated $3.35 per hour. In these states, the new federal minimum wage rates could have less of an effect than in states in which the minimum wage is at the current federal level.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Michael Pogue; George Iden.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 29, 1988.
Hon. AUGUSTUS P. HAWKINS,
Chairman, Committee on Education and Labor, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 1834, the Fair Labor Standards Amendments of 1988, as ordered reported by the House Committee on Education and Labor on March 16, 1988.

If you wish further details on this estimate, please call me or have your staff contact Michael Pogue (226-2820).

Sincerely,

JAMES L. BLUM,
Acting Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 1834.

2. Bill title: Fair Labor Standards Amendments of 1988.

3. Bill status: As ordered reported by the House Committee on Education and Labor on March 16, 1988.

4. Bill purpose: To amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992	1993
Estimated: Authorization level	0	3	13	25	35	30
Estimated outlays	0	3	13	25	35	30

Basis of estimate.—H.R. 1834 would increase the federal minimum wage in four steps between now and January 1, 1992. The new levels would be $3.85 per hour for the year beginning January 1, 1989; $4.25 per hour for the year beginning January 1, 1990; $4.65 per hour for the year beginning January 1, 1991; and not less than $5.05 per hour after December 31, 1991.

The Office of Personnel Management estimates that the wage bill for certain support personnel on U.S. military bases would increase by the amounts shown in the table above. Currently these workers are paid at hourly rates between the $3.35 per hour minimum wage and the minimum wage rates proposed in H.R. 1834.

Increasing the minimum wage could also increase administrative and enforcement caseloads within the Wage and Hours Division of the Employment Standards Administration at the Department of Labor (DOL). While this could result in higher costs to the federal government, H.R. 1834 provides no additional appropriations for this purpose.

Additional provisions.—Several other amendments to the Fair Labor Standards Act are included in H.R. 1834. The small business exemption would increase from the current level of $362,500 in annual gross sales to $500,000. The current tip credit is 40 percent of the applicable minimum wage, or $1.34 out of $3.35 per hour in 1988. This tip credit is the maximum amount of tips an employer can use to reduce employee wages, and still be in compliance with minimum wage laws. H.R. 1834 would increase this rate to 45 percent during the year beginning January 1, 1989 and to 50 percent after December 31, 1989. In addition, legislative branch employees (except for Members' personal staffs) would now be covered by the Fair Labor Standards Act. These amendments are estimated to have no cost effect on the unified federal budget.

6. Estimated cost to State and local government: To the extent that state and local governments have workers who are paid at the current minimum wage or between the current minimum wage and the higher rates prescribed in H.R. 1834, state and local government wage costs could increase with passage of H.R. 1834. There is no data available that allows CBO to estimate the magnitude of these costs. Currently, state minimum wage rates exceed the federal level in 10 jurisdictions (Alaska, Connecticut, District of Columbia, Hawaii, Maine, Massachusetts, Minnesota, New Hampshire, Rhode Island, and Vermont). Also, California is scheduled to raise its rate from the current federal minimum to $4.25 per hour in July 1988, and Connecticut's rate will rise from $3.75 an hour to $4.25 an hour in October 1988. In these states, the new federal minimum wage rates could have less of an effect than in states in which the minimum wage is at the current federal level.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Michael Pogue.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

AN IN-DEPTH PERSPECTIVE ON AMERICA'S HEALTH CARE SYSTEM

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SMITH of Michigan. Mr. Speaker, Dr. Lanny Johnson of East Lansing, MI, recently gave me his perspective on our Nation's health care system. He makes a number of insightful observations including one I think everyone should note. He argues that we have had so many exciting technological advances that we simply do not have enough money to buy everything for everybody.

Mr. Speaker, let me quote from the statement:

The American health care system is the best in the world. It also is the most expensive. It is no longer affordable.

The health care system in the United States is in a state of financial collapse. The demands for services and increasing technological advances have outstripped the ability of individuals, business, and government to afford these services.

Everyone has reached the same conclusion. It is not affordable for me, so I must shift the expense to someone else * * *.

Mr. Speaker, I will include the rest of Dr. Johnson's statement with my remarks, and I would summarize first by saying, let us remember as we consider health care reform proposals that there is no magic tree that will grow enough money to buy every medical service for everybody.

Mr. Speaker, the full statement by Dr. Johnson is included as follows:

DR. JOHNSON'S STATEMENT

The American health care system is the best in the world. It also is the most expensive. It is no longer affordable.

The health care system in the United States is in a state of financial collapse. The demands for services and increasing technological advances have outstripped the ability of individuals, business, and government to afford these services.

Everyone has reached the same conclusion. It is not affordable for me, so I must shift the expense to someone else. The most wealthy American could not pay for an extensive illness. Promises made by Corporate America which were guaranteed through past union negotiations now exceed their ability to pay the medical expenses of existing workers, let alone the promises to their retirees. The government now cannot pay for what its politicians promised at election time.

The obvious solution is for each group to shift the cost to someone else. This is like a shell game. It works for a while, but when the last shell is lifted, there is no coin. The individual wants his company to pay industrial leaders like the big three automotive manufacturers want socialized medicine, because they cannot pay the bill and effectively compete with foreign companies. The Clinton proposal would reduce the Big 3 expenses by 20% and shift this expense to everyone else in taxes. Many present day health insurers like HMOs do not pay full price. They negotiate lower prices with doctors and hospitals. The government Medicare and Medicaid programs pay less than cost of services. These losses are silently shifted to regular insurance companies like Blue Cross, Aetna, Prudential, etc. They not only pay their share, but the additional expenses shifted from the managed health care industry and government programs. Perhaps now you understand why your regular insurance costs so much.

You may also wonder where all the money is going to. A small portion goes for the common problems most of us encounter. For instance, 3% of the national health care dollar goes to all of orthopedic care, but almost 20% goes to the costs of drug abuse. Most orthopedic conditions respond to treatment. Unfortunately the outcomes of drug abuse are poor. The patient just keeps coming back. This and other sociological changes are major contributors to collective expense of our national health care.

One of the suggestions to correct cost of health care is to reduce doctors fees. This is a small part of the problem. Doctor fees account for 19% of the health care dollar. If doctors were paid nothing starting today, and health care costs continued to rise 10% per year, in two years time the problem would return. Doctors are the convenient "whipping boys", but only part of the problem.

The next solution proposed by our politicians is National Health Care Reform. In my view, this will not reduce the cost. It has been often joked, that if you like our mail service, you will love National Health Care. This shift of personal responsibility to the government will result in increased taxes. Americans always vote for something for nothing, no matter how much it costs.

The only way to reverse this trend would be to create a tangible benefit for those who demonstrate personal responsibility for their well being. This is unlikely. The shifting of both personal responsibility and cost consequences to someone else is too appealing.

The ultimate solution under this scenario will be rationing of health care. Joseph Califano's book subtitle "Who lives, who dies, who pays?" will have to be answered.

In the absence of assumption of personal responsibility, unfortunately the ultimate solution will be rationing of health care as initiated in the State of Oregon for Medicaid.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, and under a previous order of the House, the following Members are recognized for 5 minutes each.

BOSNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. MCCLOSKEY] is recognized for 5 minutes.

Mr. MCCLOSKEY. Mr. Speaker, I thought it might be good, given the events of the last week or so in both Sarajevo and Bosnia and also in Washington, it would be good to take 5 minutes or more today with my distinguished colleague, the gentleman from Maryland [Mr. HOYER], to state some of the opportunities, hopes and problems that still are upon us as to this ongoing tragedy.

First of all, I might say I think it should be to no one's surprise, as we all know in the last several hours, two U.S. war planes, it is reported, have been among four NATO planes striking at Serb positions in Sarajevo. This follows a recent firing, if you will, of Bosnian Serb weaponry into French soldiers, but I think, more importantly and probably what really did strike up the response was the fact that yesterday the Bosnian Serbs, as we all know, seized heavy weaponry that was in the U.N. storage neutral areas and took it back, obviously with the intention to going on with the siege.

We all know in recent weeks things have, despite the efforts of the contact group, have done nothing but get worse. U.S. planes flying humanitarian cargo into Sarajevo had been fired upon. In essence, both air and road ingress and egress as to Sarajevo has been cut off. More than ever, almost as much as ever, Sarajevo and other places in Bosnia are under siege, as reported in the last 2 days, indeed, that only 1 week of food stores remain.

With this going on, the contact group proposal as to implementation, particularly the idea that the Serbs, the Bosnian Serbs would suffer severe retaliation if they did not sign up to the contact group plan, has essentially been ignored, evaded and nonimplemented.

Indeed, as we all know in the last 48 hours, Mr. Karadzic has said prepare for all-out war. Bosnian Serbs are on a war footing. More than ever, I would say, just before I yield to the gentleman from Maryland [Mr. HOYER], my good friend and leader, it is important for us to say what we mean, to do what we will say we will do, and, indeed, once and for all to get this ongoing tragedy behind us.

One of our hopes here in Washington, of course, is the resolution of the conference committee right now going on between the House and Senate. As we all know, the House voted by a strong majority to, if necessary, unilaterally lift the arms embargo in Bosnia. That still must be done. It must be done.

With that, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding to me. I congratulate him for his continuing leadership on the issue of the West's relationship to Bosnia and Herzegovina and the tragedy that has occurred there.

As we know and as the gentleman from Indiana [Mr. MCCLOSKEY] has just said, this House voted very substantially to lift the unilateral arms embargo that has been imposed on Bosnia and Herzegovina which was, I would point out, imposed on the former Yugoslavia.

This House agreed to lift the arms embargo because it adversely affects one party to the conflict. That is the Bosnian Government as opposed to the Bosnian Serbs and the Milosevic government in Serbia which are more than adequately armed.

□ 1500

The fact of the matter is that this embargo has made it almost, if not impossible for the Bosnian Government and its supporters to defend their homes and their families.

The West, the United Nations, the United States, Germany, France, England, other NATO nations, have repeatedly warned the Serbs to stop the aggression, to stand in place, to respect the zones that were supposed to be kept safe by the United Nations, to leave the United Nations Protection Force [UNPROFOR] alone, and to allow humanitarian aid to be delivered.

Mr. Speaker, notwithstanding the fact that the West has warned that if that was not done it would take substantial action, the Serbs have violated their responsibilities under international law. They have violated the proscriptions of U.N. resolutions, and they have blatantly violated the basic tenets of human rights as well as provisions of international law and agreements relating to genocide and the respect for international borders.

Mr. Speaker, as the gentleman from Indiana [Mr. MCCLOSKEY] has pointed out, just yesterday Bosnian Serbs seized a T-55 tank, two armored personnel carriers, and an antiaircraft gun from the U.N.-guarded site near Sarajevo and shot at a U.N. helicopter sent to track the tank. This is absolutely in violation of the understandings governing the exclusion zone.

Mr. MCCLOSKEY. Reclaiming my time, Mr. Speaker, in closing, I would just say it is time to act now. This cannot go on indefinitely. We should lift the arms embargo and provide effective air support for the besieged Bosnian nation.

TIME FOR UNITED STATES ACTION CONCERNING BOSNIA AND THE FORMER YUGOSLAVIA

The SPEAKER pro tempore (Mr. MENENDEZ). Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, completing our thoughts, the Committee on Armed Services on the DOD authorization bill is currently attempting to work out differences between the House and the Senate language on the arms embargo. The House took the position that the United States should not continue to undermine the ability of the Bosnian Government to defend itself in the face of aggression and genocide. The Senate was more reticent, and decided not to effect an immediate unilateral lifting of the arms embargo, but took a more measured approach seeking to cooperate with our allies in a multilateral effort.

Mr. Speaker, I believe I speak for the gentleman from Indiana [Mr. MCCLOSKEY], myself, and others in this House, when I say that, clearly, we want to work in concert with our allies. We want to work in concert with the United Nations. We want to see a multilateral action stopping the genocide, stopping the aggression, stopping the human suffering that is occurring in Bosnia and Herzegovina. I would hope, Mr. Speaker, that the conference committee takes into consideration this recent most egregious continuing action of the Serbian militants in Bosnia. It is just another indication that if we do not act, and act decisively, the actions that have shocked, saddened, and outraged the law-abiding world community will continue apace. It is time for us to act.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. MCCLOSKEY], who serves on the Committee on Armed Services and is one of the key representatives on the conference committee, for such additional comments as he might want to make.

Mr. MCCLOSKEY. Mr. HOYER, I would be very hopeful that come next week, we could have a positive resolution as to this issue with the Senate Armed Services Committee. I think there have been productive discussions, and our hopes are alive, if not totally high, but the simple fact is I think everyone involved in the administration, even with Mr. Redmond in the room with the committee, probably does realize and admits that, at some point, there may have to be, unless there is more leadership from the administration, quite frankly, a unilateral lift that really has to be authorized.

That is what a 66-vote majority stood up for in the House, and we are more than flexible on the House side as far as notice and timeliness and various steps. I hope, given the events of today, yesterday, the fact that a siege is still going on, besides the problems in Sarajevo and Gorazde Moslem civilians are being rounded up, as we all know, incarcerated in Serb camps without any access by International Red Cross officials, despite attention going elsewhere to Rwanda, Haiti, or whatever it is, and these horrible crises must also be acted upon, but this genocide, and that is what it is, this genocide is still going on.

Mr. Speaker, we cannot at this point have the pie-in-the-sky type dream that Slobodan Milosevic is going to become a savior for peace and solve this without any effort on our parts. We have gone around that corner before.

Mr. HOYER. Reclaiming my time, Mr. Speaker, and thanking the gentleman for his comments, in closing, let me simply say that I agree with this administration. President Clinton obviously wants to work in concert with our allies. That is the best policy. It is a policy which has been successful for five decades now, and it is one that we ought to continue.

On the other hand, if we cannot convince our allies that the time is past for simply talking, that the time is past for simply stating ultimatums that when ignored, are not acted upon, it is time for us to act. Hopefully we will act in concert with our allies, but if they will not act, we must take it upon ourselves to move forward based upon our principles, our commitments, and upon our perception of what will make a safe world in the future. That is, Mr. Speaker, the free world must do what it says it will do when confronted with aggression and international lawbreaking.

Mr. Speaker, I am hopeful that the conference will come out with a resolution of this matter that both Houses can adopt, that will support the efforts of the administration, but will, in no uncertain terms, let Mr. Milosevic and the Serb militants know that the West will no longer wait for them to comply with their international obligations.

QUESTIONS OF ETHICS REGARDING WHITE HOUSE COUNSEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. LIVINGSTON] is recognized for 5 minutes.

Mr. LIVINGSTON. Mr. Speaker, I think it is interesting that a little while ago this House passed National Character Education Week, and then I look at the article in the Wall Street Journal today. Down at the lower right-hand side of the op ed page, the editorial page, I note that Lloyd Cutler, Special Counsel to the President, testified before the House Committee on Banking, Finance and Urban Affairs on July 26, 1994, taking great umbrage at some of the questions posed to him. He said, "We have not redacted," or deleted, "anything relevant to the committee's inquiries."

I would like to add that as a lawyer who has been in the business of producing documents to other lawyers for a good 50 years, this is the first time that any other lawyer has ever questioned whether the production of redacted or deleted documents under my supervision has been unethical. I am not going to say that anything Mr. Cutler did is unethical, but I made a 1-minute today, took out a 1-minute speech, in which I suggested that Mr. Cutler ought to consider that he took umbrage on July 26 about the questions asked to him, and then 3 days later, July 29, 1994, in conjunction with Senate inquiries and Senator D'AMATO and Senator RIEGEL, on their inquiry, he produces a list of documents in which language clearly pertained to the Whitewater investigations, which he should not have deleted in the House investigation, yet he did.

□ 1510

In the Senate investigations, RIEGLE and D'AMATO said:

"Mr. Cutler has today at the Committee's request released the full contents of a March 1 memorandum previously provided to the Committee in redacted form, or deleted form."

Then he proceeds to produce at least some 36, 37 pages, one including a memorandum which was confidential to the First Lady from Harold Ickes, adviser to the White House, on March 1, 1994, regarding Resolution Trust.

That memorandum was not deleted in totality, but this paragraph was:

"Attached is a copy of W. Neil Eggleston's February 28, 1994 memorandum to me, Harold Ickes, regarding certain issues involving the RTC and the Rose Law Firm, known as Rose, in Little Rock, Arkansas."

That provision was deleted. Then another little sentence was deleted from that memorandum and I will not read the whole memorandum for lack of time:

"Please let me know if you want to discuss the attached."

That was from Harold Ickes to the First Lady. That was deleted presumably under the supervision of Mr. Lloyd Cutler, special counsel to the President.

Now, this memorandum was deleted in its entirety, produced only 3 days after Lloyd Cutler gets so huffy about people questioning whether or not he is producing all the material. This memorandum says in effect, it is a memorandum for Harold Ickes, Deputy Chief of Staff, from W. Neil Eggleston, Associate Counsel to the President, re Whitewater—FDIC and RTC Rose Law Firm Issues:

"The recent release of the FDIC and RTC reports addressing the possible conflict of the Rose Law Firm in its representations of Madison Guaranty raises a number of issues." All deleted.

"On the factual issue of whether Rose Law Firm had disclosed to the FDIC its prior representation of Madison Guaranty, the FDIC concluded that the record was unclear. On the issue of whether Mr. Hubbell"—Webster Hubbell of the White House who is no longer there at the White House—"had disclosed his relationship with his father-in-law, Seth Ward, who was then in litigation with Madison Guaranty, the FDIC stated that it was uncertain whether Mr. Hubbell had disclosed that relationship." In other words, might have hidden it. "Nevertheless, the relationship was plainly known to the FDIC within 3 months of retention." All of that was deleted.

"As noted above, it is not clear whether the FDIC or the RTC will review this matter under an actual conflict standard or under an appearance of conflict standard." This was deleted and withheld from the House Committee on Banking, Finance and Urban Affairs.

"The most severe sanction that would likely flow from a finding that the Rose Law Firm had a duty to disclose its prior representation of Madison Guaranty and its relationship with Mr. Ward and that it breached that duty would be that the Rose Law Firm would be permanently barred from any further work for the RTC or the FDIC." That was all deleted, all withheld from the Committee on Banking, Finance and Urban Affairs.

"Under the facts as we are now understand them, it would seem quite unlikely that the RTC could bring a civil action against the Rose firm or any of its attorneys for failing to disclose the conflict. Criminal liability for the Rose Law Firm would seem even more remote. The RTC is investigating whether or not it has a civil tort action against anyone who caused a loss to Madison Guaranty. This would include insiders such as James and Susan McDougal and members of the board of Madison. It also includes professionals who provided service to Madison Guaranty, such as the Rose Law Firm, other law firms, and accounting firms. The Frost & Company suit is an example of a suit against a professional service provider that caused loss to Madison Guaranty through a negligent audit. The RTC could also sue outsiders, including the President and Mrs. Clinton, if the RTC found that outsiders worked with insiders illegally to divert assets of the savings and loan. For example, if the RTC believed that the Clinton campaign knowingly received diverted Madison assets at the April 1985 fundraiser or that the Clintons knowingly received other diverted Madison Guaranty assets through Whitewater, it could bring suit. The RTC commonly sues the recipient of a loan where it has information that the borrower knew that the loan was improper. Now that Mr. Altman as acting CEO of the RTC has recused himself from further involvement in Madison Guaranty matters, who at the RTC will be the decisionmaker on whether to bring a civil action arising out of the failure of Madison Guaranty?"

Then they go on and speculate as to who might take the place of Roger Altman who as head of the RTC was supposed to recuse himself and did not.

This entire memorandum was deleted, was redacted by Lloyd Cutler, the special counsel to the President of the United States, and then in front of the Members of the House Committee on Banking, Finance and Urban Affairs he gets insulted and indignant when they ask him whether or not he has produced all material relevant to the investigation of diverted assets to the Madison Guaranty Savings and Loan.

Mr. Speaker, Lloyd Cutler owes the House of Representatives an explanation and an apology, because to get indignant with Members of the House who are carrying out their legally endowed responsibilities under severe restrictions imposed upon them by the chairman of the Committee on Banking, Finance and Urban Affairs, under the 5-minute rule, allowing them very little time to ask questions and yet they ask a single simple question and do not get the truth from the special counsel to the President of the United States, something is terribly wrong.

Mr. Cutler owes the United States of America an apology and perhaps he should resign.

THE REAL STORY OF PIZZA HUT AND EMPLOYER MANDATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, the Democrat leadership's approach to the process of health care reform is described best as full steam ahead and damn the public.

One of the reasons we are asking for time for the public to see those bills that have not even been written yet is that all kinds of misinformation is being thrown out to the American people, and we must have time to respond to it so that the American people can see what is happening.

We have finally found the people who can sell the Brooklyn Bridge—the Democrat leadership.

Mr. Speaker, Pizza Hut has the Nation's largest employment program for people with disabilities and the Nation's largest reading incentive program. Both of their corporate offices and their franchises participate in community based educational and recreational programs all over the country. Through their Harvest program, they feed the needy and help feed those who are victims of national disasters such as Hurricane Andrew.

However, on July 15 the health care reform project, Hillary's health care commission, launched an attack on Pizza Hut in an attempt to convince the American people that mandates are benign. This misinformation was reiterated on the House floor here just last night.

The project claimed that Pizza Hut was thriving in Germany and Japan where health care taxes are mandated and, claimed, therefore, mandates will work here too. Pizza Hut's experience, however, is just the opposite.

Allan S. Huston, president and CEO of Pizza Hut, presented an explanation of his situation before the Labor and Human Resources Senate Committee on July 22. In his testimony he explains that his opposition to mandates is based on personal business experience. He says, "I think mandates—employer and employee—are the wrong solution for America. * * * My view is anchored in actual experience in a number of foreign markets. From what I have seen of mandates in Europe and elsewhere, they contribute to the descending economic spiral of higher prices and unemployment."

Let us just go through the facts about Pizza Hut. In Germany, Pizza Hut has lost money for 10 of the last 11 years. It finally began turning a small profit in 1993, hardly a good investment.

In Japan, where Pizza Hut does not own its restaurants, or even a controlling share, its franshisee has not made a profit in the last 8 years. Pizza Hut has only 66 restaurants in all of Germany and 64 restaurants in all of Japan. It has more than that combined right here in the Washington, DC, area.

Why? Because they have been able to flourish under what is left of the free market system.

In the past 5 years it has built less than 50 restaurants in both of those countries combined, compared with building 1,700 restaurants in the United States. Between 1992 and 1993, Pizza Hut had added only 224 jobs in Germany while it added 14,654 jobs in the United States.

For a pizza that costs $11 in the United States, Pizza Hut must charge $19 in Germany and $25 in Japan.

Hillary's commission claims that Pizza Hut could easily raise the price on pizza to pay for those mandates. But our experience in the United States is that customers respond to higher prices by eating less often in restaurants, and less volume directly results in lost jobs.

I guess the proponents of mandates for health care coverage want the companies in the United States and Pizza Hut to mimic the disaster of their companies and Pizza Huts in Germany and in Japan.

In my State of Texas alone in a study commissioned by the American Legislative Exchange Counsel, they projected a job loss under the employer mandate type health care at 68,300 jobs in Texas alone. Of course, this does not account for the wage reductions employees must face. CONSAD Research Corporation estimated that almost one and a half million workers would face reduced wages, hours or benefits under mandated health care. And as I mentioned this morning, the majority leader believes that businesses can somehow absorb this cost. He said that the 1991 minimum wage increase had no effect on business. That just simply is not true. Pizza Hut had a resulting staffing decrease equivalent to the loss of 16,500 jobs because of the 1991 minimum wage increase.

All of these incidents that I have been talking about, Mr. Speaker, point to just one thing. Pizza Hut's experience in other countries is indicative of the effects of mandates and they are bad for business, and they are bad for employees.

MOST-FAVORED-NATION STATUS FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I have taken out this time this afternoon to talk about an extraordinarily important issue which the House is going to be addressing next week. I am referring to the resolution which is going to be coming before us which would disapprove the very wise decision that the President made to renew most-favored-Nation trading status with the People's Republic of China.

I very sincerely believe, Mr. Speaker, that one of the most inhumane, immoral things that this Congress could do would be to deny most-favored-nation trading status to the People's Republic of China, Why? Because every shred of empirical evidence that we have has demonstrated that over the last 15 years, since economic liberalization has taken place in China, as exposure to the West has expanded, the human rights situation there has improved.

We actually have a multifaceted approach as it deals with China. We are looking at regional security, which obviously is very important, economic policy, nuclear proliferation international cooperation and, of course, human rights. Human rights is the major thrust of debate as we look at this issue, and it is the one we will be hearing about next week.

We have just up in the Rules Committee a couple of hours ago reported out the rule which will bring three provisions to the floor. I hope very much that the Hamilton provision, if the rule is passed, will be the one that prevails. Why? Because as we listen to the arguments which have been provided to us by people who have lived in China, people who have been dissidents, who have been imprisoned in China, victims of human rights violations in China, they say things like the statement that was provided by Yang Zhou, who is one of the most famous dissidents, who said:

> MFN status helps our economic reforms and in the long run that will help improve human rights.

□ 1530

We have listened to many people argue about how cutting off trade ties with China will improve the situation there, creating a closed society in China will improve the situation there. But obviously those who make that claim have failed to look at history.

Just a few weeks ago, the reports came out in the Washington Post that during the Mao era in the 1950's and 1960's in China, 80 million Chinese people were killed, but the information of those tragic deaths just came out recently.

Now, in a closed society, Mr. Speaker, obviously the butchering of 80 million people can take place, and the world will not know it. That is why, as we realize, that the openness which has taken place in China through United States business investment and exposure to Western values, that openness is what has brought to light the tragic information of those 80 million murders which took place.

Mr. Speaker, it is assured to the Chinese people and the rest of the world that this kind of thing could not happen again without the world knowing about it, and that is why, if we try to do as some of our colleagues want, cut off trade ties with China, we will be creating a situation which could potentially see the tragic murder of another 80 million people.

This country is the largest nation on the face of the Earth, 1.2 billion people, five times the size of the United States. We have got to realize that change is taking place gradually. Thousands of years of history in China, and we cannot expect an immediate improvement overnight in the human rights situation, but it has improved.

As we look at statements made by people like Nicholas Christophe, who was the New York Times bureau chief in Beijing, when he wrote:

> Talk to Chinese peasants, workers, and intellectuals, and on the subject you will get virtual agreement: "Don't curb trade."

A very liberal writer for the Atlantic Monthly, the Washington editor of the Atlantic Monthly, James Fallows, said:

> To carry out the threat to cut off MFN would actually retard the cause of human rights.

And the Progressive Policy Institute said:

> The best reason to guarantee MFN status for China is that it buttresses economic and social forces that are creating demand there in China for political change.

Political change is going to take place, Mr. Speaker, if we maintain ties with the People's Republic of China. Yes, raise very serious concern about the human rights violations that do exist in that country, but I have an aggressive solution to the problem: Encourage further United States business investment in China so that we can expose the people and the leaders of that country to the ideas of our Bill of Rights and the United States Constitution.

HEALTH CARE, THE CRIME BILL, AND MILITARY READINESS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from California [Mr. HUNTER] is recognized for 60 minutes as the designee of the minority body.

Mr. HUNTER. Mr. Speaker, I want to cover three important topics this evening. One topic, of course, is health care, and this moving target that the Democrat leadership is putting together on the House side in concert with President Clinton.

The second issue, of course, is the crime bill that will be coming back from the conference that Members will be asked to vote on and that the American people are very interested in.

The last issue is military readiness, perhaps an issue that is being drawn more tightly in focus over the past several hours because of the increased activity in Bosnia, and to talk about military readiness, a colleague of mine is with us today who is well known to the American people. His name is "DUKE" CUNNINGHAM. He is my seatmate from San Diego, CA, and he lived in the military those years in the late 1970's when President Carter's massive defense cuts brought our military into what I call a hollow status.

Those were the days of the hollow military when over 50 percent of our naval aircraft were not fully mission-capable because we were having to cannibalize them for spare parts to keep others going. Those were the years when a thousand chief petty officers a month were getting out of the Navy because they were not being paid enough money; thousands of our kids in uniform were on food stamps. And those were days that the gentleman from California [Mr. CUNNINGHAM], who has one of the most exemplary records for air combat that no member of the present military nor recent military nor active military has accomplished, is with us today as a Member of Congress from San Diego, CA.

I would just like to ask the gentleman from California [Mr. CUNNINGHAM], my colleague, to talk a little bit about what is happening with respect to the hollowing of American forces in present world situations.

I yield to my distinguished friend, the gentleman from San Diego, CA [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. I thank the gentleman from California for yielding to me.

First, Mr. Speaker, I would like to say that the President, in one of his addresses, said that he wanted a strong military. He wanted a strong national defense of a well-trained and high-tech capability.

Candidate Clinton, when he was running for President, said that it would be a maximum of a $50 billion cut, $50 billion cut, because to go beyond that would put us into a hollow force; we would not be into the bone, but we would be into the bone marrow of our military.

Not only a $50 billion cut from the 102d Congress, but an additional, under the Clinton budget, $129 billion cut out of defense, bringing the total to $179 billion out of just the defense budget.

We keep getting involved in events overseas, in some cases that have no direct bearing on the national defense or security of this country.

Today, as I speak, we are bombing Bosnia. That, in my own personal opinion, is wrong, and we will get to that a little bit later.

But we cannot keep expecting our military men and women to operate overseas and not supply them, not only with the manpower but with the military equipment, with the technology, and then the abuse of our men and women by the administration. How can we expect them to go forward?

We have a strange dichotomy in this country, Mr. Speaker, that we laud those people that fight our wars and fight our battles in this country and overseas, but traditionally, we scale down those militaries as those wars end. There is nothing wrong with that except that today our scaling back is the lowest that it has ever been in the history of the United States.

Let me tell you a little bit about some of the things that are going on. Remember, this is a President that wants our people to be trained.

I was a top gun instructor at one time. At the Navy Fighter Weapons School at NAS Miramar, there is an air show this month. They are not flying in it, because they do not have the fuel to operate. You say, well, flying in an air show is not really important. It may not be.

But the same Navy Fighter Weapons School, the top gun, the school that the movie was made after, is not flying in the month of August because they do not have enough fuel to fly against their class. Let me repeat that: Navy Fighter Weapons School, top gun, does not have enough fuel to operate against their class, so they are having not to fly the month of August.

The F-14's, the F-18's, the fighter squadrons, about 80 percent of them are sitting idle for a lack of parts and a lack of fuel so that they can fly.

I coined a phrase: "You fight like you train." It takes a fighter pilot about 20 to 30 hours a month to stay on the tip, Mr. Speaker. Some of these squadrons are flying, and these pilots are flying, as little as 5 hours a month, and it is proven that if you do not exercise the airplane, they leak hydraulic fluid, the maintenance becomes extreme on them, and you actually save lives the more you fly. Look at statistics in the safety center. You fly more, the pilots are safer. We are going to lose pilots. We are going to lose air crew, men and women, in our armed services.

The President wants well-trained and better equipped military, but yet this House, this administration is selectively killing defense industry and the military through several different ways. It cost us alone over 1 million jobs in the State of California. California is one of those States in the recession hit most hard or hit the hardest, not only by unfunded mandates, illegal immigration, and a host of others, but the 1 million jobs that California has lost has devastated the State.

We have major industries like General Dynamics, Rohr, McDonnell Douglas, Martin Marietta, all going out of the State and folding up their tents because of the defense cuts.

□ 1540

That means jobs. We have an administration that is saying jobs are being created. These are high-level, white-collar, scientists, and a lot of blue-collar jobs going out the window. A lot of the 1994 budget is funded at a bare-bones minimum.

The year 1995 and out is largely funded by the closings of the bases under the Base Realignment and Closure Commission of 1993. But guess what the administration and this House are not doing? They are not funding BRCC fully. And every Member in this House, generally every Member, has bases that are closed. When this Government gives the military a mandate, it tries to adhere to it, but it is an unfunded mandate. Let me give you classic example.

The Naval Training Center, NTC in San Diego, does not have the money that was promised to close that base in the last base closure. Jack Inch, the commanding officer of that, just spent $30,000 out of their training money because they had to buy plywood to close up the buildings that has been ordered to close.

The military is eating itself up from within inside because again this House and the Commission forced the military to close those bases for savings. Now, if we do not fund BRCC–93, then they know that the military will eat itself from the inside and slowly dissolve itself, besides the $179 billion cut as well.

Bases and units are out of dollars.

Another way that they are selectively killing defense: They ordered the rapid demise of F–14 fighters, F–15, F–16, F–18's, they are even doing away with the A–6 Intruder.

Guess what, the procurement and development of the brand new joint airplane for the Navy, Air Force, and Marine Corps is being pushed out well beyond the year 2000. There is no way we can replace those retiring airplanes to keep our forces up to speed even at the Bottom-Up Review level. So it is another way of selecting them.

The Bottom-Up Review was a study. Then-Secretary of Defense Les Aspin headed up a task force to see what we needed to fight two conflicts or wars simultaneously at the same time with a minimum of forces. Even during the presentation before the Committee on Armed Services, the drafters of the Bottom-Up Review testified we were $40 billion, not thousand, not millions, but $40 billion short of the Bottom-Up figures, which was in itself a bare-bone minimum for our Armed Services.

Just last week, the GAO, Government reporting agency, shared with us that it is now $150 billion short of the Bottom-Up Review, which is a bare-bone minimum to fund our military. That is why we have top gun flying against its class, that is why we have squadrons sitting idle and not training, that is why we do not have enough parts for our Armed Forces, and that is why, Mr. Speaker, we are going to end up with dead men and women because they cannot train.

Right now we are over the skies of Bosnia, we have a President who wants to take us into Haiti, and you do not have the equipment, the military and the training, to do it.

We are going to bring back our kids in body bags. That is the reason I am standing up here today, because I was shot down myself over North Vietnam on my 300th mission. But we had the equipment, we had the training, and we had minimum casualties even though we lost a lot of people in Vietnam.

But even today those casualties would be higher because we are not ready. Our readiness is low, our forces are low, our equipment is low, and our training is low.

The committee chairman on the Democratic mark was below, if you can believe it or not, the Bottom-Up Review mark by $1 billion.

Now, how can we operate and ask the support of our men and women in the Armed Forces if this House cannot even support them?

I take a look at the cuts that we have had here on the House floor. People show they want to be fiscally conservative, so where do they cut? They cut law enforcement with the CIA and the FBI. The Black Caucus wanted to double the amount of defense cuts, to double it.

Let me remind you Mr. Speaker, the armed services is one of the primary areas for minorities to get jobs on an entry level and then go on to secondary jobs either in the military or after they retire.

So we are killing jobs in that way as well.

My friend from California and I testified that the environmental cleanup costs for these bases was going to be much higher than it is—than it was estimated. But our colleagues on the other side of the aisle said, "No, we figured this out." Guess what, Mr. Speaker, today those costs are running from 10 to 20 times as much and in some cases there is no savings from closing the bases. That was the main point of the bottom-up review—I mean the BRCC—to see if it was beneficial to close a base to save the Government money.

That is why they were closed.

Now we are finding it is not beneficial in most cases because it is just environmental cleanup. Again those savings were going to go through 1995 and out and supply the defense dollars for us to operate our military forces.

We have certain items in which our military forces look at us and say, "Are you supporting us?" When in a President's tax package cuts the military COLA, that hurts a lot of people, especially when you have got E–4's who qualify for food stamps, In many cases you have kids, young men and young women—and I say kids because these kids are between 17 and 35 years of age—who can qualify for food stamps. We take them away from their families for 6 or 7 months on every cruise, they come back and even on home port issues, we do not allow them to stay with their families even at those times. Yet we keep hacking at them. And then we cut their COLA's. How do you think it makes then feel, Mr. Speaker?

Mr. HUNTER. I thank my friend, who has so much expertise in the armed services for his tesimony today. The last figures I saw with respect to our young families, our lower-ranking families, with respect to food stamps was that today, this year, 27 million dollars' worth of food stamps were utilized by service families, by uniformed families. That reminded me of the days of the late 1970's under Jimmy Carter when we had a tremendous number of our young people, uniformed people, on food stamps.

Mr. CUNNINGHAM. It is. Just take a look at any base.

Mr. Speaker, you probably have military bases in your district. Take a look at these kids and what we ask of them. Yet we are cutting their pay, their COLA's, and we do not support them and we let them sit on the bases without the equipment, without the funding to train in the job they are supposed to do to prepare themselves on how to survive in conflict.

Then we plan to send them to Haiti, Bosnia, God knows what else. Then we are going to put them under U.N. control, not United States control. Mr. Speaker, that is wrong also.

Right now, today, just taking the Navy alone, we are over 700 lieutenant commanders in the Navy, and those are the billets, the officers who fill your department head jobs, like the head of your operations department, the head of your maintenance department in a squadron, administration department. And we do not have those personnel.

Admiral Boarder and the commanders have asked if they could upgrade lieutenants to fill those positions, lieutenants without the experience required to keep that unit safe.

Mr. Speaker, that alone will cause loss of aircraft and loss of lives.

The defense bill, we look at the defense bill itself and what meager funds we have. We have what I call the left-wing members on the committee who want to provide social programs out of the defense budget. Much of the defense budget in the mark, even today, has social programs in it which have no place in the defense budget, eating up those same training dollars and the existence of military equipment.

□ 1550

We take a look at the House floor, and in every committee you take a look, again those that support socialized spending and a socialized Government want to cut the defense budget. We had an education and labor. The gentlewoman from Hawaii wanted to take $1 billion out of the defense, and every committee—look on the House floor—that those who will come forward and want to cut defense—cut defense is the big answer.

Well, what are you going to do, Mr. Speaker? What are you going to do after the defense dollars are gone and the spending still stays higher, even in the crime bill, which the gentleman from California is going to talk about, and you got $9 billion in socialized programs there that duplicate existing programs we have?

Another factor that this gentleman disagrees with in the administration: Dick Cheney was the Secretary of Defense under George Bush. I guarantee you that Dick Cheney and President Bush would have known, prior to our airplanes going to war over Bosnia, that they were going to be involved in a war. In the first strike that our aircraft went over Bosnia and intercepted Bosnian Serb airplanes our President and our Secretary of Defense were not aware of it until after the fact. To me that is ludicrous.

We cannot accept, nor tolerate, our Armed Forces falling first priority under U.N. control. Even in Desert Storm where we had—the President put together a coalition of forces from many other countries, our forces were under U.S. commanders, directed by U.S. commanders, that spoke English, that knew the equipment, that knew the tactics, that knew their limitations and knew their strengths, and we came our ahead on that, and, Mr. Speaker, if this same type of thing continues when our troops are under U.N. control, we are going to lose lives.

It all boils down to readiness, Mr. Speaker. Are we ready to fight? Our troops will fight and do well anywhere they go. They have historically. But we have got to give them a fighting chance. We got to let them train. You do; you fight like you train. A football player is proficient because of the amount of time and energy he puts into training to his skill. The same is true with the military, Mr. Speaker, and we cannot tolerate.

So, let us do not degrade our military officers. Let us do not have them carrying hors d'oeuvres at a Democratic fundraiser at the White House, military officers in uniform.

I did get a nice letter from General Shalikashvili and said that that will not be the policy. But we need to tell the staffers that they cannot order our military to carry hors d'oeuvres for Democratic events. I am disappointed that some of the Democrats there did not do the same thing on the spot. We cannot expect them to risk their lives and not support them, and I would like to thank the gentleman from California [Mr. HUNTER] because, my colleagues and Mr. Speaker, our military forces today are at a bottom level that I have never seen them, and I spent 20 years of my life in the military, and I did not want to fight in the war, but, when I was there, I wanted the right equipment, and I wanted the support of my Congress and the American people behind me. That is not true today, Mr. Speaker, and we have got to change that.

Mr. HUNTER. Mr. Speaker, I thank the gentleman from California [Mr. CUNNINGHAM] for his remarks, and I just want to say, as he goes out, I know he needs to pick up his family at the airport, that the gentleman from San Diego [Mr. CUNNINGHAM] is a very valuable Member of this body because, in becoming the only Navy ace in Vietnam, shooting down five MiG aircraft, and not only that, but training in the top gun school in San Diego, training pilots, he has an insight into readiness and the combat needs of both equipment-wise and personnel-wise of our armed services, and there is nobody who is better able to speak about it, and I think also more independent than the gentleman from San Diego who has one interest here, and that is to preserve the chances for our men and women who have to go into combat, have to go into warfare, and their chances for survival are paramount in his mind, and I want to thank him for his work.

I yield to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, as my comments are directed toward those that would cut defense, both of us have friends that are on the other side of the aisle: the gentleman from Missouri [Mr. SKELTON], the gentleman from Pennsylvania [Mr. MURTHA], the gentleman from Mississippi [Mr. MONTGOMERY], and we can go on and name half of the Members on the other side that feel the same way that we do, that our defense is being cut too much, and we work with those Democrats every single day.

But when the administration pushes this, when the leadership on the other side, which to my opinion is left of liberal, keeps pushing the cut of defense, it is going to cost the lives of men and women, and I want to thank my colleagues on the other side of the aisle that support the same issues and help us on a day-to-day basis, and I thank the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman from California, and, Mr. Speaker, my friend, DUKE CUNNINGHAM, has been talking about deficiencies that we have with respect to the U.S. Navy. Let me just add a couple to that that come from the Army side of the uniformed services.

I sent a letter to the Army recently. I asked them to answer certain questions with respect to readiness and equipment: Are we ready to fight?

And Gordon Sullivan, General Sullivan, Chief of Staff of the U.S. Army, replied in a recent letter that was a fairly in-depth explanation of our current capability with respect to readiness, and let me go over some of the categories that he covered.

He said this about modernization, and I quote:

> Modernization accounts are minimally funded in FY 1995 and must be increased in subsequent budgets to allow for recapitalization of equipment. The outyear requirements; that means in the coming years, will be addressed during development of the Army's FY 1996 POM.

Now what General Sullivan is saying there is that we are right on the razor's edge of losing modernization. Those smart weapons that we all watched in Desert Storm that were able to go in and zero in on a bridge, or another vital military facility or strategic facility in Iraq, were developed because we spent research and development dollars in a very adequate way, in a very responsible way.

> "We aren't modernizing like we should be modernizing." He said this about equipment readiness, and this is a very important factor because, when the balloon goes up, when the American Forces have to go to project American military power, they do not have the option of saying, "Put that emergency on hold until we repair these tanks, until we repair these ships, or these aircraft, or these artillery pieces."

Here is what General Sullivan said about equipment readiness:

> Depot maintenance is funded at 62 percent of requirements for fiscal year 1995. Congressional decrements to OMA could aggravate the situation. Operations other than war, costs of contingency operations without timely reimbursements or supplemental funding cause execution year turbulence and can cause a drain on the readiness accounts.

That means that when we go off to Somalia, or we go off to Haiti, or we go off to Bosnia, and we take money that should be used to train our troops to repair our equipment to keep our fighting forces ready, and we do not pay that money back, and most of the time this administration and this Congress does not pay all the money back, then the readiness requirements that the gentleman from California [Mr. CUNNINGHAM] spoke about, that increased flying time, for example, for Navy pilots, is not funded. So pilots have to stay out of the air. And that equipment restoration, repairing the equipment that was used in the last operation, does not occur. So that means that the next operation that you go into, you go into with pilots who are less ready, less trained, with infantrymen who have not had the time with the equipment and with weapons that they should and with weapons that have not been refurbished and have not been fixed in many cases. We still have equipment from Desert Storm which has not been refurbished since that operation was concluded.

So, Mr. Speaker, those are statements coming from General Sullivan who is the Chief of Staff of the U.S. Army.

So, my colleagues, against this background of massive defense cuts, and once again President Clinton has cut $129 billion out of the budget that was established by President George Bush, Secretary of Defense Dick Cheney, and Chairman of the Joint Chiefs, Colin Powell—he cut, President Clinton cut, $129 billion out of that budget, and he did so in a very uncertain world. He did so in a world which has a Bosnian situation, which is set to explode, which has North Korea acquiring nuclear weapons, which has Communist China claiming all of the territory in the South China Sea, and building warship bases in the South China Sea, and with four former Soviet States continuing to maintain nuclear weapons and continuing to experience a political situation which, I think, can still be described as unstable.

□ 1600

We still live in a very dangerous world. This Congress does not lead in foreign policy. I acknowledge that, as a Member of the minority party in the House, the Republican Party. We do not run foreign policy. Under the Constitution, we are not supposed to run foreign policy or run our military operations. The Commander-in-Chief runs our military operations. He is the leader in foreign policy.

But we do have an obligation, and that obligation is to keep our military strong. We, Mr. Speaker, have not been carrying out that obligation. We have not been keeping our military strong, and we are returning to the hollow forces of the 1970's. I think that has been stated as strongly as it possibly can be stated by members of the Joint Chiefs, who do not want to blatantly say our President is erring on a daily basis, he is cutting too much. They say it as diplomatically as they can say it, that readiness is suffering.

We are at 62 percent of our requirements for equipment maintenance. We are cutting 1,700 young people a week out of the military. We are taking the Marines that came out of the Bosnian operation, after 6 months, they were given I understand 12 days at home, and then they were sent to the Haitian theater, after 12 days with their families. That equates ultimately to a lot of people getting out of the service because they simply have to spend more time with their family and their quality of family life has been degraded to the point where they can no longer stay in the service.

So, Mr. Speaker, we are creating under the leadership of President Clinton a hollow military. We have now some $27 million being taken in annually by uniformed families for food stamps. Does that sound like 1979? It does to me. Statements from the Joint Chiefs about the unreadiness, that sounds like 1979.

We are going to have to understand in this Congress that our first social duty to our constituents, to the citizens of the United States, is to keep them protected. That protection requires a strong American military. And if this President wants to go off and engage in every peacekeeping operation and every operation where he thinks the United States has an interest, and I think we do have an interest in many of these places, you have to be strong, because you do a disservice to your uniformed people if you throw them in a fight which you have not prepared them for. And that is what we are doing right now.

Mr. Speaker, let me move on to another issue that is right at the top of the list for the American people right now. I think it is at the top of the list because the Democrat leadership has kept them in the dark and they are trying to figure out what the heck is going on, and that is with respect to the Clinton health care plan.

President Clinton put together a health care plan, which I think can charitably be described as socialized medicine. It was based on these large collectives, or alliances, Government-run alliances, that would mete out contracts to insurance companies. You would have a national health care board that would put together packages. Every American would purchase a package, and if he did not purchase a package, if he was caught not buying the Government package, he would be assessed a big fine. If you went to a doctor who you thought was the best doctor to have an operation on one of your loved ones and you paid him more money than the schedule allows, that would be considered bribery. You and the doctor could go to jail.

That was the Clinton health care package. And, you know, the best thing that could possibly happen to the Clinton health care package happened. We put sunlight on it. The American people got a chance to look at it. When they got a chance to look at it, let me tell you, Republicans did not kill this package. Republicans are outnumbered by almost 100 votes in the House of Representatives. We are outnumbered by a big majority in the U.S. Senate. Obviously, the President is a Democrat.

The American people killed President Clinton's first package. That package was killed because hundreds of thousands of citizens, many of them Democrats, went to their Democrat Congressmen and Senators and said, "Gentleman, I am a small businessman and this is going to bankrupt me." They said, "We have seen eye to eye on a lot of issues before, but on this one, we don't see eye to eye. If you pass this socialized medicine plan, I am going to throw you out of office."

That is why Clinton I was killed. Many people, particularly Democrats, did not like it.

It took time to show the American people his package. Unveiling this massive 1,300-page package, health care plan, which is your contract, the American people's contract, and their provision for medical care for the foreseeable future, it took months and months to show them the contract they were getting into. But doggone it, you better read this contract before you sign it. That was the message given strongly to me by my constituents from Imperial Valley and San Diego, CA.

I read that package, and that is why I came out against it. I read it, and I listened to my constituents who also read it.

Hundreds of thousands of Americans acquainted themselves, millions of Americans, acquainted themselves with a lot of the provisions, and I would say hundreds of thousands of Americans read most of the Clinton I package. We put some sunlight on it. They understood what they were getting into it, and they backed off.

They decided they did not want socialized medicine that would have the efficiency of the Social Security System and the compassion of the IRS. That is what a lot of them figured they were getting into.

So President Clinton has admitted that his package cannot pass. But what has happened in the last week and a half is that the Democrat leadership in this House is putting together a package that is presently secret, that is essentially Clinton II. It is called the Gephardt plan, or the plan that is named after the wise majority leader, Mr. GEPHARDT, that he is putting together. And the problem with it is the American people have not had a chance to see it.

Let me tell you how many Americans have read the Democrat leadership plan that we are supposed to vote on in a few days. Zero. Not a single one of the 250 million Americans have read the Democrat health care plan.

We should be saying, my colleagues, Mr. Speaker, let the people see it, let the people read it. It is unfair for us to try to vote on a plan that our constituents have not had a chance to even look at, when it is their right to choose a doctor, their right to run a small business, their right to invent a new medicine.

You know, we are one of the last nations in the world that does not have socialized medicine. Theoretically, having socialized medicine is a mark of civilization. For all the people who have stood up and said we are one of the few nations in the world that doesn't have socialized medicine, we ought to have it, I look at places like Cuba, with Mr. Castro, who has socialized medicine. China has socialized medicine. A lot of other third world nations have socialized medicine. That is not a sign of civilization, it is not a sign of sophistication.

If you look at the other side of that debate, you will see a great nation, the United States of America. More than half of all of the cures for diseases that are invented annually in the world, are invented in the United States. Isn't that interesting?

That means we invent more cures, more medicines that save lives, than all the rest of the nations in the world combined. And I would suggest, Mr. Speaker, that that is because we do not have socialized medicine.

I would suggest that our freedom has been the driver for innovation; our freedom has built a health care system that draws Canadians down. You know, the Canadian system was health care nirvana, it was heaven on Earth, and we had a lot of well meaning groups who came in last year and told us how great the Canadian health care system was.

Then around Christmastime the biggest hospital in Ontario shut down for a couple of weeks because they ran out of money. Funny, socialism always runs out of money, because governments never spend money in an efficient manner.

So Canadians saw their biggest hospital close down for 2 weeks because they ran out of money. Then we discovered something else about Canadian health care. There are 177,000 Canadians who are waiting for operations. They are waiting in line for operations. Because you know what? Socialism causes lines. If you do not think so, go to the Kremlin sometime. Take a trip to some of those liberated countries in Eastern Europe. Socialism causes lines. And about 25 percent of the people who were surveyed in Canada, of those 177,000 waiting in line for an operation, 25 percent of them said they are in pain while they wait.

□ 1610

We looked at other places. We looked at Japan that theoretically spends less money on health care. It does spend less money. But do you know why they spend less money? Because the average Japanese doctor sees 49 patients a day. And I had this impression, I do not know if my colleagues, Mr. Speaker, or you have seen that, have read about those professional packers that they have in Japan on the subway trains where they get everybody they possible can into the train, right at rush hour. Then they have two professional packers. These packers are like sumo wrestler. They are big, healthy people. They do not hurt anybody, but their job is to pack the last possible person that they can get into that train. They want to get that guy packed right inside there so they can close the doors and go out with a full train.

That is the impression I had when I read that their doctors see 49 people a day. They do mass examinations. Americans do not want to walk in with 15 or 20 people and do an examination en masse.

That is Japan. They are heavy on efficiency. They are a little bit short on privacy.

Let us look at Great Britain, which has socialized medicine, that socialism that Winston Churchill described as "shared misery." They have a system in which senior citizens, elderly people are not given lifesaving operations. That is because socialism never works very effectively and they ran out of money. So they tell senior citizens who are over a certain age, you cannot have this lifesaving operation because you have lived a long and full life and you have to fall off the tree like a leaf in the autumn and let a younger person have that lifesaving operation.

That is great unless you happen to have fathers and mothers and grandfathers and grandmothers who mean something to you and you know American families have a lot of grandmothers and grandfathers who mean something to them. And so we do not want to have that brand of socialized medicine.

To date this administration has not shown us one model country that has a medical system, a socialized medical system that we should follow.

Last, Mr. Speaker, let me talk about something that is kind of near and dear to Americans hearts. That is a job. Remember that gentleman Herb Kane who stood with the President on a nationally televised program and he said, he is a guy who owns Godfather's Pizza. His father worked three jobs a day so he could go to college and become a success.

And Herb Kane said, Mr. President, I have put a pencil to your numbers here, to your plan. I will have to fire a lot of people.

I am paraphrasing him.

He said, this is not going to work out. I am going to have to close down franchises and get rid of folks.

The President said to him, I do not know why you just cannot raise the cost of your pizza.

I could see a look of shock on Mr. Kane's face and when he addressed the Republicans recently, he said, to the effect, if I could get more money for my pizzas, I would be doing it. You cannot just raise the price of your product and expect to continue in business.

He said, I am asked by people why I do not feel I have a duty to give every single person who works for me a health care plan. He says, that is because my first duty is to give them a job. And we are going to lose a lot of jobs under socialized medicine. The plan that the gentleman from Missouri [Mr. GEPHARDT] is putting together with other Democrat leaders right now is socialized medicine. It is socialized medicine that is going to require employer mandates. That means employers are going to have to pay a big, new tax.

We have a group that is a think tank, and there is plenty of think tanks around the country, but the CONSAD Study Group did an evaluation on how many American jobs will be lost under the Ways and Means Committee plan, that is the Democrat-controlled committee that developed the plan in this House that is being followed by the gentleman from Missouri [Mr. GEPHARDT] by the Democrat leadership is putting together their socialized medicine plan.

Let me tell you how many jobs they say will be lost and how many will be affected. What is an affected job? It is a job not lost. It is a job where you never get any raise. You do not get any raise because your employer is spending the money he would have used to give you a raise buying this health care plan that he is forced to buy by government.

So let me tell you:

Alabama, job loss of 13,000 under this Clinton II plan; jobs affected, no raises, 716,000.

Alaska, 1,200 job losses; 74,000 jobs affected.

Arizona, 11,000 jobs lost under the Clinton II plan; 640,000 jobs affected.

Arkansas, they have had a lot of experience with this leadership, 7,000 jobs lost; 398,000 jobs affected.

California, my State, 108,000 jobs lost under Clinton II; 5,976,000 affected.

Colorado, 11,000 jobs lost; 600,000 affected.

Connecticut, 15,000 lost; 800,000 affected.

Delaware, 2,800 lost; 154,000 affected.

District of Columbia, 4,900 lost; over 200,000 affected.

Florida, 41,000 jobs lost under Clinton II, under the Democrat plan; 2,300,000 affected.

Georgia, 23,000 jobs lost; over a million jobs affected by the Democrat plan.

Idaho, 2,700 jobs lost; 153,000 affected.

Illinois, 47,000 jobs lost; over 2 million affected.

Indiana, 22,000 jobs lost under the Clinton health care plan; that is the one that Democrat leadership are getting ready to ram through the House, 1,016,000 affected.

Iowa, 9,000 jobs lost; 530,000 affected.

Kansas, 8,000 jobs lost; 469,000 affected. That means no pay raises, because your employers have to pay for the health care plan.

Kentucky, 11,000 jobs lost under the Clinton health care plan; 610,000 affected.

Louisiana, 11,000 jobs lost; over 600,000 affected by the Clinton health care plan.

Maine, 4,000 jobs lost; 227,000 affected.

Maryland, 16,000 jobs lost; 953,000 affected.

Massachusetts, 29,000 jobs lost; almost a million and a half jobs affected.

Michigan. 36,000 jobs lost under the Democrat health care plan; 1,800,000 jobs affected. That means no raises.

Minnesota, 18,000 jobs lost; 900,000 jobs affected.

Mississippi, 7,000 jobs lost; 375,000 jobs affected.

Missouri, 20,000 jobs lost; 1 million jobs affected by the Clinton health care plan that the Democrat leadership is putting into effect right now or putting into final form right now.

Montana, 1,700 jobs lost; 105,000 affected.

Nebraska, 5,000 jobs lost; 313,000 affected.

Nevada, 6,000 jobs lost; 320,000 affected.

New Hampshire, 4,000 jobs lost under the Democrat health care plan; 223,000 affected.

New Jersey, 29,000 jobs lost; 1,600,000 affected. That means no raises in wages, under the Clinton health care plan.

New Mexico, 3,000 jobs lost; 205,000 affected.

New York 75,000 jobs lost; 3,900,000 affected.

North Carolina, 28,000 jobs lost; 1,400,000 affected.

North Dakota, 1,600 jobs lost; 96,000 affected.

Ohio, 44,000 jobs lost; 2,267,000 affected under the Clinton health care plan.

Oklahoma, 8,000 jobs lost; 466,000 jobs affected.

Oregon, 8,000 jobs lost; 499,000 affected.

Pennsylvania, 47,000 jobs lost; 2,450,000 jobs affected.

Rhode Island, 3 million jobs lost; 202,000 jobs affected.

□ 1620

That means reduced wages, no wages. South Carolina, 12,000 jobs lost; 681,000 affected; South Dakota, 1,750 jobs lost; 103,000 affected; Tennessee, 19,000 jobs lost, 987,000 affected; Texas, 55,000 jobs lost, over 3 million affected; Utah, 5,000 jobs lost, 309,000 affected; Vermont, 1,800 jobs lost, 102,000 affected; Virginia, 21,000 jobs lost, 1,200,000 affected; Washington, 16,000 jobs lost, 936,000 affected; West Virginia, 4,000 jobs lost, 238,000 jobs affected; Wisconsin, 19,000 jobs lost, 1.1 million affected; Wyoming, the last one, 930 jobs lost, 60,000 affected.

Mr. Speaker, the American people are going to be affected for decades by any health care plan that we put into effect. We owe them what just about any company that wants to sign a contract with you owes you, and that is to show you the doggoned contract.

The Democrat leadership has not shown a single American this health care plan that they expect us as Congressmen to sign up to in about 10 days. They have not let a single American read this contract that is over 1,000 pages in length. The American people read the last contract and they did not like it. That is why Democrat Congressmen refuse to pass it, and Democrat Members of the Senate refuse to pass it.

Mr. Speaker, let us show this contract to the people, show President Clinton II, which is the health care plan that the Democrat leadership is putting together in secret right now, to the American people. Let the people see it, Mr. Speaker. Let the people read it. I think they will do the same thing to this plan that they did to the first plan after they got a chance to read it.

THE 1965 VOTING RIGHTS ACT

The SPEAKER pro tempore (Mr. MENENDEZ). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Louisiana [Mr. FIELDS] is recognized for 60 minutes as the designee of the majority leader.

Mr. FIELDS of Louisiana. Mr. Speaker, today I rise in the House of Representatives to talk about the 1965 Voting Rights Act. On August 6, about 29 years ago this Saturday, this Congress had the gall to pass a very sacred piece of legislation, and that is the Voting Rights Act, because of the need to give every American an opportunity to participate in democracy. So I commend this Congress for having the foresight to pass a piece of legislation that would have such a profound effect on Americans all across the country.

Mr. Speaker, I also commend President Johnson, at that time, who had the courage to sign such an important piece of legislation, when he took the floor and he took the well and talked about how important it was to include all Americans into our democracy.

I also commend those individuals who took a stand today, Mr. Speaker, individuals who have marched and walked the highways and the byways of this country, fighting for inclusion. All they wanted was the opportunity to participate in democracy. They fought, they walked, they marched, many of them were bitten by dogs, some were hosed with water.

At that time I was only 2 years old. I did not know anything about voting. I did not know much about anything. As I read the history books and read the legislative intent of this act, I really see the struggles that many people went through to get us to this point in life, as they marched and walked and fought and rallied and they talked about inclusion.

It is a shame today that the very act that this Congress passed, the Voting Rights Act, in 1965, and the very act that the President had such emotions about when he addressed the House of Representatives in 1965 on August 6, is under attack today. It is under attack in the Federal courts in Louisiana, in Georgia, in Texas, in North Carolina, in South Carolina, and perhaps in other parts of this Nation.

Mr. Speaker, I rise today to talk about this shameful condition that we find ourselves today, now, breaking down the many barriers that we faced in the past to bring about inclusion so everybody can participate in democracy, so that everybody will have the opportunity to be around the table to talk about decisions and public policy in this country, and to see Federal courts misinterpret the Voting Rights Act, and use the 14th amendment of the Constitution of the United States of America, an amendment, Mr. Speaker, that has always been used to protect people, has always been used as a shield, but to see courts today take that 14th amendment and instead of using that amendment as a shield, use that amendment as a sword to hurt people all across this country.

When I think about those individuals who marched and walked, and in many cases, many died to bring about democracy right here in this Congress, I am very saddened to think about the nights and the days that maybe people stayed up and lobbied this Congress, and to think about the many men and women who sat in this august body some 29 years ago and stood at that well and said, "It is right for inclusion of all Americans into democracy;" to think about those Members who had the audacity, tenacity, and the gall to stand at this microphone and say, "It is wrong to deny anybody the opportunity, the right to vote and to participate in democracy."

Several years ago, Mr. Speaker, there was a time when individuals could not vote unless they took literacy tests, paid poll taxes, and there was all kinds of disenfranchisement against many minority voters in this country. Blacks and Hispanics did not have the opportunity to sit in this Congress and to vote on major pieces of legislation.

Mr. Speaker, I suspect if we were in the 1950's and early 1960's, as we deliberate today on health care, a very, very major piece of legislation that affects every American in this country, many individuals who were in the minority races would not be here today but for that courageous move that this Congress made in 1965.

I want to talk just a minute about inclusion and democracy and fairness. Right now I sit in a body that is 435, all of whom I have a great deal of respect for. Of the 435 Members who sit in this House of Representatives, all represent different areas all across this country.

Because of the Voting Rights Act, and because there were so many fair-thinking Members of Congress in 1965, and a President who stepped up to the plate because he wanted inclusion, he decided to change the shape and the appearance of this institution, because he wanted it to reflect America.

When we call ourselves the House of Representatives, we are actually representatives of the people. We represent America. If one would take a big mirror and put in front of this building, or in front of this House, it should be a clear reflection of the United States of America. We should see women, we should see blacks, we should see Hispanics, we should see Asians, we should see whites, we should see people from all walks of life, because that is America, and that is democracy.

Just a few years ago, before the passage of the Voting Rights Act, you take a State like Virginia, for example, a State with about a 19 percent African-American or minority population. It had absolutely zero Members in this institution representing the State of Virginia.

At that time, I guess the President and that Congress in 1965 asked the question, the sacred question, and that is, "Is it right?" You take the State of North Carolina, for example, a State that has a population of 22 percent minority. It did not have one single African-American Member of Congress talking about serious legislation that affects people all across this country.

I guess this Congress and the President at that time said, "That is wrong." Take the State of South Carolina, 30 percent African-American population. Not one African-American Congress-person sat in this august body since reconstruction.

□ 1630

Then you take the State of Georgia. It is 27 percent African-American. Not one black Member of Congress since reconstruction until the passage of this very sacred piece of legislation.

Then when you take my own State, a State that I have so much respect for, a State that I fight for every day on the floor of this Congress, 30.8 percent African-American and did not have one African-American Member of Congress, but 8 Members of Congress represented that great State of Louisiana.

And so the Members of this institution and the President at that time said it is wrong and we need to bring about inclusion and not exclusion, and we cannot fly across the world and talk about democracy in other countries and not have democracy right here at home.

So I commend the Members of this body. I commend the Members, those who are gone and those who are still here today, be they Members of this Congress or be they back home in their own States in retirement. I commend every Member of this Congress who stood up to the plate in 1965 and said, "We're going to bring about inclusion in democracy and in politics in this country."

It is a sad thing, Mr. Speaker. We have integrated sports in our country. There used to be a time when sports were one-sided. Today, when we go to athletic events, we see white athletes, black athletes, and other ethnic groups all playing the same game together, and they do it well. We sit in the stands and we praise them and we cheer them and we clap them on. We do not call them black ball players, we do not call them white ball players, we do not call them Asian ballplayers or Hispanic ball players. We call them great ball players. We call them our team. We cheer them on and we clap for them when they score and it makes us feel good.

Whenever this country goes to war, we ask our boys and girls, we do not ask them are they black or are they white, what district they come from, how their house looks, what community they come from, do they live in a shotgun house or do they live in a country club. We say we need you to fight, to protect and defend this country. We load up the planes and the ships with little black boys and little black girls and little white boys and little white girls and Hispanics and all ethnic groups. We do not ask them for anything, no green card, no nothing. They are American citizens. We need them to fight for the country. Then when they go on foreign soil and they start fighting for America and democracy, we cheer for them and we pray for them, and we put our chests out big and bold and we say, "They are American soldiers and we love them because they're fighting for democracy." We never talk about race.

I am so happy today that even in our school system we are able to sit little black boys and little white boys and girls at the same table and learn together. Something that Martin Luther King always talked about. Where we could go to school together and learn together and pray together. We have worked hard to integrate our school system.

I think this country ought to be commended, but most importantly it ought to be commended for integrating our armed services, integrating sports, and integrating our educational institutions.

But now we have one more task left: We must integrate the institution of power and politics. Why is it that I as a 31-year-old African-American who works night and day to represent every constituent in my district, I do not care if the constituent is black, white, blue, green, or purple, it is my responsibility to represent him or her, be they young, be they old, I care less. Why is it as a young African-American, who fought so hard to see a colorblind society, why is it that I and others who look just like me are victimized by courts in this country? Why is it that I should not have the opportunity to serve in this Congress because I am of African-American descent? Why is it as hard as I work, I wake up every morning, I go to work, I try to pass good and meaningful legislation. Why is it that a shape of my district would determine whether or not we have a beautiful shape or not so beautiful shape of this Congress? I often thought courts would look at the shape of Congress more so than they would look at the shape of a district. It is ironic today that shapes of districts are more important than the shape of this institution. The appearance of a district back home in Louisiana, North Carolina, in Georgia, South Carolina, Texas is more important than the shape of this institution.

I say to you, Mr. Speaker, the shape of a district should be always secondary to the shape of this Congress, because I am not a district Congressman. I am a U.S. Congressman. We all meet here in Washington, DC, in this August body, and we ought to be able to look like America. We ought to be able to take care of the business of the American people.

So I say to all the courts, and to all those individuals who wish to turn back the hand of time: Let us not go back. We have made too much progress. There are only 40 African-American Members of Congress. There are 535 Members in the U.S. Congress, 100 in the U.S. Senate and 435 in the House of Representatives. We cannot afford to regress. We must progress into the future.

At this time, Mr. Speaker, I yield to the distinguished leader from the State of Georgia for as much time as she may consume.

Ms. MCKINNEY. Thank you so much for yielding.

Mr. Speaker, I would like to talk a little bit about my personal experiences during our campaign.

The theme of our campaign was "Warriors Don't Wear Medals, They Wear Scars." Our campaign was comprised of civil rights activists, environmental activists, community activists, the kind of people who give and give and give and give and give and really all they ask is that they get a better community in which to live and that their Government give them a fair shake.

On election night, the volunteers in my campaign headquarters had to watch as the potential victors were interviewed at their victory parties. We had a victory party, too, and the media eventually made its way over to our headquarters after we had won, but, you see, nobody thought we were going to win. We did not have big-name supporters leading us around. We did not have high-dollar donors pushing us to win. We did not have the rich and the powerful. We did not even have the good old boy network. All we had were those warriors. And obviously that was enough.

This was a special victory, because people like me are not supposed to win.

I do not come from a family of wealth. I do not have hundreds of thousands of dollars of personal wealth. I did not inherit a congressional seat. I am just an average, ordinary American cut from a slice of average ordinary American life. In a democracy, our strength lies with the people. The victory in the 11th District was a victory for the people. That does not always happen.

Now a former opponent who lost his bid for the 11th District wants to take this victory away from the people of the 11th District. In a classic case of sour grapes, a former candidate for the 11th District, who found nothing wrong with the district when he paid his money to run, now wants to dismantle the district and start all over again. This is neither fair nor right. But this is where we are today.

The configuration of the 11th Congressional District of Georgia is now a matter for the courts. I would suggest that it is not the district or the way that the district looks that the plaintiffs find fault with but the way the district's representative looks that the plaintiffs dislike so much.

The plaintiffs in Georgia claim that this district violates the rights of whites to have representation in Congress. Georgia's population is 27 percent African-American. Georgia's congressional delegation is 27 percent African-American.

□ 1640

There is value in equity, and there is value in diversity, and even in the South we need to learn that.

The plaintiffs in Georgia claim that these are "black districts." These are not black district. Ranging from 50 percent black to 64 percent black, these new districts across the South are the most integrated districts in the South. These districts encourage biracial coalitions, something that my State and my region are not particularly known for. The need to build biracial coalitions and a new, fresh vision for the South, the plaintiffs are not known for their work in building biracial coalitions. Rather they are accustomed to the politics of division, the politics of prejudice.

During the campaign I tried to carry our message to every resident of the district. Quite frankly, some of the constituents were not ready for that message, they were not ready for my looks, and they were not ready for my gender. But we have worked hard to build bridges. We have worked hard so that the whole community could sit down together and begin to resolve some very real community problems that persist.

We have a responsibility to do the work that our southern heritage has left us. We still have voting rights discrepancy in several of our counties that have had to be addressed in our office. We still have a tax on local civil rights leaders that we address in our office. We still have women's issues, particularly women in prison who suffer from sexual abuse that we have had to deal with in our office, housing discrimination, hiring discrimination, environmental problems.

Mr. Speaker, in short, these districts have allowed for average, ordinary people to receive a modicum of representation in Congress. And as a strong and proud Southerner, I want more for my region than a legacy of racism and prejudice.

In 1868 there were 33 black members of the Georgia General Assembly, and in 1868 they were expelled for no other reason than the color of their skin. On the grounds of the Georgia State Capitol there is a statue that commemorates the service of those 33 who were expelled because of color. In fact, that is the name of the statue, "Expelled Because of Color."

The spirit of 1868 lives unfortunately in 1994. The spirit of 1868 lives in the hearts of some people still, and I would say that the spirit of 1868 lives in the motives of this challenge to the 11th District and, quite frankly, to the challenge of all of these districts.

In 1965, President Johnson made a promise to this Nation that 1868 would never happen again, that Americans of all colors, ethnicity, races, and religions would all be welcome at the table of democracy.

In 1994, all across the South, a handful of people want America to renege on that promise. There is a notion that if America goes back on this promise that it only hurts America's minorities. There could be nothing further from the truth. Reneging on President Johnson's promise hurts all Americans who value democracy.

Let me just say a word about democracy. We have sent our best and our brightest across the seas to fight for democracy. In 1946 my father, while still wearing the uniform of the United States of America, while returning on a train from Europe was arrested in South Carolina because he dared to want to taste what white water tasted like. We have been willing to spill American blood in the fight for democracy abroad. We have even spilled American blood in the fight for democracy at home. Some would have us forget all of that and return to a day when there was less democracy and fewer rights for people who look like me.

I would call on all Americans who value democracy, all Americans who value biracial coalitions, all Southerners who value the idea of a new South and not the South of yesterday, to join with us to preserve these districts and to fight with us to protect democracy in America. We must protect the Voting Rights Act.

I would also like to thank my colleague from Louisiana, Mr. FIELDS, for organizing this special order this evening.

Mr. FIELDS of Louisiana. Mr. Speaker, I thank the gentlewoman from Georgia for her profound statement.

GENERAL LEAVE

Mr. FIELDS of Louisiana. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. MENENDEZ). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FIELDS of Louisiana. Mr. Speaker, I yield to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Speaker, I thank the gentleman for yielding. I want to just take a moment if I might to associate myself with the remarks of the gentlewoman from Georgia who just spoke and the gentleman from Louisiana who spoke earlier, and those who are about to speak in reference to not only the Voting Rights Act, but the ideal of equal representation under the law and how that is being challenged. I say that on behalf of not only the Congressional Black Caucus, but a number of Members of this body who have come to recognize the single importance of making sure that we protect our system of representation as we know it.

Clearly, I am sure the gentleman appreciates as do I, the assistance of the Attorney General in this regard, the fact that the offices of the Attorney General have joined in with the Members who are threatened like this, as well as the beneficial and I think significant remarks of the President in this regard, all have been welcomed.

I would, however, say that the gentleman's comments about the 14th amendment are particularly true, poignant and prophetic, and would urge those persons who have watched this special order and those who read it in the text of the CONGRESSIONAL RECORD to understand in the most sober of ways that the argument put forth by the gentleman is an argument which has withstood the test of time that is continued to be made in these hours in this century as we move toward a new century because of its significance politically and otherwise.

So I wanted to briefly come over to thank the gentleman from Louisiana and all of the other Members who have spoken and will speak on this subject during this special order because of its overwhelming significance to the foundation and the underpinnings of this democracy as we know it, and I thank very much the gentleman from Louisiana for yielding.

Mr. FIELDS of Louisiana. Mr. Speaker, I yield to my good friend and colleague from the great State of Mississippi, Mr. THOMPSON.

Mr. THOMPSON of Mississippi. Mr. Speaker, today as we approach the 30th anniversary of the Voting Rights Act, I stand to celebrate this momentous occasion. But I also stand as one of the individuals who has directly benefited from that act.

In 1960, a great President of ours talked about a Great Society. But he also in 1965 proclaimed in the passage of the Voting Rights Act that African-Americans, or blacks at the time, should enjoy the same benefits as other Americans.

□ 1650

I think it is fitting and proper as we go into the area of celebrating this Voting Rights Act 30th anniversary that we look at what is happening to many of the beneficiaries of this act.

As we know, in Texas, Louisiana, Florida, Georgia, North Carolina, all of those States with African-American Representatives are under attack. They are under attack from the radical right who somehow think that in America African-Americans should not be represented here in Congress.

I associate myself with the statements that have been made earlier, because it is absolutely un-American to deny individuals representation.

For that radical right to look at the individuals of color in this Congress and say that they do not deserve the right to be here is something less than all of us have fought and died for.

Apart from that, Mr. Speaker, I think as we look toward the celebration of this 30th anniversary, we need as a country to recommit ourselves to the principles of life, liberty, and the pursuit of happiness, as well as talking about doing the right thing. What the courts are trying to do in many of the States is turn back the hands of time.

I implore my colleagues, I implore those individuals who are of like mind to join us in trying to turn the Court away from this self-destructing effort.

So, Mr. Speaker, I associate especially with the gentleman from Louisiana, who is having a difficult time. We might know before the close of day whether or not he has a district or not.

It is unfortunate that in the struggle the people of his district in Louisiana will be denied an excellent Representative simply because of partisan right-wing politics, politics which does no one good in this country.

So again I pause to bring celebration on this 30th anniversary of the Voting Rights Act, and I also challenge this country to bring about the creation of an equal and just society.

Mr. FIELDS of Louisiana. Mr. Speaker, I thank the gentleman from Mississippi, my esteemed friend and colleague from the great and prestigious State of Mississippi, but let me also say to the gentleman that the issue that we are faced with today as the gentleman so adequately stated is not whether or not CLEO FIELDS or any one of us will serve another day in the U.S. Congress, but the issue is whether or not a person like me will have the opportunity to serve in Congress, and that is what the Voting Rights Act is all about.

I want to also echo some of the words that my good friend from Maryland, the great chairman of the Congressional Black Caucus, stated, some of the support that has been launched from many organizations, particularly the U.S. Department of Justice. I want to certainly thank that Department, and I want to go on record in thanking the Department of Justice for defending the Federal statute, the 1965 Voting Rights Act, all across this country, and Devol Patrick, along with others, ought to be commended for doing so.

I want to also thank the States' attorneys general in their respective States that are under challenge for defending the Voting Rights Act, and I want to thank the President of the United States of America, who has taken a very strong stand in support of the Voting Rights Act, the NAACP, the Legal Defense Fund, the Lawyers' Committee on Civil Rights, and I want to also thank Judge Leo Higginbotham, who has been working profusely with the Congressional Black Caucus in defense of all of these challenged districts.

Mr. Speaker, I yield to my great friend from the State of North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I want to commend the gentleman from Louisiana [Mr. FIELDS] for organizing this special order around the observation of the 1965 Voting Rights Act and to associate myself with the remarks that have been made.

I want to speak very briefly, but no less sincere than those who have gone to great length.

The 1965 Voting Rights Act is 29 years old this week. This landmark legislation upheld the right for every American to vote regardless of their race, a very fundamental right that all Americans will have a right to participate in this great democracy, and that participation meant that they could participate as a part of the electorate, and they also could participate as an elected leader, representation, representative government, that would allow anyone in America without regard to race to also be an elected official. It is harder to be understood than the right to vote.

The question needs to be asked again today, was the 1965 Voting Rights Act needed then, is it needed in 1994? One can say now that most people vote without any violation of their voting rights. Perhaps there are still some instances where individuals are still harassed or go to undue lengths before they can vote.

Let me just remind you, however, that the 1965 Voting Rights Act gave two rights; the right for an individual to participate as a part of the electorate, and also the right to be elected as an elected leader, representative government.

The 1965 Voting Rights Act does, indeed, have authority, and it has authority in my own district. I have 20 different counties within my district, the largest congressional district in North Carolina, and of those 28 counties, 22 of them, 22 of them are covered by section 5 of the 1965 Voting Rights Act simply because there is a prior history of voting rights violations. Yet, the Voting Rights Act, indeed, has meant the difference for my citizens in my district to insure them that they have every opportunity to participate and vote their constitutional rights as anyone else has.

But I am also very, very troubled by the fact that we do not seem to understand that representative government is also a provision under this particular act. The majority/minority districts are now under a lot of judicial and equitable scrutiny, so-called under the fair doctrine. This must stop, not because fair doctrine and judicial process should not go on, but the disguise, the disguise that we pretend that we are wanting an equitable system. It is fair, and only fair, that all the citizens be able to be a part of the leadership as much as part of the electorate.

It is equally as fair for blacks to elect other members as it is for all citizens to elect a black Member.

Fair representation simply means choosing the best person to represent you.

In my district, I am happy to say that as of Tuesday of this week, the 1965 act was reaffirmed. The New York Times, in their editorial this morning, I think, made a great statement. They said, "Only a year ago the Supreme Court seemed ready to nullify or at least cripple the Voting Rights Act of 1965. The Court found that two oddly shaped congressional districts in North Carolina, drawn to give blacks a fair chance," not a guarantee, they said, "a fair chance to elect representatives of their choice, smacked of apartheid." However, it said that the districts could stand only if the States justified them under district scrutiny in a full-scale trial. Well, that full-scale trial did occur for four consecutive months, and as a result of that scrutiny, they found that the 1965 Voting Rights Act did apply, and they upheld those districts.

Now, I am particularly interested in seeing that the Supreme Court clarify, clarify without ambiguity, that, indeed, the 1965 Voting Rights Act guarantees individuals the opportunity to participate as an electorate and also guarantees the opportunity for any American to be a participant as an elected official.

This process must be clarified.

Yet there are 5 States now that are challenged, but tomorrow there, indeed, may be 15. There are 40 minority Representatives in this Congress. However, only three of them come from nonmajority minority districts, so if this challenge is not put into the perspective of the guarantees that are given for the opportunity, all Americans may find that democracy is really a fleeting ambition and a goal.

It was George White who said in 1901 that, "I may go, but there will be those who will come after me Phoenix-like." Well, in 1992, Phoenix-like, Afro-Americans came from all over the country, because they were elected, not guaranteed, but elected by the citizens of their districts, and the 1965 Voting Rights Act gave them that opportunity.

Mr. Speaker, I urge Americans to understand that democracy is no better than we extend to all of our citizens, and it will be worse to the extent that we deny any citizen.

Mr. FIELDS of Louisiana. Let me thank the gentlewoman from North Carolina for her most profound remarks. Let me also say she works very hard, as all Members of this Congress, to represent all of their constituents irrespective of their race.

□ 1700

At this time, Mr. Speaker, I would like to yield to my good friend, the gentleman from Alabama [Mr. HILLIARD].

Mr. HILLIARD. I thank the gentleman from Louisiana [Mr. FIELDS], for yielding to me.

Mr. Speaker, the African-American and public is indeed angry at the continuous attacks on African-Americans by the right-wingers on the U.S. Supreme Court.

Mr. Speaker, it is unimaginable that our Nation's highest court can live in such a dream-like state as to believe that racism has ended in America and that black people no longer deserve the protections afforded us through the Voting Rights Act.

The biggest roadblock this court has thrown is to deny us these God-given rights we deserve as American citizens. For example, in Shaw versus Reno, this case attempts to overturn many of our Nation's African-American majority congressional districts.

Can you believe that of all of the Supreme Court justices who voted in the majority for Shaw versus Reno, it is a black man, a colored man, Clarence Thomas. I could continue speaking all day on Justice Clarence Thomas, but I will reserve that for another time and another place.

Allow me to say not that since the days of Benedict Arnold has an individual so cynically stabbed his own people in the back. Shame on you, Justice Thomas. I say shame on you. Racism is still a major problem in America, and you of all people should be sensitive and should understand.

To those of you who are not familiar with the South, I would like to tell you about a vine that we have in the South. It is called a kudzu vine. This vine is very destructive. Despite its lush appearance, it is a very destructive plant, growing any time, anywhere, it grows very fast. Sometimes it grows up to 2 feet a day. You can cut it down, but it will grow back. You can burn it, it will still reappear next spring. Because in order to destroy the kudzu vine, you must pull it out by its roots. Racism in America is just like the kudzu vine.

We as a Nation must be frank with ourselves, and we must have an understanding that it is a problem and that unless we take a moral stand and unless we support the Voting Rights Act, racism will continue to appear and reappear.

We had begun to reach the roots of racism in America by overturning laws that had been on the books for years sanctioning it. I would dare say that with those African-Americans who serve in city halls, who serve in court houses, who serve in the halls of the States and, yes, those who serve in Congress have begun to make a difference. But unless we can keep them there at the very roots of democracy, we will not be able to stamp out racism in our lifetime.

Our African-American congressional districts give us the opportunity to attack racism, right down to the roots. But if they are terminated, we will not have that forum, we will not have that representation.

But there are those who would fight us because they wish to maintain the old ways. Yes, they are attempting to take us back in time when there were no African-Americans in Congress, when they made laws with impunity, as they wished, whenever they got ready.

For the first time since the Northern troops left the Southern South, since the end of Reconstruction, we have African-Americans representing the Southern States. There are those who are seeking to overturn that. We understand that in Alabama; we understand that in Louisiana, in Mississippi. We from the Old South understand what is happening.

Mr. Speaker, we must prevent it. I will tell you that when the last Negro Congressman left this House, what came then were the dogs, the anarchy, the fire hoses, a very bleak time in our history. Let us not have to go back to those days.

I want Clarence Thomas and all of his kind to know that we are prepared to fight in the courthouses, in Congress, in the halls of justice, wherever, to be represented in the Congress. We will not give up the fight.

To my right-wing members of the Supreme Court who are hiding behind their black robes, I just want them to understand that, to me and those who believe in justice, they represent the Klan, who hide behind the white robes. A robe by any other name is a robe.

I want everyone to know that if we are to insure democracy, we must protect the Voting Rights Act.

Mr. FIELDS of Louisiana. I thank the gentleman from Alabama.

At this time, Mr. Speaker, I would like to call upon a Member from New Jersey, another Member who represents a very diverse district. All the speakers you heard from this evening are Members who represent the most diverse districts in the U.S. Congress. They are not black districts, not white districts, they are diverse districts, and all of these Members represent all of their constituents.

At this time it gives me great pleasure to introduce my friend and colleague, a more senior Member of the House, the Honorable DONALD PAYNE from New Jersey.

Mr. PAYNE of New Jersey. I thank the gentleman very much and commend for calling this special order because we believe the issue that is being discussed today is probably the most important issue confronting our Nation today.

Mr. Speaker, I would like to take this opportunity to draw attention to a very important piece of legislation, the Voting Rights Act, which was passed in 1965. Today, the very same arguments made in the cases challenging voting rights districts, back then in 1965, are the same arguments being used today. It seems as though during this 30 years, even though we have fought and gained, we now have to once again be prepared to fight to protect our gains.

You know, I have heard people discuss the shape of districts, congressional districts. Someone is feeling they must be symmetrical. But when I look at the States of the Union, California is a very long State, narrow as compared to its height; if you take the Dakotas, they are very square and nice; New Jersey has an odd shape, sort of peninsular style. Idaho comes down.

So no one ever challenged the right of a State, no one said that State looks funny, different. But they said a congressional district looks funny and different. It is not shaped right.

So all of a sudden shape becomes important.

I come from great State of New Jersey, as does the present Speaker in the Chair, Mr. MENENDEZ, and it was not until 1989 that the first African-American in the history of this country from the State of New Jersey was elected. My colleagues from the South had the privilege of having people serve in this august body. We had U.S. Senator Hiram Revels in 1870 from the State of Mississippi serve in the Senate. Joe Rainey from South Carolina was the first African-American elected to the

House. As a matter of fact, it was in about 1873 when Joe Rainey had the opportunity for the first time to preside over the House.

Joe Rainey held a hearing on the plight of Chinese persons in this country and the way they were being treated as the railroads were being built. He also held hearings on the treatment of native Americans in this country. And he had interests in those people who had difficult times.

We had United States Senator Bruce in 1875, from the great State of Mississippi. And so African-Americans have been a part.

☐ 1710

But, as indicated, New Jersey was not a part of that history. New Jersey had no minority until, as I indicated, I had the privilege to be the first one to serve our great State, and I commend the Speaker also for being the first Hispanic American elected from the State of New Jersey, and so, when we look up north, we have some very serious problems also.

My 10th Congressional District at one time was divided into three districts. It was done on purpose, and that is one of the reasons that we were never able to elect an African-American. A general named Irvine Turner many years ago ran for Congress in our city. But the congressional districts in New Jersey had 15, but they took three of the districts of the State, and they divided the city of Newark, which at that time had close to 500,000 people during the war. It would have a million people in that city during the day. But the city of Newark, NJ, was cut up into three congressional districts, the 10th served by the great Peter Rodino who I replaced after 40 years of his service, Huge Addonizio who was another person who left this House, and went to be the mayor of the city of Newark, did not have an illustrious career, and the 12th District, and so Newark was separated into the 10th, the 11th, and the 12th. Then a judge in New Jersey said that you had to stop this.

In 1970 the courts finally said it is wrong that Newark is divided into three congressional districts and throughout the districts and said, "Come back with a district that could elect an African-American." It took us a long time to get there. We were represented well by Peter Rodino who at that time, as my colleagues know, took over the Watergate hearings, and it was a very important time in the history of this country.

And so African-Americans were patient. We had an outstanding Congressman, and we said that let him finish the job, and then, when the job is finished, then we will take the seat, and it took a little longer for the job to be finished, and we did elect our first African-American.

And so, as we look at what is happening today, as we look at the history of African-Americans in this country, we look at a fellow, Crispus Attucks, who was first killed in the Boston Massacre, who could not even vote, and it was against the law of every State for an African-American to be privileged to an education. In some States it was punishable by very severe imprisonment and beatings to just teach a black to read. But Crispus Attucks stood up for four other men, and defied the British, and was murdered, and Crispus Attucks today is a symbol of the first Americans who shed their blood for this country and could not even vote.

We have people arguing in the debate about tyranny, about isolationists, should we become independent. As a matter of fact, it was African-Americans who were strong advocates for Cuba and its fight for independence against Spain. As a matter of fact, it was the Buffalo Soldiers at the Battle of San Juan Hill, the turning point where the Rough Riders in Teddy Roosevelt's group were pinned down, and the Buffalo Soldiers relieved Teddy Roosevelt's Rough Riders because they came around and are credited with perhaps even saving the life of Teddy Roosevelt who, as my colleagues know, then rose to be the President and the whole Roosevelt clan.

And so African-Americans were involved so much for so long in this great country, and now to have to fight to preserve those things that Crispus Attucks fought for. As a matter of fact, there was a Major Pitcairn who led the Boston Massacre. He was the one who gave the order to shoot the men at the Boston Commons, and, as my colleagues know, at the Battle of Bunker Hill, where they stated, "Don't fire until you see the whites of their eyes," it was African-American, Peter Salem, who was the hero of the Bunker Hill Battle and actually fired the shot that killed Major Pitcairn who was the one who started the Revolutionary War.

And so we are so involved in the history of this country, and to have to stand here to defend what we have gained, to have to plead that we have justice, is wrong, and so, as we go through our history, as I indicated, we have so many outstanding persons, and then we saw everything start to change. We saw the civil rights movement start.

We saw the murder of Emmet Till where America was unaccustomed to coming or seeing funerals of African-Americans. Emmet Till was a 14-year-old from Chicago, went to the South to visit his relatives during the summer and allegedly whistled at a white woman. His body was found days later at the bottom of a river. But Emmet Till was brought home, and what shocked America was that it was traditional for blacks, and it still is, to have open coffins where the body is displayed, and Emmet Till's body was displayed, and it was not different for us because it was traditional. But it was different for the non-African-American population because they had never focused on a funeral of a black, and, with Emmet Till's brutalized body open for America to see, it was a turning point.

I was a young fellow at the time, but I became very involved and followed Medgar Evers, and what he did for his State of Mississippi, and saw people who were going out to register folks to vote.

And I came down to the March on Washington in 1963 and was on the step, the first step. I worked my way all the way up to the front, as close I could get to where Dr. King was speaking, and I marched from Selma to Montgomery, and I was on the road when they demobilized the National Guard not far from where Mrs. Liuzzo from Detroit was gunned down.

And so, when I think of the history of this country, my personal involvement, the involvement of people like the gentleman from Louisiana [Mr. FIELDS] who is one of the outstanding young Americans that we have brought into this body, who has so much to offer this country, has solutions to some of our problems, that he has to think about his future in this House, when we have the gentlewoman from Georgia [Ms. MCKINNEY] who has brought a new vision into the House, and many others, the gentleman from Florida [Mr. HASTINGS], a distinguished jurist, and the gentlewoman from Florida [Mrs. MEEK] who is just the most gentle person that you want to meet; when we look at those black Americans who have fought to be in this House, it is unfair that we have to worry about eradicating their districts.

So, I would just like to say we are going to have to keep on keeping on. We are going to have to keep on pushing. We are going to have to keep on fighting. We are going to have to keep on going. We are going to have to keep the right issues before this House. We have to make sure that another Rwanda does not happen because of inaction and moving too late from the wor1d. We cannot allow this to happen.

And so once again I would like to associate myself with the remarks of the previous speakers and say that I join in this effort and will continue to fight for right over wrong, for justice, because justice should roll down like a river and righteousness like a mighty stream.

Mr. FIELDS of Louisiana. Mr. Speaker, I thank the gentleman from New Jersey [Mr. PAYNE] for his comments, and at this time I yield to the distinguished gentlewoman from the District of Columbia [Ms. NORTON], my good friend and colleague.

☐ 1720

Ms. NORTON. Mr. Speaker, I want to thank the gentleman from Louisiana

[Mr. FIELDS] for the initiative he is showing in this special order. He is showing an initiative that is important for the Members of this body and their constituents to take special note of. Though I do not come from an affected district, I believe that Mr. FIELDS and those who have come forward to the floor today are speaking to one of the most important issues we face today, and I want to indicate why.

I am going to address this issue in three aspects. First, to indicate why the retention of these new districts in the south is in the best interests of the country. Second, to take us back to where these districts come from, to the actions of this body, the Congress of the United States, the predicate for, the reason for the language from which these districts were created. Third, to say a word about the extraordinary success of the statute we passed in 1965 and amended in 1982, precisely to get the results we have gotten in the drawing of these new districts.

The statute is the most successful of the civil rights statutes, with the possible exception of the public accommodations statute. That was the easiest of them all, and no one can say that affording equal right to the ballot for people of color in this country was easy as public accommodations after the statute turned out to be.

First, let me say why these districts are in the best interests not only of their constituents, but of the country.

As I go out into the black community and hear and read the views and the opinions of blacks, I am disturbed by the degree of alienation that is there in the black community, the sense, even after all the progress, that this is not a fair country. It is very disturbing.

You see it everywhere. It is reflected one thousand times a day in the reactions of blacks. For example, the O.J. Simpson matter has brought it home most recently, where the majority of blacks see the criminal justice system precisely in the opposite fashion from the majority of whites.

Mr. STOKES. Mr. Speaker, I rise in strong support of the use of redistricting as a means of promoting racial equality and fulfilling the goals of the Voting Rights Act of 1965. As you know, the Voting Rights Act of 1965 was constructed as a broad piece of legislation to dismantle all voting-related discrimination practices. For the past three decades, the courts have consistently, and with few exceptions, reaffirmed the provisions of this Act. It is fitting that we recognize the contribution of the Voting Rights Act of 1965 and the use of redistricting as a means to realize the goals of the act in a time when the concept of equality in representation is now under judicial attack. Too many Americans have fought too long and too hard to relinquish the constitutional rights we have fought to realize.

Mr. Speaker, during the long and distinguished history of this Nation, there are few conceptions of democracy more sacred than the concept of representative government. The intellect and wisdom of the Founding Fathers who enshrined this concept as the central pillar of our democracy is what makes this Nation one of the greatest ever created. Yet, even with the intellectual commitment to promote representative government, this Nation has failed to live up to its potential because of the historic and entrenched practice of excluding minorities from being fully represented.

We are all aware of the anti-democratic practice of excluding minorities from participating in representative government. The U.S. Congress has distinguished itself by playing a key role in the past by passing legislation designed to protect the civil rights of all citizens. The recent attacks on the use of redistricting by the U.S. courts is shocking. Redistricting is one of the most important means of correcting the lingering and virulent legacy of the exclusion of minorities from the benefits of representative government.

Mr. Speaker, it is clear that the Voting Rights Act expressed a preference for creating districts where minorities have a realistic opportunity to be elected. Redistricting that is sensitive to the essential government interest of racial equality is consistent with the constitution and representative democracy for America.

Mr. DELLUMS. Mr. Speaker, almost 90 years ago, the philosopher Santayana wrote, "Progress, far from consisting in change, depends on retentiveness. Those who cannot remember the past are condemned to fulfill it." Some of us refuse to forget the lessons of the past. We will not forget, will not turn back and will instead push forward.

In just a few days, we will celebrate the 29th anniversary of the Voting Rights Act. Yet 29 years after enactment, we are still fighting the same battles and defending a law that has helped enfranchise millions. The recent Supreme Court decision in Shaw versus Reno has opened the door for opponents of this law to call into question the propriety of all race-conscious redistricting. However, history is illuminating on this issue.

Historically, African-Americans have been disenfranchised. Prior to the Civil War, only white males had the right to vote. During Reconstruction, Congress passed election laws that guaranteed the right to vote and established Federal supervision. Congress also passed civil rights legislation that imposed fines and criminal penalties on those convicted of conspiring to deprive citizens of their civil rights. As a result, black participation in the political process rose dramatically—70 percent of eligible black voters were registered; 10 African-Americans were elected to the U.S. House of Representatives; two to the Senate. They also influenced local, State, and national elections throughout the South.

Opponents resorted to a number of tactics, mostly illegal, to discourage or stop blacks from participating in the political process, using creative measures to hinder voting. States passed laws to deter African-American voters and found legal ways to permanently disenfranchise African-Americans.

In the mid-1960's Congress passed the Voting Rights Act as one of a handful of powerful civil rights statutes. Passage did not immediately produce results. Subsequent legislation was necessary to properly ensure its intent. Finally, the legislation is working as intended. After the 1990 census, 32 majority African-American and 20 majority Hispanic Districts were drawn resulting in the number of minorities in Congress doubling from 26 to 52. In North Carolina, the subject of the Shaw case, no African-American had been elected to Congress since Reconstruction until 1992. Despite 1.46 million African-Americans in North Carolina, they had no congressional representation from their community for well over a century. Although not originally in the act, bilingual provisions have enfranchised Hispanics. Hispanics registered to vote in the Southwest doubled from 1976 to 1988 from 1,512,300 to 3,003,400. Considerable progress has been made. It is not surprising that opponents have once again cloaked themselves in the rhetoric of a color blind society to overturn the very progress that has been made toward that goal by the Voting Rights Act.

In Shaw versus Reno, the Supreme Court ruled that a district that is so bizarre on its face that it is unexplainable on grounds other than race may be challenged on constitutional grounds. Why should race become a suspect factor in drawing districts? Historically, oddly shaped districts have been drawn to protect incumbents, protect a parties' interest, accommodate geographic features such as rivers and mountain ranges, and put similar groups of people, such as farmers, in one district. Why then is it constitutionally suspect to draw oddly shaped lines to remedy past racial discrimination? Districts can be perfectly symmetrical but dilute voting strength by fragmenting concentrations of minority populations. Esthetics is not the issue; it is whether groups can combine effectively in political activity.

The claim that majority minority districts are political apartheid and exacerbate racial bloc voting has no basis in fact. Congress rejected this claim more than a decade ago, and no more credible evidence exists today than at that time. In fact, the evidence suggests just the opposite. Majority minority districts and the election of highly regarded and respected individuals, among them my colleagues in this body, tend in the long term to decrease racial bloc voting and polarization as well as challenging racial stereotypes. Remedial redistricting has broken down racial barriers and permitted minority voters to participate on an equal basis in the political process, as can be seen in the number of enfranchised voters and minority elected officials at all levels of government be it local, State or Federal.

Nor are majority minority districts segregated or ghettos. Despite its irregular shape, the 12th district of North Carolina, represented by my colleague MEL WATT, is less segregated than any congressional district previously drawn in the State with totals of approximately 57 percent black and 43 percent white voters. To suggest that a district is a ghetto because it is predominantly comprised of African-Americans or Hispanics but by reversing the percentages or by creating districts that are 100 percent white we have integrated ones turns logic and reason on its head. Political apartheid much more accurately describes the system in place before the Voting Rights Act when no African-Americans represented any Southern State in Congress.

On the eve of the anniversary of the Voting Rights Act, let us reflect on the lessons of the past. Considerable progress has been made in the area of minority representation on all levels of government, and there is more work to be done. Let us continue to work to enfranchise voters and reinvigorate the electoral process. Majority minority redistricting has proven to be an effective remedy to counteract efforts to dilute minority voting strength and the disenfranchisement of voters. We cannot allow the progress already made to be undone. Let us not doom ourselves to repeat the mistakes of the past.

The SPEAKER pro tempore (Mr. MENENDEZ). The time of the gentleman from Louisiana [Mr. FIELDS] has expired.

VOTING RIGHTS IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 60 minutes as the designee of the majority leader.

Ms. MCKINNEY. Mr. Speaker, I yield to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, the O.J. Simpson matter I had mentioned indicates a severe gap between black and white perceptions of justice in this country. This gap is dangerous when you consider that this country is becoming more and more colored, more and more people of color are in this country. The notion that you would have a very large number of people who, after the passage of these statutes still feel this is an unfair country, does not bode well for democracy or stability.

The best way for people to feel a part of their society is to be represented in that society. About the last message I personally would want to send to a very alienated black community is that there is no room for you on the inside, and we are going to put some people that you elected pursuant to Federal statute passed by the Congress of the United States, we are going to put them out, and, in the case of Louisiana, we are going to bring David Duke back.

I have to tell you, I know of no way in which I could explain that or get people to understand. Well, that doesn't quite say what justice is about in America. I mean, the symbolism of it is already so high that I dread the notion that I could become more than symbolism.

In any case, what has kept this from being a country fraught with the kind of tensions and violence we see in other nations and on other continents is that however gradually people have been able to come on the inside, ethnic group after ethnic group came to the country, by the way, almost always treated as dogs and rats, the white ethnic groups who came here one by one saw themselves discriminated against in exactly the fashion blacks were, to tell you the truth. The difference is white skin enabled them to move on and move up.

When you take people, keep them outside of mainstream society for a long enough time, you create a dangerous situation in your society. When you say hey, come on in and be a part of us and let's help straighten out what you don't like, then, of course, you promote stability and peace in society.

The last thing I think we ought to do now is consider, after 100 years of work, repeating what was done almost as many years ago when the blacks in this body disappeared. That should be unthinkable. Far beyond what it means for democracy and for hypocrisy, it is dangerous to do that.

What I already hear out there is dangerous. I hear people responding. I hear people in my own community responding to people of very extreme views, who tap into this sense of alienation. I want to tap into it and say come on in here and represent your people right here if you don't like it. The wrong message is to say go out there and find a way to take care of your problems.

That is why these districts are in the very best interests of the country and bespeak the very best of the American tradition.

Let me move on. Where do these districts come from? My colleagues, you and your constituents created these districts, and I want to prove that right now.

In 1980, the Supreme Court, in a decision called Mobile versus Bolden, invalidated, in effect, what most of us had regarded was the way the Voting Rights Act ought to be applied. They said very specific intent had to be found to have discriminated before you redraw districts from which people of color might then be represented.

This body said hey, wait a minute. The way in which the Supreme Court has spoken will mean that it will be very hard for blacks who have in fact encountered race discrimination to indeed be included through redistricting. So this body, Mr. Speaker, this body revisited its own statute and revised its own statute. And it did so precisely because its intention was for the Voting Rights Act to be used to remedy past and present discrimination.

Now, let me be clear about what that means. The redrawing of districts that take place, bearing in mind that people of color have been excluded, is not a permanent redrawing of the districts. It is a remedial redrawing of the districts that will last so long as the discrimination exists, but passes at least every 10 years, and the districts are redrawn.

So what we are looking at is a district specifically drawn to remedy as a legal remedy, not districts drawn because you want to get more blacks elected in and of itself. But they are specifically drawn because these blacks, or these Hispanics, or this group, has been excluded by operation of law, and the only way to remedy that is for there to be a remedy which allows members of that group to be elected.

□ 1730

Not in perpetuity based on color but as a remedy, and these remedies are always temporary. And in the case of voting rights, they last no more than 10 years because the districts have to be drawn again. But as a former chair of the Equal Employment Opportunity Commission, which had the same jurisdiction in employment, I can tell you that the remedies there would use goals to bring in excluded groups and are also temporary. And they have to fall away once the discrimination has been addressed. So we are talking about a specific remedy for a specific wrong.

We are talking about a remedy that passes out of existence when the specific wrong is taken care of.

Let us go on and see how we know when the remedy should be applied; namely, the district should be redrawn.

Under our amendment of our statute, the Voting Rights Act, in 1982, we adopted a test based on the, what we called a totality-of-the-circumstances standard. I sincerely believe that some courts understand this standard and some courts, for whatever reason, do not. The court in Louisiana not only did not understand it, in the case of the district of the gentleman from Louisiana [Mr. FIELDS] which has been redrawn in order to favor whites in the population who never experience discrimination, they did not just misunderstand it, there is something worse going on in Louisiana.

In North Carolina, they seemed to get our drift. They seemed to have read our words. Because in a district that looks a lot like the district of the gentleman from Louisiana [Mr. FIELDS], at least in the sense that it is irregularly drawn in order to remedy the past discrimination, the court comes out exactly the opposite way from the way the Louisiana court comes out. By the way, that guarantees another Supreme Court decision because we have got decisions that clash. Somebody has to figure it out, and we are going back to the Supreme Court, thank you very much, Mr. Thomas. Maybe he has learned something since the last time.

We are going to keep at this until we get it right, even if it means we have to revisit the Voting Rights Act yet again.

What does totality of the circumstances that lead to the redrawing of a district mean? Here is what we said, if I may paraphrase. That in seeing whether or not this remedy is necessary, we, the Congress of the United

States, said, look at any history of official discrimination, such as denial of the right to vote or to register to vote or to participate in the democratic process.

Louisiana, North Carolina, Alabama, Georgia, need I say anything more? You can take judicial notice of the fact that the failures there are part of our tragic history. Test met.

Another test we said, that elections in the political subdivisions are racially polarized. Another test, that in drawing districts in the past, we see that they have been drawn so as to enhance opportunities for discrimination against the minority group. Examples of that would be drawing districts real large so that minority group gets lost in them, for example.

Another example of a circumstance that you look at is the use of processes that deny the minority group access, such as candidate-slating processes. Blacks were very unlikely to be put on a slate with whites. Look at the extent to which the minority group bears the effects of discrimination in the way it has been forced to live, as evidenced by education, employment, health, indicators of that kind. Or look at the extent to which members of a minority group have been elected to public office in the jurisdiction. Those are the tests from our 1982 amendment of the Voting Rights Act.

To show you how those tests applied in a particular case, let me take Thornburg versus Gingles, a North Carolina case. They looked at North Carolina, the situation in North Carolina in the Gingles case. This is a court of appeals case. I am sorry, this is a Supreme Court case. And they found that there had been discriminatory election related acts in North Carolina between the years 1900 and 1970, such as, understand they went all the way to 1970, such as the use of a pole tax, a literacy test, a prohibition against bullet voting where you vote for one person rather than for all six, let us say. And they said that that was an indication of discrimination. And there were a number of others.

Just let me name a few more that they found. They found that there had been historic discrimination in education, housing, employment, health services in North Carolina. They found that voting procedures such as majority vote requirement for primary elections had been used in North Carolina. Well, it has to be the majority vote. If you are in the minority, there is some indication in that atmosphere, in that part of the country, given its history, that they were not just using majority vote primaries for nothing. We have majority vote primaries all over the country where there is no history of discrimination and you might think nothing about it. But that has to be filtered through the particular history, in this case in North Carolina. And so it went.

I have, Mr. Speaker, emphasized this legal history because it is our history, the history of this body, the words of this body, the intention of this body. The amendments were done because we were dissatisfied with the Supreme Court, because the Supreme Court had misread us.

Now, unless we can straighten this out, we are going to have to give them some more instructions through yet another amendment of the Voting Rights Act. I certainly hope we will not have to do that and that they get it right this time and that we straighten out the district of the gentleman from Louisiana [Mr. FIELDS] and the several others that are under attack that you have heard about today.

Let me finally say to you, Mr. Speaker, why I think, above all, Americans would want to embrace the statute and the districts it has finally produced. How many times have I heard conservatives get up on this floor and talk about the great progress we have made so why do you people need more remedies?

Well, if you are going to talk about great progress, let us make sure we keep the progress intact and do not reverse it. Boy, what a reversal this would be. It would be a reversal in a little more than a couple years' time. But you would not want to, if you are an American, want to reverse the kind of progress I am about to detail, just a few indicators.

In 1965, when this statute was passed, there were all of 300 black elected officials in this country. Today, almost 30 years later, there are 8,015 black elected officials in this country. In 1965, in the States of the old Confederacy, in the South, there were only 87 black elected officials. By 1993, my hat is off to the new South, because we have grown from 87 black elected officials to 5,492 black elected officials in the South of the United States.

As a student and young woman, I spent some of the best days of my life in Mississippi.

□ 1740

I was sure that I would never live to see it become a civilized part of the world. Now, Mississippi has more black elected officials than any State in the Union. That makes me feel like an American, myself. I certainly would hope it would make every American feel more American.

Black voter registration in 1965 was 41 percent. It is 63 percent today. How encouraging the Voting Rights Act has been to all of us. Surely, Mr. Speaker, the gentleman from Louisiana [Mr. FIELDS] is proud of the fact that Louisiana apparently leads the Nation in black registration. Eighty-two percent of all blacks over 18 are registered in the State of Louisiana. It would be interesting to know how many of those registered after the redistricting took place.

Here is a State that only had one black, I just got him in my class two classes ago, and now it is about to have two, and Mr. Speaker, I have to say it will take a long time to really catch up to the deprivation that has gone before. While we are catching up, surely we do not want to step back. That just makes catching up ever so much more difficult.

Mr. Speaker, I have come forward, even though my own district is not endangered—my district in voter registration is, I don't know, perhaps 60 percent black, 40 percent white, it has a wonderful homogeneity in underlying philosophy—but I come forward because these new districts have made me a proud American; because I believe we ought to shout to the hilltops that this is the handiwork of this proud body, and this Congress should take whatever action is necessary to preserve these districts.

Mr. Speaker, I come forward because I see dangerous alienation in my own community, because it has taken so long to come to parity, and we are nowhere near parity yet, and because I have to have something to say to people that indicates that there is hope, and that change is coming, and I will not know what to say if these new districts are turned back and turned around.

Of course, Mr. Speaker, first and foremost, I stand with the gentlewoman from Georgia [Ms. MCKINNEY] and my other colleagues whose districts may be in danger, because I have a very personal bond with them. However, I believe this Congress has a bond with the American people that is represented by the action we took to make sure districts like this would indeed be formed, and so they have been formed. They must not be deformed and turned around.

Mr. Speaker, we cannot control what the Supreme Court does. We cannot control what courts of appeals do. However, we certainly can restate what our intentions are, and have been, and we can certainly do what we are doing this afternoon, to let the American people know what is at stake, know how far we have come, and know that we certainly do not intend at this late time in the century to turn around.

Let us all embrace these districts, let us all take pride in them, and through them, in ourselves as Americans.

Ms. MCKINNEY. I would just commend the gentlewoman from her eloquence, as usual. Let me just say that politics is not always interesting, and certainly redistricting is not the easiest subject to comprehend, but the gentlewoman has done a wonderful job in making this both interesting and understandable to the people who are with us this evening.

Mr. Speaker, I would also like to go a little further and thank the gentlewoman for her work, her life's work, on behalf of democracy, freedom, justice, and fairness in this country, and also her work on behalf of the 11th Congressional District of Georgia. Thank you very much.

We also, Mr. Speaker, have with us another gentlewoman from Texas who is in a State whose districts are being challenged, and I yield to the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON of Texas].

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I cannot reach the eloquence of my colleague, the gentlewoman who just completed, but I think I can bring forth a little bit of understanding as to what we are experiencing also in Texas.

Mr. Speaker, we sat for a number of years waiting to join the rest of this Nation for representation. It was a great day when the Voting Rights Act of 1965 came. When the census of 1970 came and the opportunity in 1972 came, I'm talking about the seventies, 1972, not 1700 anything, not 1800 anything, but 1972, we were able to elect the first black American from Texas to the U.S. Congress.

It was a joyous time in Texas. All of Texas celebrated. We came to the Capitol grounds and celebrated freedom and equality. Thousands and thousands of Texans came to Austin, TX, to celebrate Barbara Jordan getting an opportunity to come to the U.S. Congress.

That was not a big deal for white people. After all, they had been doing it as long as it has been a nation, and as long as it has been a Congress. However, this was an extraordinary occasion for us. Then she was followed by Mickey Leland and CRAIG WASHINGTON, and finally, Mr. Speaker, because Dallas, with a large number, a concentrated population, could not get a seat at the same time, though we had the population to do so, we were not able to get it until after the census of 1990.

It was not because the people were not voting. It was because their votes were paired off to elect others; not candidates of our choice, necessarily, but other candidates.

Mr. Speaker, in 1992, there was a second opportunity in Texas, and maybe there should have been at least five opportunities, but at least there was a second one, where the voters in the primary nominated a candidate with 93 percent of the vote, and I believe that made that candidate a candidate of choice. That candidate went on to win in the general election with almost 76 percent of the vote.

Mr. Speaker, the voters did not stop the person, but now one or two people want to take that right away from those voters who elected a candidate of their choice.

Though the approach is not considered to be one of personal attack, as has been explained over and over again, how can we explain this to young people? How can we explain this to the frustrated young population now, that we cannot understand why they do not want to stay in school, and why they do not want to follow all the rules of society, if they feel that the adult population in this country do not care what they think, how their parents vote, whether they have an opportunity?

Do you think we can instill hope? Do you think that young people of color in this country can feel that there is a nation of which they are a real part when the representatives that they can talk with, that they know understand, they do not have to guess, they do not have to wonder, they do not have to ask "What you people want," can represent them in the bodies that they watch on television, and the threat is to take them away?

I wish that we had the luxury, Mr. Speaker, to come here, vote no, and leave without thinking about it, but we do not. Most of our work takes place without coming to this floor and voting, because we are inundated with many concerns every day that become our major responsibility over and above what we were actually elected to do.

We do not have the luxury of just being a Congressperson or a State senator or a councilman. We have to be the whole show of equality, freedom, and opportunity for our people, and not just confined to our districts, but all over the country.

I get mail from all over this country pleading for help, especially in States where there are no black elected officials, especially at this level.

Young people in this country watched Thurgood Marshall become a Justice on the Supreme Court. That was a great day. This man had been one who helped all of us break down the barriers to be a part of the mainstream in this country.

☐ 1750

He was somebody we could be proud of. We have not had that representation on that court since him, and I do not see it in the future. But that was an example of how we can encourage young people to have aspirations, to give them reason to stay in school, to give them reason for following the law because somebody is going to help it be fair. But when it is not going to be fair, when they do not see the fairness, when they see that they get the worst of everything, hope is injured. Hope right now has less life than it had 25 years ago, because they see less progress. Yes, we have had some, but it is being rolled back. They see the attacks. They fear the coming of a new reconstruction, just as we do. We do not feel safe. And we know that we work every day, day in and day out, to try to relieve some of the burden, to look for opportunities, to try to do it within the framework of law, to try to do it with the rules that were written before we got here. We are trying hard, because we fought for this Nation. We have more than our share of the population in every war. We are proud to be Americans. But when we come home, it is difficult to tell our young people that there is something to look forward to when we never really feel that we can grab hold to a bit of equality and hold onto it. It is fleeting. If we just slacken any pace of vigilance, it disappears. That is what we are trying to convince the people, that we are an integral part of this Nation, but it is not fair unless we be an integral part of every level of what governs this Nation. We do not want to see the negative. We are here every day working against that. But we cannot convince any young person that there is hope when there is no opportunity. We cannot just bear the responsibility without having some results. We have got to have a part of all of it. We are only looking for fairness. We have not even asked for equality, because if we had equality in Texas, for example, we would have five Members that are black in this U.S. Congress. But we are getting attacked because we have two. I do not believe that any person in cloth with any sense of fairness can turn this clock back. I fail to see the logic. I do not think it is written anywhere in any law book. I think when they decide that we do not deserve to represent people, they will write new law that has never been written, that can never be validated.

In 1971, the Congressional Black Caucus was founded. In 1992, there were 26 Members. But in January 1993, we went to 40, and the attacks started. There have been lots of articles written about the clout. We recognize that we do not control any major voting here. All we try to do is speak out on issues of what we consider to be right. That is what is being attacked. You cannot attack our numbers without attacking what we stand for, and all we stand for is justice and equality.

We speak for voices that will not be heard otherwise. All of those voices do not live in our districts, all of them do not look like us. Sometimes I wonder, what would public education do in this Nation without voices like mine speaking out? Yet my people cannot even get the equality in the distribution of the funds. It is most unfortunate that this cannot be understood. I believe strongly that if the American people stopped to recognize what we are trying to say and tried to understand what we are trying to do, that every American that finds themselves in this great Nation would agree that all of its people deserve representation.

There are so many Americans, not black Americans, not just Hispanic Americans, not just Asian Americans or Native Americans but other Americans as well that would never have their causes expressed and advanced without a very small minority of the voices in bodies like these. I believe it was intended when the Constitution was written that all of the people in this Nation be represented. That is simply all we are asking. We have not even asked for our fair share. We have simply asked for those that we can go to the right arenas and negotiate, whether they be in State legislatures or in the courts. We have not taken up arms and held guns and shot and threatened. We have tried to go to the right arenas and use the mechanisms placed in position to govern this kind of deliberation, to get the rights we feel we deserve. That is all we are asking. We have defended this Nation. We will continue to do that. We are invested. We love this country.

But tell me, how do you explain to young people the love you have for a Nation that continues to reject you? How do we continue to explain it? How do we explain to young people that, yes, it is worth going to school when their parents go and they cannot get an opportunity even after they go?

Those are the kind of messages that we need to share with our colleagues. This is the kind of representation that we bring. We bring that message with sincerity and commitment. We sincerely believe that we have a role and we feel that the attack that is going on now to eliminate us from this body is grossly unfair and will not be tolerated.

I thank you, Mr. Speaker, for this time, and I plead to the Members on both sides of the aisle to speak out against this unfairness and let this Constitution and this country be a living document.

Ms. MCKINNEY. I thank the gentlewoman for her wonderful eloquent words and her fight on behalf of that which is right in this country.

I would like to submit for the record the remarks of President Lyndon Baines Johnson on August 6 when he discussed the triumph of the Voting Rights Act. I would just like to read a phrase from it where he said:

> They came in darkness and they came in chains and today we strike away the last major shackle of those fierce and ancient bonds. Today the Negro story and the American story fuse and blend.

Let us make sure that that continues to happen.

I would like to yield now to my friend and colleague from North Carolina, Mr. WATT.

Mr. WATT. I thank the gentlewoman from Georgia for yielding time and for organizing this important special order this afternoon to celebrate the anniversary of the 1965 Voting Rights Act.

This is an important undertaking and she and my colleague CLEO FIELDS from Louisiana are to be commended for organizing this event.

Mr. Speaker, let me talk for a few minutes about the 1965 Voting Rights Act and start by expressing my delight at the three-judge panel's decision in North Carolina this week which affirmed the configuration of congressional districts in North Carolina and once again affirmed the fact that I am the beneficiary of the 1965 Voting Rights Act.

☐ 1800

As Members maybe recall, the U.S. Supreme Court had suggested that the districts in North Carolina may be subject to attack or at least subject to question because they said, and I had some trouble understanding this, that while an 80- to 90-percent white congressional district was an integrated district, a 51-percent black district was somehow akin to racial apartheid. I never understood that. It seems to me that a district that was 51 percent black and 48 percent white would be a lot more integrated than a district that was 80 percent white and 20 percent black.

So it seemed to me that the congressional districts that were majority black in North Carolina were the most integrated districts that North Carolina had, but for some reason the Supreme Court said these districts were suspect.

I am delighted that the three-judge panel has seen fit, despite the rigorous guidelines that were given by the Supreme Court, to uphold the congressional districts in North Carolina. So I want to start by expressing my appreciation to those North Carolinians and my colleagues here who stood with us in that fight.

But as you know, that fight goes on in Texas, that fight goes on in Georgia, in Louisiana, in Florida, and continues as we speak in North Carolina, because they will not rest this case at the end of the three-judge panel's decision. The case will be appealed.

So I want to spend 1 minute or 2 talking about this 1965 Voting Rights Act and the basis for it. My colleague, ELEANOR HOLMES NORTON, from the District of Colombia, talked about one of the bases for passage of the Voting Rights Act. She talked about this concept called racially polarized voting. I want to spend a little bit of time talking about this concept of racially polarized voting in plain everyday English that my colleagues and the people of America can understand, because when I talk about racially polarized voting, people look at me and say well, that should like one of those legal terms. Let me just say that racially polarized voting simply means that there is a history of white people voting for white candidates. Let me repeat that. There is a demonstrated history of white people voting for only white candidates and refusing to vote for black candidates.

What does that mean? That means if you go to North Carolina right now in the year of our Lord 1994 and you take a poll, 30 percent, 35 percent of the white citizens in North Carolina will tell you honestly under no circumstances, under no conditions would I vote for a black candidate. I do not care how good that black candidate is, I do not care if he can walk on water, I do not care, I would not consider voting for a black candidate.

Now play that out to the next level and understand that 78 percent of our population in North Carolina is white. If you have 30 percent to 35 percent of those people who say that they under no conditions will vote for a black candidate, how then in an at-large election can a black candidate ever be elected? It cannot be done, and that is what we talk about when we talk about this historical pattern of racially polarized voting. It means that the majority, who is white, because they refuse to even consider the qualifications of a black candidate would never, ever elect a black candidate.

Some of my news media friends, and some of my colleagues do not understand that, and I do not beat up on them because when they talk to me they say they do not understand this because they do not know white people who carry those attitudes. We all deny that we know people who would refuse to vote for the most qualified candidate whether that person was black or white. It is alien to our concept of fairness, and so the newspapers and the news media, my news reporter friends say oh, that cannot be so. All of my friends tell me that if the black candidate is more qualified than the white candidate they would vote for the black candidate. I say to them you go down into North Carolina and you take a poll and 30 percent to 35 percent of the population will tell you under no circumstances, regardless of how qualified, would I vote for a black candidate.

So there is a need for something that will equalize the playing field. That is all the Voting Rights Act does. All it says is draw districts in such a way, for the time being at least, that it will give a black candidate an opportunity to be elected, not an assurance, but factor out that 30 percent to 35 percent of the population so that at least a black candidate has a fighting chance of being elected.

That is all the Voting Rights Act does, gives people of color the right to select on an equal footing the candidate of their choice.

Let me play this out one more level talking about racially-polarized voting and the whole notion that somehow we should be color blind. If 30 percent to 35 percent of the population has already indicated they refuse to be color blind, even though that number is reducing gradually as time goes on because of the world in which we live, why should we wait until that 30 percent to 35 percent of the population changes its attitude before we allow black America to have representation in the Congress of the United States? We should not have to wait for their racist attitudes to change. The voting Rights Act says we do not have to wait, we would like to give you an opportunity to serve in the Congress of the United States.

I want to submit that that is not different than what the people said in South Africa when they were setting up the government over there. Imagine, if you would, that the people of South Africa came to the United States and said we are going to set up a government in South Africa that does not guarantee the white minority representation in their government. Do you think there is any American who would not have stood up in abject outrage at that notion? They would have said, "Oh no, that's not fair." The white minority has been in control for all of these years, but when you create a new government, if it is going to be fair, if it is going to be a democratic government, you have to at least make sure that all of the people in South Africa have an opportunity to be represented in that government.

□ 1810

And we would have stood up in complete outrage if the people of South Africa had come forward with a plan that did not assure the white minority representation in their government. So why in our own country, why in our own country are so many people saying, "Why can't we just be color blind? We don't need to assure the black minority in this country representation in their government."

Can we have one standard for South Africa and a completely different standard right here in our own country?

There is nothing sinister about a Voting Rights Act. It is completely and utterly democratic. It says to our Nation that we believe in democracy, we believe in everybody having an opportunity to be represented in their government, and that is what democracy is all about, I thought.

So I want to say right now that when the time comes for the reauthorization of the 1965 Voting Rights Act next year, I do not want anybody to come and tell me all of a sudden we are going to be color blind in this country. If you are going to come and tell me to be color blind, I want you to go down to North Carolina and tell that 30 percent of the population who says, if you polled them privately, "I won't vote for somebody black," and if you do not draw districts that take that into account, then the 70 percent of the population is being color blind, but that 30 percent, I submit to you, is not being color blind.

If we are all going to play by the same set of rules, the democratic rules that give all of us the pride to stand up and say we live in a democracy, then I submit to you that we have got to reauthorize the Voting Rights Act again.

Now, some of my friends asked me, "Well, how long has this got to go on? Isn't this a transitional remedy?" Sure, it is. I would like to transition out of it tomorrow as soon as we get rid of all of these people who refuse to take qualifications rather than color into account in selecting their candidates. I am ready to phase it out.

As soon as we do not have any more discrimination in this country, we can do away with affirmative action. As soon as the polls in North Carolina show that every citizen says, "Oh, yes, I can vote for the person regardless of their color, based on their qualifications," as soon as that occurs, I am ready to phase it out.

I have got two young sons, not young sons; they both are old now, 26 and 21. I would love nothing better than to think that that day will come in my lifetime, and certainly, if not in mine, sometime during the course of theirs. But until that day, Mr. Speaker, until that day, as long as we have this racially polarized voting that I have talked about, we must, if we are going to have representative democratic government, have a vibrant and enforceable Civil Rights and Voting Rights Act.

I thank the gentlewoman for yielding time to me, and I thank her for her efforts to further the cause of not black America, not Hispanic America, but of democracy, of democracy in this country.

Ms. MCKINNEY. Mr. Speaker, I thank the gentleman from North Carolina, who has demonstrated how in the middle of a fierce and sometimes personal battle, one can remain calm and balanced, sure-footed and strong.

I would like to take this opportunity to thank the tremendous work of Judge Leon Higginbotham, Jr., who serves as special counsel to the Congressional Black Caucus.

He has written a brief for the Georgia redistricting challenge, and that brief begins with the words of Congressman George White of North Carolina, the last African American elected to Congress during reconstruction, and in his farewell address to Congress, he says:

> I want to enter a plea for the colored man, the colored woman, the colored boy, and the colored girl of this country. He asks no special favors but simply demands that he be given the same chance for existence, for earning a livelihood, for raising himself in the scales of manhood and womanhood that are accorded to kindred nationalities. This, Mr. Chairman, is perhaps the Negro's temporary farewell to the American Congress, but lest me say, Phoenix-like, he will rise up someday and come again. These parting words are in behalf of an outraged, heartbroken, bruised and bleeding, but God-fearing people, faithful, industrious, loyal people, rising people, full of potential force. The only apology that I have to make for the earnestness with which I have spoken is that I am pleading for the life, the liberty, the future happiness and manhood suffrage for one-eights of the entire population of the United States.

After George White departed from Congress, decades passed where not one African American legislator held a seat in Congress.

As I said earlier, in 1868 in Georgia, 33 were expelled for no other reason than the color of their skin. Let us not fool ourselves and think that it cannot happen again, because it can.

It is up to us. It is up to you, my friends, to stop it, and we can. Let us let freedom ring. Let us make freedom ring, and, please, let your voices be heard on Capitol Hill in support of the Voting Rights Act. Let your voices be heard in newspapers and on the radio in support of the Voting Rights Act.

And pay close attention to the state of democracy in our home areas. Support us as we fight these attempts to expel us for no other reason than the color of our skin, and next year, when the extension of the Voting Rights Act comes up, let us all support the extension and its strengthening.

CONFERENCE REPORT ON H.R. 2739

Mr. MINETA submitted the following conference report and statement on the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-677)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Aviation Administration Authorization Act of 1994".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Amendment of title 49, United States Code.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENT

Sec. 101. Airport improvement program.
Sec. 102. Airway improvement program.
Sec. 103. Operations of FAA.
Sec. 104. Innovative technology policy.
Sec. 105. Inclusion of explosive detection devices and universal access systems.
Sec. 106. Submission and approval of project grant applications.
Sec. 107. Preventive maintenance.
Sec. 108. Repeal of general aviation airport project grant application approval.

Sec. 109. Reports on impacts of new airport projects.
Sec. 110. Airport fees policy.
Sec. 111. Airport financial reports.
Sec. 112. Additional enforcement against illegal diversion of airport revenue.
Sec. 113. Resolution of airport-air carrier disputes concerning airport fees.
Sec. 114. Terminal development.
Sec. 115. Letters of intent.
Sec. 116. Military airport program.
Sec. 117. Terminal development costs.
Sec. 118. Airport safety data collection.
Sec. 119. Soundproofing and acquisition of certain residential buildings and properties.
Sec. 120. Landing aids and navigational equipment inventory pool.
Sec. 121. Review of passenger facility charge program.

TITLE II—OTHER AVIATION PROGRAMS

Sec. 201. Term of office of FAA Administrator.
Sec. 202. Assistance to foreign aviation authorities.
Sec. 203. Use of passenger facility charges to meet Federal mandates.
Sec. 204. Passenger facility charges.
Sec. 205. Gambling on commercial aircraft.
Sec. 206. Slots for air carriers at airports.
Sec. 207. Air service termination notice.
Sec. 208. State taxation of air carrier employees.
Sec. 209. Foreign fee collection.

TITLE III—RESEARCH, ENGINEERING, AND DEVELOPMENT

Sec. 301. Short title.
Sec. 302. Aviation research authorization of appropriations.
Sec. 303. Joint aviation research and development program.
Sec. 304. Aircraft cabin air quality research program.
Sec. 305. Use of domestic products.
Sec. 306. Purchase of American made equipment and products.
Sec. 307. Cooperative agreements for research, engineering, and development.
Sec. 308. Research program on quiet aircraft technology.

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

Sec. 401. Expenditures from Airport and Airway Trust Fund.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Rulemaking on random testing for prohibited drugs.
Sec. 502. Transportation security report.
Sec. 503. Repeal of annual report requirement.
Sec. 504. Advanced landing system.
Sec. 505. Asbestos removal and building demolition and removal, vacant air force station, Marin County, California.
Sec. 506. Land acquisition costs.
Sec. 507. Information on disinsection of aircraft.
Sec. 508. Contract tower assistance.
Sec. 509. Discontinuation of aviation safety journal.
Sec. 510. Monroe airport improvement.
Sec. 511. Soldotna airport improvement.
Sec. 512. Sturgis, Kentucky.
Sec. 513. Rolla airport improvement.
Sec. 514. Palm Springs, California.
Sec. 515. Real estate transfers in Alaska and weather observation services.
Sec. 516. Relocation of airway facilities.
Sec. 517. Safety at Aspen-Pitkin County Airport.
Sec. 518. Collective bargaining at Washington airports.
Sec. 519. Report on certain bilateral negotiations.
Sec. 520. Study on innovative financing.
Sec. 521. Safety of Juneau International Airport.
Sec. 522. Study on child restraint systems.
Sec. 523. Sense of Senate relating to DOT Inspector General.
Sec. 524. Sense of Senate on issuance of report on usage of radar at the Cheyenne, Wyoming, airport.
Sec. 525. North Korea.
Sec. 526. Sense of Senate on final regulations under Civil Rights Act of 1964.

TITLE VI—INTRASTATE TRANSPORTATION OF PROPERTY

Sec. 601. Preemption of intrastate transportation of property.

SEC. 2. DEFINITIONS.

In this Act, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

SEC. 3. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENT

SEC. 101. AIRPORT IMPROVEMENT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 is amended—

(1) by striking "Not more" and all that follows through "1993," and inserting "The total amounts which shall be available after September 30, 1981, to the Secretary of Transportation"; and

(2) by inserting before the period at the end "shall be $17,583,500,000 for fiscal years ending before October 1, 1994, $19,744,500,000 for fiscal years ending before October 1, 1995, and $21,958,500,000 for fiscal years ending before October 1, 1996".

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) is amended by striking "After" and all that follows through "Secretary" and inserting "After September 30, 1996, the Secretary".

SEC. 102. AIRWAY IMPROVEMENT PROGRAM.

(a) AIRWAY FACILITIES AND EQUIPMENT.—Section 48101(a) is amended—

(1) in paragraph (1) by striking "for" and inserting "For";

(2) in paragraph (2)—

(A) by striking "for" and inserting "For"; and

(B) by striking "$11,100,000,000" and inserting "$10,724,000,000";

(3) in paragraph (3)—

(A) by striking "for" and inserting "For"; and

(B) by striking "$14,000,000,000" and inserting "$13,394,000,000"; and

(4) by adding at the end the following:

"(4) For the fiscal years ending September 30, 1991–1996, $16,129,000,000.".

(b) CERTAIN DIRECT COSTS AND JOINT AIR NAVIGATION SERVICES.—Section 48104 is amended—

(1) in the heading for subsection (b) by inserting "FOR FISCAL YEARS 1993" after "LIMITATION";

(2) in subsection (b) by striking "each" and all that follows through "1995," and inserting "fiscal year 1993"; and

(3) by adding at the end the following:

"(c) LIMITATION FOR FISCAL YEARS 1994–1996.—The amount appropriated from the Trust Fund for the purposes of paragraphs (1) and (2) of subsection (a) for each of fiscal years 1994, 1995, and 1996 may not exceed the lesser of—

"(1) 50 percent of the amount of funds made available under sections 48101–48103 of this title for such fiscal year; or

"(2)(A) 70 percent of the amount of funds made available under sections 106(k) and 48101–48103 of this title for such fiscal year; less

"(B) the amount of funds made available under sections 48101–48103 of this title for such fiscal year.".

(c) LIMITATION ON OBLIGATING OR EXPENDING FUNDS.—Section 48108(c) is amended by striking "1995" and inserting "1996".

SEC. 103. OPERATIONS OF FAA.

Section 106(k) is amended by striking ", $5,100,000,000" and all that follows through "1995" and inserting ", $4,576,000,000 for fiscal year 1994, $4,674,000,000 for fiscal year 1995, and $4,810,000,000 for fiscal year 1996".

SEC. 104. INNOVATIVE TECHNOLOGY POLICY.

Section 47101(a) is amended—

(1) by striking "and" at the end of paragraph (9)(C);

(2) by striking the period at the end of paragraph (10) and inserting a semicolon; and

(3) by adding at the end the following:

"(11) that the airport improvement program should be administered to encourage projects that employ innovative technology, concepts, and approaches that will promote safety, capacity, and efficiency improvements in the construction of airports and in the air transportation system (including the development and use of innovative concrete and other materials in the construction of airport facilities to minimize initial laydown costs, minimize time out of service, and maximize lifecycle durability) and to encourage and solicit innovative technology proposals and activities in the expenditure of funding pursuant to this subchapter;".

SEC. 105. INCLUSION OF EXPLOSIVE DETECTION DEVICES AND UNIVERSAL ACCESS SYSTEMS.

Section 47102(3)(B)(ii) is amended by inserting after "or security equipment" the following: ", including explosive detection devices and universal access systems,".

SEC. 106. SUBMISSION AND APPROVAL OF PROJECT GRANT APPLICATIONS.

Section 47105(a)(1)(B) is amended—

(1) by striking "at least 2" each place it appears and inserting "1 or more"; and

(2) by striking "similar".

SEC. 107. PREVENTIVE MAINTENANCE.

(a) CONDITION OF ASSISTANCE.—Section 47105 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) PREVENTIVE MAINTENANCE.—After January 1, 1995, the Secretary may approve an application under this subchapter for the replacement or reconstruction of pavement at an airport only if the sponsor has provided such assurances or certifications as the Secretary may determine appropriate that such airport has implemented an effective airport pavement maintenance-management program. The Secretary may require such reports on pavement condition and pavement management programs as the Secretary determines may be useful.".

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall study the products used for airport pavement maintenance and rehabilitation. Such study shall consider, at a minimum, the cost and benefits of the following:

(A) A requirement that the manufacturer or installer of such products provide minimum warranties.

(B) Establishment of enhanced minimum specifications or performance standards for such products.

(C) The use of insurance or other means to improve the performance and value of such products.

(2) SOLICITATION OF VIEWS.—In conducting the study under this subsection, the Secretary shall solicit and consider the views of airport operators, manufacturers of airport pavement maintenance and rehabilitation products, installers of such products, appropriate Federal agencies, and other relevant persons.

(3) REPORT.—Not later than June 1, 1995, the Secretary shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives on the results of the study conducted under this subsection.

SEC. 108. REPEAL OF GENERAL AVIATION AIRPORT PROJECT GRANT APPLICATION APPROVAL.

Section 47106 is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 109. REPORTS ON IMPACTS OF NEW AIRPORT PROJECTS.

Section 47106 is amended by adding at the end the following:

"(f) REPORTS RELATING TO CONSTRUCTION OF CERTAIN NEW HUB AIRPORTS.—At least 90 days prior to the approval under this subchapter of a project grant application for construction of a new hub airport that is expected to have 0.25 percent or more of the total annual enplanements in the United States, the Secretary shall submit to Congress a report analyzing the anticipated impact of such proposed new airport on—

"(1) the fees charged to air carriers (including landing fees), and other costs that will be incurred by air carriers, for using the proposed airport;

"(2) air transportation that will be provided in the geographic region of the proposed airport; and

"(3) the availability and cost of providing air transportation to rural areas in such geographic region.".

SEC. 110. AIRPORT FEES POLICY.

Section 47101(a) is further amended by adding at the end the following:

"(12) that airport fees, rates, and charges must be reasonable and may only be used for purposes not prohibited by this Act; and

"(13) that airports should be as self-sustaining as possible under the circumstances existing at each particular airport and in establishing new fees, rates, and charges, and generating revenues from all sources, airport owners and operators should not seek to create revenue surpluses that exceed the amounts to be used for airport system purposes and for other purposes for which airport revenues may be spent under section 47107(b)(1) of this title, including reasonable reserves and other funds to facilitate financing and cover contingencies.".

SEC. 111. AIRPORT FINANCIAL REPORTS.

(a) IN GENERAL.—Section 47107(a) is amended—

(1) by inserting before the semicolon at the end of paragraph (15) "and make such reports available to the public";

(2) by striking "and" at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting "; and"; and

(3) by adding at the end the following:

"(19) the airport owner or operator will submit to the Secretary and make available to the public an annual report listing in detail—

"(A) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

"(B) all services and property provided to other units of government and the amount of compensation received for provision of each such service and property.".

(b) FORMAT FOR REPORTING.—Within 180 days after the date of the enactment of this Act, the Secretary shall prescribe a uniform simplified format for reporting that is applicable to airports. Such format shall be designed to enable the public to understand readily how funds are collected and spent at airports, and to provide sufficient information relating to total revenues, operating expenditures, capital expenditures, debt service payments, contributions to restricted funds, accounts, or reserves required by financing agreements or covenants or airport lease or use agreements or covenants. Such format shall require each commercial service airport to report the amount of any revenue surplus, the amount of concession-generated revenue, and other information as required by the Secretary.

(c) ANNUAL SUMMARIES.—Section 47107 is amended by adding at the end the following:

"(k) ANNUAL SUMMARIES OF FINANCIAL REPORTS.—The Secretary shall provide to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives an annual summary of the reports submitted to the Secretary under subsection (a)(19) of this section and under section 111(b) of the Federal Aviation Administration Authorization Act of 1994.".

SEC. 112. ADDITIONAL ENFORCEMENT AGAINST ILLEGAL DIVERSION OF AIRPORT REVENUE.

(a) NEW POLICIES AND PROCEDURES.—Section 47107 is further amended by adding at the end the following:

"(l) POLICIES AND PROCEDURES TO ENSURE ENFORCEMENT AGAINST ILLEGAL DIVERSION OF AIRPORT REVENUE.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this subsection, the Secretary of Transportation shall establish policies and procedures that will assure the prompt and effective enforcement of subsections (a)(13) and (b) of this section and grant assurances made under such subsections. Such policies and procedures shall recognize the exemption provision in subsection (b)(2) of this section and shall respond to the information contained in the reports of the Inspector General of the Department of Transportation on airport revenue diversion and such other relevant information as the Secretary may by law consider.

"(2) REVENUE DIVERSION.—Policies and procedures to be established pursuant to paragraph (1) of this subsection shall prohibit, at a minimum, the diversion of airport revenues (except as authorized under subsection (b) of this section) through—

"(A) direct payments or indirect payments, other than payments reflecting the value of services and facilities provided to the airport;

"(B) use of airport revenues for general economic development, marketing, and promotional activities unrelated to airports or airport systems;

"(C) payments in lieu of taxes or other assessments that exceed the value of services provided; or

"(D) payments to compensate nonsponsoring governmental bodies for lost tax revenues exceeding stated tax rates.

"(3) EFFORTS TO BE SELF-SUSTAINING.—With respect to subsection (a)(13) of this section, policies and procedures to be established pursuant to paragraph (1) of this subsection shall take into account, at a minimum, whether owners and operators of airports, when entering into new or revised agreements or otherwise establishing rates, charges, and fees, have undertaken reasonable efforts to make their particular airports as self-sustaining as possible under the circumstances existing at such airports.

"(4) ADMINISTRATIVE SAFEGUARDS.—Policies and procedures to be established pursuant to paragraph (1) shall mandate internal controls, auditing requirements, and increased levels of Department of Transportation personnel sufficient to respond fully and promptly to complaints received regarding possible violations of subsections (a)(13) and (b) of this section and grant assurances made under such subsections and to alert the Secretary to such possible violations.".

(b) WITHHOLDING OF APPROVAL OF APPLICATIONS FOR GRANTS OR PASSENGER FACILITY CHARGES; JUDICIAL ENFORCEMENT.—Section 47111 is amended by adding at the end the following:

"(e) ACTION ON GRANT ASSURANCES CONCERNING AIRPORT REVENUES.—If, after notice and opportunity for a hearing, the Secretary finds a violation of section 47107(b) of this title, as further defined by the Secretary under section 47107(l) of this title, or a violation of an assurance made under section 47107(b) of this title, and the Secretary has provided an opportunity for the airport sponsor to take corrective action to cure such violation, and such corrective action has not been taken within the period of time set by the Secretary, the Secretary shall withhold approval of any new grant application for funds under this chapter, or any proposed modification to an existing grant that would increase the amount of funds made available under this chapter to the airport sponsor, and withhold approval of any new application to impose a fee under section 40117 of this title. Such applications may thereafter be approved only upon a finding by the Secretary that such corrective action as the Secretary requires has been taken to address the violation and that the violation no longer exists.

"(f) JUDICIAL ENFORCEMENT.—For any violation of this chapter or any grant assurance made under this chapter, the Secretary may apply to the district court of the United States for any district in which the violation occurred for enforcement. Such court shall have jurisdiction to enforce obedience thereto by a writ of injunction or other process, mandatory or otherwise, restraining any person from further violation.".

(d) CIVIL PENALTIES.—

(1) GENERAL PENALTY.—Section 46301(a) is amended—

(A) in paragraph (1) by striking "or 46303" and inserting "46303, or 47107(b) (including any assurance made under such section)"; and

(B) by adding at the end the following:

"(5) In the case of a violation of section 47107(b) of this title, the maximum civil penalty for a continuing violation shall not exceed $50,000.".

(2) ADMINISTRATIVE PENALTY.—Section 46301(d)(2) is amended by striking "or 46303" and inserting "46303, or 47107(b) (as further defined by the Secretary under section 47107(l) and including any assurance made under section 47107(b))".

(3) PROCEDURES.—Section 46301(d)(7) is amended by adding at the end the following:

"(D) In the case of a violation of section 47107(b) of this title or any assurance made under such section—

"(i) a civil penalty shall not be assessed against an individual;

"(ii) a civil penalty may be compromised as provided under subsection (f); and

"(iii) judicial review of any order assessing a civil penalty may be obtained only pursuant to section 46110 of this title.".

(c) CONSIDERATION OF DIVERSION OF REVENUES IN AWARDING DISCRETIONARY GRANTS.—Section 47115 is amended by adding at the end the following new subsection:

"(f) CONSIDERATION OF DIVERSION OF REVENUES IN AWARDING DISCRETIONARY GRANTS.—

"(1) GENERAL RULE.—Subject to paragraph (2), in deciding whether or not to distribute

funds to an airport from the discretionary funds established by subsection (a) of this section and section 47116 of this title, the Secretary shall consider as a factor militating against the distribution of such funds to the airport the fact that the airport is using revenues generated by the airport or by local taxes on aviation fuel for purposes other than capital or operating costs of the airport or the local airports system or other local facilities which are owned or operated by the owner or operator of the airport and directly and substantially related to the actual air transportation of passengers or property.

"(2) REQUIRED FINDING.—Paragraph (1) shall apply only when the Secretary finds that the amount of revenues used by the airport for purposes other than capital or operating costs in the airport's fiscal year preceding the date of the application for discretionary funds exceeds the amount of such revenues in the airport's first fiscal year ending after the date of the enactment of this subsection, adjusted by the Secretary for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

(d) UNREASONABLE BURDEN ON INTERSTATE COMMERCE.—Section 40116(d)(2)(A) is amended by adding at the end the following:

"(iv) Levy or collect a tax, fee, or charge, first taking effect after the date of the enactment of this clause, exclusively upon any business located at a commercial service airport or operating as a permittee of such an airport other than a tax, fee, or charge wholly utilized for airport or aeronautical purposes.".

SEC. 113. RESOLUTION OF AIRPORT-AIR CARRIER DISPUTES CONCERNING AIRPORT FEES.

(a) IN GENERAL.—Subchapter I of chapter 471 of subtitle VII is amended—

(1) by redesignating section 47129 (and any references thereto) as section 47131; and

(2) by adding at the end the following new section:

"§47129. Resolution of airport-air carrier disputes concerning airport fees

"(a) AUTHORITY TO REQUEST SECRETARY'S DETERMINATION.—

"(1) IN GENERAL.—The Secretary of Transportation shall issue a determination as to whether a fee imposed upon one or more air carriers (as defined in section 40102 of this subtitle) by the owner or operator of an airport is reasonable if—

"(A) a written request for such determination is filed with the Secretary by such owner or operator; or

"(B) a written complaint requesting such determination is filed with the Secretary by an affected air carrier within 60 days after such carrier receives written notice of the establishment or increase of such fee.

"(2) CALCULATION OF FEE.—A fee subject to a determination of reasonableness under this section may be calculated pursuant to either a compensatory or residual fee methodology or any combination thereof.

"(3) SECRETARY NOT TO SET FEE.—In determining whether a fee is reasonable under this section, the Secretary may only determine whether the fee is reasonable or unreasonable and shall not set the level of the fee.

"(b) PROCEDURAL REGULATIONS.—Not later than 90 days after the date of the enactment of this section, the Secretary shall publish in the Federal Register final regulations, policy statements, or guidelines establishing—

"(1) the procedures for acting upon any written request or complaint filed under subsection (a)(1); and

"(2) the standards or guidelines that shall be used by the Secretary in determining under this section whether an airport fee is reasonable.

"(c) DECISIONS BY SECRETARY.—The final regulations, policy statements, or guidelines required in subsection (b) shall provide the following:

"(1) Not more than 120 days after an air carrier files with the Secretary a written complaint relating to an airport fee, the Secretary shall issue a final order determining whether such fee is reasonable.

"(2) Within 30 days after such complaint is filed with the Secretary, the Secretary shall dismiss the complaint if no significant dispute exists or shall assign the matter to an administrative law judge; and thereafter the matter shall be handled in accordance with part 302 of title 14, Code of Federal Regulations, or as modified by the Secretary to ensure an orderly disposition of the matter within the 120-day period and any specifically applicable provisions of this section.

"(3) The administrative law judge shall issue a recommended decision within 60 days after the complaint is assigned or within such shorter period as the Secretary may specify.

"(4) If the Secretary, upon the expiration of 120 days after the filing of the complaint, has not issued a final order, the decision of the administrative law judge shall be deemed to be the final order of the Secretary.

"(5) Any party to the dispute may seek review of a final order of the Secretary under this subsection in the Circuit Court of Appeals for the District of Columbia Circuit or the court of appeals in the circuit where the airport which gives rise to the written complaint is located.

"(6) Any findings of fact in a final order of the Secretary under this subsection, if supported by substantial evidence, shall be conclusive if challenged in a court pursuant to this subsection. No objection to such a final order shall be considered by the court unless objection was urged before an administrative law judge or the Secretary at a proceeding under this subsection or, if not so urged, unless there were reasonable grounds for failure to do so.

"(d) PAYMENT UNDER PROTEST; GUARANTEE OF AIR CARRIER ACCESS.—

"(1) PAYMENT UNDER PROTEST.—

"(A) IN GENERAL.—Any fee increase or newly established fee which is the subject of a complaint that is not dismissed by the Secretary shall be paid by the complainant air carrier to the airport under protest.

"(B) REFERRAL OR CREDIT.—Any amounts paid under this subsection by a complainant air carrier to the airport under protest shall be subject to refund or credit to the air carrier in accordance with directions in the final order of the Secretary within 30 days of such order.

"(C) ASSURANCE OF TIMELY REPAYMENT.—In order to assure the timely repayment, with interest, of amounts in dispute determined not to be reasonable by the Secretary, the airport shall obtain a letter of credit, or surety bond, or other suitable credit facility, equal to the amount in dispute that is due during the 120-day period established by this section, plus interest, unless the airport and the complainant air carrier agree otherwise.

"(D) DEADLINE.—The letter of credit, or surety bond, or other suitable credit facility shall be provided to the Secretary within 20 days of the filing of the complaint and shall remain in effect for 30 days after the earlier of 120 days or the issuance of a timely final order by the Secretary determining whether such fee is reasonable.

"(2) GUARANTEE OF AIR CARRIER ACCESS.—Contingent upon an air carrier's compliance with the requirements of paragraph (1) and pending the issuance of a final order by the Secretary determining the reasonableness of a fee that is the subject of a complaint filed under subsection (a)(1)(B), an owner or operator of an airport may not deny an air carrier currently providing air service at the airport reasonable access to airport facilities or service, or otherwise interfere with an air carrier's prices, routes, or services, as a means of enforcing the fee.

"(e) APPLICABILITY.—This section does not apply to—

"(1) a fee imposed pursuant to a written agreement with air carriers using the facilities of an airport;

"(2) a fee imposed pursuant to a financing agreement or covenant entered into prior to the date of the enactment of this section; or

"(3) any other existing fee not in dispute as of such date of enactment.

"(f) EFFECT ON EXISTING AGREEMENTS.—Nothing in this section shall adversely affect—

"(1) the rights of any party under any existing written agreement between an air carrier and the owner or operator of an airport; or

"(2) the ability of an airport to meet its obligations under a financing agreement, or covenant, that is in force as of the date of the enactment of this section.

"(g) DEFINITION.—In this section, the term 'fee' means any rate, rental charge, landing fee, or other service charge for the use of airport facilities.".

(b) CONFORMING AMENDMENT.—The analysis to such chapter is amended—

(1) by striking "47129" and inserting "47131"; and

(2) by inserting after the item relating to section 47128 the following:

"47129. Resolution of airport-air carrier disputes concerning airport fees.".

SEC. 114. TERMINAL DEVELOPMENT.

Section 47109 is amended—

(1) in subsection (a) by striking "subsections (b) and (c)" and inserting "subsection (b)"; and

(2) by striking subsection (c).

SEC. 115. LETTERS OF INTENT.

Section 47110(e) is amended by adding at the end the following:

"(6) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to prohibit the obligation of amounts pursuant to a letter of intent under this subsection in the same fiscal year as the letter of intent is issued.".

SEC. 116. MILITARY AIRPORT PROGRAM.

(a) MILITARY AIRPORT SET-ASIDE.—Section 47117(e)(1)(E) is amended by striking "and 1995" and inserting ", 1995, and 1996".

(b) DESIGNATION OF MILITARY AIRPORTS.—Section 47118(a) is amended—

(1) by striking "12" and inserting "15"; and

(2) by adding at the end the following: "The Secretary may only designate an airport for such grants (other than an airport designated for such grants on or before the date of the enactment of this sentence) if the Secretary finds that grants under such section for projects at such airport would reduce delays at an airport with more than 20,000 hours of annual delays in commercial passenger aircraft takeoffs and landings.".

(c) ELIMINATION OF EXTENSION OF 5-YEAR PERIOD OF ELIGIBILITY.—Section 47118(d) is amended by striking the last sentence.

(d) CONSTRUCTION OF PARKING LOTS, FUEL FARMS, AND UTILITIES.—Section 47118(f) is amended by striking "–1995" and inserting "–1996".

SEC. 117. TERMINAL DEVELOPMENT COSTS.

Section 47119 is amended—

(1) in subsection (a) by inserting "or, in the case of a commercial service airport which annually had less than 0.05 percent of the total enplanements in the United States, between January 1, 1992, and October 31, 1992," after "July 12, 1976,"; and

(2) by adding at the end the following:

"(c) NONHUB AIRPORTS.—With respect to a project at a commercial service airport which annually has less than 0.05 percent of the total enplanements in the United States, the Secretary may approve the use of the amounts described in subsection (a) notwithstanding the requirements of sections 47107(a)(17), 47112, and 47113.".

SEC. 118. AIRPORT SAFETY DATA COLLECTION.

(a) IN GENERAL.—Chapter 471 of subtitle VII is further amended by inserting after section 47129 the following:

"§47130. Airport safety data collection

"Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration may contract, using sole source or limited source authority, for the collection of airport safety data.".

(b) CLERICAL AMENDMENT.—The analysis for such chapter 471 is further amended by inserting after the item relating to section 47129 the following:

"47130. Airport safety data collection.".

SEC. 119. SOUNDPROOFING AND ACQUISITION OF CERTAIN RESIDENTIAL BUILDINGS AND PROPERTIES.

Section 47504(c) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

(2) by inserting after paragraph (1) the following:

"(2) SOUNDPROOFING AND ACQUISITION OF CERTAIN RESIDENTIAL BUILDINGS AND PROPERTIES.—The Secretary may incur obligations to make grants from amounts made available under section 48103 of this title—

"(A) for projects to soundproof residential buildings—

"(i) if the airport operator received approval for a grant for a project to soundproof residential buildings pursuant to section 301(d)(4)(B) of the Airport and Airway Safety and Capacity Expansion Act of 1987;

"(ii) if the airport operator submits updated noise exposure contours, as required by the Secretary; and

"(iii) if the Secretary determines that the proposed projects are compatible with the purposes of this chapter; and

"(B) to an airport operator and unit of local government referred to in paragraph (1)(A) or (1)(B) of this subsection to soundproof residential buildings located on residential properties, and to acquire residential properties, at which noise levels are not compatible with normal operations of an airport—

"(i) if the airport operator amended an existing local aircraft noise regulation during calendar year 1993 to increase the maximum permitted noise levels for scheduled air carrier aircraft as a direct result of implementation of revised aircraft noise departure procedures mandated for aircraft safety purposes by the Administrator of the Federal Aviation Administration for standardized application at airports served by scheduled air carriers;

"(ii) if the airport operator submits updated noise exposure contours, as required by the Secretary; and

"(iii) if the Secretary determines that the proposed projects are compatible with the purposes of this chapter."; and

(3) in paragraph (4), as so redesignated, by striking "paragraph (1) of".

SEC. 120. LANDING AIDS AND NAVIGATIONAL EQUIPMENT INVENTORY POOL.

(a) PURCHASE.—Section 44502(a) is amended by adding at the end the following new paragraph:

"(4) PURCHASE OF INSTRUMENT LANDING SYSTEM.—

"(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall purchase precision approach instrument landing system equipment for installation at airports on an expedited basis.

"(B) AUTHORIZATION.—No less than $30,000,000 of the amounts appropriated under section 48101(a) for each of fiscal years 1995 and 1996 shall be used for the purpose of carrying out this paragraph, including acquisition, site preparation work, installation, and related expenditures.".

(b) COST SAVINGS ASSOCIATED WITH PURCHASE.—Notwithstanding other provisions of law or regulations to the contrary, the Administrator shall establish, within 120 days after the date of the enactment of this Act, a process through which airport sponsors may take advantage of cost savings associated with the purchase and installation of instrument landing systems, along with associated equipment, under existing or future Federal Aviation Administration contracts. The process established by the Administrator may provide for the direct reimbursement (including administrative costs) of the Administrator by an airport sponsor using grants funds under subchapter I of chapter 471 of subtitle VII of title 49, United States Code, relating to airport improvement, for the ordering of such equipment and installation or for the direct ordering of such equipment and installation by an airport sponsor, using such grant funds, from the suppliers with which the Administrator has contracted.

SEC. 121. REVIEW OF PASSENGER FACILITY CHARGE PROGRAM.

The Secretary shall conduct a review of section 158.49(b) of title 14, Code of Federal Regulations, to assess the effectiveness of such section in light of the objectives of section 40117 of title 49, United States Code, and shall take such corrective action as the Secretary determines to be necessary to address any problems discovered in the review.

TITLE II—OTHER AVIATION PROGRAMS

SEC. 201. TERM OF OFFICE OF FAA ADMINISTRATOR.

Section 106(b) is amended by adding at the end the following: "The term of office for any individual appointed as Administrator after the date of the enactment of this sentence shall be 5 years.".

SEC. 202. ASSISTANCE TO FOREIGN AVIATION AUTHORITIES.

Section 40113 is amended by adding at the end the following new subsection:

"(e) ASSISTANCE TO FOREIGN AVIATION AUTHORITIES.—

"(1) SAFETY-RELATED TRAINING AND OPERATIONAL SERVICES.—The Administrator may provide safety-related training and operational services to foreign aviation authorities with or without reimbursement, if the Administrator determines that providing such services promotes aviation safety. To the extent practicable, air travel reimbursed under this subsection shall be conducted on U.S. air carriers.

"(2) REIMBURSEMENT SOUGHT.—The Administrator shall actively seek reimbursement for services provided under this subsection from foreign aviation authorities capable of providing such reimbursement.

"(3) CREDITING APPROPRIATIONS.—Funds received by the Administrator pursuant to this section shall be credited to the appropriation from which the expenses were incurred in providing such services.

"(4) REPORTING.—Not later than December 31, 1995, and annually thereafter, the Administrator shall transmit to Congress a list of the foreign aviation authorities to which the Administrator provided services under this subsection in the preceding fiscal year. Such list shall specify the dollar value of such services and any reimbursement received for such services.".

SEC. 203. USE OF PASSENGER FACILITY CHARGES TO MEET FEDERAL MANDATES.

Section 40117(a)(3) is amended—

(1) by striking "and" at end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end the following:

"(F) in addition to projects eligible under subparagraph (A), the construction, reconstruction, repair, or improvement of areas of an airport used for the operation of aircraft or actions to mitigate the environmental effects of such construction, reconstruction, repair, or improvement when the construction, reconstruction, repair, improvement, or action is necessary for compliance with the responsibilities of the operator or owner of the airport under the Americans with Disabilities Act of 1990, the Clean Air Act, or the Federal Water Pollution Control Act with respect to the airport.".

SEC. 204. PASSENGER FACILITY CHARGES.

(a) CLARIFICATION OF APPLICABILITY.—

(1) GENERAL RULE.—Section 40117(e)(2) is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C)(ii) and inserting "; and"; and

(C) by adding at the end the following:

"(D) enplaning at an airport if the passenger did not pay for the air transportation which resulted in such enplanement, including any case in which the passenger obtained the ticket for the air transportation with a frequent flier award coupon without monetary payment.".

(2) LIMITATION ON STATUTORY CONSTRUCTION.—The amendment made by paragraph (1) shall not be construed as requiring any person to refund any fee paid before the date of the enactment of this Act.

(b) USE OF REVENUES AND RELATIONSHIP BETWEEN FEES AND REVENUES.—Section 40117(d) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2)(C) and inserting "; and"; and

(3) by adding at the end the following:

"(3) the application includes adequate justification for each of the specific projects.".

SEC. 205. GAMBLING ON COMMERCIAL AIRCRAFT.

(a) IN GENERAL.—

(1) RESTRICTIONS.—Chapter 413 of subtitle VII is amended by adding at the end the following:

"§41311. Gambling restrictions

"(a) IN GENERAL.—An air carrier or foreign air carrier may not install, transport, or operate, or permit the use of, any gambling device on board an aircraft in foreign air transportation.

"(b) DEFINITION.—In this section, the term 'gambling device' means any machine or mechanical device (including gambling applications on electronic interactive video systems installed on board aircraft for passenger use)—

"(1) which when operated may deliver, as the result of the application of an element of chance, any money or property; or

"(2) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.".

(2) CLERICAL AMENDMENT.—The analysis of such chapter 413 is amended by inserting at the end the following new item:

"41311. Gambling restrictions.".

(b) STUDY OF GAMBLING ON COMMERCIAL AIRCRAFT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall complete a study of—

(1) the aviation safety effects of gambling applications on electronic interactive video systems installed on board aircraft for passenger use, including an evaluation of the effect of such systems on the navigational and other electronic

equipment of the aircraft, on the passengers and crew of the aircraft, and on issues relating to the method of payment;

(2) the competitive implications of permitting foreign air carriers only, but not United States air carriers, to install, transport, and operate gambling applications on electronic interactive video systems on board aircraft in the foreign commerce of the United States on flights over international waters, or in fifth freedom city-pair markets; and

(3) whether gambling should be allowed on international flights, including proposed legislation to effectuate any recommended changes in existing law.

The Secretary shall, within 5 days after the completion of the study, submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives on the results of the study.

SEC. 206. SLOTS FOR AIR CARRIERS AT AIRPORTS.

(a) AVAILABILITY OF SLOTS.—

(1) IN GENERAL.—Subchapter I of chapter 417 of subtitle VII is amended by adding at the end the following:

"§41714. Availability of slots

"(a) MAKING SLOTS AVAILABLE FOR ESSENTIAL AIR SERVICE.—

"(1) OPERATIONAL AUTHORITY.—If basic essential air service under subchapter II of this chapter is to be provided from an eligible point to a high density airport (other than Washington National Airport), the Secretary of Transportation shall ensure that the air carrier providing or selected to provide such service has sufficient operational authority at the high density airport to provide such service. The operational authority shall allow flights at reasonable times taking into account the needs of passengers with connecting flights.

"(2) EXEMPTIONS.—If necessary to carry out the objectives of paragraph (1), the Secretary shall by order grant exemptions from the requirements of subparts K and S of part 93 of title 14, Code of Federal Regulations (pertaining to slots at high density airports), to air carriers using Stage 3 aircraft or to commuter air carriers, unless such an exemption would significantly increase operational delays.

"(3) ASSURANCE OF ACCESS.—If the Secretary finds that an exemption under paragraph (2) would significantly increase operational delays, the Secretary shall take such action as may be necessary to ensure that an air carrier providing or selected to provide basic essential air service is able to obtain access to a high density airport; except that the Secretary shall not be required to make slots available at O'Hare International Airport in Chicago, Illinois, if the number of slots available for basic essential air service (including slots specifically designated as essential air service slots and slots used for such purposes) to and from such airport is at least 132 slots.

"(4) ACTION BY THE SECRETARY.—The Secretary shall issue a final order under this subsection on or before the 60th day after receiving a request from an air carrier for operational authority under this subsection.

"(b) SLOTS FOR FOREIGN AIR TRANSPORTATION.—

"(1) EXEMPTIONS.—If the Secretary finds it to be in the public interest at a high density airport (other than Washington National Airport), the Secretary may grant by order exemptions from the requirements of subparts K and S of part 93 of title 14, Code of Federal Regulations (pertaining to slots at high density airports), to enable air carriers and foreign air carriers to provide foreign air transportation using Stage 3 aircraft.

"(2) SLOT WITHDRAWALS.—The Secretary may not withdraw a slot from an air carrier in order to allocate that slot to a carrier to provide foreign air transportation if the withdrawal of that slot would result in the withdrawal of slots from an air carrier at O'Hare International Airport under section 93.223 of title 14, Code of Federal Regulations, in excess of the total withdrawn from that air carrier as of October 31, 1993.

"(3) EQUIVALENT RIGHTS OF ACCESS.—The Secretary shall not take a slot at a high density airport from an air carrier and award such slot to a foreign air carrier if the Secretary determines that air carriers are not provided equivalent rights of access to airports in the country of which such foreign air carrier is a citizen.

"(4) PERIOD OF EFFECTIVENESS.—This subsection and exemptions issued under this subsection shall cease to be in effect when the final rules issued under subsection (f) become effective.

"(c) SLOTS FOR NEW ENTRANTS.—

"(1) IN GENERAL.—If the Secretary finds it to be in the public interest and the circumstances to be exceptional, the Secretary may by order grant exemptions from the requirements under subparts K and S of part 93 of title 14, Code of Federal Regulations (pertaining to slots at high density airports), to enable new entrant air carriers to provide air transportation at high density airports (other than Washington National Airport).

"(2) PERIOD OF EFFECTIVENESS.—Exemptions issued under this subsection shall cease to be in effect on or after the date on which the final rules issued under subsection (f) become effective.

"(d) SPECIAL RULES FOR WASHINGTON NATIONAL AIRPORT.—

(1) IN GENERAL.—Notwithstanding sections 6005(c)(5) and 6009(e) of the Metropolitan Washington Airports Act of 1986, or any provision of this section, the Secretary may, only under circumstances determined by the Secretary to be exceptional, grant by order to an air carrier currently holding or operating a slot at Washington National Airport an exemption from requirements under subparts K and S of part 93 of title 14, Code of Federal Regulations (pertaining to slots at Washington National Airport), to enable that carrier to provide air transportation with Stage 3 aircraft at Washington National Airport; except that such exemption shall not—

"(A) result in an increase in the total number of slots per day at Washington National Airport;

"(B) result in an increase in the total number of slots at Washington National Airport from 7:00 ante meridiem to 9:59 post meridiem;

"(C) increase the number of operations at Washington National Airport in any 1-hour period by more than 2 operations;

"(D) result in the withdrawal or reduction of slots operated by an air carrier;

"(E) result in a net increase in noise impact on surrounding communities resulting from changes in timing of operations permitted under this subsection; and

"(F) continue in effect on or after the date on which the final rules issued under subsection (f) become effective.

"(2) LIMITATION ON APPLICABILITY.—Nothing in this subsection shall adversely affect Exemption No. 5133, as from time-to-time amended and extended.

"(e) STUDY.—

"(1) MATTERS TO BE CONSIDERED.—The Secretary shall continue the Secretary's current examination of slot regulations and shall ensure that the examination includes consideration of—

"(A) whether improvements in technology and procedures of the air traffic control system and the use of quieter aircraft make it possible to eliminate the limitations on hourly operations imposed by the high density rule contained in part 93 of title 14 of the Code of Federal Regulations or to increase the number of operations permitted under such rule;

"(B) the effects of the elimination of limitations or an increase in the number of operations allowed on each of the following:

"(i) congestion and delay in any part of the national aviation system;

"(ii) the impact of noise on persons living near the airport;

"(iii) competition in the air transportation system;

"(iv) the profitability of operations of airlines serving the airport; and

"(v) aviation safety;

"(C) the impact of the current slot allocation process upon the ability of air carriers to provide essential air service under subchapter II of this chapter;

"(D) the impact of such allocation process upon the ability of new entrant air carriers to obtain slots in time periods that enable them to provide service;

"(E) the impact of such allocation process on the ability of foreign air carriers to obtain slots;

"(F) the fairness of such process to air carriers and the extent to which air carriers are provided equivalent rights of access to the air transportation market in the countries of which foreign air carriers holding slots are citizens;

"(G) the impact, on the ability of air carriers to provide domestic and international air service, of the withdrawal of slots from air carriers in order to provide slots for foreign air carriers; and

"(H) the impact of the prohibition on slot withdrawals in subsections (b)(2) and (b)(3) of this section on the aviation relationship between the United States Government and foreign governments, including whether the prohibition in such subsections will require the withdrawal of slots from general and military aviation in order to meet the needs of air carriers and foreign air carriers providing foreign air transportation (and the impact of such withdrawal on general aviation and military aviation) and whether slots will become available to meet the needs of air carriers and foreign air carriers to provide foreign air transportation as a result of the planned relocation of Air Force Reserve units and the Air National Guard at O'Hare International Airport.

"(2) REPORT.—Not later than January 31, 1995, the Secretary shall complete the current examination of slot regulations and shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report containing the results of such examination.

"(f) RULEMAKING.—The Secretary shall conduct a rulemaking proceeding based on the results of the study described in subsection (e). In the course of such proceeding, the Secretary shall issue a notice of proposed rulemaking not later than August 1, 1995, and shall issue a final rule not later than 90 days after public comments are due on the notice of proposed rulemaking.

"(g) WEEKEND OPERATIONS.—The Secretary shall consider the advisability of revising section 93.227 of title 14, Code of Federal Regulations, so as to eliminate weekend schedules from the determination of whether the 80 percent standard of subsection (a)(1) of that section has been met.

"(h) DEFINITIONS.—In this section and section 41734(h), the following definitions apply:

"(1) COMMUTER AIR CARRIER.—The term 'commuter air carrier' means a commuter operator as defined or applied in subpart K or S of part 93 of title 14, Code of Federal Regulations.

"(2) HIGH DENSITY AIRPORT.—The term 'high density airport' means an airport at which the

Administrator limits the number of instrument flight rule takeoffs and landings of aircraft.

"(3) NEW ENTRANT AIR CARRIER.—The term 'new entrant air carrier' means an air carrier that does not hold a slot at the airport concerned and has never sold or given up a slot at that airport after December 16, 1985, and a limited incumbent carrier as defined in subpart S of part 93 of title 14, Code of Federal Regulations.

"(4) SLOT.—The term 'slot' means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 417 of subtitle VII is amended by inserting after the item relating to section 41713 the following:

"41714. Availability of slots.".

(c) NONCONSIDERATION OF SLOT AVAILABILITY.—Section 41734 is amended by adding at the end the following:

"(h) NONCONSIDERATION OF SLOT AVAILABILITY.—In determining what is basic essential air service and in selecting an air carrier to provide such service, the Secretary shall not consider as a factor whether slots at a high density airport are available for providing such service.".

SEC. 207. AIR SERVICE TERMINATION NOTICE.

(a) IN GENERAL.—Subchapter I of chapter 417 of subtitle VII is further amended by adding at the end the following new section:

"§41715. Air service termination notice

"(a) IN GENERAL.—An air carrier may not terminate interstate air transportation from a nonhub airport included on the Secretary's latest published list of such airports, unless such air carrier has given the Secretary at least 45 days' notice before such termination.

"(b) EXCEPTIONS.—The requirements of subsection (a) shall not apply when—

"(1) the carrier involved is experiencing a sudden or unforeseen financial emergency, including natural weather related emergencies, equipment-related emergencies, and strikes;

"(2) the termination of transportation is made for seasonal purposes only;

"(3) the carrier involved has operated at the affected nonhub airport for 180 days or less;

"(4) the carrier involved provides other transportation by jet from another airport serving the same community as the affected nonhub airport; or

"(5) the carrier involved makes alternative arrangements, such as a change of aircraft size, or other types of arrangements with a part 121 or part 135 air carrier, that continues uninterrupted service from the affected nonhub airport.

"(c) WAIVERS FOR REGIONAL/COMMUTER CARRIERS.—Before January 1, 1995, the Secretary shall establish terms and conditions under which regional/commuter carriers can be excluded from the termination notice requirement.

"(d) DEFINITIONS.—In this section, the following definitions apply:

"(1) NONHUB AIRPORT.—The term 'nonhub airport' has the meaning that term has under section 41731(a)(3).

"(2) PART 121 AIR CARRIER.—The term 'part 121 air carrier' means an air carrier to which part 121 of title 14, Code of Federal Regulations, applies.

"(3) PART 135 AIR CARRIER.—The term 'part 135 air carrier' means an air carrier to which part 135 of title 14, Code of Federal Regulations, applies.

"(4) REGIONAL/COMMUTER CARRIERS.—The term 'regional/commuter carrier' means—

"(A) a part 135 air carrier; or

"(B) a part 121 air carrier that provides air transportation exclusively with aircraft having a seating capacity of no more than 70 passengers.

"(5) TERMINATION.—The term 'termination' means the cessation of all service at an airport by an air carrier.".

(b) CONFORMING AMENDMENTS.—The analysis of such chapter 417 is amended by inserting after the item relating to section 41713 the following new item:

"41715. Air service termination notice.".

(c) CIVIL PENALTIES.—Section 46301(a) is amended—

(1) in paragraph (1)(A) by striking "or 46303" and inserting "46303, or 41715";

(2) in paragraph (4) by inserting "(other than a violation of section 41715)" after "violation" the second and third place it appears; and

(3) by adding at the end the following:

"(5) Notwithstanding paragraph (1), the maximum civil penalty for violating section 41715 shall be $5,000 instead of $1,000.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on February 1, 1995.

SEC. 208. STATE TAXATION OF AIR CARRIER EMPLOYEES.

Section 40116(f) is amended by adding at the end the following:

"(3) Compensation paid by an air carrier to an employee described in subsection (a) in connection with such employee's authorized leave or other authorized absence from regular duties on the carrier's aircraft in order to perform services on behalf of the employee's airline union shall be subject to the income tax laws of only the following:

"(A) The State or political subdivision of the State that is the residence of the employee.

"(B) The State or political subdivision of the State in which the employee's scheduled flight time would have been more than 50 percent of the employee's total scheduled flight time for the calendar year had the employee been engaged full time in the performance of regularly assigned duties on the carrier's aircraft.".

SEC. 209. FOREIGN FEE COLLECTION.

Section 45301 is amended—

(1) in subsection (b) by striking "This section" and inserting "Subsection (a)"; and

(2) by adding at the end the following:

"(c) RECOVERY OF COST OF FOREIGN AVIATION SERVICES.—

"(1) ESTABLISHMENT OF FEES.—The Administrator may establish and collect fees for providing or carrying out the following aviation services outside the United States: any test, authorization, certificate, permit, rating, evaluation, approval, inspection, review.

"(2) FOREIGN REPAIR STATION CERTIFICATION AND INSPECTION FEES.—The Administrator must establish and collect under this subsection fees for certification and inspection of repair stations outside of the United States.

"(3) LEVEL OF FEES.—Fees shall be established under this subsection as necessary to recover the additional cost of providing or carrying out such services outside the United States, as compared to the cost of providing or carrying out such services within the United States; except that the Administrator may for such services as the Administrator designates (and shall for certification and inspection of repair stations outside the United States) establish fees at a level necessary to recover the full cost of providing such services.

"(4) EFFECT ON OTHER AUTHORITY.—The provisions of this subsection do not limit the Administrator's authority to establish and collect fees under subsection (a).

"(5) CREDITING OF PREESTABLISHED FEES.—Fees described in paragraph (1) that were not established before the date of the enactment of this subsection may be credited in accordance with section 45302(d).".

TITLE III—RESEARCH, ENGINEERING, AND DEVELOPMENT

SEC. 301. SHORT TITLE.

This title may be cited as the "Federal Aviation Administration Research, Engineering, and Development Authorization Act of 1994".

SEC. 302. AVIATION RESEARCH AUTHORIZATION OF APPROPRIATIONS.

Section 48102(a) of title 49, United States Code, is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) for fiscal year 1995—

"(A) $7,673,000 for management and analysis projects and activities;

"(B) $80,901,000 for capacity and air traffic management technology projects and activities;

"(C) $39,242,000 for communications, navigation, and surveillance projects and activities;

"(D) $2,909,000 for weather projects and activities;

"(E) $8,660,000 for airport technology projects and activities;

"(F) $51,004,000 for aircraft safety technology projects and activities;

"(G) $36,604,000 for system security technology projects and activities;

"(H) $26,484,000 for human factors and aviation medicine projects and activities;

"(I) $8,124,000 for environment and energy projects and activities; and

"(J) $5,199,000 for innovative/cooperative research projects and activities; and

"(2) for fiscal year 1996—

"(A) $8,056,000 for management and analysis projects and activities;

"(B) $84,946,000 for capacity and air traffic management technology projects and activities;

"(C) $41,204,000 for communications, navigation, and surveillance projects and activities;

"(D) $3,054,000 for weather projects and activities;

"(E) $9,093,000 for airport technology projects and activities;

"(F) $53,554,000 for aircraft safety technology projects and activities;

"(G) $38,434,000 for system security technology projects and activities;

"(H) $27,808,000 for human factors and aviation medicine projects and activities;

"(I) $8,532,000 for environment and energy projects and activities; and

"(J) $5,459,000 for innovative/cooperative research projects and activities.".

SEC. 303. JOINT AVIATION RESEARCH AND DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT.—The Administrator, in consultation with the heads of other appropriate Federal agencies, shall jointly establish a program to conduct research on aviation technologies that enhance United States competitiveness. The program shall include—

(1) next-generation satellite communications, including global positioning satellites;

(2) advanced airport and airplane security;

(3) environmentally compatible technologies, including technologies that limit or reduce noise and air pollution;

(4) advanced aviation safety programs; and

(5) technologies and procedures to enhance and improve airport and airway capacity.

(b) PROCEDURES FOR CONTRACTS AND GRANTS.—The Administrator and the heads of the other appropriate Federal agencies shall administer contracts and grants entered into under the program established under subsection (a) in accordance with procedures developed jointly by the Administrator and the heads of the other appropriate Federal agencies. The procedures should include an integrated acquisition policy for contract and grant requirements and for technical data rights that are not an impediment to joint programs among the Federal Aviation Administration, the other Federal agencies involved, and industry.

(c) PROGRAM ELEMENTS.—The program established under subsection (a) shall include—

(1) selected programs that jointly enhance public and private aviation technology development;

(2) an opportunity for private contractors to be involved in such technology research and development; and

(3) the transfer of Government-developed technologies to the private sector to promote economic strength and competitiveness.

(d) AUTHORIZATION OF APPROPRIATIONS.—Of amounts authorized to be appropriated for fiscal years 1995 and 1996 under section 48102(a) of title 49, United States Code, as amended by section 302 of this title, there are authorized to be appropriated for fiscal years 1995 and 1996, respectively, such sums as may be necessary to carry out this section.

SEC. 304. AIRCRAFT CABIN AIR QUALITY RESEARCH PROGRAM.

(a) ESTABLISHMENT.—The Administrator, in consultation with the heads of other appropriate Federal agencies, shall establish a research program to determine—

(1) what, if any, aircraft cabin air conditions, including pressure altitude systems, on flights within the United States are harmful to the health of airline passengers and crew, as indicated by physical symptoms such as headaches, nausea, fatigue, and lightheadedness; and

(2) the risk of airline passengers and crew contracting infectious diseases during flight.

(b) CONTRACT WITH CENTER FOR DISEASE CONTROL.—In carrying out the research program established under subsection (a), the Administrator and the heads of the other appropriate Federal agencies shall contract with the Center for Disease Control and other appropriate agencies to carry out any studies necessary to meet the goals of the program set forth in subsection (c).

(c) GOALS.—The goals of the research program established under subsection (a) shall be—

(1) to determine what, if any, cabin air conditions currently exist on domestic aircraft used for flights within the United States that could be harmful to the health of airline passengers and crew, as indicated by physical symptoms such as headaches, nausea, fatigue, and lightheadedness, and including the risk of infection by bacteria and viruses;

(2) to determine to what extent, changes in, cabin air pressure, temperature, rate of cabin air circulation, the quantity of fresh air per occupant, and humidity on current domestic aircraft would reduce or eliminate the risk of illness or discomfort to airline passengers and crew; and

(3) to establish a long-term research program to examine potential health problems to airline passengers and crew that may arise in an airplane cabin on a flight within the United States because of cabin air quality as a result of the conditions and changes described in paragraphs (1) and (2).

(d) PARTICIPATION.—In carrying out the research program established under subsection (a), the Administrator shall encourage participation in the program by representatives of aircraft manufacturers, air carriers, aviation employee organizations, airline passengers, and academia.

(e) REPORT.—(1) Within six months after the date of enactment of this Act, the Administrator shall submit to the Congress a plan for implementation of the research program established under subsection (a).

(2) The Administrator shall annually submit to the Congress a report on the progress made during the year for which the report is submitted toward meeting the goals set forth in subsection (c).

(f) AUTHORIZATION OF APPROPRIATIONS.—Of amounts authorized to be appropriated for fiscal years 1995 and 1996 under section 48102(a) of title 49, United States Code, as amended by section 302 of this title, there are authorized to be appropriated for fiscal years 1995 and 1996, respectively, such sums as may be necessary to carry out this section.

SEC. 305. USE OF DOMESTIC PRODUCTS.

(a) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—(1) A person shall not intentionally affix a label bearing the inscription of "Made in America", or any inscription with that meaning, to any product sold in or shipped to the United States, if that product is not a domestic product.

(2) A person who violates paragraph (1) shall not be eligible for any contract for a procurement carried out with amounts authorized under this title, including any subcontract under such a contract pursuant to the debarment, suspension, and ineligibility procedures in subpart 9.4 of chapter 1 of title 48, Code of Federal Regulations, or any successor procedures thereto.

(b) COMPLIANCE WITH BUY AMERICAN ACT.—(1) Except as provided in paragraph (2), the head of each office within the Federal Aviation Administration that conducts procurements shall ensure that such procurements are conducted in compliance with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a through 10c, popularly known as the "Buy American Act").

(2) This subsection shall apply only to procurements made for which—

(A) amounts are authorized by this title to be made available; and

(B) solicitations for bids are issued after the date of the enactment of this Act.

(3) The Secretary, before January 1, 1995, shall report to the Congress on procurements covered under this subsection of products that are not domestic products.

(c) DEFINITIONS.—For the purposes of this section, the term "domestic product" means a product—

(1) that is manufactured or produced in the United States; and

(2) at least 50 percent of the cost of the articles, materials, or supplies of which are mined, produced, or manufactured in the United States.

SEC. 306. PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that any recipient of a grant under this title, or under any amendment made by this title, should purchase, when available and cost-effective, American made equipment and products when expending grant monies.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In allocating grants under this title, or under any amendment made by this title, the Secretary shall provide to each recipient a notice describing the statement made in subsection (a) by the Congress.

SEC. 307. COOPERATIVE AGREEMENTS FOR RESEARCH, ENGINEERING, AND DEVELOPMENT.

Section 44505 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(d) COOPERATIVE AGREEMENTS.—The Administrator may enter into cooperative agreements on a cost-shared basis with Federal and non-Federal entities that the Administrator may select in order to conduct, encourage, and promote aviation research, engineering, and development, including the development of prototypes and demonstration models.".

SEC. 308. RESEARCH PROGRAM ON QUIET AIRCRAFT TECHNOLOGY.

(a) IN GENERAL.—Subchapter I of chapter 475 of part B of subtitle VII is amended by adding at the end the following new section:

"§47509. Research program on quiet aircraft technology for propeller and rotor driven aircraft

"(a) ESTABLISHMENT.—The Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall conduct a study to identify technologies for noise reduction of propeller driven aircraft and rotorcraft.

"(b) GOAL.—The goal of the study conducted under subsection (a) is to determine the status of research and development now underway in the area of quiet technology for propeller driven aircraft and rotorcraft, including technology that is cost beneficial, and to determine whether a research program to supplement existing research activities is necessary.

"(c) PARTICIPATION.—In conducting the study required under subsection (a), the Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall encourage the participation of the Department of Defense, the Department of the Interior, the airtour industry, the aviation industry, academia and other appropriate groups.

"(d) REPORT.—Not less than 280 days after the date of the enactment of this section, the Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall transmit to Congress a report on the results of the study required under subsection (a).

"(e) RESEARCH AND DEVELOPMENT PROGRAM.—If the Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration determine that additional research and development is necessary and would substantially contribute to the development of quiet aircraft technology, then the agencies shall conduct an appropriate research program in consultation with the entities listed in subsection (c) to develop safe, effective, and economical noise reduction technology (including technology that can be applied to existing propeller driven aircraft and rotorcraft) that would result in aircraft that operate at substantially reduced levels of noise to reduce the impact of such aircraft and rotorcraft on the resources of national parks and other areas.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 47508 the following new item:

"47509. Research program on quiet aircraft technology for propeller and rotor driven aircraft.".

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 401. EXPENDITURES FROM AIRPORT AND AIRWAY TRUST FUND.

Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 1995" and inserting "October 1, 1996";

(2) by inserting "or the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992" after "Capacity Expansion Act of 1990" in subparagraph (A);

(3) by striking "(as such Acts were in effect on the date of the enactment of the Airport Improvement Program Temporary Extension Act of 1994)" in subparagraph (A) and inserting "or the Federal Aviation Administration Authorization Act of 1994"; and

(4) by adding at the end the following new flush sentence:

"Any reference in subparagraph (A) to an Act shall be treated as a reference to such Act and the corresponding provisions (if any) of title 49, United States Code, as such Act and provisions were in effect on the date of the enactment of the last Act referred to in subparagraph (A).".

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. RULEMAKING ON RANDOM TESTING FOR PROHIBITED DRUGS.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete a rulemaking proceeding and issue a final *decision on whether there should be a reduction in the annualized rate now required by the Secretary of random testing for prohibited drugs for personnel engaged in aviation activities.*

SEC. 502. TRANSPORTATION SECURITY REPORT.

Section 44938(a) is amended by striking "December 31" and inserting "March 31".

SEC. 503. REPEAL OF ANNUAL REPORT REQUIREMENT.

Section 401 of the Aviation Safety and Noise Abatement Act of 1979 (Public Law 96–193; 94 Stat. 57) is repealed.

SEC. 504. ADVANCED LANDING SYSTEM.

Notwithstanding any other provision of law or regulation, the Administrator shall consider for approval under part 171 of title 14, Code of Federal Regulations, the new generation, low cost, advanced landing system being developed by the Department of Defense. The charter for approval of such system shall be considered and acted upon expeditiously by the Federal Aviation Administration in the region where such system is being developed.

SEC. 505. ASBESTOS REMOVAL AND BUILDING DEMOLITION AND REMOVAL, VACANT AIR FORCE STATION, MARIN COUNTY, CALIFORNIA.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated in fiscal year 1995 to the account for the Department of Transportation for facilities and equipment of the Federal Aviation Administration such amount as may be necessary to permit the Administrator to carry out asbestos abatement activities and the demolition and removal of buildings at the site of the vacant Air Force station located on Mount Tamalpais, Marin County, California. The amount authorized to be appropriated by the preceding sentence shall not exceed the Federal Aviation Administration's share of the costs of carrying out such activities, demolitions, and removals.

(b) AUTHORITY TO USE FUNDS.—The Administrator may use the funds appropriated pursuant to the authorization of appropriations in subsection (a) to carry out the abatement activities and demolition and removal described in that subsection. Such funds shall be available for such purpose until expended.

SEC. 506. LAND ACQUISITION COSTS.

Notwithstanding section 47108 of title 49, United States Code, the Secretary may approve an upward adjustment not to exceed $750,000 in the maximum obligation of the United States under an airport improvement program grant made under subchapter I of chapter 471 of subtitle VII of such title to a reliever airport after September 1, 1989, and before October 1, 1989, in order to assist in funding increased land acquisition costs (as determined in judicial proceedings) and associated eligible project costs.

SEC. 507. INFORMATION ON DISINSECTION OF AIRCRAFT.

(a) AVAILABILITY OF INFORMATION.—In the interest of protecting the health of air travelers, the Secretary shall publish a list of the countries (as determined by the Secretary) that require disinfection of aircraft landing in such countries while passengers and crew are on board such aircraft.

(b) REVISION.—The Secretary shall revise the list required under subsection (a) on a periodic basis.

(c) PUBLICATION.—The Secretary shall publish the list required under subsection (a) not later than 30 days after the date of the enactment of this Act. The Secretary shall publish a revision to the list not later than 30 days after completing the revision under subsection (b).

SEC. 508. CONTRACT TOWER ASSISTANCE.

The Secretary shall take appropriate action to assist communities where the Secretary deems such assistance appropriate in obtaining the installation of a Level I Contract Tower for those communities.

SEC. 509. DISCONTINUATION OF AVIATION SAFETY JOURNAL.

(a) IN GENERAL.—The Administrator may not publish, nor contract with any other organization for the publication of, the magazine known as the "Aviation Safety Journal".

(b) CANCELLATION OF EXISTING CONTRACTS.—Not later than 30 days after the date of the enactment of this Act, the Administrator shall cancel any existing contract for publication of the Aviation Safety Journal.

SEC. 510. MONROE AIRPORT IMPROVEMENT.

(a) AUTHORITY TO GRANT WAIVERS.—Notwithstanding section 16 of the Federal Airport Act (as in effect on the date of transfer of Selman Field, Louisiana, from the United States to the city of Monroe, Louisiana), the Secretary is authorized, subject to the provisions of section 47153 of title 49, United States Code, and the provisions of subsection (b) of this section, to waive any term contained in the 1949 deed of conveyance, or any other deed of conveyance occurring subsequent to that initial transference and before the date of enactment of this Act, under which the United States conveyed certain property then constituting Selman Field, Louisiana, to the city of Monroe, Louisiana, for airport purposes.

(b) CONDITIONS.—Any waiver granted under subsection (a) shall be subject to the following conditions:

(1) The city of Monroe, Louisiana, shall agree that, in conveying any interest in the property which the United States conveyed to the city by a deed described in subsection (a), the city will receive an amount for such interest which is equal to the fair market value (as determined pursuant to regulations issued by the Secretary).

(2) Any such amount so received by the city shall be used by the city for the development, improvement, operation, or maintenance of a public airport.

SEC. 511. SOLDOTNA AIRPORT IMPROVEMENT.

(a) AUTHORITY TO GRANT WAIVERS.—Notwithstanding section 16 of the Federal Airport Act (as in effect on December 12, 1963), the Secretary is authorized, subject to the provisions of section 47153 of title 49, United States Code, and the provisions of subsection (b) of this section, to waive any of the terms contained in the deed of conveyance dated December 12, 1963, under which the United States conveyed certain property to the city of Soldotna, Alaska, for airport purposes.

(b) CONDITIONS.—Any waiver granted under subsection (a) shall be subject to the following conditions:

(1) The city of Soldotna, Alaska, shall agree that, in conveying any interest in the property which the United States conveyed to the city by deed dated December 12, 1963, the city will receive an amount for such interest which is equal to the fair market value (as determined pursuant to regulations issued by the Secretary).

(2) Any such amount so received by the city shall be used by the city for the development, improvement, operation, or maintenance of a public airport.

SEC. 512. STURGIS, KENTUCKY.

(a) AUTHORITY TO GRANT WAIVERS.—Notwithstanding any other provision of law, the Secretary is authorized, subject to section 47153 of title 49, United States Code, and subsection (b) of this section, to waive with respect to such parcels of land, or portions of such parcels, as the Administrator determines are no longer required for airport purposes, from any term contained in the deed of conveyance dated July 13, 1948, under which the United States conveyed such property to the Union County Air Board, State of Kentucky, for airport purposes of the Sturgis Municipal Airport.

(b) CONDITIONS.—Any waiver granted by the Secretary under subsection (a) shall be subject to the following conditions:

(1) The Union County Air Board shall agree that, in leasing or conveying any interest in the property with respect to which waivers are granted under subsection (a), such Board will receive an amount that is equal to the fair lease value or the fair market value, as the case may be (as determined pursuant to regulations issued by the Secretary).

(2) Such Board shall use any amount so received only for the development, improvement, operation, or maintenance of the Sturgis Municipal Airport.

(3) Any other conditions that the Secretary considers necessary to protect or advance the interests of the United States in civil aviation.

SEC. 513. ROLLA AIRPORT IMPROVEMENT.

(a) AUTHORITY TO GRANT WAIVERS.—Notwithstanding section 16 of the Federal Airport Act (as in effect on December 30, 1957), the Secretary is authorized, subject to the provisions of section 47153 of title 49, United States Code, and the provisions of subsection (b) of this section, to waive any of the terms contained in the deed of conveyance dated December 30, 1957, or any other deed of conveyance dated after such date and before the date of enactment of this Act, under which the United States conveyed certain property to the city of Rolla, Missouri, for airport purposes.

(b) CONDITIONS.—Any waiver under subsection (a) shall be subject to the following conditions:

(1) The city of Rolla, Missouri, shall agree that, in conveying any interest in the property which the United States conveyed to the city by a deed described in subsection (a), the city will receive an amount for such interest which is equal to the fair market value (as determined pursuant to regulations issued by the Secretary).

(2) Any such amount so received by the city shall be used by the city for the development, improvement, operation, or maintenance of a public airport.

SEC. 514. PALM SPRINGS, CALIFORNIA.

(a) AUTHORITY TO GRANT WAIVERS.—Notwithstanding section 47153 of title 49, United States Code, and subject to the provisions of subsection (b), the Secretary shall grant waivers from all of the terms contained in the deed of conveyance dated September 15, 1949, under which the United States conveyed certain property to Palm Springs, California, for airport purposes. The waivers shall apply only to approximately 11 acres of lot 16 of section 13, and approximately 39.07 acres of lots 19 and 20 of section 19, used by the city of Palm Springs, California for general governmental purposes.

(b) CONDITIONS.—Any waiver granted by the Secretary under subsection (a) shall be subject to the following conditions:

(1) The Secretary shall waive any requirement that there be credited to the account of the airport any amount attributable to the city's use for governmental purposes of any land conveyed under the deed of conveyance referred to in subsection (a) before the date of the enactment of this section.

(2) The city shall abandon all claims, against income of the Palm Springs Regional Airport or other assets of that airport, for reimbursement of general revenue funds that the city may have expended before the date of the enactment of this section for acquisition of 523.39 acres of land conveyed August 28, 1961, for airport purposes and for expenses incurred at any time in connection with such acquisition, and such claims shall not be eligible for reimbursement under the Airport and Airway Improvement Act or any successor law.

SEC. 515. REAL ESTATE TRANSFERS IN ALASKA AND WEATHER OBSERVATION SERVICES.

(a) TRANSFER OF SITE IN LAKE MINCHUMINA, ALASKA.—The Administrator shall convey to the Iditarod Area School District the Federal Aviation Administration building number 106 and a reasonable amount of land to make use of the property, at Lake Minchumina, Alaska, for the purpose of providing educational facilities, under the terms set forth in Agreement No. DTFA04–93–J–82007, between the Federal Aviation Administration and the Iditarod Area School District, and such other terms as are mutually agreed on between the Administrator and the Iditarod Area School District.

(b) TRANSFER OF SITE IN FORT YUKON, ALASKA.—The Administrator shall convey to the city of Fort Yukon, Alaska, the buildings of the Federal Aviation Administration and land in Fort Yukon, Alaska (described as that portion of Lot 4, U.S. Survey 7161, within section 8, T.20 N., R.12E., Fairbanks Meridian consisting of 7.14 acres, and containing the health clinic and staff housing for the aforementioned clinic) for the purpose of providing health services, under terms that are mutually agreed on between the Administrator and the city of Fort Yukon.

(c) WEATHER OBSERVATION SERVICES.—Not later than 90 days after the date of the enactment of this Act, the Administrator shall designate airports, as described in this section, and provide human observers at such airports to offer real time weather information to pilots by direct radio contact. Airports to be designated shall be located in a State that averaged, during the period 1989–1993, 3 or more accidents per year involving serious or fatal injury to crew or passengers on regularly scheduled flights operating single-engine aircraft under visual flight rules, and shall be designated as follows:

(1) Not to exceed 5 airports where terrain and conditions do not lend themselves to IFR operations supported solely by automated weather observing systems.

(2) Not to exceed 1 airport where an automated surface observing system is scheduled to be accepted on September 1, 1994, with such weather services to be provided until such time as the Administrator determines that the automated surface observing system is fully operational.

(3) Not to exceed 8 airports (where such weather observation services shall be on a cost-reimbursable basis) that are minor hub stations or strategic visual flight rules alternate airports at times when an observer is needed to supplement the automated weather observing system or immediately replace it in the event of failure.

SEC. 516. RELOCATION OF AIRWAY FACILITIES.

Compensation received by the United States for transfer of the San Jacinto Disposal Area by the United States to the city of Galveston, Texas, shall include compensation to be provided to the Federal Aviation Administration for all costs of establishing airway facilities to replace existing airway facilities on the San Jacinto Disposal Area. Such compensation shall include but is not limited to compensation for the replacement of the land, clear zones, buildings and equipment, and demolition and disposal of the existing facilities on the San Jacinto Disposal Area.

SEC. 517. SAFETY AT ASPEN-PITKIN COUNTY AIRPORT.

(a) NIGHTTIME OPERATIONS.—On and after November 1, 1994, nighttime operations (takeoffs and landings) at Aspen-Pitkin County Airport in the State of Colorado shall be allowed for a pilot operating under instrument flight rules or visual flight rules under parts 91 and 135 of title 14, Code of Federal Regulations, between 30 minutes after official sunset and 11 p.m., local time, as follows:

(1) A pilot may operate under instrument flight rules between 30 minutes after official sunset and 11 p.m., local time (or such other operating hours as are established uniformly for all classes of operators), only if the pilot—

(A) is granted clearance by air traffic control;

(B) is instrument-rated;

(C) is operating an aircraft that is equipped as required under section 91.205(d) of such title 14 for instrument flight; and

(D) is operating an instrument approach or departure procedure approved by the Federal Aviation Administration.

(2) A pilot may operate under visual flight rules between 30 minutes after official sunset and 11:00 p.m., local time (or such other operating hours as are established uniformly for all classes of operators), only if the pilot—

(A) is instrument rated;

(B) has completed at least one takeoff or landing in the preceding 12 calendar months at such airport; and

(C) operates an aircraft equipped as required under section 91.205(d) of such title 14 for instrument flight.

(b) COMMITMENTS OF AIRPORT OWNER OR OPERATOR.—The owner or operator of the Aspen-Pitkin County Airport shall be considered to be in compliance with the requirements of subchapter II of chapter 475 of title 49, United States Code, and not otherwise unjustly discriminatory when such owner or operator notifies the Administrator that such owner or operator—

(1) commits to modify its existing regulation to expand access to general aviation operations under such special operating restrictions as are created under subsection (a) and such conditions applicable to aircraft noise certification as are currently in effect for night operations at such airport; and

(2) commits permanently not to enforce its 1990 regulatory action eliminating the so-called "ski season exception" to its nighttime curfew.

To remain in compliance, such owner or operator shall carry out both such commitments on or before November 1, 1994.

(c) MOUNTAIN FLYING.—The Administrator shall issue a notice of proposed rulemaking on mountain flying.

SEC. 518. COLLECTIVE BARGAINING AT WASHINGTON AIRPORTS.

(a) STUDY.—The Secretary and the Secretary of Labor shall undertake a study of whether employees of airports operated by the Metropolitan Washington Airports Authority (hereinafter in this section referred to as the "Airports Authority") should be given the right to bargain collectively. The study shall consider whether the benefits of collective bargaining for employees of the Airports Authority outweighs the burdens of collective bargaining.

(b) MATTERS TO BE CONSIDERED.—In conducting the study under subsection (a), the Secretary and the Secretary of Labor shall investigate the following matters and reach conclusions as to the relevance of such matters to the question of whether employees of airports operated by the Airports Authority should be given collective bargaining rights:

(1) The employment status of employees of the Airports Authority.

(2) The wages and working conditions of firefighters and other employees at the airports operated by the Airports Authority and other airports.

(3) The collective bargaining rights of employees at the airports operated by the Airports Authority and other airports.

(4) Whether other airports are governed by Federal labor laws.

(5) The existing rights of employees of the Airports Authority to collective representation regarding the terms and conditions of employment.

(6) Any other factors that the Secretary and the Secretary of Labor consider relevant to the study.

In conducting such study, the Secretary and the Secretary of Labor shall also consider procedures for impass resolution of collective bargaining disputes that will avoid the disruption of essential public services at the Airports Authority.

(c) REPORT.—Not later than March 1, 1995, the Secretary and the Secretary of Labor shall transmit to Congress a report containing the results of the study to be conducted under subsection (a). If the study concludes that employees of the airports operated by the Airports Authority should be afforded collective bargaining rights, the report shall also include specific legislative recommendations.

SEC. 519. REPORT ON CERTAIN BILATERAL NEGOTIATIONS.

The Secretary shall report every other month to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the status of all active aviation bilateral and multilateral negotiations and informal government-to-government consultations with United States aviation trade partners.

SEC. 520. STUDY ON INNOVATIVE FINANCING.

(a) STUDY.—The Secretary shall conduct a study on innovative approaches for using Federal funds to finance airport development as a means of supplementing financing available under the Airport Improvement Program.

(b) MATTERS TO BE CONSIDERED.—In conducting the study under subsection (a), the Secretary shall consider, at a minimum, the following:

(1) Mechanisms that will produce greater investments in airport development per dollar of Federal expenditure.

(2) Approaches that would permit entering into agreements with non-Federal entities, such as airport sponsors, for the loan of Federal funds, guarantee of loan repayment, or purchase of insurance or other forms of enhancement for borrower debt, including the use of unobligated Airport Improvement Program contract authority and unobligated balances in the Airport and Airway Trust Fund.

(3) Means to lower the cost of financing airport development.

(c) CONSULTATION.—In considering innovative financing pursuant to this section, the Secretary may consult with airport owners and operators and public and private sector experts.

(d) REPORT TO CONGRESS.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study conducted under subsection (a).

SEC. 521. SAFETY OF JUNEAU INTERNATIONAL AIRPORT.

(a) STUDY.—Not later than 30 days after the date of the enactment of this Act, the Secretary, in cooperation with the National Transportation Safety Board, the National Guard, and the Juneau International Airport, shall undertake a study of the safety of the approaches to the Juneau International Airport.

(b) MATTERS TO BE CONSIDERED.—In conducting the study under subsection (a), the Secretary shall examine—

(1) the crash of Alaska Airlines Flight 1866 on September 4, 1971;

(2) the crash of a Lear Jet on October 22, 1985;

(3) the crash of an Alaska Army National Guard aircraft on November 12, 1992;

(4) the adequacy of NAVAIDs in the vicinity of the Juneau International Airport;

(5) the possibility of inaccurate data from Sisters Island DVOR and the possibility of confusion between Elephant Island Non-Directional Beacon and Coghlan Island Non-Directional Beacon;

(6) the need for a singular Approach Surveillance Radar site on top of Heintzleman Ridge;

(7) the need for a Terminal Very High Frequency Omni-Directional Range (Terminal VOR) navigational aid in Gastineau Channel; and

(8) any other matter that a participant in the study specified in subsection (a) considers appropriate to the safety of aircraft approaching or leaving the Juneau International Airport.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report which—

(1) details the matters considered by the study conducted under subsection (a);

(2) summarizes any conclusions reached by the participants in the study;

(3) proposes specific recommendations to improve or enhance the safety of aircraft approaching or leaving the Juneau International Airport or contains a detailed explanation of why no recommendations are being proposed;

(4) estimates the cost of any proposed recommendations;

(5) includes any other matters the Secretary deems appropriate; and

(6) includes any minority views if a consensus is not reached among the participants in the study specified in subsection (a).

SEC. 522. STUDY ON CHILD RESTRAINT SYSTEMS.

(a) STUDY.—The Secretary shall conduct a study on the availability, effectiveness, cost, and usefulness of restraint systems that may offer protection to a child carried in the lap of an adult aboard an air carrier aircraft or provide for the attachment of a child restraint device to the aircraft.

(b) STUDY CRITERIA.—Among other issues, the study shall examine the impact of the following:

(1) The direct cost to families of requiring air carriers to provide restraint systems and requiring infants to use them, including whether airlines will charge a fare for use of seats containing infant restraining systems; such estimate to cover a ten-year period.

(2) The impact on air carrier aircraft passenger volume by requiring use of infant restraint systems, including whether families will choose to travel to destinations by other means, including automobiles; such estimate to cover a ten-year period.

(3) The impact over a 10-year period on fatality rates of infants using other modes of transportation, including automobiles.

(4) The efficacy of infant restraint systems currently marketed as able to be used for air carrier aircraft.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report on the results of the study conducted under subsection (a).

SEC. 523. SENSE OF SENATE RELATING TO DOT INSPECTOR GENERAL.

It is the sense of the Senate that the Inspector General of the Department of Transportation in carrying out the duties and responsibilities of the Inspector General Act of 1978 has oversight responsibilities and may conduct and supervise audits and investigations relating to any funds appropriated by the Congress and made available for any programs or operations at Washington National Airport and Washington Dulles International Airport, and that the Inspector General shall—

(1) provide leadership and coordination and recommend policies for activities designed to promote the economy, efficiency, and effectiveness of such programs and operations;

(2) act to prevent and detect fraud and abuse in such programs and operations; and

(3) inform the Secretary and the Congress about problems and deficiencies relating to the administration of such programs and operations.

SEC. 524. SENSE OF SENATE ON ISSUANCE OF REPORT ON USAGE OF RADAR AT THE CHEYENNE, WYOMING, AIRPORT.

It is the sense of the Senate that the Secretary should—

(1) take such action as may be necessary to revise the cost and benefit analysis process of the Department of Transportation to fully take projected military enplanement and cost savings figures into consideration with regard to radar installations at joint-use civilian and military airports;

(2) require the Administrator to reevaluate the aircraft radar needs at the Cheyenne, Wyoming, airport and enter into an immediate dialogue with officials of the Wyoming Air Guard, F.E. Warren Air Force Base, and Cheyenne area leaders in the phase II radar installation reevaluation of the Administration and adjust cost and benefit determinations based to some appropriate degree on already provided military figures and concerns and other enplanement projections in the region; and

(3) report to Congress not later than 60 days after the date of the enactment of this Act on the results of the reevaluation of the aircraft radar needs of the Cheyenne, Wyoming, airport and of Southeast Wyoming, and explain how military figures and concerns will be appropriately solicited in future radar decisions involving joint-use airport facilities.

SEC. 525. NORTH KOREA.

(a) FINDINGS.—(1) President Clinton stated in November 1993 that it is the official policy of the United States that North Korea cannot be allowed to become a nuclear power.

(2) The United States seeks to persuade North Korea, through negotiations, the imposition of sanctions, or other means, to act in accordance with its freely undertaken obligations under the Treaty on the Non-Proliferation of Nuclear Weapons and to abandon its efforts to develop nuclear weapons.

(3) North Korea has repeatedly threatened to withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons, has resisted efforts of the International Atomic Energy Agency to conduct effective inspections of its nuclear program, and has stated that it would consider the imposition of economic sanctions as an act of war and has threatened retaliatory action.

(4) The North Korean Government has constructed and has operated a reprocessing facility at Yongbyon solely designed to convert spent nuclear fuel into plutonium with which to make nuclear weapons. Further, the existence of this facility and the development of these weapons gravely threaten security in the region and increases the likelihood of worldwide nuclear terrorism.

(5) The Secretary of Defense stated that the United States must act on the assumption that there will be some increase in the risk of war if sanctions are imposed on North Korea.

(6) It is incumbent on the United States to take all necessary and prudent action to act together with the Republic of Korea to ensure the preparedness of United States and Republic of Korea forces to repel as quickly as possible any attack from North Korea and to protect the safety and security of United States and Republic of Korea forces, as well as the safety and security of the civilian population of the peninsula.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should immediately take all necessary and prudent actions to enhance the preparedness and safety of United States forces and urge and assist the Republic of Korea to do likewise in order to deter and, if necessary, repel an attack from North Korea.

SEC. 526. SENSE OF SENATE ON FINAL REGULATIONS UNDER CIVIL RIGHTS ACT OF 1964.

(a) FINDINGS.—The Senate finds that—

(1) the liberties protected by our Constitution include religious liberty protected by the first amendment;

(2) citizens of the United States profess the beliefs of almost every conceivable religion;

(3) Congress has historically protected religious expression even from governmental action not intended to be hostile to religion;

(4) the Supreme Court has written that "the free exercise of religion means, first and foremost, the right to believe and profess whatever religious doctrine one desires";

(5) the Supreme Court has firmly settled that under our Constitution the public expression of ideas may not be prohibited merely because the content of the ideas is offensive to some;

(6) Congress enacted the Religious Freedom Restoration Act of 1993 to restate and make clear again our intent and position that religious liberty is and should forever be granted protection from unwarranted and unjustified government intrusions and burdens;

(7) the Equal Employment Opportunity Commission has written proposed guidelines to title VII of the Civil Rights Act of 1964, published in the Federal Register on October 1, 1993, that may result in the infringement of religious liberty;

(8) such guidelines do not appropriately resolve issues related to religious liberty and religious expression in the workplace;

(9) properly drawn guidelines for the determination of religious harassment should provide appropriate guidance to employers and employees and assist in the continued preservation of religious liberty as guaranteed by the first amendment;

(10) the Commission states in its proposed guidelines that it retains wholly separate guidelines for the determination of sexual harassment because the Commission believes that sexual harassment raises issues about human interaction that are to some extent unique in comparison to other harassment and may warrant separate treatment; and

(11) the subject of religious harassment also raises issues about human interaction that are to some extent unique in comparison to other harassment.

(b) It is the sense of the Senate that, for purposes of issuing final regulations under title VII of the Civil Rights Act of 1964 in connection with the proposed guidelines published by the Equal Employment Opportunity Commission on October 1, 1993 (58 Fed. Reg. 51266)—

(1) the category of religion should be withdrawn from the proposed guidelines at this time;

(2) any new guidelines for the determination of religious harassment should be drafted so as to make explicitly clear that symbols or expressions of religious belief consistent with the first amendment and the Religious Freedom Restoration Act of 1993 are not to be restricted and do not constitute proof of harassment;

(3) the Commission should hold public hearings on such new proposed guidelines; and

(4) the Commission should receive additional public comment before issuing similar new regulations.

TITLE VI—INTRASTATE TRANSPORTATION OF PROPERTY

SEC. 601. PREEMPTION OF INTRASTATE TRANSPORTATION OF PROPERTY.

(a) FINDINGS.—Congress finds and declares that—

(1) the regulation of intrastate transportation of property by the States has—

(A) imposed an unreasonable burden on interstate commerce;

(B) impeded the free flow of trade, traffic, and transportation of interstate commerce; and

(C) placed an unreasonable cost on the American consumers; and

(2) certain aspects of the State regulatory process should be preempted.

(b) TRANSPORTATION BY AIR CARRIER OR CARRIER AFFILIATED WITH A DIRECT AIR CARRIER.—

(1) IN GENERAL.—Section 41713(b) is amended by adding at the end the following new paragraph:

"(4) TRANSPORTATION BY AIR CARRIER OR CARRIER AFFILIATED WITH A DIRECT AIR CARRIER.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), a State, political subdivision of a State, or political authority of 2 or more States may not enact or enforce a law, regulation, or other provision having the force and effect of law related to a price, route, or service of an air carrier or carrier affiliated with a direct air carrier through common controlling ownership when such carrier is transporting property by aircraft or by motor vehicle (whether or not such property has had or will have a prior or subsequent air movement).

"(B) MATTERS NOT COVERED.—Subparagraph (A)—

"(i) shall not restrict the safety regulatory authority of a State with respect to motor vehicles, the authority of a State to impose highway route controls or limitations based on the size or weight of the motor vehicle or the hazardous nature of the cargo, or the authority of a State to regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization; and

"(ii) does not apply to the transportation of household goods, as defined in section 10102 of this title.

"(C) APPLICABILITY OF PARAGRAPH (1).—This paragraph shall not limit the applicability of paragraph (1).".

(2) CONFORMING AMENDMENTS.—

(A) SECTION 41713.—Section 41713(b)(2) is amended by striking "Paragraph (1) of this subsection does" and inserting "Paragraphs (1) and (4) of this subsection do".

(B) SECTION 40102.—Section 40102(a)(35) is amended by striking "for air transportation".

(C) SECTION 10521.—Section 10521(b)(1) is amended by striking "and 11501(e)" and inserting "11501(e), and 11501(h)".

(c) TRANSPORTATION BY MOTOR CARRIER.—Section 11501 is amended by adding at the end the following new subsection:

"(h) PREEMPTION OF STATE ECONOMIC REGULATION OF MOTOR CARRIERS.—

"(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), a State, political subdivision of a State, or political authority of 2 or more States may not enact or enforce a law, regulation, or other provision having the force and effect of law related to a price, route, or service of any motor carrier (other than a carrier affiliated with a direct air carrier covered by section 41713(b)(4) of this title) or any motor private carrier with respect to the transportation of property.

"(2) MATTERS NOT COVERED.—Paragraph (1)—

"(A) shall not restrict the safety regulatory authority of a State with respect to motor vehicles, the authority of a State to impose highway route controls or limitations based on the size or weight of the motor vehicle or the hazardous nature of the cargo, or the authority of a State to regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization; and

"(B) does not apply to the transportation of households goods.

"(3) STATE STANDARD TRANSPORTATION PRACTICES.—

"(A) CONTINUATION.—Paragraph (1) shall not affect any authority of a State, political subdivision of a State, or political authority of 2 or more States to enact or enforce a law, regulation, or other provision, with respect to the intrastate transportation of property by motor carriers, related to—

"(i) uniform cargo liability rules,

"(ii) uniform bills of lading or receipts for property being transported,

"(iii) uniform cargo credit rules, or

"(iv) antitrust immunity for joint line rates or routes, classifications and mileage guides,

if such law, regulation, or provision meets the requirements of subparagraph (B).

"(B) REQUIREMENTS.—A law, regulation, or provision of a State, political subdivision, or political authority meets the requirements of this subparagraph if—

"(i) the law, regulation, or provision covers the same subject matter as, and compliance with such law, regulation, or provision is no more burdensome than compliance with, a provision of this subtitle or a regulation issued by the Interstate Commerce Commission or the Secretary of Transportation under this subtitle; and

"(ii) the law, regulation, or provision only applies to a carrier upon request of such carrier.

"(C) ELECTION.—Notwithstanding any other provision of law, a carrier affiliated with a direct air carrier through common controlling ownership may elect to be subject to a law, regulation, or provision of a State, political subdivision, or political authority under this paragraph.".

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 1995; except that with respect to the State of Hawaii the amendment made by subsection (c) shall take effect on the last day of the 3-year period beginning on the date of the enactment of this Act.

And the Senate agree to the same.

From the Committee on Public Works and Transportation, for consideration of titles I and II of the House bill, and the Senate amendment (except secs. 121, 206, 304, 415, 418 and title VI), and modifications committed to conference:

NORMAN Y. MINETA,
NICK RAHALL,
JAMES L. OBERSTAR,
ROBERT A. BORSKI,
BOB CLEMENT,
BUD SHUSTER,
BILL CLINGER,
THOMAS E. PETRI,

From the Committee on Banking, Finance and Urban Affairs, for consideration of title VI of the Senate amendment, and modifications committed to conference:

HENRY GONZALEZ,
STEVE NEAL,

From the Committee on Education and Labor, for consideration of sec. 418 of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
MAJOR R. OWENS,
HOWARD "BUCK" MCKEON,

From the Committee on Education and Labor, for consideration of sec. 208 of the House bill, and modifications committed to conference:

WILLIAM D. FORD,
BILL CLAY,
PAT WILLIAMS,

From the Committee on Foreign Affairs, for consideration of sec. 415 of the Senate amendment, and modifications committed to conference:

LEE H. HAMILTON,
TOM LANTOS,
GARY L. ACKERMAN,
HOWARD L. BERMAN,
ENI FALEOMAVAEGA,
BENJAMIN A. GILMAN,
BILL GOODLING,
JIM LEACH,

From the Committee on Science, Space, and Technology, for consideration of title III of the House bill, and secs. 206 and 304 of the Senate amendment, and modifications committed to conference:

GEORGE E. BROWN, Jr.,
TIM VALENTINE,
DAN GLICKMAN,
PETE GEREN,
JANE HARMAN,
ROBERT S. WALKER,
TOM LEWIS,
CONSTANCE MORELLA,

From the Committee on Ways and Means, for consideration of title IV of the House bill, and secs. 121 and 122 of the Senate amendment, and modifications committed to conference:

SAM GIBBONS,
DAN ROSTENKOWSKI,
J.J. PICKLE,
PETE STARK,
BILL ARCHER,
PHIL CRANE,
Managers on the Part of the House.

ERNEST HOLLINGS,
WENDELL FORD,
JAMES EXON,
JOHN C. DANFORTH,
LARRY PRESSLER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

1. SECTION 1. SHORT TITLE

House bill

"Aviation Infrastructure Investment Act of 1993."

Senate amendment

"Federal Aviation Administration Authorization Act of 1994."

Conference substitute

Senate amendment.

2. SECTION 101. AIP REAUTHORIZATION

House bill

Authorizes contract authority for Airport Improvement Program of $2.105 billion for fiscal year 1994; $2.161 billion for fiscal year 1995; and $2.214 billion for fiscal year 1996.

Senate amendment

Authorizes AIP contract authority of $2.05 billion for fiscal year 1994; $2.2 billion for fiscal year 1995; and $2.28 billion for fiscal year 1996.

Conference substitute

The Conference Substitute adopts the authorization levels of the House bill.

In recent years, AIP funding has steadily been reduced in the appropriations process. The Managers are concerned about the affect these lower funding levels will have on private reliever airports. In order to receive an AIP grant, airports must put up a local share, usually between 10 and 25 percent of the grant. Currently, airports can use land value as an airport's local share. Under this approach, an airport would agree to forego reimbursement from the FAA for the land the airport previously acquired itself. The amount of the reimbursement foregone is counted as the airport's local share. However, the FAA considers the amount of the reimbursement foregone to be the value of the land at the time that the airport acquired it, rather than its current value at the time the AIP grant is made. Under these circumstances, the private reliever airports present a special case, dealing with private property rights. There are but a few private reliever airports in the country that may be in such a unique position.

These private reliever airports acquired their land years ago. Consequently the value of the land, as calculated by the FAA for the purpose of the local share, is treated as only a fraction of its real value today. As a result, private reliever airports may not get the full benefit of using land for the local share. At private reliever airports, because of their limited ability to generate revenues, land valuation may be the only means to obtain financing. As a consequence, this limited land valuation may inhibit the private reliever in meeting the local share requirements for an AIP grant. These relievers provide a benefit to the national air transportation system, at least as important as public relievers, in reducing congestion at larger airports. Therefore, impediments to improving these private reliever facilities should be minimized. Accordingly, the Managers urge the FAA to reconsider carefully its policy on land value of private relievers for their local share under the AIP program.

Due to the lapse in the AIP program, new hub airports have had to move forward with multi-year capital construction programs to accommodate new increased cargo demands at airports. The Managers recommend that the FAA take these factors into consideration when awarding FY 1995 capital grants and negotiating Letters of Intent.

With respect to Title 49 U.S.C. Section 47102 (3)(E) of the Airport and Airway Improvement Act, the Managers intend relocation of radar towers to include a tower which must be relocated due to interference from a facility served by a project approved by the Secretary under this title.

3. SECTION 102. F&E REAUTHORIZATION

House bill

Authorizes funding for FAA Facilities and Equipment of $2.524 billion for fiscal year 1994; $2.670 billion for fiscal year 1995; and $2.735 billion for fiscal year 1996.

Senate amendment

No provision.

Conference substitute

The Conference Substitute adopts the funding levels of the House bill.

The Managers recognize, as does the FAA, that weather information plays a critical role in aviation safety. In addition, according to the FAA, in 1993, weather accounted for 71.8 percent of delays. The need to better detect weather systems is borne out by NTSB data which indicates that weather is cited as the cause in 20–25% of all aviation accidents. There are many systems that are used by FAA to track weather, and FAA also works with the National Weather Service to ensure that the best information is available. Systems like Low Level Windshear Alert Systems and Terminal Doppler Weather Radars (TDWRs) are designed to provide advance warnings of windshear and other potentially hazardous wind conditions. Currently, FAA is in the process of installing TDWRs at 47 sites. Ten sites already have TDWRs, but only one has been commissioned. (The first site was commissioned on July 21, 1994.) In addition, nine sites are under construction, while the remaining sites are awaiting installation. As a general matter, it takes some 18 months to install a TDWR, and an additional 4 to 6 months to commission the facility.

The TDWRs must be sited approximately 8 to 12 miles off the end of a runway. In selecting sites, the FAA has encountered a variety of problems, including wetlands replacement and other environmental issues, as well as land owners unwilling to sell the land. The FAA has worked through many of these problems. Currently, FAA anticipates that it will install and commission TDWRs at the rate of one and a half per month. TDWR technology is fully developed and the contract executed. Delivery, installation and commissioning remain to be accomplished.

The Managers want to ensure that the FAA continues to make this program a priority and that sufficient resources and personnel are available to ensure its completion. In addition, the Managers urge the FAA to accelerate areas like environmental reviews and system check out teams. Finally, the Managers request that the FAA keep the Committee on Commerce, Science, and Transportation and the Committee on Public Works and Transportation apprised of any scheduling changes in the program.

With respect to the modernization of towers the Managers direct the FAA to fully consider the tower modernization needs beyond the approximately 70 Towers currently being addressed under the restructured TCCC program. FAA shall consider the implementation of FAA-developed systems which provide enhanced functionality on a low-cost basis as a near-term complement to the restructured TCCC. The Managers believe the FAA should consider a Pilot Project involving several towers which could then be evaluated and potentially expanded to bring modernization operations to as many towers as possible. The FAA should report to the House Committee on Public Works and Transportation and the Senate Committee on Commerce, Science and Transportation on its activities in this regard.

4. SECTION 102. O&M FROM TRUST FUND

House bill

Authorizes Trust Fund to support FAA Operations subject to ceilings of 50% of the amounts made available for the AIP, F&E, and R&D programs and that total Trust Fund spending may not exceed 70% of FAA's budget.

Senate Amendment

No provision.

Conference substitute

House bill.

5. SECTION 103. FAA OPERATIONS AUTHORIZATION

House bill

Authorizes FAA Operations in the amounts of $4.576 billion for fiscal year 1994; $4.674 billion for fiscal year 1995; and $4.810 billion for fiscal year 1996.

Senate Amendment

No provision.

Conference substitute

House bill.

6. SECTION 103. MINIMUM ENTITLEMENT

House bill

The minimum entitlement in AIP program is raised from $400,000 a year to $500,000.

Senate Amendment

No provision.

Conference substitute

No provision (enacted in P.L. 103–260, April 19, 1994).

7. INTEGRATED AIRPORT SYSTEM PLANNING

House bill

Minimum funding for integrated airport system planning in the AIP program is increased from 0.5% to 0.75% of AIP program.

Senate Amendment

No provision.

Conference substitute

No provision (enacted in P.L. 103–260, April 19, 1994).

8. SECTION 116. MILITARY AIRPORT SET-ASIDE OF 2.5% OF AIP PROGRAM

House bill

Minimum funding requirements for military airports in the AIP program are extended through FY 1996. The number of airports which may be included in the program is increased from 12 to 16.

Senate Amendment

Minimum funding requirements are extended indefinitely. There is no numerical limitation on the number of airports in program. Airports to be added to the program are limited to military airports listed in reports of the Defense Base Closure and Realignment Commission. The exception to the limitation of five years participation in the program is eliminated (the exception permits airports which do not reach the small hub level to be redesignated). Eligibility for funding for repair or construction of parking lots, fuel farms, and utilities is extended indefinitely.

Conference substitute

The program is extended through FY 1996 and the number of airports which may participate in the program is increased to 15. For airports added to the program in the future, there must be a finding that development of the military airport would reduce delays at an airport with more than 20,000 hours of annual delay. The Senate provision eliminating the exception to five year limit is included. Notwithstanding the recent GAO report, the Managers expect the FAA to continue to make grants to military airports for runways, taxiways, land, and aprons. FAA should not necessarily focus on fuel farms, parking lots, and utilities, except where that is important for making the airport compatible with civilian use.

9. TERMINAL DEVELOPMENT AT SMALL AIRPORTS

House bill

Makes non-hub airports eligible for discretionary AIP funding for terminal development.

Senate Amendment

No provision.

Conference substitute

No provision (enacted in P.L. 103–260, April 19, 1994).

10. SECTION 105. EXPLOSIVE DETECTION DEVICES AND UNIVERSAL ACCESS SYSTEM

House bill

Clarifies that explosive detection devices and universal access systems are eligible for AIP funding if they otherwise meet the criteria for funding of security equipment.

Senate amendment

Same provision.

Conference substitute

House bill.

11. SECTION 104. INNOVATIVE CONCRETE

House bill

Amends the policy statement for the AIP program to establish the goal of administering the AIP program to encourage the development and use of innovative concrete and other building materials.

Senate amendment

Amends the policy statement to encourage innovative technology generally, in all Trust Fund programs.

Conference substitute

The Conference substitute merges the House bill and the Senate Amendment.

12. SECTION 115. LETTERS OF INTENT

House bill

Provides that AIP grants may be made under letters of intent in the same fiscal year that the letter is issued.

Senate amendment

Same provision.

Conference substitute

House bill.

13. SECTION 514. PALM SPRINGS

House bill

Allows the release of deed restrictions requiring specified land at Palm Springs Airport to be used for airport purposes, subject to certain conditions.

Senate amendment

Same provision.

Conference substitute

House bill.

14. FEES FOR FOREIGN REPAIR STATIONS (SEE ITEM 32)

House bill

Requires the FAA to establish a schedule of fees equivalent to the costs of certifying and inspecting foreign repair stations.

Senate amendment

No provision.

Conference substitute

Merge the House bill with the Senate amendment in Item 32.

15. SECTION 501. RANDOM DRUG TESTING

House bill

Requires the Secretary of Transportation to complete a rulemaking proceeding in 1 year to determine whether to reduce the rate of random drug testing with regard to aviation personnel. If the rulemaking is not completed on time, the rate of random drug testing is reduced by law to 25% of employees per year.

Senate amendment

No provision.

Conference substitute

The Conference Substitute establishes a 6 month deadline for the completion of a Department of Transportation rulemaking on this issue.

In February 1994, DOT issued a notice of proposed rulemaking concerning random drug testing rates, under which the testing rates for aviation and other modal industries are tied to the percentage of positive tests for persons working in the particular transportation industry. The Managers urge the Department to move forward on this rulemaking expeditiously.

16. SECTION 204. PASSENGER FACILITY CHARGES ON FREQUENT FLIERS

House bill

Provides that airports may not impose passenger facility charges (PFCs) on frequent fliers and other non-paying passengers.

Senate amendment

No provision.

Conference substitute

House bill.

17. SECTION 204. JUSTIFICATION FOR PFC

House bill

Provides that to approve a PFC, the Secretary of Transportation must find that the application includes adequate justification for each of the projects proposed.

Senate amendment

No provision.

Conference substitute

House bill.

18. SECTION 201. TERM OF OFFICE FOR FAA ADMINISTRATOR

House bill

Establishes a five year term of office for FAA Administrators appointed after enactment.

Senate amendment

No provision.

Conference substitute

House bill.

19. SECTION 120. SOUNDPROOFING RESIDENTIAL BUILDINGS

House bill

Continues an exemption permitting funding for the soundproofing of residential buildings at airports which have not completed a Part 150 study.

Senate amendment

Same provision

Conference substitute

House bill.

20. SECTION 120. SOUNDPROOFING RESIDENTIAL BUILDINGS AT AIRPORTS WHERE DEPARTURE PROCEDURES WERE CHANGED BY FAA

House bill.

Allows funding for the soundproofing of residential buildings at airports which did not do a Part 150 study, if there is increased noise at the airport caused by a revision of departure procedures that occurred in FY 1993.

Senate amendment

Same provision.

House bill.

21. SECTION 518. COLLECTIVE BARGAINING AT WASHINGTON AIRPORTS

House bill

Provides for collective bargaining for employees of the Metropolitan Washington Airports Authority, with a prohibition of strikes and lockouts, and a requirement of mandatory arbitration of disputes which are not resolved by bargaining.

Senate amendment

No provision.

Conference substitute

Requires the Secretaries of Transportation and Labor to study the issue of whether employees of the airports operated by the Metropolitan Washington Airports Authority should be given the right to bargain collectively for wages.

The Managers raised a number of questions concerning this provision during its consideration, which led to the decision to seek further information. The Managers would expect to revisit this issue upon completion of the study.

One of the specific items which is to be studied may require clarification; with respect to the "status of employees," the Managers contemplate a determination of whether airport employees are state or federal employees, or have some other status.

22. SECTION 519. REPORT ON BILATERAL NEGOTIATIONS

House bill

Requires a bimonthly report from the Secretary of Transportation on active aviation bilateral negotiations.

Senate amendment

No provision.

Conference substitute

House bill. The Managers have agreed to this provision so that the committees can be kept apprised of important developments in aviation negotiations. Currently, the Department is providing only a list of meeting dates concerning such negotiations. The report directed by the Conference Substitute requires a summary and analysis of discussions held in active negotiations and informal government consultation. Departmental views in the prospects for reaching a satisfactory agreement should also be included.

23. SECTION 206. SLOTS

House bill

Requires DOT to conduct a study of whether the high density rule should be eliminated or whether an increase in the number of operations should be permitted. The study should also include the impact of prohibiting the withdrawal of domestic slots for international service by U.S. or foreign carriers.

Provides that slot availability shall not be a factor in establishing Essential Air Service (EAS) requirements; requires the Secretary to take action to ensure that slots are available as needed for EAS communities, subject to a limit of 132 EAS slots at O'Hare; modifies requirements for retaining slots previously used for EAS, so that a slot may be retained only if it is used to provide basic EAS at another point.

Provides that the Secretary shall not take a slot from a U.S. carrier and award the slot to a foreign carrier, if U.S. carriers are not provided equal access in the foreign country involved.

Senate amendment

References an on-going DOT study of the high density rule. Requires the study to consider the impact of existing rules on essential air service and new entrants, and to consider the fairness and desirability of current rules providing for the withdrawal of domestic slots for foreign operations. Requires a rulemaking after the study is completed in November, 1994. The NPRM resulting from the study must be issued by March 1, 1995, and the final rule be June 1, 1995.

Authorizes exemptions to create additional slots at airports, other than National Airport, for Stage 3 operations, essential air service with Stage 3 aircraft, foreign air transportation with Stage 3 aircraft, and new entrants, in exceptional circumstances.

At National Airport, a carrier now holding slots may obtain an exemption to obtain another slot to operate Stage 3 aircraft if the exemption does not increase the total number of slots at National, does not increase hourly operations at National by more than two, does not withdraw slots from any carrier, and does not increase the noise impact.

Any exemptions issued shall terminate on the effective date of the new regulations.

DOT is directed to consider eliminating weekend flights from the use-it-or-lose-it rule for slots.

Until new slot regulations are issued, the Secretary may not withdraw domestic slots at O'Hare Airport for the purpose of reallocating such slots to international service.

Conference substitute

The Substitute requires that, in determining what is basic essential air service and selecting an air carrier to provide such service, the Secretary of Transportation shall not consider as a factor whether slots at a high density airport are available for providing such service. The substitute further requires that if essential air service is to be provided from an eligible point to a high density airport, the Secretary shall ensure that the air carrier providing or selected to provide such service has sufficient operational authority at the high density airport to provide such service. The Managers believe that this will lead to the restoration of service to communities that lost it, and access to O'Hare Airport for passengers from communities that have been forced to fly to other airports.

If necessary to carry out these objectives, the Secretary shall grant exemptions to create slots for air carriers using Stage 3 aircraft or commuter air carriers, unless such exemption, will significantly increase operational delays. If the Secretary finds that an exemption would significantly increase operational delays, the Secretary shall take such action as may be necessary to ensure that an air carrier providing or selected to provide basic essential air service is able to obtain access to the required high density airport. At O'Hare Airport, the Secretary shall not be required to make slots available for essential air service if the number of slots used for such service is at least 132. The Secretary shall take final action within 60 days on an application for operational authority to provide essential air service.

As a general matter, the Managers expect the Secretary to accommodate the essential air service needs of communities by exemption rather than slot take-aways. The exemptions, of slots where necessary must be provided within 60 days of being requested by the carrier and should be at reasonable times, taking into account the needs of passengers with connecting flights.

For foreign air transportation, the Substitute provides that the Secretary may, if he finds it to be in the public interest, grant exemptions for operations to provide foreign air transportation at high density airports to air carriers and foreign air carriers. The Secretary may not withdraw a slot from an air carrier to allocate it to a foreign air carrier for foreign air transportation if the withdrawal of that slot will result in the withdrawal of a slot from an air carrier at O'Hare Airport in excess of the total number of slots withdrawn from that air carrier as of October, 31, 1993. The Secretary shall not issue exemptions or withdraw slots for the benefit of foreign air carriers whose countries deny equal access to our carriers.

The bill adopts the provisions in the Senate amendment for slots for new entrants (which include limited incumbents) and the special rules for Washington National Airport. The provisions in the bill on essential air service, foreign air transportation, and new entrants do not apply to National Airport.

For Washington National Airport, the Conference Substitute adds to the Senate amendment a requirement that any exemption may not result in an increase in a total number of slots at the airport from 7:00 a.m. to 9:59 p.m., and may not increase in any one hour operations by more than two slots. The Managers believe this section should be used in limited circumstances to meet the needs of carriers holding a limited number of slots. Carriers holding numerous slots should be able to adjust their schedules, and thus the flexibility permitted by this schedules, and thus the flexibility permitted by their section should not be available to such carriers. In addition, exemption 5133 is not adversely affected, and if circumstances warrant, the Secretary may permit changes in operations to this exemption holder. The Managers also are aware of a colloquy on June 16, 1994, during the Senate consideration of H.R. 2739 concerning exceptional circumstances. Finally the Conference Substitute merges the studies contemplated by the House bill and the Senate amendment, and includes the provision in the Senate amendment that requires consideration by the Secretary of the advisability of eliminating weekend schedules from the "use-it-or-lose-it" rule for rataining slots.

24. SECTION 108. REPEAL OF SPECIAL REQUIREMENTS FOR GENERAL AVIATION AIRPORTS ASTRIDE A COUNTY LINE

House bill

Repeals the requirement that to receive an AIP grant, a general aviation airport astride a county line must have the approval of all incorporated communities within five miles of the airport boundaries.

Senate amendment

No provision.

Conference substitute

House bill.

25. SECTION 522. CHILD RESTRAINT SYSTEMS

House bill

Requires airlines to provide a child restraint system if requested by a revenue passenger on behalf of a revenue child passenger.

Senate amendment

Requires a study of the availability, effectiveness, cost, and usefulness of a restraint system for a child in a lap, or in a child restraint system attached to the aircraft. The study shall consider the impact on passenger volume, costs to the passengers, and the fatality rate for infants using other modes of transportation.

Conference substitute

Senate amendment.

26. CONTINUATION OF LETTERS OF INTENT

House bill

No provision.

Senate amendment

Authorizes the Secretary to continue to issue Letters of Intent.

Conference substitute

No provision. The Managers have concluded that this provision is necessary. The provision has been included as a response to legislative proposals to suspend letters of intent. These proposals have not been passed. The Managers expect the FAA to continue to implement the letter of intent program.

27. SECTION 107. PREVENTIVE MAINTENANCE

House bill

No provision.

Senate amendment

Provides that no AIP funds shall be available for the replacement or reconstruction of pavement unless the sponsor has provided assurances that the airport has implemented an effective pavement maintenance/management program. Requires DOT to issue regulations, not later than one year after the date of enactment, to ensure that no product shall be used for pavement maintenance or rehabilitation unless the manufacturer of such product warrants the performance of the product.

Conference substitute

Senate provision on AIP assurance. Requires DOT to study the costs and benefits of a requirement that the manufacturer or installer of pavement maintenance and rehabilitation products provide minimum warranties of enhanced minimum specifications for such products, and of the use of insurance, or other means to improve the performance and value of such products.

28. SECTION 109. REPORT ON IMPACTS OF NEW AIRPORT PROJECTS

House bill

No provision.

Senate amendment

Provides that at least 90 days prior to the approval of a grant application to construct a new large or medium hub airport, the Secretary shall submit to the Congress a report analyzing the anticipated impact of the airport on fees charged to air carriers, air transportation provided in the geographic region of the proposed airport, and the availability and cost of providing air transportation to rural areas in such geographical region.

Conference substitute

Senate amendment.

29. SECTION 120. LANDING AIDS AND NAVIGATIONAL EQUIPMENT POOL

House bill

No provision.

Senate amendment

Requires Secretary to purchase an inventory of Instrument Landing Systems (ILS); requires spending of not less than $30 million a year for FY 1994–1996 to acquire and install these ILS.

Conference substitute

Senate amendment on the requirement of funds to be spent for ILSs. Authorizes FAA to allow airports to purchase ILSs under FAA procurement contracts.

The Managers have found that the current federal procurement processes used to acquire and install precision approach landing aids and navigation equipment, such as Instrument Landing Systems (ILS) are expensive, time consuming and inefficient. Existing constraints have resulted in higher costs, non-standard equipment, and excessive delays in the acquisition and installation of these essential landing aids which continue to impede implementation of important system safety, capacity and efficiency improvements.

In recent years, numerous actions have been initiated directing the FAA to expand and expedite the procurement of ILS equipment. Statutory mandates have been advanced to authorize improved expenditure levels for the purchase of equipment and to streamline the procurement, acquisition and installation process. Various steps have also been undertaken to encourage the purchase of ILS equipment with Airport Improvement Program (AIP) funds in an effort to augment the cumbersome federal procurement process.

The Managers believe that additional action is warranted to satisfy substantial ongoing requirements for navigation and landing aids. This legislation mandates increased funding of no less than $30 million annually over the next three years to help accommodate the substantial new requirements that exist for ILS equipment and installation. Moreover, the legislation includes a provision that requires the Federal Aviation Administrator, within 120 days, to establish an expedited process through which airport sponsors may take advantage of cost savings associated with the purchase and installation of Instrument Landing Systems and related equipment under existing or future FAA contracts when using AIP grants.

The Managers believe that significant cost savings could result for users and the federal government; the current acquisition and installation process could be reduced substantially; and important additional safety, capacity and efficiency requirements could be met.

30. MICROWAVE LANDING SYSTEM

House bill

No provision.

Senate amendment

Prohibits spending for MLSs, except under contracts in effect on January 1, 1994.

Conference substitute

No provision. The Managers commend the Federal Aviation Administration for canceling the MLS program on June 2, 1994. The Managers concur with the decision to focus on the adoption of satellite technology.

The Managers are very supportive of FAA's aggressive approach to testing, approving, and implementing the use of Global Positioning System (GPS) for both en route and landing navigation purposes. During the transition from the current ground-based systems to a satellite system, the Managers understand a period will exist where FAA must operate and maintain satellites and ground-based systems simultaneously. However, the Managers fear that FAA must be planning to use the current ground-based systems as a permanent back-up to the satellite systems.

If FAA believes satellite navigation may not exhibit the reliability and redundancy found in the current ground-based system, perhaps GPS would not be the low cost, space saving option promised to airlines and general aviation pilots. If FAA believes GPS is reliable, but a back-up system is necessary, the Managers doubt that maintaining both GPS and a ground-based system would be cost beneficial.

FAA should provide a plan informing the House Committee on Public Works and Transportation and the Senate Committee on Commerce, Science and Transportation of its schedule for approving satellite-based navigation and its schedule for decommissioning ground-based navigation equipment.

31. SECTION 202. ASSISTANCE TO FOREIGN AVIATION AUTHORITIES

House bill

No provision.

Senate amendment

Authorizes FAA to provide safety-related training and operational services to foreign aviation authorities with or without reimbursement, if providing such services would promote safety.

Conference substitute

Senate amendment, modified to require FAA to obtain reimbursement if possible.

32. SECTION 209. FEES FOR SERVICE OUTSIDE U.S.

House bill

No provision.

Senate amendment

Allows FAA to charge higher fees to cover the cost of providing certification-type services outside the U.S., and to have such additional fees credited to FAA's treasury account.

Conference substitute

Senate amendment, merged with House bill Item 14. The manufacture and maintenance of civil aeronautical products have become worldwide enterprises. Safety regulatory efforts to keep pace with the trend of globalization can be hampered by resource constraints. Many foreign civil aviation authorities fully recover their costs for certification work performed both domestically and overseas. This provision permits the FAA to provide safety regulatory services abroad in a more responsive and timely manner.

Examining one program in particular, the Managers believe the Aircraft Certification Service should be able to offset expenditures made in support of aircraft or airline safety regulatory programs of both U.S. and foreign owned companies outside the United States. These expenditures generally represent the difference between providing the service within the United States and overseas, and include foreign travel and per diem expenses according to U.S. Government rates; time lost in travel by inspectors who would otherwise not have had to incur the lost time in foreign travel; and overhead costs associated with seeking reimbursement.

33. REVIEW OF FAA

House bill

No provision.

Senate amendment

Requires FAA to complete a review of its personnel administration, procurement process, and overall organizational structures by March 30, 1994.

Conference substitute

No provision. P.L. 103-260, enacted on April 19, 1994, requires an extensive study of options for FAA reform.

34. SECTION 503. REPEAL OF REPORT ON COLLISION AVOIDANCE

House bill

No provision.

Senate amendment

Abolishes the requirement for FAA to submit an annual report on collision avoidance systems.

Conference substitute

Senate amendment.

35. SECTION 509. AVIATION SAFETY JOURNAL

House bill

No provision.

Senate amendment

Prohibits the FAA from continuing to publish the Aviation Safety Journal.

Conference substitute

Senate amendment.

36. SECTION 207. AIR CARRIER TERMINATION NOTICE

House bill

No provision.

Senate amendment

Requires air carriers to give 60 days notice before terminating all air service at a nonhub airports. Exceptions exist for emergencies, when service has been operated for less than 180 days, and when a carrier arranges for replacement service. Allows the Secretary to exempt commuter carriers. Authorizes civil penalties for carriers failing to file adequate notice.

Conference substitute

Senate amendment modified to require 45 days notice and to limit the total amount of a civil penalty for a failure to give notice to $5,000. The civil penalty could only be a one-time fine and could not be aggregated on a per-day, per-flight or other basis. The effective date is changed to February 1, 1995.

37. SECTION 521. SAFETY OF JUNEAU AIRPORT

House bill

No provision.

Senate amendment

Requires DOT to study the safety of approaches to Juneau Airport.

Conference substitute

Senate amendment.

38. SECTION 511. SOLDOTNA AIRPORT

House bill

No provision.

Senate amendment

Allows FAA to grant a release from deed restrictions governing land use at Soldotna Airport. The city must receive the fair market value for property conveyed and must use the amounts received for public airports.

Conference substitute

Senate amendment.

39. SECTION 513. ROLLA AIRPORT

House bill

No provision.

Senate amendment

Allows FAA to grant a release from deed restrictions governing land use at Rolla, Missouri Airport. The city must receive the fair market value for property conveyed and must use the amounts received for public airports.

Conference substitute

Senate amendment.

40. SECTION 516. RELOCATION OF SAN JACINTO AIRWAY FACILITIES

House bill

No provision.

Senate amendment

Provides that the United States shall be compensated for the costs of replacing the existing airway facilities at the San Jacinto Disposal area, as part of compensation given to the United States for transfer of the San Jacinto disposal area to the city of Galveston.

Conference substitute

Senate amendment.

41. AUGUSTA WEATHER SERVICES

House bill

No provision.

Senate amendment

Directs DOT to provide weather observation services, including direct radio contact with pilots, at Augusta, Maine Airport. DOT is authorized to enter into an agreement with the Maine DOT to provide these services.

Conference substitute

No provision.

42. ECONOMIC REGULATION OF HAWAIIAN AIR SERVICE

House bill

No provision.

Senate amendment

Allows the State of Hawaii to regulate intrastate air service in Hawaii, defined as service between points in Hawaii which do not involve carrying passengers as part of a single itinerary on a single ticket for transportation beginning or ending outside the State.

Conference substitute

No provision.

43. SECTION 117. REIMBURSEMENT FOR TERMINAL DEVELOPMENT

House bill

No Provision.

Senate amendment

Allows AIP grants to pay for bond indebtedness for terminal development at a non-hub airport between January 1, 1992 and October 31, 1992. For such reimbursement the qualifications-based procurement of engineering and design services, Davis-Bacon, veterans preference, and DBE requirements are waived.

Conference substitute

Senate amendment

44. SECTION 203. PASSENGER FACILITY CHARGE (PFC) MAY BE USED TO MEET FEDERAL MANDATES

House bill

No provision.

Senate amendment

Allows PFCs to be used to fund airport compliance with certain federally required mandates to the same extent that AIP funds are allowed to be used for such purposes.

Conference substitute

Senate amendment, limited to those federal mandates related to airside development. This section is intended to expand PFC eligibility and not to reduce or eliminate the eligibility of any projects which presently can be funded under the PFC program.

The Managers are aware of the difficulties that can arise when two federal agencies are charged with responsibility for overseeing activities at a public facility. In particular, the Federal Aviation Administration's mission to ensure the safe and efficient operation of our national system of airports would appear to be at variance with the Environmental Protection Agency's (EPA) responsibility under the Clean Water Act for ensuring that those operations be conducted in an environmentally benign manner. This variance would be most apparent during winter storm events, when the need to apply substantial de-icing fluids would conflict with the need to protect the receiving waters from airport runoff.

To address this need, Public Law 102-581 made projects necessary for compliance with the Clean Air Act and Federal Water Pollution Control Act eligible for AID funding. However, there may be a need to give the funding of these projects, particularly storm water collection and bio-treatment facilities, more attention.

To help guide the Congress for further action on this matter, the Managers direct that, not later than February 1, 1995, the FAA provide the House Committee on Public Works and Transportation and the Senate Committee on Commerce, Science and Transportation with the following information in letter form.

1. A list of major airport facilities located adjacent to environmentally sensitive areas, including lakes, rivers and coastal zones and the status of their stormwater discharge permits.

2. A list of stormwater runoff collection and bio-treatment projects at those facilities which have been submitted for funding under the AIP program.

3. Recommendations on how the AIP and other programs may be improved to ensure that these projects encourage the use of less hazardous materials and receive priority consideration in the distribution of AIP funds.

45. REIMBURSEMENT FOR PAST EXPENDITURES

House bill

No provision.

Senate amendment

Allows reimbursement from AIP entitlement funds for work carried out during a two year period before a grant agreement is executed. Costs reimbursed may include interest on bonds to finance projects. Projects must be consistent with an FAA approved layout plan, and must conform to all requirements which would have applied under a grant. Projects initiated after 90 days after enactment must receive prior FAA approval. Grants may cover indebtedness incurred to initiate a project or to finance a project.

Conference substitute

No provision.

46. SECTION 118. AIRPORT SAFETY DATA COLLECTION

House bill

No provision.

Senate amendment

Provides that FAA may contract, using sole source or limited source authority, for the collection of airport safety data.

Conference substitute

Senate amendment.

47. INTERMODAL SYSTEM PLANNING

House bill

No provision.

Senate amendment

Expands eligible integrated airport system planning under AIP program to include "the role which airports play in the transportation system in a specific area." For a grant to be made to a planning agency for integrated airport system planning, all large and medium hub airports in the area must be appointed to the planning agency as soon as practicable. For a grant to be made to a planning agency, the airport must be a co-applicant, the project must substantially benefit the airport, and the grant must be in proportion to the benefits to the airport.

Conference substitute

No provision.

48. SECTION 526. INNOVATIVE FINANCING

House bill

No provision.

Senate amendment

Requires DOT to study innovative approaches for using federal funds for airport development, including loans, loan guarantees, and loan insurance.

Conference substitute

Senate amendment.

49. SECTION 117. FEDERAL SHARE FOR TERMINAL DEVELOPMENT

House bill

No provision.

Senate Amendment

Establishes the federal share for terminal development at 75% for large hub airports, 90% for all others (the regular AIP shares).

Conference substitute

Senate amendment.

50. SECTION 106. WAIVERS FOR FOREIGN AIR CARRIERS

House Bill

No provision.

Senate Amendment

Allows the Secretary to grant foreign carriers the same waiver from the Noise Act as he may grant to U.S. carriers. The waiver would permit the operation of Stage 2 aircraft between December 31, 2000 and December 31, 2003 if 85% of the carrier's fleet is Stage 3 by 1999, and if there are firm orders which will result in an all Stage 3 fleet by 2003.

Conference substitute

No provision.

51. SECTION 106. STATE SPONSORSHIP

House bill

No provision.

Senate amendment

Allows a state to sponsor an application for any group of eligible projects at several airports. Current law requires that the projects be "similar."

Conference substitute

Senate amendment.

52. SECTION 504. ADVANCED LANDING SYSTEMS

House bill

No provision.

Senate amendment

Requires FAA to consider expeditious approval of the new generation, low cost, advanced landing system being developed for Department of Defense.

Conference substitute

Senate amendment with a modification to give FAA more flexibility in the procedures used to evaluate the system.

53. SECTION 517. SAFETY AT ASPEN AIRPORT

House bill

No provision.

Senate amendment

Limits operations at Aspen Airport by general aviation and commuters during the period from 30 minutes after sunset to 11:00 p.m. to instrument operations, authorized by air traffic control. VFR operations authorized by ATC may be conducted by a pilot who has operated at least one flight at Aspen in the prior 12 months, and operates an instrument-certified aircraft. Aspen Airport must agree not to enforce the "ski season exception" to its nighttime curfew and to allow operations permitted by this provision. If Aspen meets these requirements, it may bar other general aviation flights. FAA is directed to issue an NPRM on mountain flying.

Conference substitute

Senate amendment with technical and clarifying changes. The Conference Substitute refers to the existing operating hours of Aspen Airport. The Managers understand that the hours of operation can be changed, based on changed circumstances, so long as there is no discrimination between air carriers and general aviation in the availability of these operating hours.

The Federal Aviation Administration has shown little interest in addressing the safety problems unique to mountain flying. The Managers expect the FAA to complete the Notice of Proposed Rulemaking and to work with mountain airports and pilot groups to prepare general aviation pilots for mountain flying risks.

54. SECTION 208. STATE INCOME TAX

House bill

No provision.

Senate amendment

Amends existing law limiting states which may impose income tax on flight and cabin crews to the state of domicile and any state in which the employee earns more than 50% of his compensation. The amendment provides that flight and cabin crew who are given leave to perform union duties shall be required to pay income tax only in their state of domicile and a state in which they would have performed more than 50% of their flight duties. Nothing in this section should be construed as applying to federal taxes.

Conference substitute

Senate amendment.

55. SECTION 121. PFC STUDY

House bill

No provision.

Senate amendment

Requires DOT to study the administration of the rules in the PFC program which govern the handling of PFC revenues by air carriers.

Conference substitute

Senate provision. The Substitute requires the Secretary to conduct a review of 14 CFR 158.49(b) to assess the effectiveness of this regulatory provision in light of the objectives of section 1113(e) of the Federal Aviation Act of 1958 (authorization for the imposition of passenger facility charges). The Secretary is further directed to take such corrective action as the Secretary determines necessary to address any problems discovered in the review.

The Managers direct that the study focus on two issues with respect to Section 158.49(b) as currently drafted. One is that public agencies are having difficulty reconciling anticipated PFC income with amounts actually remitted by collecting carriers. The other is that the commingling of PFCs with general carrier revenues poses a risk that if the collecting carrier becomes bankrupt, the Bankruptcy Code may permit a trustee or bankruptcy court to determine that the commingled PFCs are an asset of the bankrupt, estate rather than the public agency, despite the contrary policy stated in Section 158.49(b).

56. SECTION 502. SECURITY REPORT

House bill

No provision.

Senate amendment

The date for the annual security report FAA is required to submit is shifted from December 31 to March 3.

Conference substitute

Senate amendment.

57. SMOKE EMERGENCIES

House bill

No provision.

Require FAA to enforce its regulations on pilot vision and smoke emergencies caused by dense smoke in the cockpit on current and future aircraft. Requires a report to Congress on the enforcement of FAA regulations one year after enactment.

Conference substitute

No provision. The Senate provision was not accepted by the Managers because it is not needed to solve a safety problem in today's U.S. airline fleet, or remedy a deficiency in the Federal Aviation Administration's safety enforcement program with respect to regulations governing evacuation of smoke from the cockpit.

Much of the debate on this issue has revolved around whether the cause of certain specific accidents was due to the failure of smoke to be eliminated from aircraft cockpits. In response to an inquiry from the Committee on Public Works and Transportation, the National Transportation Safety Board, the independent agency charged with determining the probable cause of transportation accidents, stated that:

". . . Safety Board accident records failed to support the contentions that smoke in cockpits was a significant factor in accidents that involve U.S. air carriers in the 15 years [preceding] 1991. These accidents would include those mentioned in [the submitted] correspondence."

There have been no such accidents since 1991. The Board further stated that:

"[It] has no outstanding safety recommendations that address the evacuation of continuous smoke."

58. SECTION 515. REAL ESTATE TRANSFER AND WEATHER OBSERVATIONS IN ALASKA

House bill

No provision.

Senate amendment

Requires FAA to convey a building in Lake Minchumina, Alaska to the local government for educational purposes and to convey a building to local government in Fort Yukon for a health clinic. Requires FAA to employ human weather observers in a number of named cities in Alaska.

Conference substitute

Senate amendment on the buildings. On weather observers, Conference substitute directs FAA to establish real time weather information for pilots at a specified number of airports in a state with three or more accidents per year involving serious or fatal injuries on scheduled flights with single engine aircraft operating under VFR.

59. SECTION 512. RELEASE OF LAND, STURGIS AIRPORT, KENTUCKY

House bill

No provision.

Senate amendment

Allows DOT to grant a release from restrictions in a federal deed requiring property tax be used for airport purposes at Sturgis Municipal Airport. The city must receive the fair market value for the property conveyed and must use the amounts received for public airports.

Conference substitute

Senate amendment.

60–63. SECTIONS 110–113. REVENUE DIVERSION AND AIRPORT-AIR CARRIER FEE DISPUTES

These sections are intended to provide additional enforcement against illegal diversion of airport revenue and a mechanism to settle disputes involving airport fees charged or sought to be imposed on airlines. The legislation specifically refers to "air carriers and airports" throughout Title V to ensure that fee disputes only involving airports and airlines are resolved, so that the national air transportation system is not threatened with lockouts.

60. SECTION 112. REVENUE DIVERSION

House bill

Provides that an airport's use of revenues generated by the airport or local taxes on aviation for purposes other than capital or operating expenses of the airport shall be considered as a factor militating against an AIP discretionary grant.

Senate amendment

Requires the Secretary to establish, within 90 days from the date of enactment, policies and procedures to enforce grant assurances requiring airports to develop fee structures to make their operations self sustaining, and prohibiting diversion of revenues.

The new policies shall prohibit, at a minimum: revenue diversion through direct or indirect payments which exceed the value of services and facilities provided to the airport; use of airport revenues for general economic development, marketing and promotional activities unrelated to an airport; payments in lieu of taxes exceeding value of service provided; and payments to compensate for lost tax revenues exceeding stated tax rates. The policies shall provide for internal controls, auditing, and FAA personnel sufficient to monitor assurances.

If an airport sponsor violates the assurance against revenue diversion or locks out an airline which pays its fees, U.S. district courts have the authority to enjoin these violations, upon request of the Secretary. If an airport violates the assurances against revenue diversion and refuses to take corrective action directed by the Secretary, the Secretary shall not approve new AIP applications or new applications for approval of PFCs.

Civil penalties may be imposed for violations of assurances against revenue diversions. The maximum civil penalty for a continuing violation shall not exceed $50,000.

Conference substitute

1. In general. Senate amendment. House bill with exception for airports which do not spend revenues off the airport in excess of amounts spent in 1994, plus an annual increase corresponding to an increase in the consumer price index. In administering the modified House provision on revenue diversion and AIP discretionary grants, the Secretary shall consider the amount being diverted by the airport operator compared to the amount being sought in discretionary grants in reviewing the grant application.

The Conference Substitute also adds a prohibition, effective after date of enactment, against a State or subdivision collecting a new tax, fee, or charge which is imposed exclusively upon any business located at an airport or operating as a permittee of the airport, other than a tax, fee, or charge utilized for airport or aeronautical purposes. This prohibition applies only to new taxes imposed exclusively on businesses located at airports or permittees. It does not apply to general taxes on all businesses, although a state or subdivision would be prohibited from imposing a general tax that purports to apply to all businesses when in reality it applies only to airport businesses.

3. Civil Penalties. The bill provides authority for the Secretary of Transportation to impose civil penalties up to a maximum $50,000 on airport sponsors for violations of the AIP sponsor assurance on revenue diversion. The Managers intend this provision to send a strong message to airport sponsors and local and state governments to discourage and prevent unlawful diversion of airport revenues, and to strengthen DOT and FAA's ability to enforce the law. The Managers intend that the Secretary use this authority to create a strong disincentive for those who may be tempted to divert airport revenues, and to ensure that violations are corrected and that any funds that were used illegally are restored to the airport and the airport system for use for legitimate purposes. Civil penalties may not be imposed on any individual, and the Managers intend that the Secretary use this authority only as a last resort after all other means of correcting violations have failed and the airport sponsor

willfully continues to violate the law. The Managers want to make certain that the Secretary will use the authority given him in the bill to compromise civil penalties, specifically by providing the airport sponsor with a reasonable period of time, after a violation has been clearly identified to the airport sponsor, to take corrective action to restore the funds or otherwise come into compliance before a penalty is assessed.

61. SECTION 110. POLICY STATEMENT ON AIRPORT FEES

House bill

No provisions.

Senate amendment

Adds policy statements that airport rates and fees must be reasonable and used only for purposes not prohibited by the Act, that airports should be as self sustaining as possible, and that airports should not seek to create surpluses which exceed the amounts needed for the airport system, including reasonable reserves and allowance for contingencies.

Conference substitute

Senate amendment. The Managers carefully considered the issue of airport revenue surpluses. Reaching a middle ground on this aspect of airport finances was central to the consensus expressed in the Conference language on airport rates and charges.

As the Committee sets forth in Section 110 of the Bill (Declaration of Policy), a revenue surplus may be used for such normal business practices as setting aside a reserve of funds to accommodate the unevenness in receipts over time, to cover unanticipated contingencies, to achieve favorable capital financing agreements, and for other recognized purposes. Even the smallest airports typically face one or another of these operational realities, and need to maintain a revenue surplus to address them.

62. SECTION 112. AIRPORT FINANCIAL REPORTS

House bill

Airports receiving grants must submit annual reports of funds paid and services provided to other units of government.

Senate amendment

Provides that the secretary shall prescribe a format for airlines to file an annual report on airport finances, surpluses, and concession revenues.

Conference substitute

Combined House bill and Senate amendment. This legislation is not intended to bar reasonable reserves and other funds to facilitate financing and cover contingencies. To assure that revenue surpluses are not abused, the Conference Substitute takes care to assure that the amount of revenue surplus would be reported publicly each year by those airports covered by Section 112 of the bill (Airport Financial Reports). This public reporting would highlight any situation in which the surplus balance is clearly out of line with the overall financial status of the airport.

63. SECTION 113. PROCEDURE FOR FEE DISPUTES

House bill

No provision.

Senate amendment

Allows airport fees to be set by compensatory or residual methodologies. Within 90 days of enactment, the Secretary must develop new procedural regulations for complaints against unreasonable airport fees. Under these procedures, the Secretary must issue a final order within 120 days of the filing of a complaint. The case must be assigned to an ALJ, or dismissed, 30 days after it is filed. The ALJ must issue a decision 90 days after the filing of the complaint. If Secretary doesn't meet the deadline, the ALJ decision becomes final. If a case is filed, and not dismissed, fee increases shall be paid into escrow, pending final decision. If fee is paid into escrow, the airport may not "lock out" a carrier.

The section does not apply to fees under agreements, fees imposed under financing agreement before date of enactment, or existing fees which have not been challenged as of date of enactment. The section shall not adversely affect rights under existing agreements or financing covenants.

Conference substitute

The Senate provision is modified to allow airport to assure timely repayment of fees determined to be unreasonable by a letter of credit, surety bond, or other suitable credit facility.

The Managers intend these procedures to require the Secretary to act within a specific time frame. Many had sought to add a provision that would, in the event the Secretary failed to either set a dispute for hearing or dismiss a complaint, provide access to federal courts to litigate the reasonableness of an airport fee. Instead, the Managers provided a process requiring the Secretary to act. The Managers recognize the concerns raised, but at this point prefer that the Department act within the time frames set up in the Conference Substitute. However, if DOT fails to meet its obligations under the substitute, this Act is not intended to eliminate any rights of complainants to ask a court to order DOT to comply with the law. Moreover, an order dismissing a complaint on the grounds that no significant dispute exists, is an order subject to review by the Courts of Appeal of the United States as provided under Sec. 1006 of the Federal Aviation Act.

The Managers also are aware that there may be situations that involve an airport agreement with air carriers, and that airport loses a carrier, thereby triggering recalculation of fees to cover the shortfall in income. In most, if not all of these types of situations, airport agreements cover such increases. In the event an air carrier sought to challenge the fee increase (whether or not an airport has an agreement with its air carrier), the Department would be able to look at the entire picture and dismiss, if the situation warrants, such a complaint.

64. SECTION 205. GAMBLING

House bill

No provision.

Senate amendment

Prohibits transportation or use of gambling devices on any aircraft operated by a United States' air carrier or a foreign air carrier in foreign air transportation. Also requires a study of the effects on aviation safety of gambling on electronic interactive video systems on passenger aircraft. In addition, the study should evaluate the competitive effects of permitting foreign air carriers, but not United States air carriers to install, transport, and operate gambling applications on electronic interactive video system, on board aircraft.

Conference substitute

Senate provision. Requires an additional study of whether gambling should be allowed on aircraft operated in foreign air transportation, including any legislation needed to implement the resulting recommendations.

This section only prohibits air carriers from carrying gambling devices defined as devices which, when operated, can deliver money in any form (i.e., cash or credit), or property as the result of the application of an element of chance. This section does not bar airlines from carrying game machines which do not have the prohibited money or property delivering capability.

65. SECTION 505. ASBESTOS REMOVAL, VACANT AIR FORCE STATION, MARIN COUNTY, CALIFORNIA

House bill

No provision.

Senate amendment

Authorizes appropriations from the Trust Fund to FAA of such amounts as may be necessary to carry out asbestos abatement activities, and the demolition and removal of buildings at the site of the vacant Air Force station in Marin County, California. The amount from the Trust Fund shall not exceed FAA's share of the costs of carrying out such activities.

Conference substitute

Senate provision, with technical changes to delete references to Trust Fund legislation.

66. INCREASED FUNDING

House bill

No provision.

Senate amendment

Authorizes an upward adjustment in a grant to the Aurora, Illinois airport of $750,000, to fund increased land acquisition costs determined in judicial proceeding.

Conference substitute

Senate amendment.

67. SECTION 524. USAGE OF RADAR AT CHEYENNE, WYOMING AIRPORT

House bill

No provision.

Senate amendment

Expresses the sense of the Senate that DOT shall revise its cost benefit analysis to take account of projected military enplanement and cost savings with regard to radar installations at joint-use civil military airports; and that the FAA Administrator should reevaluate the airport radar needs at Cheyenne, Wyoming Airport.

Conference substitute

Senate amendment.

68. SECTION 510. MONROE COUNTY IMPROVEMENT

House bill

No provision.

Senate amendment

Authorizes FAA to grant a release from deed restrictions requiring the use of Sellman Field in Monroe, Louisiana for aviation purposes. Any proceeds from using such land for non-aviation purposes must be used for aviation purposes.

Conference substitute

Senate amendment.

69. SECTION 523. INSPECTOR GENERAL/ WASHINGTON, D.C. AIRPORT

House bill

No provision.

Senate amendment

Expresses sense of the Senate that DOT IG has oversight responsibility and may conduct audits and investigations relating to funds appropriated by Congress for programs or operations at Dulles or National Airports.

Conference substitute

Senate amendment.

70. SECTION 507. INFORMATION ON DISINSECTION

House bill

No provision.

Senate amendment

Requires DOT to publish and periodically revise a list of countries that require disinsection of aircraft landing in such countries, while passengers and crew are on board.

Conference substitute

Senate amendment. The Managers recognize the need to inform the flying public of the countries which require the use of pesticides on airplanes while passengers are aboard. The Department of Transportation has announced its intention to require U.S. and foreign airlines, and their agents, including travel agents, to inform passengers at the time they book flights whether the flight will be sprayed while passengers are aboard. To further disseminate this information, the Managers also encourage the Federal Aviation Administration, and the Department of State to provide such information to travelers through existing telephone passenger advisory services.

71. SECTION 508. CONTRACT TOWER

House bill

No provision.

Senate amendment

Requires Secretary of Transportation to take appropriate action to assist Chandler, Arizona, Aberdeen, South Dakota and other appropriate communities to obtain installation of a Level I Contract Tower.

Conference substitute

Senate amendment, without references to specific sites.

72. SECTION 525. POLICY ON NORTH KOREA

House bill

No provision.

Senate amendment

Sense of the Senate concerning North Korea.

Conference substitute

Senate provision with minor House changes.

73. OVERSIGHT

House bill

No provision.

Senate amendment

Sense of Senate seeking hearing of Whitewater matter.

Conference substitute

No provision.

74. SECTION 526. RELIGIOUS LIBERTY

House bill

No provision.

Senate amendment

Sense of Congress concerning religious liberty.

Conference substitute

Senate provision with House amendment making it a sense of the Senate.

75. KI SAWYER AIR FORCE BASE

House bill

No provision.

Senate amendment

Directs FAA Administrator to carry out on-going radar approach control activities at KI Sawyer AFB, Michigan.

Conference substitute

The Managers have agreed to drop Section 416 of the Senate passed bill. The Managers determined, based on assurances from the FAA in letters to Senator Levin and Congressman Stupak, that the needs of KI Sawyer would be met. The FAA letter specifically stated ". . . the FAA plans to completely take over and operate the existing ASR-7. FAA will install FAA approved and supportable equipment, will maintain the system, and will operate approach control services."

JOINT EXPLANATORY STATEMENT OF THE CONFERENCE COMMITTEE STATEMENT OF MANAGERS ON H.R. 2739 TITLE III AS PASSED BY THE HOUSE ON 10/13/93 AND H.R. 2739 SECTIONS 204 AND 306 AS PASSED BY THE SENATE ON 6/16/94.

The managers of the part of the House and Senate at the conference on the disagreeing votes of the two houses on provisions of the House bill H.R. 2739 submit the following joint statement to the House and Senate in explanation of the actions agreed upon by the managers regarding H.R. 2739 Title III as passed by the House and H.R. 2739 Sections 204 and 306 as passed by the Senate and recommended in the accompanying conference report. The managers agree the authorizations and explanations are as specified in House Report 103-225 and Senate Report 103-181 as applicable in addition to the material contained herein.

SECTION BY SECTION ANALYSIS—SENATE BILL H.R. 2739 SECTION 206

Present Law

No provision.

Senate Provision

This Section authorizes the FAA to enter into cooperative agreements with Federal and non-Federal entities to pursue research, engineering, and developmental activities on a cost-shared basis.

House Provision

No Provision.

Conference Agreement

The House concurs with the Senate provision. This provision will provide the FAA with the authority to enter into cooperative agreements with Federal and non-Federal entities to pursue research, engineering and development activities. Under this program, the Administration may enter into cost-sharing agreements with aviation industry consortia along with other federal agencies to jointly develop products which will benefit the travelling public. This authority could also provide an expedited mechanism to develop needed technology, to assure that all parties involved in a particular activity work together, and to leverage research dollars. The cooperative program has a focused purpose—to allow the FAA to work with industry on a number of emerging issues as the air traffic control system is modernized.

SENATE BILL H.R. 2739 SECTION 304

Present Law

No provision.

Senate Provision

This section requires the FAA and NASA to conduct a study to identify technologies for noise reduction for propeller driven aircraft and rotorcraft. The goal of the study is to determine the status of research and development in propeller and rotary wing aircraft and to determine if additional research is necessary. The section requires delivery of a report not later than 280 days after enactment of this Act. The Section also states that if the Administrators of NASA and the FAA determine that additional R&D is necessary and would contribute to the development of quiet aircraft technology, the agencies shall conduct an appropriate research program to develop safe, effective and economical noise reduction technology which can also be applicable to existing aircraft.

House Provision

No Provision.

Conference Agreement

The House concurs with the Senate provision. The Conferees emphasize the important noise research presently underway as authorized by the Section 304 of P.L. 102-581, the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992. The Conferees acknowledge that many citizens residing near airports are adversely affected by noise from propeller driven aircraft and rotorcraft. The Conferees note that the study and research authorized in this section will assist in developing the technologies necessary to minimize noise from small aircraft. The Conferees agree that none of the funds to be used to conduct this study shall be allocated from existing noise reduction programs, and that the report shall be delivered to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Science, Space, and Technology.

HOUSE BILL H.R. 2739 TITLE 3 SECTION 301

Present Law

No provision.

Senate Provision

No provision.

House Provision

Provides the short title for Title 3 of the bill.

Conference Agreement

The Senate accepts the House short title.

HOUSE BILL H.R. 2739 TITLE 3 SECTION 302

Present Law

Section 302 of P.L. 102-581 authorizes appropriations for FY 1994 under section 506(b)(2) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 48102 (a)(2)) of $297,000,000.

Senate Provision

No equivalent provision.

House Provision

Section 302 authorizes appropriations from the Airport and Airway Trust Fund for Federal Aviation Administration (FAA) research, engineering, and development as follows:

AUTHORIZATION H.R. 2820

[In thousands of dollars]

	Fiscal years—		
	1994	1995	1996
00.01 Management and analysis	11,297	12,646	14,131
00.02 Capacity and air traffic management technology	76,939	84,000	92,402
00.03 Communications, navigation and surveillance	35,675	39,242	43,167
00.04 Weather	1,908	2,098	2,307
00.05 Airport technology	7,509	8,260	9,086
00.06 Aircraft safety technology	40,175	44,192	48,611
00.07 System security technology	35,430	39,523	43,475
00.08 Human factors/Aviation medicine	27,756	31,716	34,887
00.09 Environment and energy	7,586	8,124	8,716
00.10 Innovative/Cooperative research	5,725	5,199	5,718
Total	250,000	275,000	302,500

Conference agreement

The Conferees agree to the following provisions for the FAA Research, Engineering, and Development for FY 1995 and FY 1996:

AUTHORIZATION H.R. 2820

[In thousands of dollars]

	Fiscal year—	
	1995	1996
00.01 Management and analysis	7,673	8,056

AUTHORIZATION H.R. 2820—Continued

[In thousands of dollars]

	Fiscal year— 1995	Fiscal year— 1996
00.02 Capacity and air traffic management technology	80,901	84,946
00.03 Communications, navigation and surveillance	39,242	41,204
00.04 Weather	2,909	3,054
00.05 Airport technology	8,660	9,093
00.06 Aircraft safety technology	51,004	53,554
00.07 System security technology	36,604	38,434
00.08 Human factors/aviation medicine	26,484	27,808
00.09 Environment and energy	8,124	8,532
00.10 Innovative/cooperative research	5,199	5,459
Total	266,800	280,140

The objectives of the FAA RE&D program, as stated in the FY 1994 RE&D plan, are:

a) reducing civil aviation fatality rate by at least 10% by 2000:

b) reducing the number of accidents attributable to weather by 20% by 2000;

c) developing advanced aircraft fire safety and crashworthiness technologies by 2005;

e) fielding a Wide-Area differential global positioning system (GPS) to provide satellite based navigation for all flight phases down to Category I precision approach minima by 1998; and

f) anticipating new threats and develop and implement new security philosophies, technologies, and systems that operate effectively with minimal interference to passengers and carriers.

P.L. 102-581 contains the authorization levels for these programs for Fiscal Year 1994.

The Conferees are aware that the funds to pay for the research programs are collected through the passenger tax of ten percent per ticket, which goes into the Airport and Airways Trust Fund. Therefore, it is appropriate that those who fly, pay for the aviation research designed to make flying even safer than it already is, which is the intent of this legislation.

Since there is an uncommitted balance of $4.4 billion in the trust fund, the increases recommended by the Committee come from unobligated tax revenues and interest. The interest alone on the cash balance which last year, including obligated and unobligated funds, was over one billion dollars. In addition, last year $1.64 billion from the trust fund, which was the result of an increase of two percent for the passenger ticket tax, went to deficit reduction. Therefore, the flying public has paid a fair share for the FAA research programs and deficit reduction.

The recommended increase in FY 1996 is directed toward increasing the activities in each of the specific program areas. The Conferees note the Airport and Airway Improvement Act (as amended by P.L. 1001-223 Section 105(b)(3)) provide authority for the transfer of funds up to 10% in any fiscal year of the amount authorized for that fiscal year, which gives the FAA flexibility to address new areas, if needed in the future. The balance of this Section describes the areas where the Conferees place special emphasis.

The Conferees note that the FAA has established a Civil Tiltrotor Advisory Committee, as required by P.L. 102-581. Some have suggested that this new technology could offer one means of addressing future capacity and delay problems. The Conferees encourage continuation of this effort.

The Aviation Centers of Excellence were established by Section 9209 of Public Law 101-508. The legislative intent of the Aviation Centers of Excellence program was that it would be a valuable means of fostering the continued advance of the aviation technology base. By partnering with institutions possessing existing expertise, selected by a peer review process that is based on the scientific merits of the potential center, the government gains significant leverage for the federal investment and access to the interdisciplinary base of knowledge that is critical to the effective continued advance of aviation technologies. The first Center was jointly established in 1993 at Rutgers University and the Georgia Institute of Technology and marked a positive beginning for this program.

Areas of research and development for which the next Center should be able to make important contributions include crashworthiness, aging aircraft, flight safety, human factors, and propulsion. Advances in these areas are important to the long-term improvement in aviation efficiency and safety. To maximize the impact of each dollar invested, the Administrator is encouraged to select an institution that has existing expertise in these areas such as the National Institute for Aviation Research at Wichita State University, North Carolina State University, Embry-Riddle Aeronautical University, Northwestern University, or other qualified universities as originally discussed in Committee Report 101-585 to accompany P.L. 101-508.

The Conferees' authorization provides funding for an additional Aviation Center of Excellence. Because of the existence of excellent ongoing university aviation research programs, FAA should not delay selecting an additional center. The Conferees would anticipate such selection during calendar year 1994.

Public Law 100-591 mandated that not less than 15 percent of FAA's research budget be directed toward long-term research projects. The definition of long-term research projects refers to those that are unlikely to result in final rulemaking within 5 years or in initial installation of operational equipment within 10 years after the date of the beginning of the projects.

The Conferees reaffirm their position that 15 percent of research funding be for long-term research projects.

Public Law 101-508 established an Aviation Research Grant program in Section 9205. The provision establishes merit review procedures for awarding of grants to universities. Section 9202 of P.L. 101-508 mandates that not less than three percent of the total research funds shall be available for university grants.

The Conferees direct FAA to continue the university grants program and to make at least three percent of the total research funds available for university grants.

Section 4 of the Aviation Safety Research Act of 1988, Public Law 100-591, requires an annual research, engineering and development plan to be prepared by the Federal Aviation Administration and submitted to Congress. The most recent version, May 1994, is both professionally done and contains extensive information.

In the research provisions of this legislation that require a report, such as Section 304(e) dealing with Cabin Air Quality, it is expected that the report will become part of the annual "Federal Aviation Administration Plan for Research, Engineering and Development."

However, the managers believe that this and future reports can be simplified, improved and more cost-effective. Therefore, we request that in the future, the report for the research plan be modelled after the FY 1995 R,E&D Budget Justification, which has the following sections:

"I. Program Description" including Budget Item Number; Project Number; Project Title; and Program Manager.

"II. Funding" including two years prior and four years beyond the budget requested. The budget being requested should be broken down into in house and contractor funding.

"III. Contractor Activities" including each contractor, the item/description and funds.

"IV. Major Budget Year Milestones."

"V. Major Prior/Current Year Accomplishments."

H.R. 2739 SECTION 303

Present law

No provision.

Senate bill

No provision.

House bill

Direct the Administrator, in consultation with the heads of other federal agencies, to establish a coordinated program to conduct research on technologies that enhance aviation competitiveness.

Conference agreement

The Conferees strongly agree that the Administrator, in consultation with the heads of other appropriate Federal agencies, establish a coordinated program to conduct research on aviation technologies that enhance U.S. competitiveness.

The Conferees direct the FAA to work jointly with other appropriate Federal agencies, to conduct research on aviation technologies that enhance aviation, provide direct and indirect industry involvement, and also focus on technology that can be used by, not transferred to, to the private sector. Candidates for joint research programs include: (1) next generation satellite communications, (2) advanced airport and airplane security, (3) environmental technologies such as noise and air pollution, (4) advanced aviation safety programs, and (5) technologies to improve airport and airway capacity. These areas were among the highest priorities presented in witness testimony and from other independent studies.

The FAA R,E&D programs contain several research efforts that have civilian and military applications. As such, the FAA has an opportunity to work with both the private sector and the defense sector to improve U.S. aviation technology and competitiveness. There are numerous examples of dual use technologies that would fall into this category. One of those with the greatest potential payoff is satellite-based radio navigation technology such as the Global Positioning System (GPS). The GPS was developed by the military, but could be utilized by the civilian aviation sector. However, many technical issues remain to be resolved before the system is 100 percent reliable.

One estimate is that a fully functional civil GPS navigation program could save the aviation industry hundreds of millions of dollars per year. Because GPS is more accurate than existing navigation systems, the savings would come from increased capacity and reduced fuel use as the result of reduced route separation standards, instrumented approaches to all runways, and optimum routing. There are several other similar examples.

It is the Conferees intent that the aviation industry, including those in the defense sector, be provided the opportunity to receive FAA grants to conduct aviation research. This program would enable the industry to make the transition from defense to the civilian markets, and accelerate the availability of useful civilian aviation technology.

The Conferees also direct the FAA and other appropriate agencies involved to develop procedures for contracts and grants that would not be an impediment to the research programs. There are instances in Federal Government programs where mandated paperwork and procedures take a significant funding portion of the research grant. The intent is to develop procedures for administering contracts and grants, including those to industry, that will not impede joint FAA-industry research programs.

Funds for this program shall come from the totals authorized in Section 302 and shall not constitute increased funding over those levels.

H.R. 2739 SECTION 304

Present law

No provision.

Senate bill

No provision.

House bill

Direct the Administrator to establish a research program in cabin air quality.

Conference agreement

The Conferees direct the Administrator, in consultation with the heads of other appropriate agencies to establish a research program to determine if any cabin air conditions currently exist on domestic aircraft that could be harmful to airline passengers and crew, and to study the risk of contracting infectious diseases during flights.

The Conferees are aware of concerns that the current practice of reducing the ratio of fresh to recirculated air in the cabin could cause the symptoms of ill health described by witnesses at House Science Committee hearings. Therefore, in the research program established, FAA is to examine the health impact of increasing the supply of fresh cabin air at levels between 50 percent fresh air and 100 percent fresh air. This represents intermediate levels between the existing procedures (50:50 mixture fresh to recirculated) and those of several years ago (100:0 fresh to recirculated). Experts have indicated that higher levels of fresh air circulation using other ratios are important to include in testing. In conducting the research program, the Committee directs FAA to work with other Agencies, including the Center for Disease Control (CDC).

The Conferees also establish the research goals of the program: (1) to determine what current cabin air conditions could be harmful to passengers and crew health; (2) to determine what changes in cabin air conditions would reduce or eliminate the risk of illness or discomfort; and (3) to conduct a long-term research program. In conducting the program, the Administrator is encouraged to examine all phases of cabin occupancy from enplanement to disembarkation, including consideration of cabin conditions while the aircraft is on the ground.

The Conferees urge the Administrator to encourage the airlines to review, monitor, and appropriately revise cabin operation to assure the comfort and protection of the health of passengers and crew. The Conferees also urge the Administrator to establish a system of reporting that would facilitate the collection of data and assist in the timely and scientific identification of possible problems to health or comfort.

The Conferees direct the FAA to work with the aviation community in carrying out the cabin air research programs and to submit a report to Congress within six months. The bill, as reported, directs that the funds to carry out the study shall come from those authorized in Section 302.

H.R. 2739 SECTION 305

Present law

No provision.

Senate bill

No provision.

House bill

This provision limits the funds authorized to be appropriated in the Act and states that these funds are not authorized to be appropriated after fiscal year 1996.

Conference agreement

The Conferees agree to accept the Senate position.

H.R. 2739 SECTION 306

Present law

No provision.

Senate bill

No provision.

House bill

This provision prohibits the fraudulent use of "made in America" labels and directs the head of each office within FAA that conducts procurement to ensure that such procurements are conducted in compliance with the "Buy American Act."

Conference agreement

The Conferees agree to accept the House language.

H.R. 2739 SECTION 307

Present law

No provision.

Senate bill

No provision.

House bill

This provision expresses the sense of the Congress that any recipient of a grant by this Act should purchase, when available and cost-effective, American made equipment and products.

Conference agreement

The Conferees agree to accept the House language.

TITLE IV. EXPENDITURES FROM AIRPORT AND AIRWAY TRUST FUND

Present law

The present Airport and Airway Trust Fund ("Trust Fund") (sec. 9502(d) of the Internal Revenue Code) authorizes amounts to be paid out of the Trust Fund for obligations incurred under the previous airport and airway authorization Acts from 1970 and 1944 (as those Acts were in effect on the date of enactment of the Airport Improvement Program Temporary Extension Act of 1994). Also, amounts are authorized to be paid out of the Trust Fund for obligations incurred under the Federal Aviation Act of 1958, as amended, which are attributable to planning, research and development, construction, or operations and maintenance of air traffic control, air navigation, communications, or supporting services for the Federal airway systems. In addition, administrative expenses of the Department of Transportation attributable to Trust Fund-related activities described above are authorized from the Trust Fund.

Amounts in the Trust Fund are available (as provided by Appropriations Acts) for making expenditures before October 1, 1995.

House bill

The House bill extends the Trust Fund expenditure authority through September 30, 1996, and allows expenditures from the Trust Fund for obligations incurred under the House bill's airport and airway authorizing Act.

Senate amendment

The Senate amendment allows expenditures from the Trust Fund for obligations incurred under the Senate amendment's airport and airway authorizing Act.

Conference agreement

The conference agreement extends the Trust Fund expenditure authority through September 30, 1996, and allows expenditures from the Trust Fund for obligations incurred under the conference agreement's airport and airway authorizing Act. The conference agreement also makes technical, conforming changes to reflect the codification of the airport and airway Acts referred to in section 9502(d) of the Internal Revenue Code.

SECTION 601—PREEMPTION OF INTRASTATE TRANSPORTATION OF PROPERTY

House bill

No provision.

Senate amendment

The Senate provision preempted State and local law regarding trucking rates, routes and services of "intermodal all-cargo air carriers". Intermodal all-cargo air carriers included: air carriers, indirect air cargo air carriers, motor carriers that are affiliated with an air carrier through common controlling ownership and motor carriers which, as principal or agent, utilize or are affiliated through common controlling ownership with, companies that utilize air carriers at least 15,000 times annually.

Conference substitute

The provision preempts State regulation of prices, routes and services by air carriers and carriers affiliated with a direct air carrier through common controlling ownership in subsection (b) and all other motor carriers in subsection (c). The purpose of this demarkation is (1) to as completely as possible level the playing field between air carriers on the one hand and motor carriers on the other with respect to intrastate economic trucking regulation, and (2) to recognize that air carrier express package delivery companies may differ in corporate form, but operate in the same manner. Thus, this provision includes carriers affiliated with a direct air carrier through common controlling ownership in a new paragraph added to Section 41713(b) of Title 49, United States Code, the former section 105 of the Federal Aviation Act. Motor carriers are deregulated with a new subsection (h) added to section 11501 of Title 49 (the Interstate Commerce Act).

Subsection (a) enumerates Congress' findings and purposes in enacting Section 601.

Subsection (b) preempts State regulation of air carriers and carriers affiliated with direct air carriers through common controlling ownership by the addition of a new paragraph (4)(A) to Section 41713(b) of Title 49, United States Code, which is the recodified former Section 105(a) of the Federal Aviation Act. Paragraph (4)(A) preempts State regulation for this entire class of carriers in an identical manner to the preemption provision passed in 1978 contained in the former Section 105.

The central purpose of this legislation is to extend to all affected carriers, air carriers and carriers affiliated with direct air carriers through common controlling ownership on the one hand and motor carriers on the other, the identical intrastate preemption of prices, routes and services as that originally contained in Section 105(a), 49 U.S.C. App. 1305(a)(1), of the Federal Aviation Act.

However, Congress has recently enacted a recodification of certain subtitles of Title 49.

This recodification has changed the language used in the original section 105. For clarity and consistency, we will follow the recodification language in amendments to both the Interstate Commerce Act and Federal Aviation Act. In substituting the word "related" for the prior word "relating" and the word "price" for the word "rates" we are intending no substantive change to the previously enacted preemption provision in Section 105 of the Federal Aviation Act and do not intend to impair the applicability of prior judicial case law interpreting these provisions. In particular, the conferees do not intend to alter the broad preemption interpretation adopted by the United States Supreme Court in *Morales* v. *TransWorld Airlines, Inc.*, 504 U.S. , 199 L.Ed. 157, 112 S.Ct 2031 (1992).

The conferees understand that in recodifying Title 49, Congress made no substantive change to the Statute. Section 1(a) of P.L. 103–272 states "[c]ertain general and permanent laws * * * are revised, recodified and enacted * * * without substantive change * * *" Furthermore, page 5 of the Report accompanying P.L. 103–272 states the following:

"As in other codification bills enacting titles of the United States Code into positive law, this bill makes no substantive change in the law. It is sometimes feared that mere changes in terminology and style will result in changes in substance or impair the precedent value of earlier judicial decisions and other interpretations. This fear might have some weight if this were the usual kind of amendatory legislation when it can be inferred that a change of language is intended to change substance. In a codification law, however, the courts uphold the contrary presumption: the law is intended to remain substantively unchanged." The following authorities affirm this principle: (For a complete list of citations, see Report to Accompany H.R. 1758, P.L. 103–272 [Report number 103–180] at 5.)

Thus, the Conferees have used the term "price, route and service" rather than "rate, route and service" in both the Aviation subtitle and the Motor Carrier subtitle. The intention in using the identical term "price" in both areas is to create uniformity in the preemptive language and to create consistency with the earlier preemption provision. The use of this term is not intended to alter any meaning or affect any judicial interpretation.

To ensure that no meaning is altered or changed by the recodification, the definition of "price" in subtitle VII that was created as part of the recodification of Title 49 has been amended to strike that definition's reference to air transportation. The conferees believe that the recodification's creation of a definition of "price" created a circumstance which would have defined the word in a manner inconsistent with its intended use and meaning in this section and therefore have made this conforming change. In doing so, the conferees intend no substantive change to existing law, just as the recodification itself is deemed to have made no substantive change in existing law. The substantive meaning and the continuity of case law continue uninterrupted and unaltered from the old section 105 of the Federal Aviation Act, through the recodified version, to the modifications made by this section.

Paragraph (4)(B) emphasizes that State authority to regulate safety, financial responsibility relating to insurance, transportation of household goods, vehicle size and weight and hazardous materials routing of air carriers and carriers affiliated with a direct air carrier through common controlling ownership is unchanged, since State regulation in those areas is not a price, route or service and thus is unaffected. (This provision is identical to the new subsection 11501(h)(2)(A) discussed below.) This list is not intended to be all inclusive, but merely to specify some of the matters which are not "prices, rates or services" and which are therefore not preempted.

The conferees do not intend the regulatory authority which the States may continue to exercise (partially identified in section 41713(b) and under section 11501(h)) to be used as a guise for continued economic regulation as it relates to prices, routes or services. There has been concern raised that States, which by this provision are prohibited from regulating intrastate prices, routes and services, may instead attempt to regulate intrastate trucking markets through its unaffected authority to regulate matters such as safety, vehicle size and weight, insurance and self-insurance requirements, or hazardous materials routing matters. The conferees do not intend for States to attempt to de facto regulate prices, routes or services of intrastate trucking through the guise of some form of unaffected regulatory authority.

There has been further concern raised that new sections 41713(b)(4)(B) and 11501(h)(2)(A) may be construed as granting States additional authority to regulate in those enumerated areas rather than simply stressing that the preemption provisions do not apply to those areas. The conferees emphasize that nothing in these new subsections contains a new grant of Federal authority to a State to regulate commerce and nothing in these sections amends other Federal statutes that govern the ability of States to impose safety requirements, hazardous materials routing matters, truck size and weight restrictions or financial responsibility requirements relating to insurance or any other unenumerated authority not preempted by these sections.

For example, if a State exercises authority over the routing of hazardous materials shipments by motor carriers, it must exercise that authority consistent with Federal standards issued on routing pursuant to Federal law governing transportation of hazardous materials (49 U.S.C. Sections 5101–5127). The intention of the conferees is solely to identify certain areas that are not preempted by the preemption provision.

New paragraph (4)(C) of Section 41713(b) states that the preemption provision added to Section 41713(b) does not modify any earlier provisions of the current Section 41713(b) or the former Section 105 of the Federal Aviation Act, including that applicable to the State of Alaska.

Subsection (c) of Section 601 preempts State regulation of prices, routes and services of motor carriers by adding a new subsection (h) to section 11501 of Title 49, United States Code. The preemption provision, new subsection (h)(1), is identical to the preemption provision deregulating air carriers and carriers affiliated with a direct air carrier through common controlling ownership and is intended to function in the exact same manner with respect to its preemptive effects. The intention is to create a completely level playing field between air carriers and carriers affiliated with a direct air carrier through common controlling ownership on the one hand and motor carriers on the other.

New subsection (h)(1) contains a parenthetical limitation which states that this section applies to motor carriers other than those carriers affiliated with a direct air carrier through common controlling ownership. This parenthetical is merely intended to ensure that no carrier affiliated with a direct air carrier through common controlling ownership would be covered by both preemption provisions.

Furthermore, neither preemption provision would preempt the ability of a State to issue a certificate or other documentation (in written or electronic form) demonstrating that the carrier complies with State requirements which are not preempted by these sections and nothing in this amendment is intended to change the application of State tax laws to motor carriers.

The conferees further clarify that the motor carrier preemption provision does not preempt State regulation of garbage and refuse collectors. The managers have been informed by the Department of Transportation that under ICC case law, garbage and refuse are not considered "property". Thus garbage collectors are not considered "motor carriers of property" and are thus unaffected by this provision.

The term motor carrier as used in new subsection (h) of section 11501 has a broad connotation. The term covers the transportation of property by motor carriers of passengers. Thus, when a motor carrier of passengers is transporting property in intrastate commerce, there is no jurisdiction by the State regulatory body over price, route or service for any of the property being transported. The latter is true even if the property is being transported in the same vehicle that moves passengers.

The term motor carrier covers contract carriers and common carriers of property. Also included in the term is a motor carrier that handles express shipments. The law also applies to private motor carriers, that is, carriers that are pursuing their own business interests or interests of any corporate affiliate.

New subsection (h)(2) emphasizes that State authority to regulate safety, financial fitness and insurance, transportation of household goods, vehicle size and weight and hazardous materials routing of motor carriers is unchanged since State regulation in those areas is not a price, route or service and thus is unaffected. This subsection is identical to section 41713(b)(4)(B), described above.

New subsection (h)(3) permits continued State regulation over four enumerated standard transportation practices in an optional manner. This section does not confer any new authority to a State, but merely confirms that these four areas are not preempted. These four areas are uniform cargo liability rules, uniform bills of lading or receipts, uniform cargo credit rules and antitrust immunity for interlining, classifications and mileage guides. This permitted State regulatory authority is limited in two respects. First, a State may only regulate in these four areas in a manner that is no more burdensome than a Federal regulation on the same subject matter. Second, none of these regulations shall apply to any carrier that does not wish to be subject to such regulations.

The purpose of new subsection (h)(3) is to permit carriers that want to follow State standard transportation practices to be subject to State-wide regulatory schemes in these four areas only. Any carrier which so chooses does not have to elect to be subject to such regulation.

New subsection (h)(3) also contains a provision that permits carriers affiliated with a direct air carrier through common controlling ownership, which by the explicit terms of new subsection (h)(1) are not subject to the terms of that provision, to elect to be subject to State regulation in any of the four areas enumerated in new subsection (h)(3). This sentence was included to allow a carrier affiliated with a direct air carrier through common controlling ownership to be subject to State regulation in these four areas if it so chose.

Subsection (d) provides that all subsections of Section 601 will take effect on January 1, 1995, except that any regulation of motor carriers operating in the State of Hawaii preempted by subsection (c) of Section 601 shall not be affected for three years from the date of enactment. The conferees directed the difference in the effective date for the State of Hawaii at the request of the State. The State had requested the conferees to totally except Hawaii from the preemption provision based on Hawaii's unique geographic circumstance, as the only State that is non-contiguous to the mainland since the State is totally surrounded by water. Therefore, all regulation of motor carrier transportation in the State of Hawaii is regulated by the State of Hawaii. Though the conferees were not willing to except Hawaii from the preemption provisions, they were convinced that due to these special circumstances the State should have additional time before preemption goes into effect.

Background and statement of purpose

Currently, 41 jurisdictions regulate, in varying degrees, intrastate prices, routes and services of motor carriers. The jurisdictions which do not regulate are: Alaska, Arizona, Delaware, District of Columbia, Florida, Maine, Maryland, New Jersey, Vermont and Wisconsin.

Typical forms of regulation include entry controls, tariff filing and price regulation, and types of commodities carried. Not all 41 States regulate each of these aspects nor do they all regulate them in the same manner or to the same degree.

Entry controls at the State level vary from liberal to strict. Strict entry controls often serve to protect carriers, while restricting new applicants from directly competing for any given route and type of trucking business. About 26 States strictly regulate trucking prices. Such regulation is usually designed to ensure not that prices are kept low, but that they are kept high enough to cover all costs and are not so low as to be "predatory". Price regulations also involves filing of tariffs and long intervals for approval to change prices. A company which wants to change its prices often must go through a costly and lengthy hearing proceeding in each State in which it operates.

The need for section 601 has arisen from this patchwork of regulation and in a June 25, 1991 9th Circuit Court of Appeals decision (*Federal Express Corporation* v. *California Public Utilities Commission*, 936 F.2d 1075 (9th Cir., 1991), cert. denied, 112 S.Ct. 2956 (1992)) in which Federal Express challenged California's authority to regulate the company's motor carrier operations. The court found that intrastate economic regulations for motor carriers did not apply to Federal Express because it was preempted by the Airline Deregulation Act of 1978, by virtue of the fact that it is an air carrier. Although several of its competitors conduct similar operations, they are not organized as air carriers. For example, United Parcel Service remained regulated, because it is organized as a "motor carrier", putting it at a competitive disadvantage in a number of States.

In light of the inequity created by the 9th Circuit Court Decision, California enacted legislation in October of 1993, which extended the exemption enjoyed by Federal Express as a result of its court victory to its competitors that are motor carriers affiliated with direct air carriers. The California legislation denied this exemption, however, to those using a large proportion of owner-operators instead of company employees, thereby denying the exemption to Roadway Package System, even though the Roadway holding company includes an air operation. Likewise, the Texas Attorney General has applied the 9th Circuit decision to Texas and broadened it to include other intermodal air ground carriers with similar operations. The Texas Railroad Commission has accepted the Attorney General decision. However, competitors whose operations are not integrated are still regulated. Likewise, Kentucky enacted legislation in May 1994 exempting from its regulation the carriage of packages weighing less than 150 pounds, by motor carriers affiliated with either direct or indirect air carriers.

Despite the movement toward deregulation by some individual states, the conferees believe preemption legislation is in the public interest as well as necessary to facilitate interstate commerce. State economic regulation of motor carrier operations causes significant inefficiencies, increased costs, reduction of competition, inhibition of innovation and technology and curtails the expansion of markets. According to Department of Transportation estimates, preemption of State economic regulation could eventually yield $3–8 billion per year in savings. Other estimates put the savings as high as $5–12 billion. The sheer diversity of these regulatory schemes is a huge problem for national and regional carriers attempting to conduct a standard way of doing business. In hearings held on this issue, numerous examples have been cited in which rates for shipments within a state exceed rates for comparable distances across state lines. In the small package express business, companies frequently ship goods across state lines and back into the state of origin to avoid the higher rates for purely intrastate shipments. Lifting of these antiquated controls will permit our transportation companies to freely compete more efficiently and provide quality service to their customers. Service options will be dictated by the marketplace, and not by an artificial regulatory structure.

The provision is supported by the Clinton Administration. Its statement of administration policy during floor consideration of S. 1491 reads: "The Administration particularly supports the Amendment's provision which addresses the problem of inconsistent regulation of intermodal all-cargo air carriers. Enactment of this provision would be an important step in resolving conflicting laws that interfere with efficient intermodal cargo movements."

After years of official policy against intrastate motor carrier deregulation, the American Trucking Association issued a positionpaper on June 24, 1994 which stated that "ATA will no longer oppose Federal preemption of state regulation of motor carrier rates and entry based on economic factors," with some conditions that would allow regulatory protection to continue for non-economic factors, such as liability rules, antitrust immunity to publish documents, insurance, safety, leasing and cargo credit rules. The conferees have attempted to address these conditions in Section 11501 of title 49 as amended by this provision.

It is important to note that the Senate provision created some ambiguity as to which carriers would be able to avail themselves of the preemption. In the version agreed to by the conferees, it is clear that all air carriers and carriers affiliated with a direct air carrier through common controlling ownership, motor carriers and motor private carriers involved in the transportation of property are covered by the preemption. The conferees believed it was patently unfair to create a level playing field for most of the industry, while leaving an unfortunate few still bound by economic regulatory controls.

The conferees are well aware that in recent years there has been considerable litigation with respect to the status of certain carriers, specifically as to whether they are air carriers or are motor carriers, and whether they are covered by the Railway Labor Act or the National Labor Relations Act. The purpose of this section is to preempt economic regulation by the States, not to alter, determine or affect in any way whether any carrier is or should be considered either an air carrier or a motor carrier for any purpose other than this section, whether any carrier is or should be covered by one labor statute or another, or the status of any collective bargaining agreement.

During the hearing on preemption of State regulation held by the House Committee on Public Works and Transportation on July 20, 1994, concerns were raised regarding the devaluation of operating rights and its effect on motor carriers, as a result of preemption of State authority to regulate the price, route, or service for intrastate transportation. Some motor carriers have purchased or paid to acquire the authority to operate trucks in many States. These operating rights for many motor carriers, especially small carriers, are an important part of their net business assets. The conferees recognize that this will eliminate the asset value of the operating authority of those affected motor carriers.

From the Committee on Public Works and Transportation, for consideration of titles I and II of the House bill, and the Senate amendment (except secs. 121, 206, 304, 415, 418 and title VI), and modifications committed to conference:

NORMAN Y. MINETA,
NICK RAHALL,
JAMES L. OBERSTAR,
ROBERT A. BORSKI,
BOB CLEMENT,
BUD SHUSTER,
BILL CLINGER,
THOMAS E. PETRI,

From the Committee on Banking, Finance and Urban Affairs, for consideration of title VI of the Senate amendment, and modifications committed to conference:

HENRY GONZALEZ,
STEVE NEAL,

From the Committee on Education and Labor, for consideration of sec. 418 of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
MAJOR R. OWENS,
HOWARD "BUCK" MCKEON,

From the Committee on Education and Labor, for consideration of sec. 208 of the House bill, and modifications committed to conference:

WILLIAM D. FORD,
BILL CLAY,
PAT WILLIAMS,

From the Committee on Foreign Affairs, for consideration of sec. 415 of the Senate amendment, and modifications committed to conference:

LEE H. HAMILTON,
TOM LANTOS,
GARY L. ACKERMAN,
HOWARD L. BERMAN,
ENI FALEOMAVAEGA,
BENJAMIN A. GILMAN,
BILL GOODLING,
JIM LEACH,

From the Committee on Science, Space, and Technology, for consideration of title III of the House bill, and secs. 206 and 304 of the Senate amendment, and modifications committed to conference:

GEORGE E. BROWN, Jr.,
TIM VALENTINE,
DAN GLICKMAN,
PETE GEREN,
JANE HARMAN,
ROBERT S. WALKER,
TOM LEWIS,
CONSTANCE MORELLA,

From the Committee on Ways and Means, for consideration of title IV of the House bill, and secs. 121 and 122 of the Senate amendment, and modifications committed to conference:

SAM GIBBONS,
DAN ROSTENKOWSKI,
J.J. PICKLE,
PETE STARK,
BILL ARCHER,
PHIL CRANE,
Managers on the Part of the House.

ERNEST HOLLINGS,
WENDELL FORD,
JAMES EXON,
JOHN C. DANFORTH,
LARRY PRESSLER,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOUCHER (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. CLEMENT (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. FORD of Tennessee (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mr. GOODLING (at the request of Mr. MICHEL), for today, on account of attending a funeral.

Mr. DIAZ-BALART (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER) to revise and extend their remarks and include extraneous material:)

Mr. LIVINGSTON, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.
Mr. GINGRICH, for 5 minutes, today.
Mr. DELAY, for 5 minutes, today.
Mr. WELDON, for 5 minutes, today.
Mr. GOSS, for 5 minutes each day, on August 8, 9, 10, 11, and 12.

(The following Members (at the request of Mr. MCCLOSKEY) to revise and extend their remarks and include extraneous material:)

Mr. MCCLOSKEY, for 5 minutes, today.
Mr. HOYER, for 5 minutes, today.
Ms. NORTON, for 5 minutes, today.
Ms. PELOSI, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. SANTORUM.
Mr. GOODLING in two instances.
Mr. CRANE.
Mr. BOEHLERT.
Mr. GILLMOR.

(The following Members (at the request of Mr. MCCLOSKEY) and to include extraneous matter:)

Mr. HILLIARD in six instances.
Mr. UNDERWOOD.
Mr. BROOKS.
Mr. MANN in two instances.
Ms. ESHOO.
Ms. LLOYD.
Mr. BEVILL.
Mr. ENGEL.

(The following Members (at the request of Ms. MCKINNEY) and to include extraneous matter:)

Mr. SANDERS.
Mr. BARCA of Wisconsin.
Mr. PALLONE.
Mr. BECERRA.
Ms. PELOSI.
Mr. GOODLING.
Mr. GILMAN.
Mr. FILNER.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 617. An act to authorize research into the desalinization of water and water reuse and to authorize a program for States, cities, or any qualifying agency which desires to own and operate a desalinization or water reuse facility to develop such facilities; to the Committee on Natural Resources, the Committee on Science, Space, and Technology, and the Committee on Public Works and Transportation; and

S.J. Res. 194. Joint resolution to designate the second week of August 1994 as "National United States Seafood Week"; to the Committee on Post Office and Civil Service.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On August 4, 1994:

H.J. Res. 374. Joint resolution designating August 2, 1994, as "National Neighborhood Crime Watch Day";

H.R. 868. An act to strengthen the authority of the Federal Trade Commission to protect consumers in connection with sales made with a telephone, and for other purposes; and

H.R. 2457. An act to direct the Secretary of the Interior to conduct a salmon captive broodstock program.

ADJOURNMENT

Ms. MCKINNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, August 8, 1994, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3647. A letter from the Secretary of the Treasury; transmitting the annual report on the operations of the Exchange Stabilization Fund [ESF] for fiscal year 1993, pursuant to 31 U.S.C. 5302(c)(2); to the Committee on Banking, Finance and Urban Affairs.

3648. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1993 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking, Housing and Urban Affairs.

3649. A letter from the General Counsel, Department of Transportation, transmitting the views of the Department concerning H.R. 4422; to the Committee on Merchant Marine and Fisheries.

3650. A letter from the Chairman, Physician Payment Review Commission, transmitting a copy of the Commission's report on the fee update and Medicare volume performance standards for 1995, pursuant to Public Law 101-239, section 6102(a) (103 Stat. 2176); jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONIOR: Committee on Rules, House Resolution 509. Resolution providing for consideration of a joint resolution and a bill relating to most-favored-nation treatment for the People's Republic of China (Rept. 103-673). Referred to the House Calendar.

Mr. BROWN of California: Committee on Science, Space, and Technology. H.R. 4908. A bill to authorize the hydrogen and fusion research, development, and demonstration progarms and the high energy physics and nuclear physics programs, of the Department of Energy, and for other purposes (Rept. 103-674). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 4230. A bill to amend the American Indian Religious Freedom Act to provide for the traditional use of peyote by Indians for religious purposes, and for other purposes; with an amendment (Rept.

103–675). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 4653. A bill to settle Indian land claims within the State of Connecticut, and for other purposes; with an amendment (Rept. 103–676). Referred to the Committee of the Whole House on the State of the Union.

Mr. MINETA: Committee of Conference. Conference report on H.R. 2739. A bill to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes (Rept. 103–677). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPRATT:

H.R. 4906. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation; to the Committee on Rules.

H.R. 4907. A bill to reform the concept of baseline budgeting; jointly, to the Committees on Government Operations and Rules.

By Mrs. LLOYD (for herself, Mr. BOUCHER, Mr. BROWN of California, Mr. WALKER, and Mr. BOEHLERT):

H.R. 4908. A bill to authorize the hydrogen and fusion research, development, and demonstration programs, and the high energy physics and nuclear physics programs, of the Department of Energy, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. DICKS (for himself, Mr. MILLER of California, and Mr. SWIFT):

H.R. 4909. A bill to amend the Elwha River Ecosystem and Fisheries Restoration Act to provide greater flexibility in the expenditure of funds, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Natural Resources, and Energy and Commerce.

By Mr. ENGEL (for himself, Ms. LOWEY, Mr. GILMAN, and Mr. FISH):

H.R. 4910. A bill to designate the U.S. courthouse under construction in White Plains, NY, as the "Thurgood Marshall United States Courthouse"; to the Committee on Public Works and Transportation.

By Mr. INSLEE:

H.R. 4911. A bill to authorize extension of the time limitation for a FERC-issued hydroelectric license; to the Committee on Energy and Commerce.

By Mr. MINETA (for himself and Mr. MCDADE):

H.R. 4912. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 150th anniversary of the founding of the Smithsonian Institution; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STENHOLM (for himself, Mr. PENNY, and Mr. KASICH):

H.R. 4913. A bill to ensure that no extraneous items are included in any bill containing an emergency designation; jointly, to the Committees on Government Operations and Rules.

H.R. 4914. A bill to reform the concept of baseline budgeting; jointly, to the Committees on Government Operations and Rules.

By Mr. STUPAK (for himself, Mr. BARCIA of Michigan, Mr. CONDIT, and Mr. HORN):

H.R. 4915. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to add States to the governmental entities eligible for reimbursement for emergency removal actions and to clarify authority to take such actions at illicit drug laboratories; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

Mr. BURTON of Indiana (for himself, Mr. FLAKE, Mr. MCNULTY, Mr. BARRETT of Nebraska, Mr. GOODLATTE, Mr. BARTON of Texas, Mrs. FOWLER, Mrs. VUCANOVICH, Mr. JOHNSON of Georgia, Mr. HOKE, Mr. HOCHBRUECKNER, Mr. JEFFERSON, Mrs. MEEK of Florida,Mr. COX, Mr. DORAN, Mrs. MORELLA, Mr. MORAN, and Mr. BARRETT of Wisconsin):

H.J. Res. 398. Joint resolution to establish the fourth Sunday of July as "Parents' Day"; to the Committee on Post Office and Civil Service.

By Mr. ACKERMAN (for himself and Mr. SKAGGS):

H. Con. Res. 278. Concurrent resolution expressing the sense of the Congress regarding United States policy towards Vietnam; to the Committee on Foreign Affairs.

By Mr. MENENDEZ (for himself, Mr. DIAZ-BALERT, Ms. ROS-LEHTINEN, Mr. TORRICELLI, Mr. SMITH of New Jersey, Mr. GILMAN, Mrs. MEEK of Florida, Mr. GUTIERREZ, Mr. OBERSTAR, Mr. HASTINGS, and Mr. DEUTSCH):

H. Con. Res. 279. Concurrent resolution condemning the July 13, 1994, sinking of the "13th of March", a tugboat carrying 72 unarmed Cuban citizens, by vessels of the Cuban Government; to the Committee on Foreign Affairs.

By Mr. LANTOS (for himself and Mr. GINGRICH):

H. Res. 510. Resolution to express the condolences of the House of Representatives to the victims of recent terrorist attacks, to condemn acts of terrorism, reaffirm support for the Middle East peace process, and express the sense of the House of Representatives that the President should convene an international conference to develop more effective means to deal with the serious and growing threat of international terrorism; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

456. The SPEAKER presented a memorial of the Legislature of the State of California, relative to natural disasters; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 127: Mr. CANADY, Mr. ABERCROMBIE, Mr. DEUTSCH, and Mrs. MEEK of Florida.

H.R. 193: Mr. DELAY, Mr. FIELDS of Texas, Mr. LUCAS, Mr. PARKER, Mr. SMITH of Texas, and Mr. WILSON.

H.R. 214: Mr. COMBEST and Mr. CALVERT.

H.R. 216: Mr. COX.

H.R. 326: Mr. SCOTT, Mr. PETERSON of Florida, Mr. YOUNG of Alaska, and Mr. MURTHA.

H.R. 739: Mr. BARLOW.

H.R. 830: Mr. LUCAS.

H.R. 963: Mr. COPPERSMITH.

H.R. 1079: Ms. MOLINARI.

H.R. 1110: Mr. MCCOLLUM.

H.R. 1126: Mr. SCHIFF.

H.R. 1171: Mr. SPRATT.

H.R. 1277: Mr. MCKEON.

H.R. 1671: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1887: Mr. SCHIFF.

H.R. 1999: Mr. HALL of Texas.

H.R. 2004: Mr. DERRICK, Mr. FRANK of Massachusetts, Mr. PRICE of North Carolina, and Mr. WATT.

H.R. 2088: Mr. CALVERT and Ms. KAPTUR.

H.R. 2418: Mr. RAMSTAD.

H.R. 3293: Mr. INHOFE.

H.R. 3523: Mr. PETE GEREN of Texas and Mr. WILSON.

H.R. 3526: Ms. SCHENK and Mr. MINETA.

H.R. 3619: Mr. JACOBS.

H.R. 3739: Mr. PACKARD.

H.R. 3892: Mr. KLUG.

H.R. 3949: Mr. LIGHTFOOT, Mr. HYDE, and Mr. HAMILTON.

H.R. 3978: Mr. EMERSON and Mr. MCCANDLESS.

H.R. 3990: Mr. HERGER and Mr. LAFALCE.

H.R. 4026: Mr. HASTINGS.

H.R. 4051: Mr. BACCHUS of Florida and Mr. RAHALL.

H.R. 4198: Mr. BATEMAN.

H.R. 4345: Mr. SERRANO and Mr. JEFFERSON.

H.R. 4353: Mrs. MEYERS of Kansas.

H.R. 4410: Mr. ARCHER.

H.R. 4411: Mr. TOWNS.

H.R. 4412: Mr. PETE GEREN of Texas.

H.R. 4483: Mr. BARTLETT of Maryland.

H.R. 4517: Mr. TOWNS and Mr. KILDEE.

H.R. 4570: Mr. FOGLIETTA, Mr. KOPETSKI, Mr. CASTLE, and Mr. HASTINGS.

H.R. 4592: Mr. TALENT.

H.R. 4667: Mr. CALVERT and Mr. FINGERHUT.

H.R. 4698: Ms. SHEPHERD and Mr. ANDREWS of Texas.

H.R. 4708: Mr. PASTOR.

H.R. 4739: Mr. NEAL of North Carolina.

H.R. 4789: Mr. BORSKI.

H.R. 4791: Mr. POMBO.

H.R. 4802: Mr. JACOBS, Mr. CAMP, Mr. FROST, Mr. HASTINGS, Mrs. LLOYD, Mr. COPPERSMITH, and Mr. KLINK.

H.R. 4805: Mr. FILNER.

H.R. 4826: Mr. DORNAN, Mrs. MEYERS of Kansas, Mr. FROST, Mr. GALLEGLY, and Mr. HASTINGS.

H.R. 4831: Mr. CANADY, Mr. SHAYS, and Mr. BATEMAN.

H.R. 4858: Mr. BILIRAKIS, Mr. HASTERT, Mr. BOUCHER, Mr. LEHMAN, Mr. HALL of Texas, Mr. MCMILLAN, Mr. BLILEY, Mr. BRYANT, Ms. MARGOLIES-MEZVINSKY, Mr. GILLMOR, and Mr. MANTON.

H.R. 4883: Mr. MCHUGH, Mr. GREENWOOD, Mr. DOOLITTLE, Mr. MILLER of Florida, and Ms. MOLINARI.

H.R. 4893: Mr. SHAYS.

H.J. Res. 184: Mr. BOEHLERT, Mr. BROOKS, Mrs. COLLINS of Illinois, Mr. GILMAN, Mr. HILLIARD, Mr. JOHNSON of South Dakota, Mr. KINGSTON, Mr. LIPINSKI, Mr. LIVINGSTON, Mr. MCINNIS, Mr. MCCLOSKEY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MICHEL, Mr. RIDGE, Mr. SHARP, Mr. SMITH of Iowa, Mr. STOKES, Mr. WASHINGTON, and Mr. WILSON.

H.J. Res. 332: Mr. GRANDY, Mr. MINGE, Mr. PETE GEREN of Texas, and Mr. SHAW.

H.J. Res. 338: Mr. MEEHAN, Mr. ROSE, Mr. QUILLEN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. HASTINGS, Mr. LIPINSKI, and Mr. BUNNING.

H.J. Res. 358: Mrs. ROUKEMA, Mr. MEEHAN, Mr. CALLAHAN, Mr. DINGELL, Mr. SMITH of Iowa, Mr. KLECZKA, Mr. HASTINGS, Mr. HAMILTON, Mr. MYERS of Indiana, and Mr. CLYBURN.

H.J. Res. 362: Mr. WYNN, Mr. SLATTERY, Mrs. MORELLA, Mr. VOLKMER, Mr. ACKERMAN, and Mr. HASTINGS.

H.J. Res. 381: Mr. PETE GEREN of Texas, Mr. EVANS, Mr. FRANKS of Connecticut, and Mr. HASTINGS.

H.J. Res. 385: Mr. KREIDLER.

H.J. Res. 387: Mr. ABERCROMBIE, Mr. ANDREWS of Maine, Mr. BATEMAN, Mr. BLUTE, Mr. BREWSTER, Ms. DELAURO, Mr. DEUTSCH, Mr. DIAZ-BALART, Mr. EDWARDS of Texas, Mr. FRANK of Massachusetts, Mr. JEFFERSON, Mr. KINGSTON, Mr. KOPETSKI, Mr. LANCASTER, Mrs. MINK of Hawaii, Ms. MOLINARI, Mr. MURPHY, Mr. ORTIZ, Mr. PACKARD, Mr. PASTOR, Mr. PETERSON of Florida, Mr. REED, Mr. SARPALIUS, Ms. SNOWE, Mr. STUDDS, Mr. SYNAR, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. THOMPSON, Mr. TORKILDSEN, Mr. WELDON, and Mr. WOLF.

H. Con. Res. 148: Mr. SENSENBRENNER.

H. Con. Res. 166: Mr. MCCOLLUM and Ms. KAPTUR.

H. Con. Res. 254: Mr. SERRANO.

H. Con. Res. 274: Mr. DERRICK, Mr. BONIOR, Mr. FLAKE, and Mr. MCNULTY.

H. Con. Res. 276: Mr. MAZZOLI, Mr. TRAFICANT, Mr. COOPER, Ms. DANNER, Ms. KAPTUR, Mr. KASICH, Mr. FRANK of Massachusetts, Mr. HALL of Texas, Mr. DEFAZIO, Mr. REGULA, Mr. SAXTON, Mr. SENSENBRENNER, Mr. STARK, Mr. COPPERSMITH, Mr. MILLER of California, Mr. DEAL, Mr. MCHALE, and Mr. EDWARDS of California.

H. Res. 247: Mr. LUCAS.

H. Res. 270: Mr. CAMP.

H. Res. 432: Mr. LANTOS.

H. Res. 472: Mr. PORTMAN, Mr. GOODLATTE, Mr. HERGER, and Mr. ISTOOK.

H. Res. 496: Mr. MCNULTY, Mr. MCCLOSKEY, Mr. MATSUI, Mr. PALLONE, Mr. ABERCROMBIE, Mr. DEUTSCH, Mr. MEEHAN, Mr. KLEIN, Ms. ROS-LEHTINEN, Mr. COOPER, Mr. BATEMAN, Mrs. BYRNE, Mr. ENGEL, Mr. FRANK of Massachusetts, Mr. MANN, Mr. KYL, Mr. SHAYS, Mr. SMITH of New Jersey, Mr. LAZIO, Mr. LEVY, Mr. BARRETT of Wisconsin, Mr. SAXTON, Mr. MILLER of California, Mr. SHAW, Mr. GUTIERREZ, Mrs. MEYERS of Kansas, Mr. SCHUMER, Mr. FOGLIETTA, Mr. LAFALCE, Mrs. SCHROEDER, Mr. HASTINGS, Mr. WILSON, Mr. EVANS, Mr. RUSH, Mr. SABO, and Mr. JOHNSON of South Dakota.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4658: Mr. HILLIARD.

H.R. 4841: Mr. HILLIARD.

PETITIONS, ETC.

Under clause 1 of rule XXII:

116. The SPEAKER presented a petition of the National Association of Attorneys General, Baton Rouge, LA, relative to State health care fraud control units; to the Committee on Energy and Commerce.

DISCHARGE PETITIONS

Under clause 3 of rule XXVII, the following discharge petitions were filed:

Petition 25, August 3, 1994, by Mr. CONDIT on House Resolution 489, was signed by the following Members: Gary A. Condit, Peter G. Torkildsen, Mel Hancock, Rod Grams, Bill Orton, John R. Kasich, Timothy J. Penny, Christopher Shays, Peter Hoekstra, John L. Mica, Bob Livingston, Peter Blute, Tom DeLay, Larry Combest, Wayne Allard, Dana Rohrabacher, David A. Levy, Robert F. (Bob) Smith, William H. Zeliff, Jr., Jay Kim, Glenn Poshard, Collin C. Peterson, Cliff Stearns, Ron Packard, Craig Thomas, Richard H. Lehman, William M. Thomas, Christopher Cox, Howard P. "Buck" McKeon, John T. Doolittle, Ken Calvert, James A. Hayes, Calvin M. Dooley, David L. Hobson, Peter J. Goss, Charles T. Canady, David Dreier, Bob Stump, Randy "Duke" Cunningham, Jack Kingston, Terry Everett, James M. Inhofe, John A. Boehner, Charles H. Taylor, Rob Portman, Duncan Hunter, Sonny Callahan, Deborah Pryce, Steve Gunderson, Frank D. Lucas, Bill Emerson, Michael D. Crapo, Pete Geren, Bill Baker, Robert S. Walker, J. Dennis Hastert, Joel Hefley, Rick Santorum, Fred Grandy, Wally Herger, Jim Kolbe, Ron Lewis, E. Clay Shaw, Jr., Don Sundquist, Jim Bunning, F. James Sensenbrenner, Jr., Amo Houghton, Bob Franks, Jay Dickey, John J. Duncan, Jr., Donald A. Manzullo, Cass Ballenger, Barbara F. Vucanovich, Scotty Baesler, Paul E. Gillmor, Alfred A. (Al) McCandless, Stephen Horn, James A. Barcia, Michael Bilirakis, Thomas W. Ewing, Dan Miller, Dan Burton, Joe Barton, Toby Roth, Spencer Bachus, Sam Johnson, Don Young, Philip M. Crane, Richard W. Pombo, Bill K. Brewster, Tillie K. Fowler, Susan Molinari, Bill Paxon, Charles W. Stenholm, William F. Clinger, Roscoe G. Bartlett, Joe Knollenberg, Fred Upton, Carlos J. Moorhead, Jim Lightfoot, Robert H. Michel, Gary A. Franks, Dan Glickman, Steven Schiff, Nancy L. Johnson, Jim Ramstad, Bob Goodlatte, Doug Bereuter, Jon Kyl, Scot McInnis, Michael Huffington, Martin R. Hoke, Dan Schaefer, Michael G. Oxley, Pat Roberts, Michael N. Castle, Bob Inglis, Joe Skeen, Olympia J. Snowe, Pat Danner, J. Alex McMillan, Dick Zimmer, Henry Bonilla, Ralph M. Hall, Nathan Deal, W.J. (Billy) Tauzin, Mike Parker, Earl Hutto, Lamar S. Smith, and James A. Traficant.

Petition 26, August 5, 1994, by Mrs. FOWLER on House Resolution 472, was signed by the following Members: Tillie K. Fowler, Wayne Allard, Jennifer Dunn, Dick Zimmer, David Dreier, Nick Smith, Howard P. "Buck" McKeon, Dan Miller, John Linder, Duncan Hunter, Peter Hoekstra, J. Alex McMillan, Charles T. Canady, Bob Franks, Susan Molinari, Stephen Horn, Lamar S. Smith, Deborah Pryce, Barbara F. Vucanovich, Randy "Duke" Cunningham, Steve Gunderson, Jay Dickey, Christopher Shays, and Porter J. Goss.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 12 by Mr. TRAFICANT on H.R. 3261: Gary A. Condit.

Petition 15 by Mr. BILIRAKIS on House Resolution 382: Bob Livingston and Jim Chapman.

Petition 19 by Mr. EWING on House Resolution 415: John Edward Porter.

Petition 23 by Mr. TAUZIN on H.R. 3875: Jennifer Dunn and Toby Roth.

EXTENSIONS OF REMARKS

DONATION OF PAY COLA

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. GOODLING. Mr. Speaker, shortly after the 103d Congress convened, I announced that I would not accept the cost-of-living-adjustment [COLA] provided to Members of Congress elected to the 103d Congress that went into effect January 1, 1993. I state that instead of accepting the pay raise, I would donate the amount of that COLA to individual volunteers in my congressional district.

In the past, I also gave away any increases in salary effective during a sitting Congress. I believe salary increases should only take effect after an intervening election. I donated those increases to local organizations in support of literacy programs, home heating assistance and for other charitable purposes.

Even though the 1993 COLA was announced before the 1992 election and took effect afterward, I did not think the 102d Congress, as a whole, earned a salary increase. I contacted the House Sergeant at Arms and was informed, however, that I was required to accept the salary increase. I also explored the option of returning the funds to the Department of the Treasury. There was no guarantee that it would be used to reduce the deficit and as long as we have a deficit, it certainly could not be counted toward retirement of the national debt. Therefore, any amount returned to the Department of the Treasury would simply go into the general fund, and quite possibly would be spent in another Member's congressional district.

Consequently, I decided to donate the COLA to people in my own congressional district. I chose to give the money to individual volunteers who truly make a difference in the lives of those in need. I requested nominations for deserving individuals and was very heartened by the tremendous response I received. There are many fine individuals in the 19th district whose compassionate deeds often go unnoticed and this was one way to provide a degree of recognition to these caring and committed individuals.

As of the end of July 1994, I had exceeded the amount I had pledged to give for the 103d Congress. I have sent checks to 66 individuals, charitable organizations or charitable causes in the 19th Congressional District. I greatly appreciate the interest and assistance in this endeavor by the citizens in south-central Pennsylvania and I hope it provided some deserved recognition for dedicated volunteers as well as some assistance for worthy causes and needy individuals.

A TRIBUTE TO JOHN L. KENNEDY

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. HILLIARD. Mr. Speaker, I submit the following statement in honor of the distinguished life and legal contributions of the late attorney John L. Kennedy.

John L. Kennedy was a 1964 graduate of Morehouse College and a 1969 graduate of the Harvard University School of Law. He pursued an impressive legal career for 25 years in his native home of Atlanta, GA.

Attorney Kennedy was one of the first African-American attorneys hired as an associate by a large Atlanta firm, Alston, Miller & Gaines. After having served 2 years with this firm, he established his own law firm in 1971, which was named Kennedy, Bussey & Sampson. Kennedy later became a founding partner of Thomas, Kennedy, Sampson & Petterson, which soon prospered and became one of America's largest and most successful African-American law firms.

Attorney Kennedy was the managing partner of 14 lawyers. He was "a lawyer's lawyer", and a pioneer in the legal profession for African-American attorneys. John Kennedy's speciality was commercial and residential real estate closings and general corporate work.

Kennedy's law firm of Thomas, Kennedy, Sampson & Patterson was recognized in August 1993 by Black Enterprise magazine as one of the leading minority firms in the country. Attorney John L. Kennedy shall long be remembered as a mentor to many minority lawyers in Atlanta, GA.

Kennedy was a former member of the Georgia Board of Public Safety; a former deputy assistant State attorney general; a member of the Board of Directors of the Federal Public Defender Program; and he also served on the board of Mutual Federal Savings & Loan Association of Atlanta. He was named "Man of the Year in Law" by Morehouse College in 1992. He served as president of the Gate City Bar Association in 1975.

John L. Kennedy is survived by his loving wife and daughter, Brenda Kennedy and Carol, as well as by his brother, attorney Melvin Kennedy of Oakland, CA.

Had John lived, he would have celebrated his 30th year class reunion with fellow classmates of Morehouse College on May 20, 1994. John will be greatly missed, however, the legacy he leaves behind shall preserve an indelible impression for all of us who came to know him.

ACCESS TO MEDICAL TREATMENT ACT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. PALLONE. Mr. Speaker, during the coming weeks the health reform debate will move on to the House floor and we will be faced with decisions that will have resounding consequences for all Americans. In this historic process we cannot lose sight of who we came here to serve—the people.

What I have heard loud and clear from my constituents is that they want freedom of choice in health care. Mr. Speaker, whatever reform we enact, must guarantee all Americans the freedom to choose not only their doctor but also the form of treatment they want to pursue. Hundreds of my constituents have written to me, stopped me on the street, or spoken to me at town meetings about their desire to seek alternative health treatments.

Many of my constituents seek chiropractic care or see a nutritional specialist and no reform that we enact should infringe on their right to pursue this type of care. That is why I have cosponsored the Access to Medical Treatment Act (H.R. 4696). The bill gives individuals the right to obtain alternative treatments that have not been approved by the FDA from licensed professionals, such as medical doctors, chiropractors, osteopaths, or naturopaths. Currently, many practitioners who recommend or perform unapproved, non-harmful therapies may face the loss of their licenses or worse.

H.R. 4696 is not intended to strip the FDA of its authority to regulate the safety and efficacy of most drugs in the country. The bill's purpose is to allow increased opportunities for the trial of alternative, non-FDA approved treatments that may generate effective new approaches to treating illness, and to increase access to alternative, nonharmful therapies.

The FDA would remain solely responsible for maintaining the safety and efficacy of drugs, and the bill would require full disclosure to patients of the contents and possible side effects of treatments. Also, the strict claims section of the bill mandates that patients are notified that the drug or treatment has not been proven safe or efficacious by the Federal Government. The medical treatment also must have no evidence of causing an adverse impact on an individual's health. If a treatment is found to be harmful, it must be reported to the Secretary of Health and Human Services and it cannot be used again.

Many in the traditional medical community and in the FDA have been slow to recognize the beneficial effects of some alternative treatments, such as acupuncture, naturopathy, or nutrition therapy. Some have even gone as far as too characterize anything nontraditional as

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"quackery." I firmly believe that especially in cases where traditional medicine has shown to be ineffective, patients should have access to alternative treatments.

As our country becomes more health conscious and more individuals take an active role preserving their good health, we cannot afford to deny people access to safe and effective health care. Mr. Speaker, I fully support this legislation and hope we do not take a step backward when it comes to using legitimate treatments that have existed for thousands of years.

HONORING WINZELER STAMPING CO. ON THE OCCASION OF ITS 75TH ANNIVERSARY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to my good friend, Bob Winzeler, and his Montpelier, OH based manufacturing company, the Winzeler Stamping Co., on the occasion of its 75th anniversary.

Mr. Speaker, Ohio is justifiably proud of its manufacturing tradition. Made in Ohio can be seen on products throughout the world, and is synonymous with solid craftsmanship. For 75 years, Winzeler Stamping Co. has enhanced to this reputation.

The company was started in 1919 by Dan Winzeler. During these early years, he concentrated on hardware for the furniture industry, and, in fact, many of the firm's first products are still produced today.

Through the years, Winzeler has expanded and improved its product line. Under the direction of Bob Winzeler, new relationships have been established with companies such as Cummins Engine, General Motors, and the Ford Motor Co. By consistently delivering quality products on time, Winzeler is recognized by these customers as a leader in the industry. Today, the Winzeler Stamping Co. provides products to over 500 customers around the world. Markets served include automotive, heating and air-conditioning, lawn and garden and furniture.

It is an honor to take this time to recognize a locally based company because they are the heart of America's economy. As the Winzeler Stamping Co. celebrates its 75th year of service, I ask my colleagues to join me in congratulating the employees for their past achievements and encourage them to continue to hold themselves to the high standards customers, in Ohio and around the world, have come to expect.

CONGRATULATIONS TO DR. DANIEL KANTER AND DR. MARY SUTTON DAY

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. MANN. Mr. Speaker, on August 13, 1994, Dr. Daniel Kanter and Dr. Mary Sutton, physicians in the city of Boston, will officially form a union and merge.

Drs. Kanter and Sutton have recognized the long-term strategic value of a fully integrated healthcare delivery system because it results in lower costs from combined buying power and from the reduction in overhead due to the sharing of services.

Even though they are both highly trained specialists, they recognize the need for engaging in family practices which by their nature tend to serve the community through the creation of infant satellite facilities.

Mr. Speaker, this Nation needs examples of public-spirited healthcare professionals willing to accept one another without exclusions for preexisting conditions and who agree to provide long-term care and comfort for each other without imposition of new taxes or entitlements.

Mr. Speaker, and Members of the House, please join me in congratulating Dr. Daniel Kanter and Dr. Mary Sutton Day and in wishing them good luck and good health as they begin their lives together.

H.R. 4908—THE HYDROGEN, FUSION, AND HIGH ENERGY AND NUCLEAR PHYSICS AUTHORIZATION ACT OF 1994

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mrs. LLOYD. Mr. Speaker, today, I am pleased to introduce a bill entitled "The Hydrogen, Fusion, and High Energy and Nuclear Physics Authorization Act of 1994." This is a bill that is focused squarely on the 21st century and the growing needs for energy that are sure to arise.

By the year 2050, most demographers agree there will be 10 billion people living on this planet, and their needs for energy will be three times greater than our energy use today. One need only observe the growth in the east Asian countries of Korea, Taiwan, and Singapore, and the economic boom in China, to realize that the energy needs of these emerging economies will increase dramatically. Surely other areas of Asia and Eastern Europe will likewise experience economic growth in this same timeframe, as will the countries in Africa and Latin America.

Clearly, we cannot, as a world community, rely on fossil fuels to sustain this vast increase in energy demand. The environmental consequences alone of such an increase would be untenable. We must begin now to undertake and sustain the long-term development of other forms of energy that will help meet this growing demand without seriously damaging our environment.

In the Energy Policy Act of 1992, we focused on the development and demonstration of near-term technologies such as solar power and energy efficiency. This bill provides direction and guidance to carry out the development of two energy sources, hydrogen and fusion. Hydrogen has the potential to be developed and deployed in the midterm, the next 20 years. It can be applied to a variety of uses such as transportation, power generation, and heating and cooling. It can be essentially environmentally benign.

Fusion is a long-term development program which we hope will have its impact on commercial power production four or five decades ahead. Part of the United States program for fusion development will be an international collaborative effort, including Europe, Japan, and Russia, to make fusion power a reality. The scientific and technical challenges are immense, and the road will be long and hard; but the payoff is enormous. Fusion power can provide the world with an environmentally benign source of energy that will be virtually unlimited.

This bill authorizes and provides direction for the General Sciences Program of DOE, namely, high energy physics and nuclear physics. This provides for research and development and planning for the large hadron collider to provide our scientists the opportunity to participate in international cooperative scientific experiments.

The final part of this bill also takes steps to put in place the tools and programs to develop the human capital in the form of the scientific and engineering talent we will need to meet our energy needs as well as other challenges in the next century. The bill provides for direction and coordination for the University Research Reactor Program and the related educational programs. This will make it possible to upgrade the facilities and programs to educate and train engineers for fields such as materials science, chemistry, and biotechnology. Without these engineers, we will be unable to solve the problems we will face in the 21st Century.

It is important that we not be lulled into a sense of false security regarding our energy and environmental situation. The recent glut in the oil and gas markets has led many to believe that our energy problems are solved. But, the long-term trends throughout the world are clear, and their implications are ominous. This is the calm during which we must prepare ourselves for the storm that lies ahead. This bill takes an important step in that preparation.

TRIBUTE TO DR. VICTOR DEPRATTI

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. FILNER. Mr. Speaker and my colleagues, I rise today to pay tribute to a hero in my district who helps his community day after day, week after week, year after year. This man is Dr. Victor DePratti, chief executive officer and medical director of the San Diego Blood Bank.

Under Dr. DePratti's leadership, the San Diego Blood Bank has grown from a small and crowded operation in a 50-year-old home into a major regional blood center, serving 33 hospitals in San Diego, Imperial, and southern Riverside counties.

But Dr. DePratti's leadership and the reach of the blood bank have gone beyond the local level. The blood bank has participated in many national studies, including one that helped to develop the screening test for Hepatitis B.

Under his direction, the San Diego Blood Bank continues to be at the forefront of blood banking technology. It was one of the first blood centers in the Nation to establish an apherisis department, for the donation of platelets to burn victims and leukemia patients.

We all know the importance of blood banks in America. I myself have been a blood donor for many years. It is one of the ways that I can keep giving something of myself to help others.

I salute Dr. DePratti for his hard work, dedication, and tenacity. He is an excellent example of the impact that one person can make in their community. I thank him for his efforts in making certain that the San Diego area has a safe and reliable blood supply.

SALUTE TO THE 61ST NATIONAL CONVENTION OF THE ASSYRIAN AMERICAN NATIONAL FEDERATION

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Ms. ESHOO. Mr. Speaker, I rise today to pay tribute to and in recognition of the 61st National Convention of the Assyrian American National Federation which will take place September 1 through 5 in San Jose, CA. As the only Member of Congress of Assyrian descent, I am proud to have this distinguished event taking place in Santa Clara County, part of which I have the privilege to represent.

My father, Fred Georges, who emigrated to the United States as a youngster, taught me about my cultural heritage as I grew up in Connecticut. Thanks to him and my relatives, I learned how to speak the Assyrian language, a form of Aramaic which scholars call "neo-Syriac," and absorbed the history of my people. I came to appreciate the richness of Assyrian culture, as well as the lives Assyrians led in Iran, Iraq, Syria, and Lebanon. Assyrian immigrants have come to the United States in search of a better life and have made their homes and have established businesses in New York, Illinois, Michigan, California, and Connecticut.

Assyrian-Americans are hard working, patriotic citizens who have created a supportive organizational network for themselves while making major contributions to the communities in which they live. Many, like my father, are successful small businesspeople.

I pay special tribute to Adam Benjamin, the first Assyrian-American Member of Congress, who represented Gary, Indiana for many years after having worked as an Assyrian community leader in the 1950's and 1960's, most notably as the editor of the Assyrian Star, the official publication of the Assyrian American National Federation.

The federation for which Rep. Benjamin worked was established in 1933 to create unity among Assyrians, preserve their heritage, and represent them in the United States. The fact that the AANF is holding its 61st annual national convention is proof of how successful the organization has been in its mission.

On Labor Day weekend, over 4,000 Assyrians will arrive in San Jose. They will come from across the United States, Canada, Europe, Australia, and the Middle East to renew their commitment to Assyrian traditions, causes, and ideals. For 5 days, they will participate in a wonderful series of programs concentrating on culture, art, athletics, children and youth development, business seminars, and tours. At the end of that time, they will leave having rejuvenated their faith in their heritage and their future.

It is with no small amount of pride that I note that this convention is being hosted by the Assyrian American Association of San Jose, a nonprofit organization dedicated to promoting the cultural, educational, and social activities of Assyrians in the Bay Area and the South Bay. This remarkable group provides classes in Assyrian language, history, art, folklore, and dance. It is also involved with the Assyrian Nineveh Choir, weekly Atour TV broadcasts, and a wide array of sports activities. No one can question the contributions which the Assyrian American Association of San Jose has made to the local Assyrian community, and I am pleased that Assyrians from around the world will be able to appreciate the tremendous work which it performs.

Mr. Speaker, the 61st National Convention of the Assyrian American National Federation is an event worthy of commendation and celebration for Assyrians and all Americans. I ask my colleagues to join me in saluting the entire Assyrian-American community, the Assyrian American National Federation, and Assyrians from around the globe who are delegates and attendees at the 61st National Convention.

HONORING THE LIFE AND WORK OF CESAR CHAVEZ

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. NADLER. Mr. Speaker, on Monday, August 8, President Clinton will honor the late Cesar Chavez with this Nation's highest civilian award, the Presidential Medal of Freedom. It is an appropriate tribute to a man who dedicated his life to the struggle for justice and dignity for the people who produce America's food.

Born in Arizona in 1927 to Mexican immigrant parents, Cesar Estrada Chavez and his family moved to California, where they found work as migrant farmworkers during the Great Depression. In the 1960's, Cesar Chavez led the first successful effort to organize migrant farmworkers, moving from farm to farm, combining the nonviolent teachings of Mohandas Ghandi and the organizing techniques of Saul Alinsky.

When Cesar Chavez emerged as a leading organizer of the farmworkers in 1965, migrant farmworkers earned only $1.40 an hour, with no benefits. Working conditions in the fields were terrible, sanitation was substandard, and, most importantly, the growers refused to recognize the right of the farmworkers to bargain collectively.

The history of labor relations in this country was changed forever when the United Farm Workers of America called for a boycott against California table grapes to protest the growers' antilabor tactics and the abhorrent conditions under which the farmworkers labored. The strike was an astonishing success. By mobilizing the conscience of the American people behind direct action, the boycott resulted in millions of dollars in losses to the growers. An estimated 17 million Americans stopped buying table grapes in solidarity with the UFW. On July 30, 1970, the grape growers signed a landmark contract with the UFW. In 1975, thanks in large measure to Cesar Chavez's work, the California Legislature passed the first collective-bargaining law in the continental United States for farmworkers.

Cesar Chavez also fought to protect the environment and the health of workers and consumers. Fighting a national epidemic of pesticide poisonings and cancer among farmworkers, Cesar Chavez alerted the Nation to this growing health menace and organized a consumer boycott to protest the poisoning of the Nation's food supply and of the people who pick our crops. The United Farmworkers documented clusters of birth defects in farming communities and cancer rates among the children of farmworkers more than a thousand times the national average. In 1991, largely in response to the UFW campaign, the Environmental Protection Agency announced that it would take steps to crack down on the use of parathion, a commonly used crop pesticide.

Mr. Speaker, too often we forget that this Nation was built on the courage and tenacity of common citizens who exhibit uncommon determination and ability in the face of injustice. Cesar Chavez was one such individual—a man who came from the fields of California to lead a movement of workers and consumers that changed this country.

It is fitting that this man, who Robert Kennedy called one of the heroic figures of our time, should be recognized with our Nation's highest honor. I am pleased to join the millions of Americans drawn by Cesar Chavez to the fight against injustice in honoring him. The struggle he so ably led remains unfinished. Let us all honor his memory and his accomplishments by continuing that work.

Viva La Huelga. Viva La Causa.

HONORING DAVID F. WESTERBECK

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. MANN. Mr. Speaker, I rise today to recognize David F. Westerbeck, senior vice president, secretary, and general counsel at the Union Central Life Insurance Co., in Cincinnati, OH. Today marks Mr. Westerbeck's 20th anniversary with the Union Central Life Insurance Co.

Mr. Westerbeck is a graduate of the University of Cincinnati, College of Arts & Science (1967) and Law (1972). He began his career at UCL in 1974 and, through the years, has assumed additional management responsibilities. He is currently responsible for the office of the general counsel, office of the secretary, corporate public relations, human resources, and home office services which comprises home office building, internal audit, purchasing, corporate mail center, corporate food services, and business resumption planning.

David Westerbeck is active in church, civic, charitable, and industry organizations within the community. His memberships include: American Bar Association, Ohio State Bar Association, Cincinnati Bar Association, American Council of Life Insurance [ACLI], Association of Ohio Life Insurance Companies [AOLIC], Association of Life Insurance Counsel [ALIC], and Health Insurance Association of America [HIAA]. He actively supports the local schools and parish as well as the Boy Scouts of America. At UCL he is currently the political action director and the chair for this year's United Way fund drive.

Except for 2 years, in which he lived and worked in Indiana, Mr. Westerbeck has been a life-long resident of Cincinnati. He and his wife of 27 years, Sandy (nee Colonel), have three children, twin sons, Eric and Mark, a daughter, Sarah, a daughter-in-law, Jenny, and a grandson, Andrew. In nonwork hours he enjoys golf, his garden, and time with his grandchild.

Mr. Speaker, and Members of the House, I ask you to join me in recognizing David F. Westerbeck as he celebrates this milestone with the Union Central Life Insurance Co.

GUAM THANKS ADM. EDWARD K. KRISTENSEN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. UNDERWOOD. Mr. Speaker, Rear Adm. Edward K. Kristensen has come a long way since becoming an ensign in June 1965. I am sure that at sea in your early days aboard the U.S.S. *Norfolk,* the U.S.S. *Wilkinson*, and the U.S.S. *England,* moments like this ceremony were not at the forefront of your mind. Yet, I am equally sure, that those who knew you then expected no less.

You've run a "tight ship" here on our island, just as you commanded the U.S.S. *Waddell* and the U.S.S. *Lake Champlain* later in your career. And what a career you've enjoyed with the Navy. In 1983 you won the VADM James Bond Stockdale Award for outstanding leadership, went on to earn the Legion of Merit, the Meritorious Service Medal, with gold starts, Navy Commendation Medal, Navy Marine Corp Expeditionary Service Medal, and various unit and campaign ribbons.

I'm happy to note that the tradition of excellence will continue. With your loving and charming wife Suzanne C. "Sam" Samsel, you have a son, Erik, who is now attending the Naval Academy. Good luck, Erik.

When you came to Guam in April 1992, little did you know that the summer would be full of activity. Typhoon activity that is. In August 1992, you provided tremendous assistance to the people of Guam in restoring vital services to both the civilian and military communities on the island. You directed the construction of the tent city named Omar, after the typhoon which triggered the need to house over 2,000 homeless people. You helped reopen bridges and schools. We are forever grateful.

One year later, an 8.1 Richter scale earthquake hit our island home. Again, under your direction, technical expertise was provided to the Government of Guam. You showed your compassion and concern for the people of Guam.

On island issues facing us, when I called for the Guam Land Conference process, you responded with a "can do" attitude. You initiated the Guam Land Conference session held on Guam in January 1994. I know that you wanted to find more excess land to be returned to the people of Guam, and the study concluded there was more excess land.

The Micronesian Games and the Golden Salute our 50th anniversary commemoration of the liberation of Guam were superb events, which showcased our island. Again, Admiral, I salute you for your dedication and service. Many of those under your command helped with the Games, and the athletic facilities at U.S. Naval Air Station were made available for our events. We enjoyed your maximum support for the Golden Salute, but we knew we could count on you.

We are grateful for your assistance, your leadership and your honesty. You have demonstrated a rare ability to deal with difficult public issues. You have carried out your duties in a manner which has brought goodwill to the Navy and you exemplify the best that the military services has to offer this country.

Admiral, the people of Guam will continue to count on you as you continue in your career. You are now one of our alumni. So, anchors away, and may the wind always be at your back.

HEALTH CARE NEEDS ACTION

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. HILLIARD. Mr. Speaker, I rise to address the crucial matter of national health care reform. The American people are waiting for our action.

There is no one so low in our Nation that he or she doesn't deserve the best health care that can be achieved. There is no one so poor or so evil, that he or she doesn't deserve to be healthy. There are people whose productivity as workers is less than it should be, due to preventable medical problems, whether physical or mental. There are people who are criminals who would not be criminals if they could get the treatment they need. There are people who are addicted to alcohol or to other drugs, legal or illegal, who can become free, if there is health care for all. There are people who limp through life who will be able to dance if there is affordable health care for them in this Nation. There are families which will remain whole if there is health care for all.

The only way to achieve a healthy Nation is through universal health care—91 percent of the American people is not enough—95 percent or 97 percent is not enough. As long as any American is not covered, we are all less. As long as any American is not healthy, our Nation is not healthy. As long as one American goes without treatment, every American suffers. This is one Nation, one people. I firmly believe that if Abraham Lincoln were standing here tonight, he would call for health care "of the people, for the people, by the people."

Health care "of the people" means that it comes from us all as a Nation, as a right, as one of the great blessings that come with being an American.

Health care "for the people" means that it must be for all, and designed for the health of the people, not the wealth of the elite.

Health care "by the people" means that we must pay for it as a people, not leaving it up to the weakest to stand aside, less than a full American, broken, sick, poor, afflicted.

In the Seventh District of Alabama live some of the poorest and most down-trodden of Americans. Whether in the inner city of Birmingham, or on the worn-out farms of the black belt, they are also some of the best people of this Nation. These people, many of whom receive no medical care, or inferior and inadequate medical care, are the very people who brought freedom to this Nation with the civil rights movement. Many of the great victories of the civil rights movement came in my district. These people, with all their afflictions from poverty, from discrimination, from poor education, and from inadequate access to health care, are a living monument to freedom for the entire world. In my district, the words of "we shall overcome" were first sung. If health care is not universal, it will discriminate disproportionately against my people.

Therefore, in their names, and in the names of all Americans free because of the heroes who make up my constituency, let us pass universal health care reform. If we do so, we as a Nation can sing together, "we have overcome, we have all overcome."

OUR FORGETFUL ELECTORATE

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. BROOKS. Mr. Speaker, I want to commend David Broder for his thoughtful column of August 3, 1994, entitled "Our Forgetful Electorate." One year ago, this Congress passed President Clinton's budget and economic plan in the face of overwhelming Republican opposition. Since that date, our economy has achieved a 2.5-percent inflation rate, a 6-percent unemployment rate, and an increasing economic growth rate that's been adding 200,000 new jobs a month. This is an important editorial review of our economy. President Clinton was right last year to propose his economic plan and Congress was right in passing his budget. We have a healthy economy and it's due in large measure to President Clinton's forthright leadership. I recommend this column to my colleagues and I'd like to place it in the RECORD at this point.

If one of the defects in the workings of our democracy is the lack of accountability for members of Congress, the voters are much more to blame than the politicians. Memories are just too short.

In the 1992 election, for example, far more members of Congress were punished for their overdrafts in the House bank than for their votes on the resolution authorizing the use of force in the 1991 Persian Gulf showdown with Saddam Hussein. I thought—and wrote—back then that the Democratic Party would and should be held accountable for the fact that large majorities of its members in both the House and Senate opposed authorizing offensive action against Iraq when President Bush sought Congress' approval.

Democratic leaders predicted then that not one of their incumbents would be defeated for opposing the war, and they were right. But the voters were wrong to ignore the signal. The Democrats' institutional failure to recognize what was—even before the lightning military victory—a clear-cut case of justified use of force was significant. Even though Albert Gore Jr., as a senator, supported Bush's action and Bill Clinton, as a governor, implied that was also his view, the government they head—reflecting the waverings of their party—has failed to set forth any clear criteria for the manner, time, place and conditions for U.S. military intervention. Thus, the confusion of U.S. policy in the past 18 months in Bosnia, Somalia, Korea, Haiti and other hot spots around the globe was foreshadowed by the Democrats' dithering on the gulf.

Whatever voters do, the press has a responsibility to keep score on which party was right and which was wrong on big policy questions. The biggest one since Clinton became president occurred a year ago this week, with the passage of his budget and economic plan. The party lines were drawn even more sharply than on the Persian Gulf War; every single Republican in the House and Senate opposed that budget. They not only opposed it, they denounced it.

Senate Minority Leader Bob Dole (R–Kan.) called it a "terrible bill. . . . It's not good for the economy, and it's going to be terrible for small business." "We have a sick economy," said Sen. Kay Bailey Hutchison (R–Texas), "and now we're bleeding it."

Sen. Alfonse M. D'Amato (R–N.Y.) was particularly scathing on the final day of Senate debate. He set up a blank chart, which he said listed all the real deficit reductions in the bill, and, imitating a carnival barker, bellowed, "Step right up, ladies and gentlemen, with Magical Bill and his band of liberal magicians. . . . Smoke and mirrors!"

It was much the same the day before, when the House voted, Rep. Bill Archer (R–Texas), who would be chairman of the Ways and Means Committee in a Republican Congress, said, "The president claims the vast majority of these taxes will hurt only the rich, and that is baloney. . . . Americans know these new tax increases are job-killing poison for the economy."

Rep. Richard Armey (R–Tex.), chairman of the House Republican Conference and the top Republican on the Joint Economic Committee, said, "Taxes will go up. The economy will sputter along . . . and the deficit will reach another record high. . . . It is a recipe for disaster."

And Rep. Newt Gingrich (R–Ga.), in line to be speaker if the House goes Republican, said, "If I were only a Republican partisan, I would hope that this tax increase bill would pass by one or two votes so that every Democrat who voted yes would bear the responsibility for a massive tax increase and the job-killing recession it will lead to."

The budget did pass the House by two votes, the Senate by one. And where are we now? A year later, unemployment is at 6 percent, a 3½-year low. Inflation in the last year has been averaging 2.5 percent, as low as it ever gets. After spurting in the last quarter of 1993, following passage of the budget, the economy has been growing at a steady pace, between 3 percent and 4 percent, for the past six months. It has been adding more than 200,000 net new jobs a month.

Business investment in new plants and equipment—a key to future productivity and wage increases—rose 13.4 percent over the past year. Last year saw the largest number of new business incorporations since World War II. According to the Congressional Budget Office, the federal deficit for the current fiscal year has been cut from $291 billion (the estimate when Clinton came in) to $223 billion; the deficit for next year, from $284 billion to $171 billion. The higher income taxes of which the Republicans warned were paid this year by 1.2 percent of those filing—the wealthiest 1.4 million—exactly as the administration had insisted. Millions more of the working poor had their taxes cut, raising them above the poverty line.

None of this proves that the Democrats will be right next time on the economy any more than the Persian Gulf vote proved they will always be wrong on national security matters. But it is foolish to ignore politicians' records. If we want accountability, we have to remember what they said and how they voted.

CARING PROGRAM FOR CHILDREN

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. SANTORUM. Mr. Speaker, as we debate the future of health care in America, we must constantly search for innovative solutions. Today, I want to draw our attention to one unique solution that was first developed in Pittsburgh and has been successfully reproduced in 23 States.

I am referring to the Caring Program for Children, a Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield Health Care Program for children living in the families of the working poor. Initiated in 1985, it became the Nation's first private health insurance plan serving children of low-income families. The Caring Program provides free primary health care coverage, including immunization and well-child visits, doctor office visits when a child is sick, outpatient diagnostic tests, emergency medical and accident care, outpatient surgery, dental care, vision care, and hearing services at no cost to the children or their families. Prescription drugs are also available with a $5 copayment.

The widespread outpouring of community support for this efficiently operated delivery system has enabled the Caring Program to help over 30,000 children since 1985, with all funds contributed being matched dollar for dollar by Blue Cross and Blue Shield. Between 1989 and 1993, the Caring Team Campaign, developed by the Caring Program, has enlisted 130 local schools and 7 major corporations and raised $984,000—including the matching funds—to further the drive. All money raised through a school district goes directly to the primary health care of a child in the school's community as Blue Cross/Blue Shield donates all administrative expenses. In this way the campaign has been able to help nearly 5,000 children in the past 5 years.

The achievements of the Key Club at Springdale Junior/Senior High School, in my congressional district, are exceptionally noteworthy. The Springdale Key Club, sponsored by Mrs. Rose Petroff, has raised a total of $26,000 for the Caring Program, including over $6,000 in 3 of the last 4 years. The money raised by Springdale alone, combined with Blue Cross/Blue Shield's matching funds, has provided 330 children with primary health care coverage at no cost to their families.

Springdale's efforts truly have been amazing, as it is a small school with only 600 students and just 20 Key Club members. This exceptional group of students was recognized when the Caring Program was featured on a recent NBC Nightly News segment. Springdale's students have also been honored by the State of Pennsylvania and Key Club International and recognized by the Pittsburgh Steelers. Springdale principal Michael A. Panza is correct in noting, "This shows what the efforts of a few committed people can accomplish."

As the national spotlight intensifies on health care, we must recognize, that no matter what reforms we pass, government alone cannot reach everyone. We must depend on community and private involvement like the exemplary efforts of Springdale Junior/Senior High School and the Caring Program for Children. Endeavors such as these must now receive our careful attention. As Mike Panza concludes, "We have started our [health care] battle in Springdale and we are winning." Thank you, Blue Cross of Western Pennsylvania/Pennsylvania Blue Shield and Springdale, for leading the way.

THE CENTENNIAL OF HILLBURN'S VOLUNTEER FIRE DEPARTMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. GILMAN. Mr. Speaker, on Saturday, October 1, 1994, the Hillburn Volunteer Fire Department in Rockland County, NY, will be celebrating its centennial. I invite my colleagues to join with us in congratulating the officers and members of this historic organization on marking this milestone.

The Hillburn Volunteer Fire Department began as a series of meetings led by E.H. Terwilliger. At those meetings, committees were established for the purposes of setting up the fire department, raising money for its maintenance, and providing benefits for its members.

Despite the initial doubts of the community regarding its validity and importance, the Hillburn Fire Department was incorporated into the Hillburn village organization in April of 1904 under the leadership of its first chief, F.W. Snow. The department established its headquarters in an occupied portion of the barn belonging to the Rampo Wheel and Foundry Co.

Having been accepted into the community, the Hillburn Fire Department began a tradition of fundraising picnics and balls, making $80.46 at its first picnic. Those popular events continue today to be an important means of raising money for maintenance and for equipment of this volunteer organization.

The late 1890's also brought about many efforts to improve the department's efficiency. After several false alarms, the department finally established a successful system in July 1896 that is still in use today. In order to quicken its responses to alarm calls, the department instituted a fire apparatus with horses harnessed to it. This mobile unit was the first of many important steps toward the use of our modern-day fire engines.

Perhaps the most important event in the history of the Hillburn Volunteer Fire Department occurred on August 19, 1899. As a commemorative gesture for their 50th wedding anniversary, Olive and William Snow bequeathed a plot of land and a construction grant to be used for the establishment of "The Hillburn Hall"—a building to be used by the fire department and rented out for other functions. After a few years of meetings, discussions, and arguments, a suitable plot of land adjacent to the property of Henry Becraft was decided upon. Construction of The Hillburn Hall began on July 24, 1905. This original structure is part of the building that exists today. The Hillburn Volunteer Fire Department has expanded its headquarters resulting in a hall today that can seat 550, as well as including various meeting rooms, an apparatus room, dining room, bowling alley, and janitor's quarters.

Mr. Speaker, the fire department, which established itself against the expectations of the entire community, serves today as a pillar of the village of Hillburn. It is both an important service and social organization that demonstrates the value of public service at the most fundamental level. The generations of volunteers who have valiantly protected their community are to be commended for their selfless dedication. As an inspiration to all residents of the village of Hillburn, and especially its youth, the Hillburn Volunteer Fire Department is also a reminder of the importance of volunteer work and community cooperation.

Mr. Speaker, Jerome Taylor, centennial chairman, and Sandi Jeanette, publicity chairperson, have diligently worked to plan a memorable centennial celebration. Accordingly, I invite my colleagues to join with me in commending the Hillburn Volunteer Fire Department upon their celebration of a successful 100 years, and in congratulating all its members and officials as they embark upon their second century of service.

THURGOOD MARSHALL UNITED STATES COURTHOUSE, WHITE PLAINS, NY

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. ENGEL. Mr. Speaker, today I will introduce, in conjunction with my colleagues Representatives LOWEY, GILMAN, and FISH, legislation which will designate the U.S. courthouse under construction in White Plains, NY, as the "Thurgood Marshall United States Courthouse", a modest tribute to an extraordinary defender of human rights.

Thurgood Marshall spent a lifetime dedicated to the protection of individual and civil rights. Long before he became the first African-American justice, he earned his place in history from the other side of the bench and has often been cited as the greatest lawyer in the 20th century. As chief counsel for the NAACP Legal Defense and Education Fund, Marshall successfully argued before the Supreme Court in 1954, resulting in the historic ruling, Brown versus Board of Education, which declared racially segregated public schools as unconstitutional.

Then, in 1961, Marshall accepted an appointment from President Kennedy to the U.S. Court of Appeals for the Second Circuit. Subsequently, he received a nomination to the Supreme Court in 1967 from President Johnson. During his tenure on the Supreme Court he vigilantly continued to defend individual rights, protecting minorities and the under-privileged, and supporting affirmative action and abortion rights, while opposing the death penalty.

Naming the White Plains courthouse in memory of Justice Marshall will serve a meaningful purpose for the residents of Westchester County. The courthouse will provide a tangible symbol of Marshall's important legacy, while serving as an important reminder of the solemn principles of law and justice which will be defended within its walls.

Finally, I would like to thank the African American Federation of Westchester, the White Plains-Greenburgh branch of the National Association for the Advancement of Colored People, Greg Smith, president and CEO of the ADF, White Plains Common Council Member William Brown, Jr., Paul Redd, editor of the Westchester County Press, and Ernest D. Davis and Herman Keith of the Westchester County Board of Legislators for their assistance in this important project. I urge my colleagues to join me in cosponsoring this legislation.

UNIVERSITY OF ALABAMA MOOT COURT TEAM SUBMITS BEST BRIEF IN THE WORLD

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. BEVILL. Mr. Speaker, as you know, Alabama is a State that has provided this Nation with a number of outstanding attorneys. We currently have several serving in Federal office, the most notable being Senator HOWELL HEFLIN, former Chief Justice of the Alabama Supreme Court. Alabama has also produced a distinguished member of the U.S. Supreme Court in Justice Hugo L. Black. Mr. Speaker, Alabama has done it again.

This year, the University of Alabama International Law Moot Court Team has been recognized for writing the best brief in the Jessup International Law Moot Court Competition. I want to commend the 1994 team members.

They include, Ms. Jamie Manasco, responsible oralist, of counsel; Mr. John Gilliland, respondent oralist, of counsel; Ms. Christa Hayes, who is from my district, applicant oralist, of counsel; Mr. David Overstreet, applicant oralist, of counsel; Ms. Paige Carpenter, of counsel; Sonya Powell, team manager; and team advisors, Dean Kenneth Randall and Frank Kaprio, attorneys at law. These are names to remember because these young men and women have illustrious careers ahead.

Of special note are the accomplishments of John Gilliland and Jamie Manasco who received the Baxter Award for writing the best respondent brief in the competition.

These young men and women are from across the State of Alabama and the country. They have once again demonstrated the outstanding quality of legal education available in our State. Their triumph in international competition is something that the entire United States can enjoy. I wish to offer them congratulations for their ability and dedication. The law profession can use more outstanding individuals such as these. I look forward to hearing more about the accomplishments of these winners as they leave the university and enter the profession.

103D CONGRESS: A PRODUCTIVE YEAR

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. HILLIARD. Mr. Speaker, I am proud to say that this 103d Congress has had one of the hardest working and productive sessions in the history of this august body. For the previous 12 years, the specter of gridlock haunted these halls, and very little was accomplished because the two previous administrations refused to join together with us for the betterment of the Nation.

However, during this session, we have produced a solid record of accomplishments. We began last year by passing the Family and Medical Leave Act (H.R.1) which guarantees unpaid leave to workers who need time off to care for a sick child or relative; the motor voter bill (H.R. 2) which expands opportunities for all Americans to participate in the political process; the National Service Act (H.R. 2010) which will help to open the doors of college opportunity for all Americans; and dozens of other pieces of major legislation, such as: education reform, the budget resolution, veterans benefits, and others. Now, we must move toward major health care reform which will guarantee that every American will have health care that can never be taken away.

TO COMMEMORATE THE 1 YEAR ANNIVERSARY OF THE FAMILY AND MEDICAL LEAVE ACT

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Ms. PELOSI. Mr. Speaker, I rise today to commemorate the 1 year anniversary of the effective date of the Family and Medical Leave Act. I would also like to thank Congresswoman PATRICIA SCHROEDER for organizing recognition of the first anniversary of this important legislation.

The Family and Medical Leave Act has relieved many American workers with families of the burden of having to choose between caring for an ailing child or parent and losing their job. Unfortunately, many employees remain unaware of their rights, and many employers have failed to develop leave policies and grievance procedures.

Still, the Labor Department has reported that the measure has been successful with 90 percent of complaints filed under the act resolved to the employee's satisfaction, and there's been no evidence that the act has been burdensome to employers, as predicted by the act's opponents.

With the changing composition of our Nation's work force, family and medical leave legislation to help workers balance work and family responsibilities was long overdue. I am grateful that President Clinton signed this into law.

TRIBUTE TO PROF. LOUIS W. STERN

HON. PETER W. BARCA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. BARCA of Wisconsin. Mr. Speaker, I rise today to congratulate Prof. Louis W. Stern of Northwestern University's Kellogg Graduate School of Management for receiving the AMA/Erwin Distinguished Marketing Educator Award for 1994.

Mr. Stern will be honored on Sunday, August 7th in a ceremony conducted by the American Marketing Association at their conference in San Francisco. This honor has only been awarded for the past 10 years.

Louis Stern is known as the father of modern channels research having introduced the concepts of power and conflict to marketing channels. He has written 9 books and 85 articles encompassing marketing management, behavioral sciences, and law.

He served as a consultant to the Federal Trade Commission, IBM, Ford, Kodak, Xerox, and General Electric among others and has testified before House committees on antitrust matters.

I congratulate Professor Stern for his many accomplishments.

IN RECOGNITION OF THE 100TH ISSUE OF NASA TECH BRIEFS

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. BECERRA. Mr. Speaker, as a member of the House Science, Space, and Technology Committee, I want to recognize Associated Business Publications and offer my congratulations on the anniversary of its 10-year partnership with NASA and the publication of its 100th issue of NASA Tech Briefs.

Most of us recognize that technology is the key to economic growth, creating jobs, building new industries, and improving our standard of living.

How can we encourage the development of new technologies? By building a partnership between government and industry, labor, and academia. Fortunately, there is an excellent example of this public-private partnership taking place today which I would like to call to your attention.

Ten years ago, NASA was looking for a way to improve its ability to transfer technology to the American public and save money. Associated Business Publications answered the call. Together, ABP and NASA joined forces to publish NASA Tech Briefs at no cost to the American taxpayer.

Since 1985, ABP has increased the circulation of NASA Tech Briefs by 173 percent, making it one of the largest engineering magazines in the world. Translating the language of research into the speech of the marketplace, ABP was streamlining a government process long before the call for reinventing government was ever sounded.

This successful joint venture between government and small business is one way in which NASA is meeting its mandate to transmit technological innovations to the American public. ABP has saved taxpayers over $12 million in paper, printing, and postage costs.

Each issue contains briefs describing practical and commercially promising new ideas developed under NASA's auspices. This year alone, NASA/ABP expect to circulate over 1,000 briefs. Over the past 10 years, nearly 7,500 innovations have been featured in these issues.

Readers who are interested in a specific subject request a detailed technical support package. ABP and NASA receive thousands of comments annually from readers detailing how they have used ideas in the magazine to solve problems, save time and money, develop new or improved products, and create new jobs.

For most people, space technology seems about as removed from our lives as astronauts walking on the Moon. But in reality, average Americans can—and do—derive priceless benefits from inventions designed for use in aeronautics and space projects. Studies have shown that for every $1 spent on NASA research and development, $8 are returned to the U.S. economy. NASA Tech Briefs is one important medium that helps to spread the word about technology available from NASA to the private sector.

Mr. Speaker, there are many examples that demonstrate how NASA technology is relevant to the lives of all Americans. I would like to share just a few of these examples with you.

Cool vest: For those suffering from multiple sclerosis, the slightest rise in body temperature can exacerbate fatigue and poor coordination. But thanks to a new cooling vest originally designed for NASA astronauts and recently highlighted in NASA Tech Briefs, those with multiple sclerosis are finding new relief.

Heart equipment: A man suffering from a coronary artery problem learned in the March 1992 issue of NASA Tech Briefs about a new NASA-derived laser angioplasty technology available for the treatment of his condition. On June 3, 1992, he became the seventh patient to successfully undergo the surgery.

Arm prosthetics: While working in Africa, Sandra Rossi lost her hand in a crocodile attack. Rossi sought help from NASA after her father read in NASA Tech Briefs about the prosthesis work underway at Marshall Space Flight Center in Huntsville, AL. Fourroux Orthotics and Prosthetics of Huntsville fitted Rossi's replacement hand with a socket that allows her to connect five simple but practical arm attachments. The arm attachments, which allow her to pick up tiny objects, were made with surplus materials from Marshall Space Flight Center's model shop.

Associated Business Publications has a proven record in the field of technology transfer. Its relationship with NASA provides a paradigm which other Federal agencies should consider adopting to ensure efficiency and success in all our work. We must always strongly encourage government-to-industry cooperation, and we must applaud the people at Associated Business Publications on a job well done. America needs more efforts like those of ABP to turn our goals into reality.

SALUTE TO ORISKANY'S VOLUNTEERS

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. BOEHLERT. Mr. Speaker, Oriskany, a small village in Oneida County, NY, derives its name from the Iroquois word meaning, the "place where the road is submerged." Its unique story would suffer the same fate if not for the heroic efforts of its local volunteers.

In 1991, the State of New York closed the Oriskany Battlefield, the site of the bloodiest encounter of the Revolutionary War. Undeterred, local volunteers formed an Oriskany Battlefield Committee, and with their own scant resources, created a partnership to maintain it.

They not only cut the lawns and staff the visitor center, but guard against the taking of artifacts. They've also enlisted the assistance of professionals worldwide to apply the latest technology to discover the battlefield's hidden secrets and stories.

Their work is groundbreaking, and offers other communities across America a blueprint for reviving heritage, instilling community pride, discovering diverse local talents, and working together to create economic growth and new opportunities.

The group, composed of government officials, Oneida Indians, historians, teachers, engineers, veterans, and others, firmly believes that this important piece of Americana should not die in neglect and misunderstanding. It's too important not to preserve for future generations and the survival of democracy.

This Saturday, on August 6, the volunteers are commemorating the battle with a solemn wreath laying ceremony. The public is also welcome to participate in the day's activities, which include: Iroquois dances and story telling, an encampment, and an exchange of gifts honoring the Oneida Indian Nation and the sacrifices of the people of the valley.

The Battle of Oriskany is so important to us today because it reveals the savage and brutal face of America's first civil war.

On the 6th of August 1777, the local militia and its Oneida Indian allies gathered at General Herkimer's home and marched to relieve the siege at Fort Stanwix. The fort was under heavy attack by the British and their Tory, Indian, and Hessian allies. The militia was ambushed on the military road that wound through the narrow forested ravine at Oriskany by a cleverly concealed enemy detachment. In this epic battle on the frontier, brothers, neighbors, and clansmen annihilated each other in relentless, desperate hand to hand combat.

The battle was significant, representing the breakup of the Iroquois Confederacy, the eventual expulsion of British forces from New York, and continuous suffering and privation as most of the area's population was either dead or displaced by war's end.

By working with the local Northern Frontier Project, the volunteers have been able to better understand and share the story of the region's government.

They've managed to work with local colleges and universities to host town meetings and collect data. They've promoted the revival of their stories by providing opportunities for local storytellers, historians, film makers, and authors. They've relied on national and foreign military intelligence to produce creative mapping and archaeology of the battlefield without disrupting the site. They've also worked with foreign embassies, the State of New York, and many others to discover the truth about a battle that decimated almost half of an 800-man militia.

As a result, the group has produced substantial new scholarship and is forcing a new interpretation of the course of the battle. They've shared their findings with the National Park Service, which is now planning an intensive study of the site to help the community chart options to protect and enhance the battlefield, and develop initiatives to make a closer association between the area's many historic sites. This may attract tourism and economic development to help revive the area's communities in transition.

The volunteers are mobilizing all their resources, defending their way of life, and preserving memories that might otherwise be lost forever. They're finding that this work is exciting and infectious, and providing new opportunities for the future. Their efforts are inspiring and vital to all who cherish democracy and the values and attitudes upon which our Nation was formed—and upon which it must survive.

The volunteers are: Sandy Lupa of Westmoreland; Joe Robertaccio of Utica; Don Rothdiener of Oriskany; Chief Robert Callahan and the Oriskany Police Department; Francis Smith of Oriskany; Gregory Smith of Whitesboro; Dennis Smith of Whites Town; Douglas Rondeau of Whitesboro; Robert Cieslak of Yorkville; Frank Picente of Utica; Robert Henley of Oriskany; Robert Matteson of Rome; Alan Sterling of Klockville; Jon Austin of Rome; Douglas Singleton of Rome; Don Benson and the Oriskany Masonic Lodge; the Rome Moose Lodge; Lorena Jensen of Remsen; William Barry Sr. of Whitesboro; The Town Board of Whites Town; Ed Kupiec of Barneveld; the Gregory Williams family; Anthony Tommell of Westmoreland; Gary Warshefski of Rome; Terry Road of Utica; Assemblyman Dave Townsend; Senator Bill Sears; and all those others who have given of their time and energy to help preserve and protect the battlefield and its memory.

RETIREMENT OF VICTOR POOLE

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. HILLIARD. Mr. Speaker, I rise today to commend a man who has labored for over three decades for the cause of better education in Alabama, Mr. Victor Poole of Hale County. Mr. Poole has recently announced that he is soon to retire from the seat he has held as a member on Alabama's State Board of Education since 1963.

Those of us who believe in a strong, independent, public education system will sorely miss Mr. Poole's presence on our State school board. Although quiet in his manner, Mr. Poole has always been steadfast in his resolve to improve Alabama's public education system. Through his efforts, Alabama's educational system has expanded its coverage to assist our working class men and women by the establishment of Alabama's 2-year postsecondary colleges.

Even though Victor Poole will be leaving the board, I hope that his philosophy for a strong and independent public school system will remain in attendance for many more years. I am speaking of a belief that all the people of our State, black and white, young and old, men and women, rich or poor, will have the basic right to pursue their educational goals as far as their abilities will take them. On behalf of the U.S. Congress, I wish to thank Victor Poole for his tireless work and diligence for the betterment of our children's education.

PAUL HARVEY'S HOMECOMING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. CRANE. Mr. Speaker, they say you can never go back.

And for many that is true.

Things are not what they used to be and no amount of trying is going to make them exactly the way they were. Times have changed, people have come and gone, lifestyles have undergone transformation, and whole regions have altered their very face.

Trying to turn the clock back will not turn the tables on change. But taking a stroll down memory lane, revisiting our old haunts, and getting in touch with our past can help us adjust to it.

Plus, it can be a very rewarding learning experience.

For me, recalling the days of my youth, growing up in the Midwest, brings back a whole host of fond memories—of a family so dear; of an era so different, of a world less complex, and of a particular window to that world.

Back in those days, there were no TV's to watch or computers to access if you wanted to find out what was going on in places near and far. If you wanted to hear the latest, you turned on your radio and tuned into your favorite newscaster, in my case, Paul Harvey.

Then, as now, Paul Harvey gave his listeners the best of the news and "the rest of the story." And he did it in a way that made you feel right at home and right in touch with the basic, fundamental values that have made America great.

Over the years, I have often wondered how Paul Harvey came by that knack. Now, having read a speech he gave not long ago about his own trip down memory lane to the place he first called home, I have a better idea. And I am both the richer and the wiser for it.

With the thought that my colleagues might likewise wish to benefit, I insert Paul Harvey's April 2, 1994, speech in Tulsa, OK at this time.

The speech follows:

HOMECOMING

Over my shoulder a backward glance.

The world began for Paul Harvey in Tulsa, Oklahoma.

Ever since I have made tomorrow my favorite day. I've been uncomfortable looking back.

My recent revisit reminded me why. The Tulsa I knew isn't there anymore. And the memories of once-upon-a time are more bitter than sweet.

Of the lawman father I barely knew.

The widowed mother who worked too hard and died too soon. And my sister Frances.

Tulsa was three graves side-by-side.

Recently I came face-to-face with the place where a small Paul Harvey's mother buttoned his britches to his shirt to keep them up and it down.

Tulsa is a copper penny which a small boy from East Fifth Place placed on a trolley track to see it mashed flat.

It's slingshot made from a forked branch aimed at a living bird and the bird died and he cried and he is still crying.

That little lad was seven when he snapped a rubber band against the neck of the neighbor girl and pretty Ethel Mae Mazelton ran home crying and he, lonely, had wanted only to get her to notice him.

Somehow he blamed Tulsa for the war which took his best friend, Karold Collis * * *

And classmate Fred Mrarkgraff * * *

And never gave them back.

In Tulsa, Oklahoma, he learned the wages of sin smoking grapevine behind the garage and getting a mouthful of ants.

Longfellow Elementary school is closed now; dark.

Tulsa High is a business building.

The old house at 1014 is in mourning for the Tulsa that isn't there anymore.

It was in that house that a well-meaning mother arranged a surprise birthday party when he was sixteen; invited his school friends, including delicate Mary Betty French without whom he was sure he could not live.

He hated that party for revealing to her and to them his house, so much more modest than theirs.

Tulsa is where the true love of his life waved goodbye to the uniform that climbed aboard a troop train.

She was there waiting when he got back but they could not wait to say goodbye to Tulsa.

Tulsa was watermelon picnics in the backyard and a small Paul blowing taps on his Boy Scout bugle over the fresh grave of a dead kitten.

Tulsa, Oklahoma used to be the fragrance of honeysuckle on the trellis behind the porch swing.

Mowing for a quarter neighbors' lawns that seemed then so enormous.

Only Tulsa's delicious tap water is as it was.

That and the schoolteachers * * *

Miss Harp and

Miss Smith and Isabelle Ronan. These I am assured are still there somewhere—reincarnated.

In a sleek jet departing Tulsa's vast Spartan Airport at midnight, I closed my eyes and remembered * * *

When Spartan was a sod strip * * *

And a crowd gathered * * *

And a great tin goose landed * * *

And Slim Lindbergh got out * * *

And a boy, age nine, was pressing against the restraining ropes daring to foretaste fame—and falling in love with the sky.

No * * *

The Tulsa I knew isn't there anymore. But it's all right.

A new Tulsa is.

I'll not be afraid to go home again.

I have made friends with the ghosts.

FURTHER EXPLANATION OF LEGISLATIVE INTENT OF SECTION 1621

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 5, 1994

Mr. SANDERS. Mr. Speaker, I would like to include the following material as further explanation of the legislative intent of "Section 1621—Encouragement of Fair Labor Standards" of the "Foreign Operations Appropriations Conference Report":

BACKGROUND AND EXPLANATION OF NEED FOR WORKER RIGHTS PROVISION IN THE FISCAL YEAR 1995 FOREIGN OPERATIONS APPROPRIATIONS ACT

The various multilateral financial institutions already attach various conditions to their loans. For example, the Inter-American Development Bank and the World Bank currently require borrowing countries routinely to charge their industrial loan clients the prevailing interest rates that are reflected in financial market conditions, to remove barriers to new international investment, and to lower tariffs.

Why then shouldn't the contracts made by the multilateral financial institutions also require the borrowing countries and industrial establishments that receive loans and credits to adopt and enforce laws to ensure the free exercise of internationally-recognized worker rights for their workers, especially when the borrowing countries have legally obligated themselves under international and national laws to uphold and protect these fundamental rights?

At present, the multilateral financial institutions make no effort to monitor the worker rights policies and labor practices of the industries and host countries being financed. Even if worker rights violations and abusive labor practices were to be discovered, the lending institutions have no remedies now without worker rights provisions in the loan contracts.

In short, the African Development Bank and Fund, the Inter-American Development Bank, the World Bank, and all of the other multilateral financial institutions currently have binding rules with respect to the protection of investment capital and private property rights, but anything goes with respect to human rights in general and internationally recognized worker rights in particular.

This says much more about the badly distorted priorities at work now with respect to international lending and the current operations of the multilateral financial institutions than it does about their logic or our shared values. Now is the time to begin to redress such unbalanced, bizarre reasoning and skewed priorities.

RATIONALE FOR REQUIRING THAT INTERNATIONAL FINANCIAL INSTITUTIONS TO CONDITION THEIR ASSISTANCE UPON INTERNATIONAL RESPECT AND ENFORCEMENT OF INTERNATIONALLY RECOGNIZED WORKER RIGHTS

(1) The U.S. must underscore the crucial importance of building international respect for fundamental worker rights as an essential building block of broad-based, sustainable development (i.e. why single out worker rights from other human rights?).

First of all, there has been a general human rights "voice and vote" directive for the U.S. representatives in the multilateral financial institutions on the books for several years seemingly without much effect. So it is time to go further to achieve real change.

Second, there is a clear and uniquely economic relationship between the free exercise of fundamental worker rights or the lack thereof and the climate for investment. That relationship also transcends national borders.

Third, it is also true that the systematic denial of basic worker rights and the suppression of minimum labor standards require an authoritarian regime. Consequently, a threshold concern for internationally recognized worker rights will invariably lead to greater concern for the overall character of any national government.

Fourth, international development policy, including its lending and investment dimensions, must be viewed as a whole—as a seamless web involving economics, the environment, politics, social relations, and human rights.

(2) What is meant by internationally recognized worker rights is clearly defined under both international and U.S. laws.

First, during the Reagan Administration, the U.S. State Department clearly spelled out the definition of internationally recognized worker rights for purposes of reporting to the Congress and enforcing various U.S. laws. Appendix B of the U.S. State Department Annual Human Rights Country Reports spells out in detail for everyone's understanding what is meant by this terminology. (Copy attached.)

Second, the statutory definition of internationally-recognized worker rights mirrors basic worker rights and labor standards spelled out in the bedrock conventions of the International Labor Organization [ILO], which was established in 1919.

As a matter of law, any country that belongs to the ILO and has ratified an ILO convention is legally bound to implement national laws to carry out the purpose of that particular ILO convention. More basic than that, more than 160 countries belong to the ILO and with that membership comes de facto acceptance of freedom of association for all workers. It is noteworthy to look at international law and the record of international acceptance of these rights as stated in the fundamental ILO conventions.

With regard to freedom of association, at least 110 countries (including Gabon, Bulgaria, China, and Singapore) have ratified Convention #11 (1921) dealing with the right of association. More than 100 countries have also ratified Convention #87 (1948) pertaining to the freedom of association (including Chad, Hungary, Russia, and Haiti) and protection of the right to organize.

With respect to the right to organize and bargain collectively, 120 countries (including Bangladesh, Indonesia, and Romania) have ratified Convention #98 (1949) pertaining to the right to organize and bargain collectively.

On forced labor, 115 countries (including Angola, Malaysia, and Thailand) have ratified Convention 105 (1957) calling for the abolition of forced labor.

Regarding the establishment of a minimum age for the employment of children, 75 countries (including Albania, Ivory Coast, and Singapore) have ratified Convention #5 (1919) fixing an age of 14 years as a minimum age to cover wage earners.

Clearly, even if countries have not ratified these ILO conventions, there is no misunderstanding as to what constitutes internationally recognized worker rights.

Third, the first four elements of the official definition of internationally recognized worker rights are straightforward and self-explanatory. The fifth element (acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health) is very deliberately phrased more flexible to allow taking into account a country's level of economic development in its application.

(3) There are ample precedents in current U.S. law for linking respect for internationally recognized worker rights to trade, aid, and investment policies. In fact, a first precedent vis a vis a multilateral financial institution for such worker rights linkage was enacted in 1988 when the U.S. joined the Multilateral Investment Guarantee Agency [MIGA]

During the past decade, seven different laws have been enacted to link respect for internationally recognized worker rights to different facets of U.S. bilateral and multilateral trade policies.

1983—Added to eligibility criteria for countries wishing to participate in the Caribbean Basin Initiative [CBI I];

1984—Added to mandatory and discretionary eligibility criteria for countries to be eligible for duty-free tariff treatment under the Generalized System of Preferences [GSP];

1985—The Overseas Private Investment Corporation [OPIC] prohibited from insuring/assisting projects in any country that denies internationally recognized worker rights;

1988—Provisions added to the Omnibus Trade Act of 1988 to treat as an actionable unfair trade practice the systematic denial of internationally recognized worker rights by any trading country as a means of gaining competitive advantage in international trade;

* * *—U.S. stipulates as a condition for joining the Multilateral Investment Guarantee Agency (MIGA) that that new international agency which is associated with the World Bank not insure/support projects in countries that do not extend internationally recognized worker rights to their workers;

—Worker rights provisions made a principal U.S. negotiating objective for the GATT;

1990—Strengthened worker rights provisions in the mandatory and discretionary eligibility criteria for countries to be eligible for the revised Caribbean Basin Initiative (CBI II);

1992 and 1993—Prohibition enacted in the Foreign Operations Appropriations Act blocking all executive agencies dispensing any form of foreign assistance from supporting any project in any recipient country that contributes to the violation of internationally recognized worker rights in that country.

(Pending in 1994)—Same prohibition on any foreign assistance activities as enacted in 1992 and 1993.

(4) The U.S. is not attempting to impose our labor standards and worker rights on the rest of the world with this amendment. Rather we are as matter of policy urging that the multilateral financial institutions and borrowing countries they assist adhere to the fundamental worker rights and labor standards they have legally bound themselves to uphold under international and their own national laws.

While the U.S. may not have ratified many of the ILO conventions that underpin the statutory definition of internationally recognized worker rights, every one of those rights and labor standards is legally protected by our Constitution or by U.S. statute and bolstered by extensive case law. There is nothing hypocritical about legislating such linkages because we are requesting that other nations protect the same internationally recognized worker rights that we have also committed ourselves to under a combination of international and national laws.

CONCLUDING ARGUMENT

The vital question we must ask ourselves is this: whether the increasingly heated contest among all nations for investment capital from the multilateral financial institutions and elsewhere in the 1990s and beyond ought to be subject to binding rules to protect and enforce the fundamental rights of workers as is already the case for investors, corporate managers, and entrepreneurs?

Now is the time for the U.S. to get serious and begin conditioning our continued participation in further replenishments of the resources of the African Development Bank and Fund, the Inter-American Development Bank, and all other multilateral financial institutions on a fundamental commitment by these institutions (1) to review borrowing country respect for internationally recognized worker rights; and (2) to require respect for these rights as an integral part of any assessment of a country's economic performance.

This is good human rights policy. Promoting international respect for worker rights affirms a U.S. commitment to ethical values in the way nations and people should interact. In effect, working people everywhere should be treated with human dignity and not contempt.

This is good investment and lending policy. Public support for an open investment system is increased and the appeals of isolationism and protectionism are reduced when workers are not pitted against one another in dog-eat-dog competition that rewards only the overseers of the exploited.

This is good foreign policy as the U.S. strives to encourage the formation of democratic traditions and institutions for freedom-loving people throughout the world. Political, civil, and worker rights are indivisible. Show me a society that protects the free exercise of worker rights and I will show you a society on the path to more democratic rule.

Finally, this is a good international development policy in an era of global economic integration. The time has come to recognize that actively promoting international respect for fundamental worker rights is a critical ingredient for boosting global purchasing power and, therein, will be discovered a crucial catalyst for achieving sustainable real growth for developing and developed countries alike in the 21st century.

SENATE—*Monday, August 8, 1994*

The Senate met at 10 a.m. and was called to order by the Honorable JEFF BINGAMAN, a Senator from the State of New Mexico.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"Ye shall know the truth and the truth shall make you free"—John 8:32.

Lord God of righteousness and justice, there is in each of us a spirit of self-interest which inclines us to pragmatism as a way of life. Protect the Senators from the subtlety of self-deception. Give to each wisdom to examine his plans in the light of Thy truth—and grant courage to do what his God-enlightened conscience dictates.

For the sake of God and country, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, August 8, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEFF BINGAMAN, a Senator from the State of New Mexico, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BINGAMAN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The ACTING PRESIDENT pro tempore. Also under the previous order, the Senate will now resume the consideration of H.R. 4606, the Labor-HHS appropriations bill, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4606) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, Senator SPECTER and I are here. We are now on H.R. 4606, the Labor-Health and Human Services appropriations bill. Under the unanimous-consent agreement that was entered into last Friday, between now and noon is the time for amendments. We have 2 hours now. So if Senators have amendments to this appropriations bill, they should come to the floor and offer them between now and noon. At noon, the bell tolls, and there will then not be an opportunity to offer amendments thereafter.

It would be our intention at noon, if there are no other amendments, after some managers' amendments and technical corrections that we have, to then proceed to third reading.

I am informed that there is a standing request for a rollcall vote on all appropriations bills. That being the case, there is a further unanimous-consent agreement, I guess, that there will not be any rollcall votes until at least 10 a.m. on Wednesday.

So this is the situation. We are open for business. We have 2 hours under the unanimous-consent agreement under which Senators can offer amendments. After noon, no other amendments can be offered. Then there would not be a rollcall vote until 10 a.m. on Wednesday.

I hope that is correct. I yield to Senator SPECTER if there are any modifications or some nuances I have missed in my understanding of the unanimous-consent request.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I think the distinguished chairman has it exactly right. I join Senator HARKIN in urging all of our colleagues to come to the floor. There is a long list of pending amendments and, as Senator HARKIN has said, time will expire for offering those amendments under the unanimous-consent agreement at noon.

I support his conclusion that at noon we will proceed to third reading, at which time the appropriations bill will be concluded. As he has said, there will not be any vote on final passage by unanimous-consent until Wednesday at 10 a.m. But at noon, we will go to third reading, with the only final action on the bill to be the vote not earlier than 10 a.m. on Wednesday, since there is a standing request for rollcall votes on all appropriations bills.

So we urge our colleagues to come to the floor. We are open and ready for business. As Senator HARKIN has said, quoting Hemingway, the bells will toll at 12 noon.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPECTER. I ask unanimous consent the pending committee amendment be set aside.

Mr. HARKIN. Mr. President, reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mr. SPECTER. Mr. President, I understand there is no objection?

The ACTING PRESIDENT pro tempore. Without objection the pending amendment is set aside.

AMENDMENT NO. 2465

(Purpose: To express the Sense of the Senate that the House should approve legislation to increase payments in lieu of taxes and for other purposes)

Mr. SPECTER. Mr. President, on behalf of Senator DOLE, I am submitting an amendment of which Senator MCCAIN is the principal sponsor, along with Senators DOMENICI, BURNS, CRAIG, SMITH, HATCH, BRYAN, DORGAN, CAMPBELL, and BENNETT. I send the amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for Mr. MCCAIN, for himself, Mr. DOMENICI, Mr. BURNS, Mr. CRAIG, Mr. SMITH, Mr. HATCH, Mr. BRYAN, Mr. DORGAN, Mr. CAMPBELL, and Mr. BENNETT, proposes an amendment numbered 2465.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

The Senate finds that Federal payments in lieu of taxes to counties compensate local jurisdictions for services provided in areas owned by the federal government and for tax revenues foregone due to such federal ownership.

PILT payments are critical to counties to provide vital basic services such as emergency search and rescue; law enforcement; fire and emergency medical services; solid waste management, road maintenance, and health and other human services.

PILT payments have not been increased since 1976, and the consumer price index has risen 127 percent since 1976.

On April 13, 1994, the Senate approved legislation to increase PILT payments by $115 million over 5 years, and index the payments to keep pace with inflation.

Enactment of this legislation is critical to counties in 49 states throughout the nation.

It is the sense of the Senate that the House should approve the Senate passed legislation to increase PILT payments, and that this legislation should be enacted by the adjournment of the 103rd Congress. Further, it is the sense of the Senate that, pursuant to enactment, the President should include full funding for the PILT program in the FY 1996 Budget.

Mr. SPECTER. Mr. President, Senator McCain does not seek any action on this amendment at this time, but instead would ask for a rollcall vote when the Senate votes, no earlier than 10 a.m. Wednesday.

This is an amendment which expresses the sense of the Senate that Congress should enact legislation to increase Federal payments in lieu of taxes this year and that the President should request the full funding for the program in the administration's 1996 budget request.

The Federal Payments in Lieu of Tax Program reimburses some 1,700 county governments in 49 States for the vital public services they provide in areas which contain tax-exempt Federal land. These revenues, which make up for lost property taxes, are critical if counties are to provide vital services such as emergency search and rescue, law enforcement, fire and emergency medical services, solid waste management, road maintenance, health and other human services.

This is the expression of the amendment as contained in the statement by Senator McCain. His statement goes on to point out that payment in lieu of taxes has not been increased since 1976. This situation makes it nearly impossible for counties where the Federal Government owns a significant amount of land to provide basic services for residents and Federal land users.

Mr. McCAIN. Mr. President, this amendment expresses the sense of the Senate that Congress should enact legislation to increase Federal payments in lieu of taxes this year, and that the President should request full funding for the program in the administration's 1996 budget request.

The Federal payments in lieu of taxes program reimburses 1,700 county governments in over 49 States for the vital public services they provide in areas which contain tax-exempt Federal land.

These revenues which made up for lost property taxes are critical if countries are to provide vital services such as emergency search and rescue; law enforcement; fire and emergency medical services; and solid waste management, road maintenance, health and other human services.

PILT payments have not been increases since 1976. This is making it nearly impossible for countries where the Federal Government owns significant amounts of land to provide basic services to residents and Federal land users.

Mr. President, on April 13 of this year, the Senate overwhelmingly approved legislation to increase payments in lieu of taxes and to index the payments to inflation. I regret that despite the vital importance of this legislation to local officials who are fighting to make ends meet, and the House has not acted. We simply cannot let this slip, once again, for another year. The Federal Government has a responsibility to pay its fair share, and it's time we do.

Again, this amendment expresses the sense of the Senate that PILT increase legislation should be passed before the end of the 103d Congress, and that the administration should request full funding for the program in the fiscal year 1996 budget request. Its important that the Senate strongly voice its support on this matter, and that we make good our commitment to counties which are financially disadvantaged due to the existence of tax-exempt Federal lands.

I know the distinguished chairman of the Appropriations Committee has been concerned about the cost of fullly funding a PILT increase authorization. I appreciate and understand that concern and the difficult choices that the committee must make in deciding how a limited Federal budget will be allocated.

I am informed that should the Senate bill pass the House on additional $20 million would be required to fully fund the PILT Program next year. In a budget of nearly $2 trillion, I have every confidence that we can find many lower priority programs from which we can meet our obligations to counties while pursuing our vital deficit reduction goals.

This amendment is strongly supported by the National Association of Counties. I would like to read a letter from the organization:

NATIONAL ASSOCIATION
OF COUNTIES,
Washington, DC, July 25, 1994.

Hon. John McCain,
U.S. Senate,
Washington, DC.

Dear Senator McCain: The National Association of Counties fully supports a Senate resolution calling for immediate passage of the Payment In Lieu of Taxes (PILT) legislation in the House of Representatives. NACo also supports the resolution's support for full funding of the provisions of this legislation in the President's fiscal year 1996 budget.

The nation's public land counties use PILT funds to provide services to users of federal public lands: emergency search and rescue, law enforcement, fire and emergency medical services, solid waste management, road maintenance, and health and other human services. All are critical needs, and they must be managed by local authorities and paid for by taxpayers.

The Senate-passed version of this legislation addresses some of the fiscal inequities faced by public land counties. The current PILT program's monetary value has been reduced by 18 years of inflation, to the point where it is less than half of its value when it was passed in 1976. The FY 1994 appropriaion (and the FY 1995 request) of $104 million is actually worth about $50 million in FY 1976 dollars. While the Consumer Price Index has skyrocketed 127% since 1976, PILT payments have remained flat. The shortfall must come from taxpayers pockets or decreased services. The time has come to rectify this situation, and the simple solution for the House of Representatives to pass S. 455, Senator Hatfield's PILT legislation that passed the Senate, 78–20.

Senator McCain, the passage of this legislation is of critical importance to our nation's counties and we thank you for your support and the opportunity to comment on this resolution.

Sincerely,

Larry E. Naake,
Executive Director.

Mr. President, I think that sums it up pretty well. I urge the Senate to adopt the amendment.

Mr. HATCH. Mr. President, I rise a cosponsor of the McCain amendment expressing the sense of the Senate that the 103d Congress should adopt legislation to increase the Payments in Lieu of Taxes [PILT] Program. As my colleagues know, the PILT Program provides payments to thousands of counties across this Nation that have large portions of Federal lands within their boundaries.

Some of us, myself included, have spoken many times this year on the merits of increasing the PILT payments to counties. Fortunately, the Senate agreed with our position and adopted S. 455 in April by an overwhelming vote of 78 to 20. Now, as the 103d Congress is winding down, those of us supporting this bill are concerned that the session may end without final action on this matter. S. 455 is now languishing before the House Natural Resources Committee with no further action scheduled in the future. I am disappointed that my colleagues in the House have not acted on this legislation by now, and I hope they will not let this legislation simply fade away and die.

My concern on the fate of this legislation is warranted based on a recent letter from the chairman of the House Subcommittee on National Parks, Forests, and Public Lands addressed to me and nine of our colleagues last month. He indicated that an increase in the PILT Program should be considered in a broader context involving changes in other laws that provide payments to local governments. His letter went on to state that he "intends to give further thought to developing more specific proposals along these lines." I am not aware that anyone in the Senate or on the Senate Energy and Natural Resources Committee has raised a similar concern as expressed by the subcommittee chairman.

I appreciate the intentions of our colleagues in the House. But, Mr. President, I am afraid that once this development process is completed, the 103d Congress may well be adjourned. I believe the proposal to increase PILT payments should be kept separate from other Federal programs benefiting local governments and addressed separately, as the Senate has done.

If indeed we can agree that our counties need help—and I believe we can agree on that—then I believe we should not delay enacting this legislation to increase PILT payments.

Many of our counties, including the large majority of Utah counties, consist of land owned and managed by the Federal Government. In Utah, 70.2 percent of the State's total acreage falls in this category. In some counties, the percentage is as high as 96 percent.

The reasons for increasing the PILT payments have not changed. Our counties are struggling to balance their books and pay for services they provide to local residents and visitors to Federal lands. The need for services such as law enforcement, emergency medical, search and rescue, and sanitation escalates significantly in the summer months when thousands of Americans as well as foreign tourists visit Utah's scenic areas. This dramatic increase in summer population, of course, can also be observed in counties in Arizona, California, New Mexico, Nevada, and many other States.

The PILT payments make up for the presence of nontaxable Federal lands in these counties and assists local governments in meeting their responsibilities. Recently, I received a copy of the proposed budget for 1994 from Garfield County, UT, outlining how PILT funds will be utilized. The uses include the maintenance of county roads, the collection and disposal of waste, law enforcement activities, and search and rescue operations.

Mr. President, these obligations continue. We should act this year to provide necessary relief for our beleaguered counties. I urge my colleagues to adopt this sense-of-the-Senate resolution in support of the PILT Program and to encourage our House colleagues to follow the Senate's action on this subject. I commend my colleagues to follow the Senate's action on this subject. I commend my colleague from Arizona for his efforts.

Mr. SPECTER. If anyone wishes to speak either in favor or in opposition to this amendment, there is ample time to do so now.

Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SPECTER. I repeat, this amendment is being offered on behalf of Senator McCAIN. There is time for people to speak for or against it. In offering the amendment I take no position on it. And, I repeat, the rollcall vote would not occur until at least Wednesday morning at 10 a.m.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I ask unanimous consent to address the Senate for 3 minutes as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNIVERSAL COVERAGE

Mr. SIMON. Mr. President, last Thursday's Los Angeles Times has a paragraph in a story that is typical of many stories I have read. I am not picking on the reporter here, David Lauter. Let me read this paragraph.

> Although the debate over whether MITCHELL's 95 percent constitutes universal coverage has attracted considerable attention in Washington, as a practical matter the question may be moot. All health care analysts agree that a small percentage of the population would fall through the cracks in any program, even one that in theory mandated 100 percent coverage.

The reality is 95 percent coverage means 12.5 million Americans are left out. And universal coverage can mean precisely that. Because while everyone is supposed to apply for a little card that we will get under the system that I hope we will vote for, if you do not have a card and you go to a physician's office or you enter a hospital, you will then immediately apply. So every American will be covered. Universal coverage means precisely that.

I hope this body will not be satisfied to leave 12.5 million Americans uncovered when we vote a health care bill.

I appreciate my colleague's yielding on that.

Mr. HARKIN. Mr. President, I ask unanimous consent the Senator's 3 minutes be extended 2 extra minutes, as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE

Mr. HARKIN. Mr. President, I ask that since we are not debating anything else on the bill and since we will be facing the debate, starting on our health care reform bill I guess by Wednesday of this week, in 2 days.

I was in Iowa all weekend at a number of town meetings, cafe-stop meetings, I have around the State. A question came up repeatedly. If we only have 95 percent coverage, who is it that will be left out? I do not know that I had a good enough answer for them.

I just ask the Senator from Illinois, if we had 95 percent coverage, who are the 5 percent that will be left out? Who are the ones that will be uncovered? Will it be the elderly who are not yet on Medicare, for example? Maybe between 55 and 65? Maybe they have a disability, they are out of their job, their employers now do not have to cover them or anything like that, maybe they will be the ones who will be left out?

Or will it be young people who may think they are invulnerable and are healthy so why should they have health insurance? So they are out of it and then they have an accident which causes a disability or life-threatening illness or, God forbid, some young person might come down with cancer or heart disease? Are those the ones who are left out?

I just wonder if the Senator from Illinois could enlighten us, who is going to be left out of this program?

Mr. SIMON. That is a very, very important question. Literally we do not know the answer to that. There are perhaps 80 people in the gallery right now. That means 1 out of 20 in the gallery will not be covered. I do not know which ones. All I know is every other Western industrialized nation, with the exception of South Africa and the United States, covers all their citizens. I do not want to see people left out.

You were there, I believe, Senator HARKIN, when this woman who works for Kentucky Fried Chicken testified 2 weeks ago. She spends $120 a month for medicine for her heart disease, two different types of medicine. She works 30 hours a week. She has to make a choice of medicine or food and she has made the choice of food: understandable.

Somehow we have to do better than that. I believe the American people clearly want all Americans covered, and I hope the Senate will resist the pressure from a lot of people who make money on the present system, who are trying to stop us from changing it.

Mr. HARKIN. The other question I had this weekend—there was a recent Iowa poll in the Des Moines Register. It showed about 80 percent—mirrored the national poll—about 80 percent of the people in Iowa wanted universal coverage. The question I was asked was, if 8 out of 10 people want universal coverage, why do we not do it? Are we not here elected to represent the people of this country? It seems like there is an overwhelming majority of people in this country who want universal coverage and want it a lot sooner than the year 2002. Again, why is it so impossible for us to represent the will of the people?

Mr. SIMON. Mr. President, that is one I think I have the answer for. That is, there are some insurance companies, and others, including specialists in the field of medicine, who do not want the system changed. It is very interesting. You have a coalition, an unusual coalition, the AFL-CIO, the American Association of Retired Persons, and the American Medical Association, all saying we ought to have universal coverage.

You mentioned an Iowa poll saying 80 percent. The New York Times poll said 79 percent of the American people say it is very important to have universal coverage; 17 percent say it is somewhat important; that is 96 percent; 3 percent say it is not important; 1 percent do not have an opinion.

When you have this coalition, plus what the American people instinctively know is right, we ought to act. But the confusion that is out there caused by people who make money on the present system, is what is stopping us from moving ahead. I hope we listen to the American people as we make this decision.

I thank my colleague from Iowa.

Mr. HARKIN. I thank the Senator from Illinois for his great leadership on this issue. He has been a leader on this for many, many years. I look forward to when the debate and amendments come up to ensure we do have universal coverage, and a lot sooner than the year 2002.

Mr. SIMON. Let me just add, because some people are viewing this on television, if the American people respond—and they are going to have to respond—we are hearing more from the opposition, at least judging by my mail, than we are from people who support universal health care.

Mr. HARKIN. That is what I said to people in Iowa this weekend: Watch the debate. When these issues come up, start lighting up the switchboard, put in your phone calls, because the special interests are here.

I daresay, they are all going to be out here in the lobby, in the hallways and in the offices. We need to hear from people around the country. They need to get on the phone and start lighting up the switchboards around here and demanding we have universal coverage, and a lot sooner than the year 2002. I do not see why we cannot do it by 1998; at the latest by the end of the century.

Mr. SIMON. We really should not have to wait that long.

Mr. HARKIN. We should not have to wait that long.

Mr. SIMON. I thank my colleague.

Mr. HARKIN. I thank the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I think the Senator from Illinois has raised a very important issue on raising the question about the coverage of the bill and why it does not do more. I think the Senator from Iowa has made a very valuable comment about what he has heard in Iowa with his constituency.

In the absence of any bill pending, I think this is an opportunity to discuss some of the concerns which I have, which mirror, to some extent, the concerns which have already been raised.

During the course of this past weekend, I took the train back to Philadelphia on Friday afternoon and people had questions there, and again on the train coming back to DC this morning. I was in a shopping mall on Saturday and they had questions about what is happening in Washington on health care; also in restaurants at dinner. At the squash court this morning, my opponent wanted to know what was happening on health care. There are many, many unanswered questions. I am concerned that there may be too much partisan politics in what we are doing, too much special interest, as the Senator from Illinois suggests, and really not enough time for the kind of thoughtful consideration about many, many important questions, such as the one raised by the Senator from Illinois this morning about coverage.

On Friday afternoon, I think that we saw just a little theatrics with a scale and how much one bill weighed and how much the absence of another bill did not weigh. I believe these questions are much too serious, and I believe that the tone of partisan politics has been very, very dominant, which we ought to try to untangle.

In the 14 years I have been in this body, I have seen on so many measures that about 40 Senators line up on one side, ideologically, and about 40 Senators line up on the other side, ideologically, and there are about 20 in the middle. And it is a floating 20, which really come down in a pragmatic way on the facts.

I believe that we should have taken up health care a long time ago. I tried to bring it to the floor as early as July 29, 1992, and again in late 1993, because I thought that we should have been taking incremental steps to reform our health care system. Those efforts were defeated.

In the past several weeks, I have said repeatedly that I would not join a filibuster on health care legislation, but now, Mr. President, I am not so sure, and I am rethinking that position because of the complexity of the pending legislation by Senator MITCHELL and because of the insufficient time for public comment.

I am not saying that hearings are indispensable, because while hearings may be important, very frequently only one or two Senators are present, and we have heard a great deal in the hearing process. But there is a time of analysis and digestion and consideration, radio talk shows, comments back home, comments on the editorial pages, comments on the op ed pages, which give a distillation.

A physician stopped me in the King of Prussia shopping center and said, "Senator, what is this bill all about?" And then he asked me some questions which I could not answer. I got his card and told him I would get back to him. I could not answer them, although I have been very deeply involved in health care issues for all of the 14 years that I have been in the Senate, as reflected by my senior ranking status on this appropriations bill.

I might say, Senator HARKIN and I and the others on the subcommittee work out our issues in a nonpartisan manner. Politics does not enter into it one bit.

I might say on the political line, I saw an article in the Sunday Philadelphia Inquirer which said the Democrats will have to do it all themselves; there will be little or no help from Republicans, so said the article. I want to compliment my colleagues on the other side of the aisle to the extent that they may well be winning the public relations battle on whether there is really an effort by Republicans to cooperate.

For just a moment, I would like to state briefly the kind of Republican cooperation there has been, because there are many of us over here who are very anxious to see health care reform. My own view is that we have the best health care system in the world as it applies to 86.1 percent of the American people, but that we definitely do need changes. We need to cover the 37 million to 40 million people who are now not covered. We need to make sure that there is coverage when people change jobs. We need to make sure that there is coverage for preexisting conditions. We need to hold down the spiraling costs of health care legislation.

Toward that end, I introduced a comprehensive reform bill on the first day of this Congress, on January 21, 1993. I tried to bring my health care bill to the floor in April 1993. The reason I tried to do it at that time was that the President's original goal of legislation, as I recollect it, within 100 days, started to falter.

There were a variety of statements, one by the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, at that time, who said we would not have health care legislation in 1993. Then Congressman GEPHARDT, the majority leader, said we would not have health care legislation in 1993. Each time that was said, I came to the floor and said we ought to move ahead now. The tally was made in the 102d Congress, and we found there were about 102 health care bills which were up at that time.

Senator CHAFEE has been a leader in the Congress on pushing for the first bill, which was introduced in November 1993, which had, I think, about 23 Republican cosponsors.

Mr. SIMON. Will my colleague yield?

Mr. SPECTER. I will after I finish just two or three more sentences. I want to finish this point.

There came out of the Finance Committee a bipartisan group, well represented by Republicans—Senator CHAFEE, Senator DANFORTH, and Senator DURENBERGER. In addition, Senator JEFFORDS, a Republican, was one of the first to sign on to President Clinton's health care plan. There are other Republicans who have introduced health care legislation. Early on, Senator COHEN introduced legislation, Senator BOND introduced legislation, and Senator KASSEBAUM introduced legislation.

There has been legislation introduced more recently by Senator DOLE, Senator GRAMM, and Senator NICKLES. Now, there has been some contention that some of these bills may have been in response to initiatives by the Democrats, and that they were an effort to hold back some reform. That kind of a partisan argument has been advanced. I do not think that that is so, but some have argued it. But no one can say that the efforts by Senators CHAFEE, DURENBERGER, and DANFORTH were anything less than a genuine bipartisan spirit, or what Senator JEFFORDS did was not done in a genuine bipartisan spirit, or that the legislation I introduced and tried to bring to the floor was not made in a cooperative effort.

Senator KENNEDY, the chairman of the Labor and Human Resources Committee, asked me for support, and I told him that I was prepared to consider that if we could work out legislation which did not have the massive Clinton bureaucracy, which I put on a chart. And Senator KENNEDY and I sat down on two occasions, and finally he raised a concern that some of the proposals I offered had not been costed out by the Congressional Budget Office. So the two of us wrote a joint letter months ago to the Congressional Budget Office, and we received a reply that the Congressional Budget Office was too busy to give us a figure, which raises a very serious question about the adequacy of congressional resources to try to tackle this issue.

But I for one am very anxious to see reform legislation passed which is targeted at the specific problems in our health care system, and there are many other Republicans who are anxious to do that as well.

So that I would take issue with what the Inquirer article said on Sunday—it is an article; it is not an editorial; it does not reflect the Philadelphia Inquirer's general position, but it was an article—and I say now that I would like to see us move forward with comprehensive reform. I want to see coverage for everyone, as does the Senator from Illinois and the Senator from Iowa. I endorse that objective.

What I was trying to do with the legislation that I put in in the Chamber on July 29, 1992, was to take two big bites; to assist the self-employed, who now have no tax benefits. If you are employed by a corporation, the corporation gets a full deduction. The beneficiary pays no taxes. That is a very unusual provision in the Internal Revenue Code to promote health coverage. But if you are self-employed, you get nothing by way of deduction.

Had we enacted legislation for the self-employed, I think we would have picked up several million Americans. How many, I am not sure—4, 5, 6 million. If we had had insurance market reform back in 1992, we would have picked up, I think, many small businesses from lower costs. How many, I am not sure—6, 7, 8, maybe 9. We would have eaten significantly into the 37 to 40 million Americans now not covered, a concept which I said in my floor statement on January 21, 1993, or at least since—I do not remember every word of it —it was trial and correction to see how we go.

But I am impressed with what the Senator from Illinois has said about not being able to answer the question about which 5 percent are not covered. I am very much concerned about what the costs are. I want to comment about that, but first I wish to yield to my colleague from Illinois.

Mr. SIMON. Mr. President, I thank my colleague for yielding, and I appreciate the Senator's comments.

I agree; this should not be a partisan thing. And in the Committee on Labor and Human Resources, for example, Senator BINGAMAN, one of the more thoughtful, creative Members of this body, offered an amendment, a very significant amendment, that was carried 17 to nothing. You cannot have a more bipartisan vote than that.

I think the basis for bipartisanship may be what the Senator said, when the Senator says, "We need coverage for 37 to 40 million Americans not now covered." And then later, the Senator said, "I want to see coverage for everyone." If we can start with that premise—and that is the Chafee bill; it says coverage for all Americans—I am willing to work with Members on that side of the aisle to fashion some amendments. But it does seem to me we have to say to all Americans, we are going to see that you get coverage.

And so I volunteer to work with Senator SPECTER and others, too, on that side of the aisle. Let us see if we can fashion some kind of bipartisan group that will move toward universal coverage.

Mr. HARKIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I thank my colleague and friend from Pennsylvania for his comments and his insights. Senator SPECTER is one of the more judicious and more moderate Members of the Senate. I have thoroughly enjoyed working with him on this subcommittee and on other issues since I have been in the Senate. I think he brings a judicious tone and approach to the health care reform bill.

I must, however, say that I am concerned from what I may have heard, and maybe I did not hear it correctly, that my friend from Pennsylvania now says perhaps, because the bill now is so complex, he might join those forces that would want to filibuster the bill and to hold it up. I certainly hope that I did not hear that correctly. Perhaps he will respond; we will get into a little colloquy.

In regard to the complexity of the bill and the complexity of the issues of health care reform, let me just say that we have been debating health care reform since 1948. It was Harry Truman who first campaigned in 1948 for a national health insurance program that would cover all Americans. We have been debating it ever since. We have had little bits and pieces here and there—we had Medicare, Medicaid, and a couple other things like that. For almost 50 years, we have been talking about it in American society, and certainly for the last year and a half very intensively.

I wish to again publicly compliment both the President and Mrs. Clinton, especially. Mrs. Clinton took this on as her responsibility right after the inauguration, to move us toward a final vote on health care reform this year. And she has just done a magnificent job in pulling the country together and airing all of the different concerns about health care. Thanks to Mrs. Clinton, there is not one group in this country who has not had input in the process of health care reform legislation—small business, large business, labor, doctors, hospitals, insurance. Everyone has had input in this process. No one can legitimately say that they have been left out of this process and it has moved out without them. Everyone has been heard. Everyone has had their day in court.

Out of this lengthy process, which lasted for almost 1 year, came the Clinton bill, the White House bill, which was introduced. Then the various committees in the Congress began their processes of developing legislation. I serve on the Labor and Human Resources Committee. Senator KENNEDY is the chairman of that. We had about 3 weeks, I say to my friend from Pennsylvania, where we met every morning at 8 o'clock in the morning. And I know the present occupant of the chair, from New Mexico, was there every day; 8 o'clock in the morning, we would meet, and we would go all day, sometimes until 10 o'clock at night, hammering out the various aspects of this legislation, as all of us do here in the Senate. That is what committees are for. We work this out in committee.

I might say to my friend from Pennsylvania that on the final vote—now, some of the votes on amendments were party-line votes, many of them were split, some Republicans, some Democrats, and it was sort of as you might expect in a committee process. On the final vote, on reporting out the bill to the floor of the Senate, again it was a bipartisan vote.

I believe, if I am not mistaken, Senator JEFFORDS from Vermont voted to put it out. So here we had a bill come out of our Labor and Human Resources Committee on a bipartisan vote. Then the Finance Committee did its work. I do not know how long they met. I am not a member of the Finance Committee. But I believe they met several days at least. They had their votes in committee. They reported the bill out. Then Senator MITCHELL took the two bills, using his prerogative of being the majority leader of the Senate, and melded these two bills together. And that is what Senator MITCHELL has introduced into the Senate as the basis for debate and amendment on the Senate floor.

There are some aspects of the Mitchell bill that I disagree with. There are a lot of them that I do agree with. But I believe that is the process. I must admit even in our own bill that came out of the Labor and Human Resources Committee, though I voted for the final passage of it, there are some parts I did not agree with, and much of it I did. That is the process. We are not going to get everything each one of us wants.

So now we have a bill before the Senate put forward by Senator MITCHELL which has gone through a lengthy process of public hearings for over a year, part of it the Mitchell bill and some of it is the Clinton bill.

So we have had a process that we have gone through in this country. It has been open. It has been fair, and no one has been excluded.

The Senator says that he was asked some questions in Pennsylvania this weekend about the bill that he could not answer. I have to tell you. Even sitting for 3 weeks in the Labor and Human Resources Committee and putting that bill out and studying it every day, I think if someone had asked me a specific question about a specific point in the bill I probably could not have answered it either. I am not an expert in a lot of these things. I would have gone back to the bill, or have gotten a staff person who understood that little area a little bit better to answer. So there are going to be specific questions that none of us will be able to answer until we go back and examine it.

I guess what I am responding to my friend from Pennsylvania with is this: We have had this process, the long process. Everyone has been involved. We are now at the point in time that the Senate should debate it. We should have the amendments. If the Senator from Pennsylvania has amendments—and he may well have some, and I may support him because I have supported a lot of what the Senator from Pennsylvania has done in the past. As I said, he is a judicious, moderate Member of the Senate. But let us have the amendments. Let us have the debate—reasoned debate, which I think will be a great debate by the way, and then let us vote. Let us vote up or down on the amendments and see what the Senate wants to do. After all the amendments are offered, then let us vote up or down on the bill.

But please let us not have some filibuster and say, "Well, we will put it off until next year." We know the issues. We have been through this process. We will have the opportunity to debate it and amend it here on the floor.

I think the people of this country—and I sense it in Iowa, too, and I think the polls reflect it. I wish I had the Iowa poll with me here. I did not anticipate talking about this this morning. But if I am not mistaken, the Iowa polls showed nearly 80 percent wanted universal coverage. They wanted the Congress to act on health care reform. But if I am not mistaken, less than half, or around half, thought we might do it. I think almost the majority of the people said Congress would do it.

I think people are sick and tired of all of the talk and rhetoric. And, yes, the Senator is right. The scales and weighing this and getting into these penny ante little partisan snipings about this or that, who is right, who is wrong, how much this weighs and how much that weighs, I think people are fed up with that. And they are tired of all of the hot air. They want us to act on health care reform. Bring it up, and offer amendments in good faith. I may have some myself. I probably will. I do not intend to take a long time debating but a reasonable amount of time to debate the amendments. And then let us have our votes. Let the American people watch it on television.

I think it could be one of the best debates this country has had this century. Thank God, now we have modern means of communication and with television here in the Senate the American people can watch it. As we go through this process of bringing the bill out, debating it, amending it, debating the amendments and voting on them, I think the American people will be fully informed, fully advised as to what the Senate and the House will do on health care or has done after the votes are taken.

So, again, I respond to my friend from Pennsylvania. I hope the Senator will do as he has done in the past, offer amendments in good faith to try to improve the bill as he sees fit. But I certainly hope that my friend from Pennsylvania—and I say it to all of my friends on the other side of the aisle—will not be part of some process to filibuster, slow it down and say somehow we can put this off until next year or some time in the future. The American people want us to act. They are tired of the hot air. Let us vote. Let us get health care reform through. Let us do something.

Mr. SPECTER. Mr. President, I thank my colleague from Iowa for his complimentary comments, and I would return them to him, about being judicious and thoughtful. And I think it is reflected in the work which he and I have done for 5 years now that he has been chairman of this subcommittee and I have been the ranking Republican. We have discussed hundreds of items and not once has politics entered into anything that we have discussed. We have brought what I think are good bills to the floor, including this one.

I appreciate his extended comment in hoping that I would not join a filibuster because there are a few of us in the so-called centrist position on the Republican side who characteristically decline to join in filibusters. When my colleague from Iowa says I have not done so in the past, that is correct. There are rare occasions when I do, because I did on the so-called enhancement package in April 1993 where I felt that $1.9 billion was unnecessary because the money was in the pipeline. But more important, I thought we had an oppressive majority on that case where the manager of the bill had tied up the procedure to preclude amendments, and an objection was even raised by Senator BOREN and Senator BREAUX about that. I tried to get the floor and could not get the floor to offer an amendment. There was a very extended attack. And I say that word reluctantly. But it was on Senator DOLE, the Republican leader. I believe that particular issue was very unique. And I joined a filibuster on that occasion. But on almost all other occasions I have declined to join a filibuster.

The Senator from Iowa—I think his words were filibuster forces. And it is not a secret. It is an open comment which has been made more on the Senator's side of the aisle than mine about Republican forces which want to filibuster simply to stop any legislation. I have said publicly and privately in Republican caucuses that I would not be a party to that. But I said earlier this morning that although in the past several weeks I have said I would not join a filibuster against health care legislation, now I am not so sure. I am rethinking that position because of the complexity of the bill.

Mr. President, I think this discussion which Senator HARKIN and I are having now is a very useful one. Before giving some impressions about some complexities which bother me, I am not saying

I am going to filibuster, but I am thinking about it. I am going to talk to a group of those key Senators on this side of the aisle who characteristically do not filibuster who have advanced legislation for health care reform to see what they heard when they went back to their States this week.

Let me say that I agree with my colleague from Iowa in complimenting President Clinton and Mrs. Clinton for bringing health care to center stage. I think they are entitled to a lot of credit for that. When President Clinton went to Ambridge, PA last November, I went with him. I stood with him in my State, Pennsylvania. He invited me to go. And when I stood with him. I said that I agreed with his objective to cover all Americans. I said I did not agree with everything he is doing, and I am not going to be committed to his legislation. But I joined him because I felt that I should when I agreed with his objective to provide universal coverage.

When Mrs. Clinton went to Philadelphia to visit Children's Hospital in February of this year, she invited me to go. I went with her. I said to her on that trip, as I had said to the President on the trip in November, "How about Senate bill 18?" I had a very extended discussion with Mrs. Clinton. I said let us cover the people who are not covered through insurance market reforms that make coverage affordable, cover preexisting conditions, and include cost containment measures. She said to me, "Well, how about upping the underinsured?" I said, "Well, I think you are right about that."

I then urged Mrs. Clinton to have a meeting with our Republican leadership. The time was not quite right for that, or so it was said. I sat down twice with Senator KENNEDY, as I have said, to see if I might support the bipartisan bill. Senator JEFFORDS the Republican, as Senator HARKIN says accurately, came out of that Labor and Human Resources Committee where the Presiding Officer, Senator BINGAMAN, sits, and I considered helping on that bill if the objectives I was concerned about could be achieved; that is, to retain the essence of the present system, to target the specific problems and move ahead. When the Senator from Iowa talks about what the polls show, I happen to have the morning paper with me. So I can tell you what the Washington Post states in a reference today to a Newsweek poll: "A Newsweek poll released this week found that 65 percent of those surveyed said Congress should wait until next year to pass health care reform." Sixty-five percent said that we should wait.

Mr. President, I do not want to wait if we can do it right. But I do not want to do it on a political timetable; I do not want to do it on a Republican timetable, and I do not want to do it on a Democratic timetable. As there is talk about obstructionism on this side of the aisle, there is a lot of talk about passing this health care bill to help the Democrats in the election this November.

Parenthetically, by way of a footnote, there has been talk about the crime bill, that we ought not to have a crime bill because it is going to help President Clinton. I said privately and publicly that I am prepared to say, whatever help it gives President Clinton to pass a crime bill, I think we ought to pass it. There is a lot in the crime bill I do not like, but all factors considered, I think it is a step forward. It is an anomaly, but if the President of the United States were killed today in Washington, DC, on a conspiracy and a contract killing, those conspirators and murderers would not face the death penalty because there is no death penalty in the District of Columbia.

The bill provides for a great many prisons. The crime bill provides for realistic rehabilitation—education and job training. And a lot of Senators do not like that, but I do.

But there are parts I do not like. I think it is too expensive, and it has a lot of pork. I have not seen many bills come out of this body that do not have too much pork. There is political talk about the crime bill, and I think that is fine up to a point, but it has to stop where the benefits of the American people intervene.

I think the same thing is true about this legislation. If this health bill is going to help President Clinton as a byproduct, so be it. I do not want to schedule this legislation to help President Clinton or to hurt President Clinton. I do not think the timetable ought to be a political timetable. I was very disappointed when I offered a very modest amendment back in July of 1992 and the majority leader came to the floor and said, "This amendment does not belong on this bill." I agreed with him, and I said, "I will take it down voluntarily if you give me a date certain." He said, "I cannot do that." I pointed out the fact that there had been a date certain for product liability, which was the day after Labor Day. I said, "Give me a date certain on my health bill, and I will take it down."

Now I learn through my wife Joan that MacNeil/Lehrer, or someone on that program—I did not watch it because I was on the Senate floor—that they quoted a statement I made in 1992, perhaps in 1993, that we were ready to take up health care legislation—and we were—where there was full deductibility for the self-employed and matters which are limited in scope. We should have taken those up a long time ago, and we did not, and we did not pass them because there were many people who said, let us not take up a limited bill because it may hurt the possibility for a more comprehensive bill.

I have looked for a comprehensive analysis from the major news media—from the New York Times, Philadelphia Inquirer, Washington Post, or some of the other major newspapers—and I have not seen it. But I have seen some comments about some of the cost factors which concern me. I know the Senator from Iowa does not have answers to these questions, but these are only a few of the questions which are on my mind at the present time. These are all good proposals, but we have to know what the costs are.

For example, in the Mitchell program, as I am informed, there will be a subsidy for low-income families for the full cost of a health insurance policy. And the subsidy would gradually be phased out, stopping at $29,528. And a concern I have is, what will that cost me?

We on this floor, Mr. President, as you know and as the Senator from Iowa knows—and we are the only three here—rave again and again about entitlements, and there is 100 percent agreement on this floor that the deficit is too big and the national debt is too big.

If there is one subject talked about more than any other in the Senate since I have been here, it has been the deficit, which is in excess of $200 billion, $250 billion a year no matter what we try to do. The national debt is now in excess of $4.5 trillion. There have been programs offered by Senator DOMENICI and Senator NUNN as the leadership to try to hold down the growth in entitlement spending. There is widespread consensus here, if not universal agreement. But are we going to enact an entitlement program here which is going to have costs which we do not know the answer to?

I intend to ask these questions of Senator MITCHELL when the debate starts. Children under 19 and pregnant women would receive full subsidies up to 185 percent of the poverty level, which would be phased out when salaries come to slightly under $45,000 a year. Temporarily unemployed people would have subsidies for 6 months of coverage. Employers who expand their insurance coverage would be eligible for up to 5 years of subsidies. They would pay no more than 50 percent of the premium or 8 percent of a worker's wage, whichever is less.

This touches the very sensitive subject of employer mandates, which I have spoken out against. I am not going to support a health bill which has mandates, because my view is that it is a tax which cannot be afforded, especially by small business. I have heard that again and again and again. I had three open house town meetings last Monday. I had to do them by satellite in Philadelphia, Pittsburgh, and Harrisburg, and that was the theme I heard all over my State and beyond. The small businesses, which provide up to

60 percent of the new jobs, cannot afford a mandate and further costs imposed by the Federal Government.

And now we have a proposal which I read about in the press and have not been able to confirm in the text, and I want to know what that is going to cost. There are new benefits for the elderly and the Federal Government. I think that we do need something on prescription drugs and something on long-term health care, and I have introduced legislation on long-term health care. I have talked to Pennsylvania companies where there are many pharmaceutical companies, and they have said they would be willing to hold their costs to the rate of inflation, to the consumer price index rise, if they would not be sued under the antitrust laws. That is a suggestion that this might be an occasion to carefully craft an exception to the antitrust laws.

So those are very important matters which I support in principle, Mr. President. But I want to know what it is going to cost. From the estimates I have seen, by fiscal year October 1, 2001, on this one item, on the disabled and mentally ill, where the Federal Government will help the States pay for services, it would rise to $15.4 billion annually. And when I see those figures, Mr. President, I wonder about the accuracy of the projections. One of the things that I have always been concerned about is the reliability of statistics which are cited on the Senate floor and the accuracy of statistics which are provided to me and to others from a variety of sources.

My own training has been in the courtroom where the evidence has to be competent. You have to know exactly, without hearsay, what information is provided.

So I cite these statistics with some concern about accuracy. But I have been provided with materials which show that Medicare projected in 1965 would cost $9 billion in 1990. When 1990 came it cost $106 billion. Medicaid, in 1965, was projected to total less than $1 billion in 1990, and instead it cost $76 billion.

So when I see the kinds of subsidies which are involved in the legislation offered by Senator MITCHELL, my question is, what will it end up costing?

The Medicare prescription drug benefit, which would begin purportedly on January 1, 1999, would have a certain deductible, would have a reimbursement for 80 percent of prescription costs. And once the payments reached a certain level, $1,275 a year, Medicare would pay the entire bill. As I understand it, the bill calls for the exact figure of the deductible to be determined by the Secretary of Health and Human Services.

(Mrs. MURRAY assumed the chair.)

Mr. SPECTER. Madam President, I think we ought to have a better idea as to what we are getting into than what we know at the present time.

I noted this morning in the New York Times that our colleague from the House of Representatives, Congressman DAN GLICKMAN, expressed his concern about what the fine print would show. And it is a concern which I have. Once we get to the fine print and have time to read it—we have to do more, Madam President, than just reading it—we have to read it, we have to understand the details, we have to analyze it. Then we have to have input from people who have experience in the field to know whether there are implications which are not apparent on the surface.

Congressman DAN GLICKMAN is quoted in this morning's New York Times:

> Members are genuinely concerned that once the fine print is written there will be sleepers that come back and haunt us.

Continuing, he says:

> This is a bill that's going to affect every single American intimately. Most of the things we work on don't.

Congressman GLICKMAN's quotation points up two very, very important factors. One of them is the importance of health care legislation in a field which now comes close to $1 trillion a year, about 14 percent of the gross national product. So if we make a mistake here, it is an enormous mistake. It touches everybody. And when you rush through a bill as long as this one—I do not propose to weigh it or cite the number of pages—you want to be very, very concerned that you read the fine print.

Madam President, that is why I said—and I appreciate my colleague from Iowa wanting to know my sense of it—that although in the past several weeks I have said I will not join a filibuster against health care legislation, now I am not so sure. I am rethinking that position.

Just one personal note, a very personal note: I talked to my Aunt Rosie Eisenberg in Wichita over the past weekend—I talk to my Aunt Rosie with some frequency. She is a wise woman. I have known her since my birth. She was living with my family in Wichita, KS, when I was born and in the absence of parents, my Aunt Rosie sort of takes their place.

I talked to her about the 1986 tax reform bill. She said to me at that time, "Why am I going to be taxed as much as millionaires?" We had the tax bill that came in for a 20-percent marginal tax. I said: "Rosie, you raise a good point. I do not know why you are going to be taxed as much as millionaires. There are a lot of loopholes that are being taken out. Frankly, I do not like the fact that you will be taxed as much as millionaires."

So I came over to the Senate floor the next day. Senator BRADLEY was the major proponent of this measure. I brought up Aunt Rosie Eisenberg's points to Senator BRADLEY, and I relayed Senator BRADLEY's answer to my Aunt Rosie. She was not very happy with Senator BRADLEY's answer, and she was not very happy about paying as much tax as millionaires.

One Thursday night when the Senate Judiciary Committee was in the midst of the Justice Thomas hearings—we were going to start the next day—she had heard over the television what the Senate committee was going to do about questioning Professor Hill who was coming up, and she heard I was going to lead in the questioning. She called me up as I was in my condo working over a pile of papers, and she gave me some good advice. She also gave the Judiciary Committee some good advice. I did not tell the committee. But I did not take her advice.

Mr. METZENBAUM. The Senator should have.

Mr. SPECTER. Senator METZENBAUM said I should have. I do not object to that comment, Madam President. I will not say whether I should have taken her advice or not. I will say Aunt Rosie was a very wise woman.

I called her this week. I said: "Rosie, what do you think about health care?" She said, "Buzzie," which is what she called me, "I do not like what I have heard." She said: "Eighty-five percent of the American people are covered. I think the rest of them ought to be covered. I think we ought to help out the poor people. But," she said, "I pay $91 for my insurance on top of Medicare. What is this going to do to me? What is this bill going to do to me?"

Then she made some comments which were unfavorable to Democrats and Republicans—more unfavorable to Republicans than Democrats, perhaps. She said, "I do not like this bill." Then she asked me some questions. Again I could not answer the questions as to what she had asked me. I told her again I would get back to her.

But I have a lot of questions, Madam President, about this legislation. Although I have said publicly I would not join a filibuster, I am rethinking that. And it may be that the schedule ought not to be to take up this health bill tomorrow. We have had less than a week to study it. Maybe the schedule ought to be that we take up this health bill after Labor Day and that we work through the October recess instead of the August recess. We have 3 weeks to work on this bill during the August recess. We have 3 weeks to work on this bill during the October recess.

Now I am not unaware that if you work during the October recess it impacts campaigning in October, and that there are many more Democrats who are up for reelection in this body than Republicans. I am not unaware that the political impact would be more onerous on Democrats in the Senate, perhaps in the House as well.

But I think we have to put the politics aside on national health care because of the importance of this legislation. We ought not do it on anyone's political timetable. Some people said we ought not do it this year and the poll I referred to that was cited in the Washington Post this morning, the Newsweek poll, said 65 percent of the American people think we ought not to do it this year. I do not think we ought to rush to judgment, Madam President. I think I am still prepared to work on it, but I am not prepared to work on it on a political timetable.

I see two of my colleagues have risen, so I will yield the floor.

Mr. METZENBAUM. Madam President, will the Senator from Pennsylvania yield for a question?

Mr. SPECTER. I yield.

Mr. METZENBAUM. It is a very simple question.

Mr. SPECTER. I am not sure that I will hear a simple question, but I will try to respond to it whether it is simple or not.

Mr. METZENBAUM. Will the Senator from Pennsylvania be good enough to share with the Senate Aunt Rosie's telephone number? I want to call her on occasion.

Mr. SPECTER. No, I will not be good enough to share with the Senate her telephone number. I will be willing to share it privately with Senator METZENBAUM.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I know Senator METZENBAUM wants to speak on a different topic. I just want to respond as briefly as I can to Senator SPECTER's comments. He raised the issue of what is the cost—what is the cost of this, what is the cost of that. Furthermore, the Senator said that we had the finest health care system in the world for those that are covered and all we have to do is cover those that are not covered.

I respectfully disagree. We do not have a health care system in this country. We have a sick care system. If you get sick, you get care.

What we need is a system that moves us more towards keeping people healthy in the first place, more preventive health care. That is what the Mitchell bill does. That is what a lot of the bills are moving us toward. As long as we leave people uncovered, they will seek help and health care in the emergency rooms.

Now, Madam President, we have already made a decision in this country. We have made the decision that if someone shows up in the emergency room and they do not have health insurance and they need health care, we are not going to tell them, "Go out and die." We are going to take care of those people. And we do it 24 hours a day, 7 days a week, 365 days a year in emergency rooms across the Nation. It is the most expensive way of providing the sick care to people.

So as long as we have made the decision that we are not going to tell people to go out and die—if you do not have health insurance, we will take care of you in the emergency room when you are the sickest—as long as we have made that decision, it seems to me we ought to do it in the smartest way. If we are going to spend this money, let us spend it smarter. Let us extend health care coverage to people so they do not have to wait to go to the emergency room, so they can go to the doctor and get a shot or an immunization or a prescription or some form of help early on before they have to seek help in the emergency room. It just seems to me to be the smartest thing to do.

So when the question is raised, "What is this going to cost?" I only point to the present system. The present system is bankrupting us. And if we do not do something, it will further bankrupt us. It will take more money out of the private sector that can be used for job creation, new technologies, education, and rebuilding the infrastructure of this country. It is going to take it all out of there and put it more and more into health care.

So, again, I say to my friend and colleague from Pennsylvania, let us move away from the sick care system we have now and move to a health care system.

Again, I listened to the Senator from Pennsylvania; very erudite. He talked about the complexities in the bill and how do you do this and how do you do that. Again, we have to get back to the basics. Let us get back to the basics of what we are talking about in terms of health care coverage.

He talked about the employer mandates and small businesses saying they could not live with it.

Well, I ask my friend and colleague from Pennsylvania if he looked at the Labor and Human Resources bill that we passed out. We exempted small businesses of less than 10 employees. We said if you have from 1 to 5 employees, you pay 1 percent of your gross earnings to the pool. If you have 6 to 10 employees, you pay 2 percent into the pool. That is all. And then, if you have from 10 employees up to 75 employees, you get subsidies, depending upon how many you have and what the average payroll is.

Now, I have talked about this aspect to small businesses not only in Iowa but in other places. They think that is a pretty good deal—1 percent if you have less than 5 employees; 6 to 10, you pay 2 percent.

So when you hear about employer mandates and talk about small businesses, I hope that we will keep in mind that at least the Labor and Human Resources bill exempted those with less than 10 employees.

So, again, when you get all these complexities, we get back to the basics, really, of what the bill is about.

Finally, Madam President, I keep hearing the Senator and others who say, "We agree with the objective. We agree with the objective of health care coverage for all."

Well, it reminds me of, you know, recently I was in Normandy at the 50th anniversary of the Normandy invasion. And I looked at the beaches there—and I talked to a lot of people who had been on Normandy Beach that day and who fought their way through Europe to the final conquest of Hitler and the Nazis—and I think of that, and I think of a military objective of taking the hill or taking an objective.

Well, there comes a time you have to get out of the foxhole. There comes a time when you have to get out of the water and ocean and off the beach and take the hill.

We have been talking about health care reform for almost 50 years. We know the objective. We know how to get to that objective. All we have to do is get out of the foxhole and quit talking go about it.

That is why I hope that my friend and colleagues will not yield to the temptation to filibuster this bill, but get out of the foxhole, offer the amendments, let us have the debate, let us vote them up or down, and then let us move on to the objective of health care coverage for all. We will not get it if we stay in the foxholes.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, again, I thank my colleague from Iowa for his comments.

I would reply to him that I moved back to this section of the Senate because I want to refer briefly to charts.

But I say to my colleague from Iowa that I have been out of the foxhole on health care legislation for a long time. I got out of the foxhole in the early 1980's, when I introduced health care legislation for low-birthweight babies.

When the Senator from Iowa talks about a sick care system, I have been concerned about preventive care for a long time. I was amazed when I saw my first 1-pound baby, a child about as big as my hand, weighing 16 ounces. There are many children born into this world who weigh 16, 18, 20 ounces.

I was amazed to find that the city of Pittsburgh, which has a fine health care system, had the highest infant mortality rate among African-American babies of any city in the country, and I introduced legislation on this back in 1984.

For the last 5 years—I have been on the subcommittee for 14 years of Health and Human Services appropriations—Senator HARKIN and I have worked together to craft an appropriations bill which this year is almost $70 billion, with a tremendous amount of it going toward preventive care.

There is nothing more important than the National Institutes of Health, where almost every year, regardless of who was President, Democrat or Republican, the figures came in for a reduction and our subcommittee has added money. Now it is up to $11.3 billion. We added $395 million this year. We added $600 million last year, because that is a priority.

Before Senator HARKIN was chairman, Senator Lawton Chiles, now Governor of Florida, did it as chairman; before that, Senator Weicker, now Governor of Connecticut, was chairman and he did it. That is a very proud history, to have the medical research increased when there have been so many budget cuts in such a tight budget system. So I agree with the Senator totally when he talks about not just having a sick care system. We have done it on breast cancer and prostate cancer and on AIDS—tremendous efforts in preventive medicine. So I agree with him about that completely.

When the Senator from Iowa says that his subcommittee took care of small business by having an exemption for those with under 10 employees, I say to him, respectfully, that is not enough.

Senator MITCHELL's bill has an exemption for those with 25 and under. But there are still many, many small businesses who have more than 10 employees.

My wife had a bakery, which was a small business. Some of the comments I heard in the car, in addition to on the train and in the restaurant and at ball games, the Phillies ball game, were comments of, "Senator, what is this bill going to do?"

I heard a comment from my wife Joan, who had a small bakery, who said, "I could not have made it if they asked me to pay $2,000 in addition for each employee."

And when the Senator from Iowa talks about the subsidy—and I will not ask him now what the subsidy would cost for people in the Kennedy bill, but I will ask him later privately to find out how much the subsidies will cost. He and I work together closely, and when we have questions for each other, we ask them privately; we do not ask them publicly—but when the Senator from Iowa talks about the Kennedy plan, we made a chart of the Kennedy plan. I have never shown this chart. I am very sorry I do not have a chart on the Mitchell bill, but I will by tomorrow. I have had people working over the weekend to prepare the chart for tomorrow when the Mitchell bill comes to the floor.

This is the chart on the Kennedy program. I might make reference first to the chart that my office made on the President's health care program. We have the two charts.

A brief word of explanation might be in order. When I read President Clinton's health care proposal I was surprised by the number of agencies, boards, and commissions which were created. So I asked my assistant, Sharon Helfant, to make a list. I was not ingenious enough to think of a chart, but Sharon Helfant made a chart instead of a list. And that is this chart, which is the President's health care system. It is Senate bill 1757; 1,342 pages, and every orange box on this chart is a new agency, board, or commission. There are 105 of them. And every box in green is an existing agency or program with new or expanded responsibilities, and there are 47 of those.

This chart was made somewhat famous by Senator DOLE when he used it in his response to President Clinton's State of the Union speech last January. It so happened, perhaps only coincidentally, but that was, many say, about the time of the turning point where people started to oppose President Clinton's health care plan.

I think it is important to focus on that for just a minute. When President Clinton's health care program came out on October 27, 1993 the initial reaction was very positive to it. But when we had a time to read it and to analyze it and to think about it and to put it on a chart, then people did not like it. The polls reflect a consistent decline in acceptance from the President's health care proposals and so much of a decline that when the new proposals have come out they are different from what President Clinton had in mind. What came out of the Senate Committee on Labor and Human Resources, what came out of the Senate Committee on Finance, what came out of the House committees, Senator MITCHELL's bill, and Congressman GEPHARDT's bill—all have announced explicit differences from President Clinton's bill because people do not like it.

But at the outset there was a lot of favorable comment. It was right about the time when Senator DOLE made his reply to the President's State of the Union speech and talked about the chart that President Clinton's support declined. Senator DOLE says it was his speech. I think it was my chart. Maybe it was both. Maybe it was neither. But the Clinton health care plan has declined markedly in public support, so much so that all the new plans have candidly deserted it.

Here is the chart of Senator KENNEDY's bill. This is the bill which was reported out by the Committee on Labor and Human Resources, called the Health Security Act. This chart depicts 107 new agencies, boards, and commissions—two more than the President's bill. And it shows 30 existing agencies, boards, and commissions which are given new or expanded responsibilities. Here the color code is a little different. The red color code are new agencies, boards, and commissions which are identical to those in President Clinton's plan. The yellow boxes are new agencies, boards, and commissions which were added in by Senator KENNEDY—he took some out from the Clinton bill, but the Kennedy bill ends up with 107 new agencies, boards, and commissions, those depicted in both red and yellow, and ends up with 30 existing bureaus being given new jobs. As I say, tomorrow we will have the chart for Senator MITCHELL's bill.

When this chart was used by Senator DOLE in his reply to President Clinton's State of the Union speech, the White House immediately said that it was erroneous. They said it was more complicated than the New York subway system. And I think it may be more complicated than the New York subway system. When he said it was erroneous we pointed to the fact that every box on the chart has a page number. It is all factual—footnoted right down to the last agency, board, or commission. Then they said it was a Republican conspiracy. So the Washington Post went out to interview Sharon Helfant. As I said, I had just asked my staff to make a list and my staffer made the chart.

When they went to Sharon Helfant, my staffer, they found out things that I did not know. They found out that she was a Democrat. They found out that she had voted for President Clinton. They found out that she was a big fan of Mrs. Clinton—all questions irrelevant to being a good staffer, but certainly not someone who is about to make up a bogus or false or partisan chart.

When they came to the point about the big Republican conspiracy Sharon Helfant said when she took out a piece of typewriter paper, 8½ by 11, that it was too small; she could not put the whole chart on it; she had to scotch tape pieces of paper together—not really indicative of a Republican conspiracy.

So, Madam President, this discussion began when the Senator from Illinois, Senator SIMON, came to the floor a little after 10, asking for unanimous consent to talk as in morning business for 3 minutes, and raised a question which he had heard about in Illinois about Senator MITCHELL's bill: Which 95 percent would be covered? Who would be the 5 percent uncovered? Since then, we have had a discussion which I think is a useful one.

It is the complexity of the Mitchell plan, the absence of public input, the concern I have that once the Clinton plan was understood it was rejected by the American people—that leads me to believe that we need to have input from the American people who will be affected by it: By the senior citizens who will be affected by it, by rural

Americans, by consumers generally, by providers including doctors, by taxpayers, to make some assessment as to what the projected costs are going to be. And that is why, after I saw the little debate on Friday with the scale and the theatrics and the histrionics, that I have been giving very serious thought as to whether or not I would be willing to join in a filibuster on this bill so we can know what we are doing.

I think it is very important when we deal with a $1 trillion segment of America that we not rush to judgment, that we not do it on anybody's political timetable.

I yield the floor.

MORNING BUSINESS

Mr. METZENBAUM. Madam President, I ask unanimous consent the Senate now go into morning business for a period not to exceed 12 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Ohio.

THE NEW INDEPENDENT COUNSEL

Mr. METZENBAUM. Madam President, after 19 years in the Senate, I thought I had seen every irony imaginable. Not so. Here is one for the record books.

Robert Fiske, a Republican who was named independent counsel at the instance of Republicans, is now perceived as less than impartial. Mr. Fiske, a lawyer praised by Republicans for his professionalism and integrity, is now deemed to be somehow tainted. After over half a year on the job, we are told that Mr. Fiske can not be trusted. That he is politically unclean.

And look at who is doing the telling. Look at the presiding judge of the politically pure and impartial tribunal which just gave Mr. Fiske the boot. It is Judge David Sentelle, serving at the request of Justice Rehnquist, appointed by President Ronald Reagan, sponsored by Senator JESSE HELMS, and judicial protector of Oliver North.

And upon whose advice is Judge Sentelle acting? Apparently the advice of Floyd Brown, the man who gave us the Willie Horton Ad. And whom does Judge Sentelle send to the rescue? Kenneth Starr, appointed to the bench by Ronald Reagan, named Solicitor General by George Bush, potential Republican candidate for public office, and friend-of-the-court to Paula Jones.

Madam President, give me a break. This move screams politics. How can Mr. Starr take this job and expect to appear impartial with all this background noise?

I know Mr. Starr. I met him when he had served previously, and I find nothing wrong with him. As a matter of fact, almost everything I hear about him is positive. He is clearly a well-respected lawyer, he was a fair judge, he is intellectually accomplished. In short, I am sure he is a good man. But that is not the issue here. The issue is the appearance of independence. And Judge Sentelle's selection of Mr. Starr mars that appearance.

Mr. Starr is not a bad man. I do not know of anything wrong with Mr. Starr, but this thing just looks bad. It looks like a setup. And if Mr. Starr is as smart as everybody says he is, he will realize that the appearances created by these circumstances are just too great to overcome.

Mr. Starr, I respect you, but I also urge you in the strongest possible terms, in behalf of your own credibility and your own integrity, to recognize the situation that you have been put into. I urge you to decline this appointment.

Madam President, I yield back the remainder of my time and yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, I inquire of the Senator from Ohio if he would be willing to respond to a question. As I heard him—and I tried to write this down as fast as I could—I thought he said that Judge Sentelle was acting on the advice of a man, whom I believe he named but I did not know and did not understand, who brought us Willie Horton. My question to the Senator from Ohio is, first, did you say that Judge Sentelle is acting on the advice of someone?

Mr. METZENBAUM. What I said was that Judge Sentelle had been advised by the gentleman that I named and I believe 10 members of your party to call for Judge Fiske to be removed from his position. My information on that subject comes from this morning's Washington Post.

Mr. SPECTER. I just sent for the Washington Post clipping. But when the Senator from Ohio makes that accusation, does he have any basis beyond the Washington Post clipping or know what the basis of the Washington Post is?

Mr. METZENBAUM. Are you questioning the integrity of the Washington Post or its accuracy? I am not sure what the Senator—I did not see the letter, and Judge Sentelle did not tell me that he received it. But I think it is reasonable to assume, and I would assume, that the Senator from Pennsylvania is not challenging the accuracy of the Washington Post reporter and the story this morning. I have not seen the New York Times nor Philadelphia papers, but I would be glad to check all of them if you give me the time to do so and see whether or not they do not have similar reports.

Mr. SPECTER. Madam President, I am not challenging the integrity of the Washington Post, because I believe the comment made by the Senator from Ohio, but I believe the Senator from Ohio is challenging the integrity of Judge Sentelle. When he challenges the integrity of Judge Sentelle, as he said in his opening statement that he was acting on the advice of an identified man who brought us Willie Horton, it is at that point that I ask the Senator from Ohio what the basis of his challenge to Judge Sentelle's integrity is.

When he cites the Washington Post and asks me if I am challenging their integrity, I am not challenging anybody's integrity. When he asks me if I am challenging the accuracy of the Washington Post, that may be a different matter. It may be that there has been some occasion when the Washington Post may not have been accurate. But I think if the Senator from Ohio is making that kind of a serious accusation against Judge Sentelle,—and I think it is a very serious accusation, and he also implicates Senator HELMS—I am trying to find——

Mr. METZENBAUM. I did not implicate anybody. I just stated the facts, just the facts.

Mr. SPECTER. Madam President, I do not know that the Senator from Ohio is stating the facts. I do not know, when he makes a bland statement that Judge Sentelle is acting on the advice of a given man and does not cite the newspaper article, that he is operating on the facts.

Mr. METZENBAUM. I will say to my colleague——

Mr. SPECTER. I have the floor, Madam President.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. SPECTER. I will be glad to yield in just a moment, because I think this is an important subject, but I think that when the Senator from Ohio comes to the floor and makes an accusation against Judge Sentelle without citing a source and then cites a newspaper source and then says that he is just reciting the facts, I do not know that he is. I do not know that he is not, but I do not know that he is.

I have a question about the Senator from Ohio making a charge against a Federal judge, in this circumstance, after taking it out of the newspaper. I think the floor of the U.S. Senate ought to have a little more reliability and authenticity than simply taking a newspaper citation to charge a Federal judge, especially when no source is given. But I am about to read the newspaper article and will have a further comment about it.

So I yield for whatever the Senator from Ohio wanted to say.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Madam President, I am just stating the facts as I know them to be. What I said was, and I repeat it:

And who is doing the telling? Look at the presiding judge and the politically pure and impartial tribunal which just gave Mr. Fiske the boot. It is Judge David Sentelle, serving at the request of Justice Rehnquist, appointed by President Ronald Reagan, sponsored by Senator Jesse Helms and judicial protector of Oliver North.

And upon whose advice is Judge Sentelle acting? Apparently the advice of Floyd Brown, the man who gave us the Willie Horton ad.

If the Senator from Pennsylvania knows something more than I do about the facts, not just what he thinks may or may not be the facts, that is up to him to decide, but I do not intend to debate this longer.

My opinion is that the appointment of Kenneth Starr who, for all practical purposes and as far as I know is a decent and honorable man, just does not look good, just does not look right. I think that out of the hundreds of thousands of lawyers in this country, it is hard to understand that Judge Sentelle and the other members of that three-judge tribunal—it is not a tribunal, it is just a panel—how they came to pick out one man, Kenneth Starr, of all the lawyers in this country. What do we have, some sort of inbreeding here that you can only look at those that have held public office? Thousands of lawyers across the country are in a position to do this. Fiske himself was doing a good job, and nobody claims that he was not.

I think it is an absurdity to bring in Kenneth Starr under these circumstances.

I yield the floor, and I do not intend to debate the matter further.

Mr. SPECTER. Madam President, I will just ask the Senator from Ohio one more question. He said twice now Judge Sentelle is the judicial protector of someone—I am sorry that he left the floor. In seeking recognition and in seeking to question the Senator from Ohio, I am not going to get into a debate about the adequacy of Mr. Fiske or about the adequacy of Mr. Starr or about the adequacy of anybody.

But I do think that when a U.S. Senator takes the floor and makes the kind of serious charges which he has made as to Judge Sentelle, that he ought to have facts to back it up. It may be that the newspaper account is entirely correct. And it may be that the newspaper account is not entirely correct. What I intend to do is get a transcript as to what Senator METZENBAUM said and to make inquiries as to the source of the newspaper account and as to what Judge Sentelle has to say and refer to the matter later as soon as I have the information.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business has expired.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 2466 TO THE COMMITTEE AMENDMENT ON PAGE 63, LINE 5

(Purpose: To express the sense of the Senate regarding the congressional timetable for considering health care reform)

Mr. HELMS. Madam President, my understanding is that under a previous unanimous-consent all amendments to committee amendments must be submitted by noon today. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I have such an amendment, and I call it up and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2466 to the committee amendment on page 63.

Mr. HELMS. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . RESPONSIBLE HEALTH CARE REFORM.

(a) FINDINGS.—The Senate finds that—

(1) health care reform proposals to be considered in August 1994 in the Senate and the House of Representatives will significantly affect the health care received by each and every American;

(2) such health care reform proposals impose many new and increased taxes which will be borne by all working Americans;

(3) all health care reform proposals that require employers to purchase and pay for health insurance for their employees will result in hundreds of thousands of Americans losing their jobs;

(4) most Americans oppose having the Federal Government force everyone to buy a standard package of health insurance coverage that is the same for everyone, regardless of age, gender, or religion;

(5) an overwhelming majority of Americans believe that Congress should change only those parts of the health care system that do not work and avoid getting the Federal Government more involved in health care than it already is;

(6) an overwhelming majority of Americans have stated their belief that health care reforms being considered by Congress will lead to health care rationing;

(7) by a wide margin, the American people prefer that rather than rush to enact a health reform bill in 1994, Congress should take time to debate this issue and do it right, even if that means putting off passing a bill until next year;

(8) despite the wishes of the American people, the congressional leadership has imposed arbitrary deadlines on the consideration of health care reform by both Houses of Congress;

(9) in our democracy, the American people should have maximum input into the manner in which health care is reformed; and

(10) the mid-term congressional elections will provide the American people with a means to express their voices on the shape that health care reform should take.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that major health care reform is too important to enact in a rushed fashion, and Congress should take whatever time is necessary to do it right by deferring action until next year to give Congress and the American people ample time to obtain, read, and consider and alternatives and make wise choices.

Mr. HELMS. I hope that those watching on C-SPAN will take note of the telephone number here: 1–202–224–3121, because you may want to write that number down if you are listening out across America, because I am going to tell you a little bit about health care and the confusion that exists in this city about the welter of plans coming at us from all sides.

Before I get to health care reform, let me take brief note of the attack upon a distinguished North Carolinian, a splendid friend of mine, and able Federal judge, Dave Sentelle. I regret that Senator METZENBAUM felt inclined to attack Judge Sentelle. Senator METZENBAUM undoubtedly has many qualifications, but he is not qualified to attack Judge Sentelle. And I will go no further, except to acknowledge that Senator METZENBAUM did attack Judge Sentelle and that I regret it. Senator METZENBAUM had no cause, reason, or justification for what he said.

Now, then, as to the amendment.

Mr. GRAHAM. Madam President, will the Senator from North Carolina yield for a question?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. Well, I really do not want to yield, but since it is the distinguished Senator from Florida, I will.

Mr. GRAHAM. I say to my friend and colleague, I do not wish to interrupt, but we have until noon to offer amendments on the pending appropriations bill. I wonder if the Senator would indicate how long his remarks are likely to last.

Mr. HELMS. I will say to the Senator that if I yield to him, which I am perfectly willing to do, I will go far past the hour of noon, which is the bewitching hour. If he wishes, I will yield the floor to him so that he can call up his amendment after laying aside mine temporarily, so it will qualify under the unanimous-consent. I yield to the Senator for that purpose.

The PRESIDING OFFICER. The Chair would advise the Senator from North Carolina that there is a unanimous-consent agreement that the Senator from Iowa is to be recognized at 11:45 and the Senator from Pennsylvania at 11:50. That is in order for them to offer amendments to the pending legislation.

Mr. HARKIN. Madam President, has the hour of 11:45 arrived?

The PRESIDING OFFICER. There is approximately 20 seconds remaining.

Mr. GRAHAM. Madam President, did the Senator from North Carolina yield to me for purposes of offering an amendment?

Mr. HELMS. Of course. Madam President, I have already said that I do, and I do so with great pleasure, but I do not quite understand what the Chair said about 11:45.

The PRESIDING OFFICER. There is a unanimous-consent order that at 11:45 the Senator from Iowa will be recognized to offer amendments to the pending legislation, and at 11:50 the Senator from Pennsylvania will be recognized to offer amendments to the pending legislation.

Mr. SPECTER. Madam President, parliamentary inquiry. Will the Senator from North Carolina have an opportunity then—he has already offered his amendment, so he is secure under the ruling—will have an opportunity to have whatever discussion he wishes following the conclusion of the remarks referred to?

Mr. HELMS. Certainly.

The PRESIDING OFFICER. The Senator's amendment is pending and there will be time for discussion after the hour of noon.

Mr. HELMS. If the Senator will——

Mr. HARKIN. Regular order, Madam President.

Mr. HELMS. Propound a unanimous consent, I certainly will not object.

The PRESIDING OFFICER. The hour of 11:45 having arrived, the Senator from Iowa is recognized to offer his amendments.

AMENDMENT NO. 2467

(Purpose: To make technical corrections)

Mr. HARKIN. Madam President, I have one technical amendment I send to the desk and ask for its immediate consideration. The amendment conforms the bill to correctly match the committee report and accompanying table. It also updates the education portions of the bill to reference Senate-passed legislation instead of Senate-reported legislation. That has been cleared on both sides.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2467.

Mr. HARKIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 1, strike "$5,049,267,000" and insert in lieu thereof: "$5,234,055,000".

On page 53, strike line 8 and all before the second comma on line 9 and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 2, strike "reported" and all that follows before the second comma on line 3, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 13, strike "reported", and all that follows before the semicolon on line 14, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 18, strike "$1,164,849,000" and insert in lieu thereof: "$1,264,849,000".

On page 55, line 1, after the comma, insert the following: "$13,000,000 shall be for part A of title VIII,".

On page 55, strike line 11, and all that follows before second comma on line 12, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 59, line 20, after the "," insert the following: "to be administered by the Secretary of Education,".

On page 63, line 6, strike "as", and all that follows before the semicolon on line 7, and insert the following: "as passed the Senate on August 2, 1994".

On page 63, line 8, strike all after the comma, and on line 9 strike all before the semicolon, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 63, line 13, after the semicolon, insert the following: "$43,000,000 shall be for the Fund for the Improvement of Education, including".

On page 63, line 13, strike "shall be".

On page 63, line 14, strike the semicolon, and insert in lieu thereof: "," and strike "shall be for part K" and insert in lieu thereof: "for Elementary School Counseling Demonstrations,".

On page 63, line 15, strike the first "of".

On page 63, strike line 17 and all before the semicolon on line 18, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 64, line 1, strike "as" and all that follows before the semicolon on line 2 and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 64, line 5, strike the second "as" and all that follows before the period on line 7, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 2467) was agreed to.

Mr. HARKIN. Madam President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2468

(Purpose: To make the bill consistent with CBO scoring)

Mr. HARKIN. Madam President, I send an amendment to the desk and ask for its immediate consideration. It adds a provision to the bill which would make the bill consistent with the the CBO scoring. I urge adoption of the amendment. It has been cleared on both side.

The PRESIDING OFFICER. The clerk bill report.

The assistant legislative clerk read as follows.

The Senator from Iowa [Mr. HARKIN] proposes an amendment No. 2468.

Mr. HARKIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 55, line 20, strike "$3,045,425,000" and insert in lieu thereof: "$2,753,300,000".

On page 55, line 22, before the period, insert the following: ", of which $292,125,000 for section 686 shall become available for obligation on September 30, 1995, and shall remain available through September 30, 1996".

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

So the amendment (No. 2468) was agreed to.

Mr. HARKIN. Madam President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NO. 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, AND 2477, EN BLOC

Mr. HARKIN. Madam President, on behalf of Members, I send to the desk several amendments that are acceptable, and I ask unanimous consent that they be considered en bloc.

The first amendment, which I am offering on behalf of Mr. KOHL, allows a demonstration project on employment in Milwaukee to proceed.

On behalf of Senator BRYAN, I offer an amendment which allows the HHS Office of Inspector General to share in the net proceeds of the assets that are seized and forfeited during investigations in which that office participates.

For Senator GRASSLEY and myself, I offer an amendment that ensures that the Office of the Inspector General at the Department of Health and Human Services be reimbursed for any costs it incurs for providing security for the Secretary of HHS.

I have a four-part amendment which identifies amounts within the fund for the Improvement of Education, as follows: Senator KENNEDY'S amendment to provide $125,000 for the National Student and Parent Mock Election; and for Senators DOMENICI, PELL, MIKULSKI, DODD, and DORGAN, $1,000,000 for the Partnership in Character Education pilot project. For Senators CHAFEE and PELL, $500,000 for model scholar athlete games. For Senator JEFFORDS, $900,000 for 21st Century Community Learning Centers.

For Senator SIMON, an amendment providing $8,000,000 for civics education of legalized aliens.

For Senators COVERDELL and NUNN, two amendments providing emergency funding caused by flooding.

For Senators HATFIELD and PACKWOOD, an amendment requesting waivers under the AFDC Program.

For Senator SPECTER, an amendment that the authority of section 105 is subject to the Labor Department's regular reprogramming process.

Mr. President, these amendments provide offsets, as necessary, to avoid increasing either budget authority on outlays.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes amendments numbered 2469 through 2477.

Mr. SPECTER. Might we have enumeration of the amendments so the RECORD will be complete here.

If I may recite them, a managers' amendment by Senator HARKIN, an amendment on my behalf, an amendment on behalf of Mr. KOHL, an amendment on behalf of Senator HARKIN and Senator BRYAN, an amendment on behalf of Senator GRASSLEY and Senator HARKIN, an amendment on State legalization impact assistance grants, an amendment on emergency supplemental appropriations, another amendment on emergency supplemental appropriations, Department of Education impact aid, an amendment on my behalf, two amendments by Senator HARKIN.

AMENDMENT NO. 2469

(Purpose: To provide for the New Hope demonstration project)

Mr. HARKIN offered for Mr. KOHL amendment No. 2469.

The amendment is as follows:

On page 43, between lines 8 and 9, insert the following:

The Secretary shall provide payments under titles IV–A and XIX of the Social Security Act to carry out a demonstration project for a qualified program in accordance with this section which shall take effect on January 1, 1995. For each calendar quarter in which there is a qualified program as defined below, the Secretary shall pay to the State for the purpose of transmittal to the operator of the qualified program, for no more than 20 calendar quarters, an amount equal to the aggregate amount that would otherwise have been payable to the State with respect to the participants in the program for such a calendar quarter, in the absence of the program, for cash assistance and child care under part A of title IV of the Social Security Act, for medical assistance under title XIX of such Act, and for administrative expenses related to such assistance. The term "qualified program" means a program operated by the New Hope Project, Inc., which assists low-income residents of Milwaukee, Wisconsin, move from welfare to work, in accordance with an application to be prepared by the operator to the qualified program, transmitted by the State to the Secretary, and defined by and approved by the Secretary. The application shall provide for evaluation of the demonstration project; funds provided herein may not be used for said evaluation.

AMENDMENT NO. 2470

(Purpose: To allow the Office of the Inspector General of the Department of Health and Human Services to receive a share of the net proceeds of assets seized and forfeited during investigations in which that office participates)

Mr. HARKIN offered for himself and Mr. BRYAN amendment No. 2470.

The amendment is as follows:

On page 48, line 2, before the period insert the following: ", together with any funds, to remain available until expended, that represent the equitable share from the forfeiture of property in investigations in which the Office of Inspector General participated and which are transferred to the Office of the Inspector General by the Department of Justice or the Department of Treasury".

Mr. BRYAN. Madam President, earlier this year, I came to the Senate floor to call my colleagues' attention to the effect the 1994 Social Security Fraud and Abuse Guidelines were having on my State of Nevada. These guidelines directed that no investigations into possible Social Security fraud and abuse would be conducted in my State of Nevada. Needless to say, I was not pleased.

This Social Security policy came to my attention when a constituent contacted my Las Vegas Office concerning the illegal use of her 2½-year-old son's Social Security number. When this constituent applied for public assistance benefits, the routine Social Security number check showed an immigrant was using her son's Social Security number. My constituent was informed of this misuse by the Las Vegas Social Security office. When she asked if an investigation would be made into this fraudulent misuse, she was informed by the office that no investigation would be made because of this Social Security Administration fraud and abuse policy.

You can imagine my constituent's anger at this situation. She applies for public assistance benefits, she discovers someone illegally using her young son's Social Security number, and then she is told nothing will be done.

After learning of my constituent's concern, I reviewed the January 1994 Social Security Administration Fraud Referral Guidelines. I, too, was surprised and angered at what I found. Nevada, along with 15 other States, Puerto Rico and the U.S. Virgin Islands were all listed as "geographic areas with limited investigations."

This means no fraud investigations are initiated in these States and territories by the Office of Investigations, unless Social Security management requests an exception from the office, and the Office of Investigations and Social Security management "mutually agree that aggravating factors necessitate that such an exception be made."

As I read further, I was more surprised to find that Nevada, along with Alaska, Hawaii, and Idaho, were also listed as States where no investigations would be initiated at all unless there were mutually aggravating circumstances.

This Social Security Administration policy has created "safe harbors" for anyone who wants to use illegal Social Security numbers throughout 16 States and 2 territories. A particularly safe harbor exists for abusers in Nevada, Alaska, Idaho, and Hawaii.

All any enterprising person needs to do is to check the Social Security Fraud and Abuse Guidelines to determine where it is most safe to engage in the illegal use of Social Security cards. Since 10 of the 16 safe harbor States are in the western half of the Nation, this means the Western United States is especially inviting to people who want to fraudulently use Social Security numbers.

I wanted an explanation of why Nevada was chosen to be one of the safest harbors in the Nation for Social Security number abusers. So I went to the source, and met with Social Security Administration Commissioner Shirley Chater, and Inspector General June Gibbons Brown, of the Department of Health and Human Services.

It came as no surprise when the Social Security Commissioner and the inspector general stated the Office of Inspector General had lost 200 employees and had to close 14 investigation offices due to funding cutbacks in past years. One of those employees and one of those investigation offices had been in Nevada.

I do understand that limited staff and funding can require difficult decisions about how to prioritize remaining resources. But I find it unacceptable when safe harbors are created in 16 States, so anyone with the initiative to review the Social Security Fraud and Abuse Guidelines can determine where the fraudulent use of Social Security numbers will essentially be ignored.

I do not believe Nevada must have an office of investigation or an investigator stationed within the State to combat Social Security fraud and abuse. But I do believe if an instance of possible fraud and abuse is found, an investigator from Social Security should at the very least be notified, be able to look into the case, and travel to Nevada if necessary.

In my Nevada constituent's case, although Social Security did not investigate the situation, the case was turned over to the Immigration and Naturalization Service. The INS subsequently discovered the worker who was illegally using my constituent's son's Social Security card, was employed in a business where nearly all employees were using illegal Social Security cards. This is a perfect example of how what might be considered a small case of fraud and abuse can rapidly become a major and apparently organized instance of fraud and abuse.

While the Office of Inspector General agreed to revise the fraud and abuse guideline to more accurately reflect the availability of investigation efforts for Social Security cases, more must be done.

So today with Senator HARKIN, I offer an amendment to help address this problem.

Our amendment would allow the Office of Inspector General for the Department of Health and Human Services to receive a share of the net proceeds of assets seized and forfeited during investigations in which the Office of Inspector General participates. These proceeds will be used by the Office of Inspector General to supplement its efforts to fight fraud and abuse.

Current law governing the Asset Forfeiture Funds of the Departments of Treasury and Justice permit certain law enforcement agencies to receive a portion of the net proceeds of the assets that are seized and forfeited during investigations in which those law enforcement agencies participate. This ability to receive a portion of the net proceeds is called "equitable sharing."

The Office of Inspector General of the Department of Health and Human Services cannot receive any portion of the net proceeds, as it does not have the authority to participate in "equitable sharing."

It should be noted if these equitable share payments are not paid to the HHS Office of Inspector General, they would not revert to the general revenues of the Treasury. The payments would simply be distributed to the other law enforcement agencies involved in the investigation.

It is estimated this amendment will result in approximately $200,000 in additional funding for the HHS Office of Inspector General to use to fight fraud and abuse in fiscal year 1995.

If we truly want to fight fraud and abuse in our Government programs, we must provide adequate funding to ensure our investigative efforts can meet the task. This is a step in these right direction.

I thank Senator HARKIN for his cooperation and support in bringing this amendment to the floor, and accepting it as part of this bill.

AMENDMENT NO. 2471

(Purpose: To transfer certain funds to the Office of the Inspector General for security protection for the Secretary of Health and Human Services and to require the Comptroller General of the United States to conduct a review on the need of security protections for certain Federal officials)

Mr. HARKIN offered for Mr. GRASSLEY, for himself and Mr. HARKIN, amendment No. 2471.

The amendment is as follows:

On page 52, between lines 17 and 18, insert the following new section:

SEC. 210. (a) Of the funds appropriated or otherwise made available for the Department of Health and Human Services General Departmental Management for fiscal year 1995, the Secretary of Health and Human Services shall transfer to the Office of the Inspector General such sums as may be necessary for any expenses with respect the provision of security protection for the Secretary of Health and Human Services.

(b) The Comptroller General of the United States shall conduct a review on the need of personal security protection for all cabinet and subcabinet officials in the Federal government, and shall not later than April 1, 1995, prepare and submit a report to the Senate and House Committees on Appropriations of the findings of the Comptroller.

AMENDMENT NO. 2472

(Purpose: To provide funding for programs authorized by the Improving America's Schools Act)

Mr. HARKIN offered amendment No. 2472.

The amendment is as follows:

On page 63, line 15, before the word; "title" insert the following: "$125,000 for National Student and Parent Mock Elections, $1,000,000 for the Partnerships in Character Education Pilot Project, $500,000 for Promoting Scholar-Athlete Competitions, and $900,000 for 21st Century Community Learning Centers, as authorized by".

AMENDMENT NO. 2473

(Purpose: To rescind appropriations for State Legalization Impact-Assistance Grants (SLIAG) which remain available as of June 29, 1995, and to make appropriations to pay for the costs of certain activities relating to naturalization and citizenship)

Mr. HARKIN offered for Mr. SIMON amendment No. 2473.

The amendment is as follows:

On page 44, after line 20, insert the following:

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(INCLUDING RESCISSION)

Funds not expended by the States by July 1, 1995, under section 204(b)(4) of the Immigration and Nationality Act are hereby rescinded.

For allotments of funds to the States made by the Secretary of Health and Human Services for the purpose of making payments to public and private nonprofit organizations for—

(1) public information and outreach activities regarding naturalization and citizenship; and

(2) English language and civics instruction provided to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States, $8,000,000: *Provided*, That the Secretary of Health and Human Services shall allocate such amount among the States not later than August 15, 1995: *Provided further:* That each State's share of these funds shall be equal to that State's percentage share of the total costs of administering and providing educational services to eligible legalized aliens in all States through fiscal year 1994, as determined by the Secretary: *Provided further*, That the definition of "eligible legalized alien" contained in Section 204(j)(4) of the Immigration Reform and Control Act of 1986 is amended by inserting before the period at the end ", except that the five-year limitation shall not apply for the purposes of providing public information and outreach activities regarding naturalization and citizenship; and English language and civics instruction to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States: *Provided further*, That each State may designate the appropriate agency or agencies to administer funds under this heading: *Provided further*, That Section 204(b)(4) of the Immigration Reform and Control Act of 1986 is amended by striking the fourth sentence and inserting the following: "Funds made available to a State pursuant to the preceding sentence of this paragraph shall be utilized by the State to reimburse all allowable costs within 90 days after a State has received a reallocation of funds from the Secretary, but in no event later than July 31, 1995."

On page 7, line 20, strike "$232,000,000" and insert "$226,000,000" in lieu thereof.

AMENDMENT NO. 2474

(Purpose: To make funds available for recovery from the tropical storm Alberto)

Mr. HARKIN offered for Mr. COVERDELL, for himself, and Mr. NUNN, amendment No. 2474.

The amendment is as follows:

At the end of the bill, insert the following new title:

TITLE VI—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For an additional amount for the Public Health and Social Services Emergency Fund to be used to assist States and local communities in recovering from the flooding caused by tropical storm Alberto and other disasters, $35,000,000 to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement, as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 2475

(Purpose: To make funds available for recovery from the tropical storm Alberto and other disasters)

Mr. HARKIN offered for Mr. COVERDELL for himself and Mr. NUNN, amendment No. 2475.

The amendment is as follows:

At the end of the bill, insert the following new title:

TITLE VI—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF EDUCATION

IMPACT AID

For carrying out disaster assistance activities related to the flooding caused by tropical storm Alberto and other disasters, authorized under section 7(a) of Public Law 81-874, $10,000,000, to remain available until expended, of which $10,000,000 shall be available from funds provided under the heading "DEPARTMENT OF EDUCATION" under the heading "IMPACT AID" in the Emergency Supplemental Appropriations Act of 1994 (Public Law 103-211): *Provided*, That such funds shall be available only to the extent an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(d)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Mr. COVERDELL. Madam President, I would like to thank the distinguished Senator from Iowa [Mr. HARKIN] and our colleague from Pennsylvania, Senator SPECTER for working with Senator NUNN and me on two important disaster assistance amendments to the Labor, Health, and Human Services appropriations bill. Many of my colleagues have heard from me and the senior Senator on the initial devastation that occurred during the flooding in the southern portion of our State. They have responded by providing necessary funding for local government, agricultural, housing, and business assistance to those Georgians most drastically affected by the floods.

Today, the managers of this bill have offered two amendments on behalf of Senator NUNN and myself that address the emergency health, safety and education needs of the recovering disaster areas.

The first amendment will provide $35 million to assist Georgia in addressing the acute threat to public health associated with the flood related sanitation problems and the widespread breakdown in water and sewer systems. These resources will also ensure the availability of emergency mental health and social services.

The second amendment will earmark $10 million of existing impact aid resources for school districts that will not be able to cover the cost of the damage incurred by the flood in time for the 1995 school year. In addition, these resources will compensate school districts that will lose critical property taxes due to property damage resulting from tropical storm Alberto.

These two amendments address important public safety needs, and I thank Senator HARKIN and Senator SPECTER for their efforts on Georgia's behalf.

AMENDMENT NO 2476

(Purpose: To direct the Secretary of Health and Human Services to take action on a request made for certain waivers under the AFDC Program, and for other purposes)

Mr. HARKIN offered for Mr. HATFIELD, for himself and Mr. PACKWOOD, amendment No. 2476.

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . DIRECTION TO THE SECRETARY OF HEALTH AND HUMAN SERVICES REGARDING ACTION ON A REQUEST FOR CERTAIN WAIVERS UNDER THE AFDC PROGRAM.

In the event the Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") fails to approve the application for waivers to conduct a demonstration project, known as JOBS Plus, under section 1115 of the Social Security Act submitted by the Oregon Department of Human Resources on October 28, 1993, (hereafter referred to in this section as the "application") by the date of the enactment of this Act, notwithstanding the Secretary's authority to approve the application under such section, the application shall be deemed approved.

Mr. HATFIELD. Madam President, today, Senator PACKWOOD and I are offering an amendment that would grant the State of Oregon a waiver needed to conduct an innovative welfare demonstration project. The administration has had nearly 10 months to review Oregon's proposal and the State has not received an answer to their request. We simply have exhausted our options.

During the 1993 Oregon legislative session, Oregon's welfare demonstration program, JOBS Plus, was developed through the hard work of the original proponents of the Full Employment Program, client advocates, private employers, legislators and their staff, the Governor's staff and state staff. As proof of their support, the legislature approved $2.7 million startup funds to be used to provide the extra benefits for the participants until they secured unsubsidized employment and the program could begin saving money through caseload reduction.

If Oregon is not allowed to implement the program by September 1, 1994, however, there is a risk that it will never get a chance to provide itself. The funding approved in the 1993 session cannot be carried forward to the 1995–97 biennium. If Oregon is allowed to begin the demonstration by September 1, the State can use the $2.7 million for startup funding, setting up an operating project for the 1995 Oregon Legislature to review, and testing some of the President's welfare reform concepts as Congress is considering the Work and Responsibility Act.

President Clinton recently wrote to Senator PACKWOOD and me indicating his support for innovative welfare demonstration projects in the States and advising us that Oregon's request was in the final stages of agreement. The President also indicated that the State's request closely matches the goals outlined in his welfare proposal.

Madam President, I typically hesitate to offer these types of amendments, however, I believe that the administration has had more than an ample amount of time to review this request. I might also add that the Department of Agriculture has approved their part of the waiver request.

Madam President, Oregon can wait no longer for an answer.

AMENDMENT NO. 2477

Mr. HARKIN offered for Mr. SPECTER amendment No. 2477.

The amendment is as follows:

On page 24, line 25, before the period insert the following: ": *Provided*, That such funds shall not be treated as a reprogramming and shall not be available for obligation or expenditure except in compliance with the Committee reprogramming procedures".

The PRESIDING OFFICER. Is there further debate on the amendments? If not, the question is on agreeing to the amendments.

So the amendments (No. 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, and 2477) were agreed to.

Mr. HARKIN. Madam President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2478

(Purpose: To provide $100,000,000 to carry out the Emergency Immigrant Education Act of 1984 or its successor authority)

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. I offer an amendment on behalf of myself and Senators HUTCHISON—

Mr. HARKIN. Madam President, I had not yielded the floor yet. And under the unanimous-consent agreement, I was to be recognized for 5 minutes to offer my amendments.

The PRESIDING OFFICER. The Senator from Iowa is correct.

The Senator from Florida will withhold.

Mr. HARKIN. Madam President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. I send an amendment to the desk.

The PRESIDING OFFICER. Will the Senator from Pennsylvania defer for that purpose? Under the previous order, the Senator has the floor.

Mr. SPECTER. Madam President, I yield to my colleague from Florida.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from Florida [Mr. GRAHAM] for himself, Mrs. HUTCHISON, and Mrs. FEINSTEIN, proposes an amendment numbered 2478.

Mr. GRAHAM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title V, insert the following:

SEC. 17. There is appropriated out of any money in the Treasury not otherwise appropriated for fiscal year 1995 for expenses necessary to carry out the Emergency Immigrant Education Act of 1984 (or its successor authority) $100,000,000, and each amount appropriated or otherwise made available for each program, project or activity relating to the salaries, expenses and program management funded under titles I through III of this Act (other than by this section) that is not required to be appropriated or otherwise made available by a provision of law is reduced by the uniform percentage necessary to reduce the total amounts appropriated for such programs, projects or activities by $100,000,000.

Mr. GRAHAM. Madam President, as I understand the parliamentary situation, amendments are available until noon. Then what will be the disposition of this matter thereafter?

The PRESIDING OFFICER. The amendments will be disposed of in turn.

Mr. GRAHAM. Thank you.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from North Carolina.

Mr. HELMS. Madam President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Senator's second-degree amendment to the committee amendment.

Mr. HELMS. Madam President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Madam President, a week or so ago the news media and the pundits in this city assured the American people that the Clinton health bill was dead—done in by millions of outraged Americans who rejected its mandates, high taxes, and superbureaucracy.

But once again, we are reminded that you cannot believe everything you hear. The distinguished majority leader of the Senate came forth a few days ago with what purports to be his own health care plan which, while not totally identical to President Clinton's proposal, misses being so by just a hair.

The Senate is about to debate the Clinton-Mitchell health care bill, which will foist upon the backs of the American people new entitlements, new taxes, and more bureaucrats.

The Senate leadership, moreover, has declared its intent to ram through the Senate this Clinton-Mitchell health care plan in just 2 weeks. Nobody knows for sure what is in the bill, at least not yet. But if the Clinton-Mitchell bill is anything like the original 1,300-page Clinton plan, as everybody said it is going to be, a great deal of time will be needed to figure out just exactly what is in it. Haste does make waste, particularly in the U.S. Senate.

Senators need, they deserve, and they must demand, time to read, study, and analyze this latest proposal. Health care reform is an issue like no other issue. It will affect all Americans from every walk of life.

I think it was 8 or 9 days ago when the distinguished majority leader, Mr. MITCHELL, was asked during a television interview why the rush to pass a bill with such enormous consequences. He responded somewhat piously, that he wanted to leave a legacy. Well bully for him, but what about the price he is demanding that the American people will have to pay for his legacy?

Instinctively, or otherwise, I think the American people know what is at stake. As the distinguished Republican leader, Mr. DOLE, asserted, "A bad bill would be worse than no bill at all." The American people want us to do what is right. They do not care about saving the Clinton administration or giving the majority leader a legacy. The American people want to know that health reform is not going to mean a Government-run health care system. They want to know that the Senate is not going to take away the right to choose their own doctor. And finally, the American people want to know that such a bill will not bankrupt the country.

Note the result of a Wall Street Journal poll which showed that only 34 percent of the people are saying Congress should pass the health bill this year. However, 58 percent of the American people believe Congress should continue to debate the issue and act next year. Fifty-eight percent is a sizable figure, and it reflects what I am hearing in just about every piece of mail I receive, and every telephone call from North Carolina and all across the country.

Another poll released by the Harvard School of Public Health and Times Mirror newspaper, revealed that 58 percent of Americans are afraid that health care reform will mean less freedom to choose their own doctor.

These statistics illustrate precisely what I have been hearing, as I said, from North Carolina and people throughout the country. They are telling us that Congress must not rush to pass a bill that no one wants, with, of course, the possible exception of the social engineers down at the White House and elsewhere in the administration. They are saying "Pass a bill; pass a bill." And the majority leader is parroting that rhetoric. But the American people are emphatically saying no, no, do not do that.

Plain and simple, the Clinton-Mitchell bill is a Government takeover of health care. Call it Government investment. Call it guaranteed health care. Call it what it truly is, a steady march toward socialized medicine which has been a disaster in every country where it has been tried.

To think leaders of our country are proposing socialized medicine euphemized under some other name is baffling to me. North Carolinians have their own opinion of this audacious Government grab for power. Every week I receive hundreds of letters on health care reform, and of these at least 85 percent oppose the Clinton plan for one reason or another. In addition, every week I receive thousands of postal cards from people across America who oppose any plan that includes abortion on demand as a basic benefit.

As I move along in my remarks, I want to call attention to the U.S. Capitol's switchboard number. If you want to call your Senator's office, no matter where you live in America, call (202) 224-3121 and tell your Senator, how you feel about health care reform, whether you are for the Clinton-Mitchell plan, or against it. But speak up, America, and let your Senator know how you expect him to stand on this issue.

The message is clear from North Carolinians. They do not want the Government to take over their health care system. They do not want Government bureaucrats interfering in their private health care decisions. They do not want the Government taking over a system which on the whole delivers quality care to all Americans.

(Mr. DORGAN assumed the chair.)

Mr. HELMS. No one in America wants us to travel the bankruptcy road followed by so many Socialist governments in other parts of the world. Every time we hear the President speak about health care, he says he will support only legislation that guarantees health insurance for all that cannot be taken away. I wonder if he is aware that 40 Senators have developed a health reform plan that extends universal access to all Americans without an enormous governmental takeover of our economy.

The fact is that we can cure the ills of our current system today without swallowing socialism and wrecking a health care system which—warts and all—is still the envy of all of the rest of the world.

North Carolinians have not been fooled by the alarmist rhetoric and slick gimmicks that some are using to sell their health plan. I doubt if many other Americans have been fooled either. That is because they know very well that higher taxes, higher deficits and a bigger Federal Government are not the way to better health care. Maybe that is why we are being forced to accept an arbitrary schedule for Senate action on the Clinton-Mitchell health plan.

If you think that Congress ought to put the brakes on this freight train and wait until next year and in the meantime study all of the proposals for health care reform, then call your Senator at 1-202-224-3121. Or if you favor the Clinton-Mitchell health care plan, or any other plan, call your Senator. He or she deserves to hear from you.

But I will tell you this, Mr. and Mrs. America: Unless you have actually read the small print in these Big Brother plans, you have only scratched the surface of how Government will step into your private lives. Let me explain what I mean. I wonder if Americans know that the President's bill, at page 239, forbids anyone from offering a health benefit policy that duplicates coverage provided in the comprehensive benefits package. This means that all current policies now in effect would be unlawful. That is on page 239 of the President's bill. Only a few health care plans will be available to you under that set of circumstances.

The House and Senate leadership plans are not quite as direct as that. But they make it very clear that good insurance plans are taxed so high that no insurance company in its right mind would even offer it.

If that is the kind of thing you want, call your Senator at 1-202-224-3121 and tell him. Or if you do not want this plan, tell your Senator that. You think the Senate ought to wait and carefully consider such an enormous subject, hundreds upon hundreds upon hundreds of pages. If so, then tell your Senator to vote for the HELMS amendment which is now pending and which will be voted on day after tomorrow, on Wednesday of this week.

Mr. President, just like the first Clinton bill, both the House and Senate leadership bills create a powerful National Health Board having vast powers. The National Health Board will restrict what Mr. and Mrs. America can spend on health care through what are called global budgets. Furthermore, the National Health Board will decide what our health benefits will be. And if that is not enough to drive you up the wall, the National Health Board will also regulate the form and manner that your health information is collected and transmitted.

Under the first Clinton bill, the National Health Board will have the power to mandate a standardized health insurance form that doctors must fill out. If a doctor fails to use this form, he or she may be fined $10,000 per violation. That is on page 871 of the Clinton health bill, in case anybody is interested. I can see it now—doctors throughout this country will become so preoccupied with filling out the correct Federal bureaucratic form that they will spend less time with their patients; or else, they will risk having to pay a $10,000 fine imposed by the bureaucracy in Washington, DC.

By the way, nobody has finished counting all of the new bureaucracies contained in the Clinton-Mitchell health care plan. The last time I checked, there were about 20. I'm sure this number will keep rising just like floodwaters out in Iowa.

I would like to reiterate to my fellow Americans that you make a difference on this matter if you will pick up your telephone and call your Senator. You have two of them. The telephone number of the Capitol switchboard is 1-202-224-3121. If you think the Senate ought to slow down and not try to pass a health care plan this year and, instead, think about it, study it, and the first thing next year, take the time necessary to do it right, then tell your Senator so. He or she will have a chance to vote on that very question on Wednesday of this week.

Congress cannot simply throw away the best health care system in the world. Nobody says it is perfect, but it is the best, nonetheless, that mankind has ever known. If we are forced to pass the Clinton-Mitchell plan in just a week or so, as they are talking about doing, the largest Government-run program in the history of America will be enacted. That is wrong.

I cannot imagine an issue that is more important to each and every American. Health care reform will touch everyone. So let us take the time to do it right. Let us not race into this thing, as the majority leader and others propose. Let us begin next year when we have adequate time to review it. BOB DOLE is right when he says, "A bad bill will be worse than no bill at all." That is precisely the point.

One more time, Mr. President. For those who think the Congress ought to slow down and not pass a health care bill this year and, instead, study it and begin early next year and do it right, you ought to call your Senator at 1-202-224-3121.

I thank the Chair and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I ask for 12 minutes to address the Senate as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF KENNETH STARR TO BE INDEPENDENT COUNSEL

Mr. GRASSLEY. Mr. President, I want to compliment Robert Fiske on the job that he did as special counsel in the pending Whitewater matter. Whatever may have led to his not being appointed independent counsel, no one doubts Mr. Fiske's integrity. And I do not think that Attorney General Reno made any errors whatsoever in his selection in the first place.

Had Mr. Fiske served until the end of the investigation, I believe that his conclusions would have been accepted as impartial. I was surprised that he was not reappointed. It is not surprising at all that the court would choose Judge Kenneth Starr to replace him considering the qualities of Judge Kenneth Starr. And it is very appropriate that if Fiske is not considered the person to do the job, someone of the caliber of Judge Starr be appointed. He has a first-rate intellect. He has a very broad knowledge of the law. He has, as we know, fierce independence, integrity, and impartiality, and he has the respect of many of us in Congress.

For example, I agree with the comments of my friend, Senator KERRY of Massachusetts, that Judge Starr's appointment is a very solid one. I think that that speaks better than anything I can say, because Senator KERRY is of a different political ideology than I am. Judge Starr, I am sure, will do a first-class job as independent counsel.

I disagree with the criticisms that some have raised about Judge Starr's appointment. Some of them are really, I think, transparently political in nature. For example, Judge Starr has been criticized because he was a solicitor general in a prior Republican administration, and he is also criticized because he lacks prosecutorial experience.

Yet I think anyone would say that the model of a special prosecutor might come from the Watergate days. We would have to look at the person who was special prosecutor then, Archibald Cox. Cox, similar to Judge Starr, was not a prosecutor. He was also a solicitor general in the Kennedy administration, and he was a Harvard professor. No one, Mr. President, said at that time that this sort of background made Archibald Cox a political choice when he was chosen 20 years ago to be a special prosecutor. So, Mr. President, no one should say the same thing about Judge Starr either.

I also disagree that the appointment is—as stated Friday, Saturday, and Sunday by people who disagree with it—an effort for Republicans to get revenge. First of all, under the law judges of the circuit courts of appeal make these appointments, not Republicans who are Members of Congress, or Republicans anyplace.

The media have portrayed the selection of Judge Starr as ironic in light of the Republican opposition to the independent counsel law reauthorization. I suggest a look at that record. I am one who, as a Republican, supported the reauthorization of the independent counsel law. Numerous Republicans supported that reauthorization.

Indeed, I wanted to go further than most of my colleagues did when we reauthorized that act: to make Congress subject to the independent counsel law in light of the political overtones that affect so many prosecutions of Members of Congress.

Reauthorization of the independent prosecutor law was not a partisan matter and should not be treated as a partisan matter today.

Those of us who supported this reenactment believe in accountability, believe in responsibility, and believe in fairness in the investigations of the questionable affairs of high-level Government officials. I know that Judge Starr embodies those values that those of us, both Republican and Democrat, sought when the independent counsel law was reauthorized here just a few months ago.

It is said that there is no one so blind as one who will not see. It is also said that those who fail to heed the lessons of history are bound to repeat those earlier mistakes. Through its comments on Judge Starr's appointment, I feel the White House appears to be adding renewed validity to these wise sayings. By now, the White House should have learned that it should not interfere with investigations by independent entities.

This administration has already sought to remove investigators that the White House viewed as hostile. The White House tried to interfere with the selection of former U.S. Attorney Jay Stephens as an attorney investigating possible civil claims against Madison Guaranty. Joshua Steiner's diary said that the White House and its aide George Stephanopoulous urged that Stephens be, in their words, "gotten rid of." And the administration has tried to keep sympathetic regulators on matters in which the White House and its personnel have an interest.

Certainly, the attempts to keep Roger Altman from recusing himself at the RTC are the prime examples of that. Indeed, the President's regulatory selections in Arkansas over matters in which he had a financial interest is one of the major reasons why Whitewater is being investigated in the very first place.

So after a week in which Joshua Steiner, George Stephanopoulous, and Roger Altman testified before Congress, anyone would think, Mr. President, that the White House should keep mum on the subject of Judge Starr's appointment. Instead, the White House has directly or indirectly criticized that appointment.

The President's lawyer, the famous Robert Bennett, thinks that—and these are his words "If Starr found anything wrong, I don't think anybody could have any confidence in that."

I disagree strenuously with what Mr. Bennett said. If Judge Starr finds something wrong, that tells me that an objective person would find probable cause to believe that a crime had been committed.

Indeed, the White House should be pleased with this appointment. Judge Starr was one of the people Attorney General Reno considered naming as a special counsel. White House counsel Lloyd Cutler stated over the weekend that any fair-minded person would find no one in the administration violated any criminal laws.

If Judge Starr—and he is a fair-minded person—finds no violations, that is certainly going to put the Whitewater affair behind us, and completely behind the President.

Mr. Bennett called on Judge Starr to withdraw. This may not be as sinister as what George Stephanopoulous had to say, that another person ought to be gotten rid of. But I think this comment by Mr. Bennett reflects the same old attitude at the White House. The White House seems to think that only administration-approved people should be allowed to investigate any of these matters. The independent counsel statute, as we all know, is premised on the opposite notion of accountability.

Mr. Bennett also criticized Judge Starr because of his reported willingness to file a brief arguing that no one is above the law in the Paula Jones lawsuit against President Clinton, and that President Clinton should have to defend himself in the courts. Such a brief would have been offered in response to the President's immunity argument, an argument so obviously concocted that it changed on a weekly basis.

But Judge Starr did not endorse Paula Jones' case, and he did not file such a brief. Even if he takes a particular view of the law, that does not mean that there is any conflict with the Whitewater investigation, because, Mr. President, as we know, these two matters are in no way connected—or at least as far as I know they are not.

The Washington Post reports that Mr. Bennett would not have gone on the offensive without White House authorization. And Mr. Cutler and chief of staff Leon Panetta said that Judge Starr should not reopen the Washington phase of the investigation. Does the administration not realize what it is doing? Because as those of us who have supported the independent counsel statute know, it was passed to deliberately give the President no say whatsoever in the people who investigated high-level executive officials. It does not matter whether there is a Republican President or a Democrat. That is the way the law should act.

But here is the White House, criticizing Judge Starr's appointment and suggesting that the scope of the independent counsel's investigation be limited. By doing so, they narrow the flexibility that Judge Starr has.

Judge Starr may have decided on his own not to reopen the Washington phase, or he may have decided that further investigation was warranted in light of the congressional testimony. But if the White House publicly calls on him not to reopen it, he is virtually compelled to reopen that phase to maintain his independence.

Now let us look at that again. If the White House follows through and publicly calls on him not to reopen a segment of this investigation, I think Judge Starr must reopen because he must maintain his independence.

Similarly unpersuasive and unhelpful are reports that the White House is concerned that Judge Starr's appointment will slow down the process. Once again, the White House is very inconsistent. The President's lawyer in the Paula Jones case has done everything possible to slow down the process of uncovering the truth in that case. What accounts for the different treatment of these two cases? One, they want to slow down, the Paula Jones case; the other one, the Whitewater affair, they want to speed up.

In short, Mr. President, the appointment of Judge Starr is a superb one. The criticisms of his background are inconsistent.

The efforts to try to have him withdraw or to narrow the scope of his investigation are truly mind boggling, and particularly so in light of what the White House has suffered as a result of similar attempts to influence investigations in the past.

Judge Starr will do an excellent job. The White House should stop hounding him. The White House should let Judge Starr proceed as intended under the independent counsel law, a law set up to have an independent person free of political influence do the investigation.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. SIMON. I thank the Chair.

(The remarks of Mr. SIMON pertaining to the introduction of S. 2370 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SIMON. Mr. President, if no one else seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I wonder if I might inquire of the minority leader if he intends to speak for a while, in which case I will follow him.

Mr. DOLE. Mr. President, I will follow the Senator from Minnesota. I did not see the Senator from Minnesota on the floor.

Mr. WELLSTONE. I will say to my colleague, I am going to take probably about 10 to 15 minutes, if there is time. I will defer to the Republican leader.

Mr. DOLE. If there is no objection, mine is about 2 minutes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, was leaders' time reserved?

The PRESIDING OFFICER. The Senator is correct.

HEALTH CARE REFORM DEBATE

Mr. DOLE. Mr. President, last Friday I expressed my hope that the debate we will begin soon will result in a bipartisan solution to our health care problems. I also suggested that the chance of reaching such a solution would be greater if the increasingly harsh partisan rhetoric coming from the White House and its allies would stop.

Unfortunately, my suggestion was completely ignored. For not only did the rhetoric continue, but it reached new and unprecedented levels in both partisanship and rancor.

In Detroit on Saturday, President Clinton said, and I quote:

> It's the violent, extreme interests in this country that are trying to keep health care out of the reach of ordinary American working people and (they) are a disgrace to the American dream.

"Violent, extreme interests * * * and they are a disgrace to the American dream." Well, there you have it. I am certain Americans who question the wisdom of Government-run health care will be surprised to know that they are part of "violent extreme interests" and a "disgrace to the American dream."

And how about the National Restaurant Association, the National Federation of Independent Businesses, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Retail Federation, the National Wheat Growers Association, the National Cattlemen Association, the American Truckers Association, and on and on and on.

They have all expressed support for the Dole-Packwood "American option" plan. Are they, therefore, "violent extreme interests"? Are Members of Congress in both parties who oppose the Clinton-Mitchell bill and the Clinton-Gephardt bill a "disgrace to the American dream?"

According to a survey out this morning, 65 percent of the American public say that Congress should start over on health care reform next year. Do they qualify as "violent extreme interests"?

Health care reform is a complex issue, one where there is certainly room for more than one point of view. I never questioned the President's desire to help Americans in need, nor have I questioned the fact he sincerely believes the best way to do that is through a Government-run health care system.

I, too, want to help Americans in need, and along with a lot of other Americans—both Democrat and Republican—I sincerely believe we can do that without turning over the best health care system in the world to the Federal Government.

Mr. President, I guess the good news is that the health care reform debate has nowhere to go but up because, with the President's inappropriate remarks, it certainly cannot go any lower.

I thank the Senator from Minnesota.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from Iowa.

Mr. HARKIN. Mr. President, we are still on H.R. 4606, the Labor, Health and Human Services appropriations bill. For the benefit of Senators, obviously, the hour of 12 o'clock having passed, by unanimous consent no more amendments can be offered to the bill. There are now pending three amendments to the bill: An amendment by Senator McCAIN, an amendment by Senator GRAHAM, and an amendment by Senator HELMS. We have been basically debating the amendment offered by Senator HELMS.

Under a previous unanimous-consent agreement, there will be, obviously, no rollcall votes today or tomorrow, and the earliest rollcall vote will occur, as I understand it, at 10 o'clock on Wednesday, if there are, indeed, rollcall votes on the amendments that have been offered.

I would like to take this time, however, to try to wrap up all of the business otherwise that we have pending on the bill with Senator SPECTER before we then turn the floor over to other Senators who will start talking about health care and other issues.

Mr. SPECTER. Mr. President, I am advised that Senator McCAIN is willing to have the yeas and nays vitiated on his amendment since it is acceptable to the chairman and acceptable to the Republican side of the aisle. Senator McCAIN's amendment was a sense of the Senate to increase the Federal payments in lieu of taxes. I had introduced that earlier today. So I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I urge adoption of Senator McCAIN's amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2465) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

Mr. SPECTER. And now, Mr. President, I believe we only have two amendments pending: An amendment by Senator HELMS, and we are told that Senator DASCHLE wishes to speak in opposition. So if he would come to the floor, we could finish the debate on that.

And we have the amendment pending by Senator GRAHAM. Is there any further debate on that?

Mr. HARKIN. I do have some comments that I am going to make on Senator GRAHAM's amendment just to make sure that the RECORD is complete on opposition to the Graham amendment. So I am going to speak in opposition to the Graham amendment.

Mr. SPECTER. Then, Mr. President, if we have those two statements, we will be prepared to go to third reading delaying only the vote on the pending amendments and the vote on final passage.

Mr. HARKIN. Mr. President, I rise in opposition to the amendment offered by the Senator from Florida, Senator GRAHAM. I have to say that the amendment surprises me. Our bill would provide $50 million for the immigrant education program, the same as the House, and a 28-percent increase over the 1994 level.

Mr. President, again, we have frozen discretionary spending, and we have cut a lot of things. And yet, because of the importance of immigrant education, we increase it 28 percent. There are not many programs that get that kind of an increase around here. And now Senator GRAHAM comes in and he wants to increase it by an additional $100 million. And where is he going to take it? He is going to take it out of salaries and expenses. I will have more to say about that.

If you look through the education portion of this bill, you will not find more than 10 or 12 out of over 200 programs that received increases of this magnitude, and that includes the President's investment initiatives. And even though immigrant education is not one of these investment initiatives, this is the second year in a row that we have given it significant increases.

Last year, we raised it 32 percent over the 1993 level. So a 32-percent increase last year, a 28-percent increase this year—over a 50-percent increase in 2 years. In fact, I stand corrected. Over the last 2 years, funding for this program has jumped by over $20 million, or almost 70 percent. And I think that is a pretty good increase, especially for a program that delivers 76 percent of its dollars to just five States.

The increase in our bill looks even better when you consider the latest data from the Department of Education and the numbers of children served by this program.

In 1993, States reported almost 826,000 immigrant students who were served by an appropriation of $29.5 million. In 1994, however, after we increased that appropriation by $9.5 million, States reported a total of only 809,000 immigrant children. That is a decrease of 17,000 students or about a 2-percent decrease. So we had a decrease in the number of immigrant students and yet we increased the appropriation.

California, for example, reported 338,000 immigrant students in 1993, 317,000 in 1994. Texas also reported fewer students—54,000 in 1994 compared to 56,000 in 1993. Despite these decreases, we have again provided a substantial increase for the immigrant education program in 1995—as I said, up $11 million, or a 28-percent increase.

So I suggest to the Senator from Florida that we should wait to see if this 1-year decline in immigrant students is a trend before we raise funds for this program any further.

Let us also consider how the money is used. A recent evaluation of the immigrant education program found that these funds are not used to provide distinct services to immigrant students but are folded into the general budgets of school districts. Immigrant students are generally served through bilingual education programs or in English-as-a-second-language programs.

Now, there is nothing wrong with districts using their immigrant education funds this way, but it means that these funds are used to serve nonimmigrant students as well, since many students born in the United States are enrolled in bilingual and ESL programs. About one-third of limited-English-proficient students are born in the United States. And just as some immigrant education funding benefits nonimmigrant students, other Federal education programs serve immigrant students. And this point is often overlooked by those who advocate increased funding for programs targeting immigrant students.

The most obvious example is the bilingual education program authorized by title VII of the Elementary and Secondary Education Act. According to an evaluation completed last year, as many as two-thirds of the students served by this program are immigrants. Since 1969, Congress has provided over $3 billion for bilingual education, and this bill would appropriate an additional $188 million for next year.

So again, Mr. President, there are a lot of other programs that provide a substantial amount of money to immigrant students. A less obvious but probably more important example, at least from the funding perspective, is the $6.3 billion title I program that provides financial assistance to districts for the education of disadvantaged children.

Title I allocations are based on counts of poor children. Since immigrant children are almost twice as likely to be poor when compared to all students, this program undoubtedly serves a significant number of immigrant students. I do not think it is any coincidence that the shifts in title I funding in recent years have been in the direction of exactly the same States with large numbers of immigrant children.

For example, title I allocations to California grew from $463 million in 1990 to $693 million in 1994, an increase of almost 50 percent.

Similarly, Texas will receive $500 million in title I funding for 1994, an increase of $243 million or 79 percent over the $307 million it received in 1990.

In these examples, higher levels of title I funding—generated by counts of poor children that included significant numbers of poor immigrant children—helped compensate States and school districts for the costs of educating immigrant students.

I should also point out that the reauthorization of title I, which we just completed, recognized the role of Title I in serving immigrant children by requiring that States and school districts include these children in their plans for utilizing title I funds.

In conclusion, the committee bill will—for the second year in a row—significantly increase Emergency Immigrant Education Program support for State and local efforts to meet the special needs of immigrant students.

In view of data suggesting that growth in the numbers of these students may well be leveling off or even declining, and in light of the significant support for these students available through other Federal education programs funded by this subcommittee, the committee mark is more than fair, and I urge my colleagues to reject this amendment.

I know this amendment will sound appealing to some because it cuts salaries and expenses $100 million. But as I said already, Mr. President, we have cut salary and expenses in this bill as much as we think we safely can without seriously impacting the management of these programs. We have already cut $63 million from the administration's request. This would be a further cut of 6.5 percent.

Most agencies have had their administrative costs straight-lined while they face a mandated Federal pay raise and other inflationary costs, including operation of the clinical center at NIH, and it will slow down the payment of Medicare claims. If you take $100 million out of our bill for salaries and expenses, you are going to get rid of people. One-hundred million dollars, it is going to slow down the payment of Medicare claims, it will make our senior citizens wait even longer for reimbursements.

I want Senators to understand that when they vote on the Graham amendment, as to who could probably take a cut, I assume that any salary expense account can take a small cut of $1 million here or $1 million there. But $100 million? I am sorry, you really are going to dig deeply into the repayment of Medicare claims if you do that.

It could possibly mean the closing of some Social Security offices. It will delay the processing of Social Security checks. It will slow down the implementation of the child immunization program, meaning fewer children will be vaccinated next year. It will cut funding to the States for foster care and child protective services. It will mean that the backlog of disability claims at the Social Security office will only grow larger. It will mean furloughs at most Federal agencies. We could easily lose more than $100 million in Social Security and Medicare funds through cutbacks in audits, and monitoring activities, including efforts to stop payments to drug addicts, alcoholics, and illegal aliens.

We have a provision in our bill to put money in for more auditing to cut down on the waste, fraud and abuse. Well, if you take that money away, we cannot hire the auditors to do the auditing.

The Graham amendment will reduce the ability of the Public Health Service to respond to disease outbreaks such as the hunta virus, the food-borne diseases. It will reduce the staff in States that work on tuberculosis, AIDS prevention.

OSHA could lose up to 70 inspectors. We all remember the tragedy in North Carolina where workers died trapped in a fire because all exits had been locked. Do we want that to happen again? If we take $100 million out of salaries and expenses, they will have to fire and furlough inspectors.

The Pension and Welfare Benefits Administration would be forced to cut its pension plan inspectors and reduce by at least 100—threatening the security and solvency of millions of Americans' pensions and health plans.

The Labor Department, if the Graham amendment is successful, will cut its investigations by 3,500 investigations of complaints of failure to pay minimum wage, and violations of laws that protect the American worker as well as child labor laws.

So, Mr. President, for those reasons, the Graham amendment must be defeated.

I understand the Senator from Florida desires to get more money into his State, and the cosponsors of the amendment, the Senators from Texas and California, want to get more money into their States for immigrant education. I understand that.

But, Mr. President, we have done well by immigrant education. As I said, there is almost a 70-percent increase in the last couple of years, even while the number of students are leveling off or declining.

Second, a $100 million cut in salaries and expenses will be Draconian, and will lead to the kind of layoffs and cuts in inspections, immunizations, audits for abuse, that we now conduct in the Department of Labor, Department of Health and Human Services and Department of Education.

So I hope that Senators will resist this amendment. We have leveled-funded salaries and expenses. If we cut some further, there just is not any more room, especially for a Draconian cut of $100 million.

So I urge my fellow Senators to defeat the Graham amendment.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. GLENN). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have some comments to supplement those which the chairman has made. But the Senator from Kentucky has a short presentation. So I yield to him at this time.

The PRESIDING OFFICER. I would have to say that the distinguished Senator from Pennsylvania cannot yield time to someone else. He may yield for a question only.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

ORDER OF PROCEDURE

Mr. McCONNELL. Mr. President, I ask unanimous consent that I may proceed for 3 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICAL MALPRACTICE IN THE MITCHELL HEALTH CARE PLAN

Mr. McCONNELL. Mr. President, we are all beginning to digest this enormous health care proposal put forward by the majority leader last week. Let me focus on one small aspect, a section that is unlikely to get much attention, except in local bar association meetings. And that section is the so-called reform of the medical malpractice system.

It is, frankly, anything but, reform. It is a giant step backward in the effort to get some control over the litigation explosion underway in our Nation.

Senator MITCHELL's bill, with its nonreforms, will wipe any State laws that exist in this area, of the books.

In other words, Mr. President, what the majority leader is doing in this bill is eliminating the ability of States to enact their own laws in the area of medical malpractice. The Federal Government will give a swift kick to innovation that is going on at the State level. And instead, Senator MITCHELL's bill provides nothing in the way of real reform.

The work of the legislatures and Governors of a number of States will be gone, if Senator MITCHELL's bill becomes law. It is interesting to note that 21 States have some limits on damages for pain and suffering. Twenty-eight States have enacted some reform to the collateral source rule—prohibiting double payment for injuries. But Senator MITCHELL's bill would, in one outrageous Federal power grab, repeal these laws.

In last Thursday's Roll Call, Mort Kondrake wrote about this issue, citing the raw political power exerted by the trial lawyers. They contribute millions of dollars to Democrat political campaigns, and the trial lawyers asked our colleagues to take such actions, as the majority leader has suggested.

Mr. President, I ask unanimous consent that the Kondrake article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LATEST WINNERS OF HEALTH FIGHT: TRIAL LAWYERS

Super-lobbyist Tommy Boggs scored a stunning victory for his client, the Association of Trial Lawyers of America, on Tuesday, but in moving to gut medical malpractice reform nationwide, he may have overreached.

Two of ATLA's most consistent Congressional allies, Senate Majority Leader George Mitchell (D-Maine) and House Judiciary Committee Chairman Jack Brooks (D-Texas) on Tuesday produced nearly-identical health care bills potentially canceling out state efforts, many quite extensive, to bring malpractice claims under control.

Within the sweeping national conflict over health reform, malpractice reform is theater of combat where fighting is especially fierce and expensive, although it's more obscure than the contest over employer mandates and price controls.

It pits the trial lawyers, who litigate on behalf of victims of medical mistakes and collect huge contingency fees when they win, against hospitals, doctors, and malpractice insurance companies, which often pay huge sums when they lose and also pay a lot to insure themselves against loss.

Boggs, partner in the lobby-law firm of Patton Boggs & Blow and son of former Reps. Hale and Lindy Boggs (D-LA), is the lead lobbyist for the trial lawyers.

A widely cited Harvard study found that the average US doctor spends $15,000 per year in malpractice insurance, and premiums for anesthesiology and obstetrics can go as high as $200,000 per year.

The rate at which doctors get sued has increased ten-fold in the past three decades, and the average award in winning lawsuits has increased from $40,000 to nearly $150,000 over the past 20 years, taking inflation into account. Lawyers customarily collect between 30 and 50 percent of a victim's award, plus expenses.

To avoid lawsuits, doctors often practice costly "defensive medicine," ordering tests and performing procedures that wouldn't ordinarily be necessary. A recent study by the consulting firm Lewin-VHI indicates that reforms to control defense medicine could save $4 billion per year.

Over the past several years, medical groups have won various limits on malpractice suits in most states, including specific dollar limits in 15 states on so-called "non-economic damages," such as "pain and suffering."

California, for instance, limits non-economic damages to $250,000; Massachusetts and Maryland, $500,000; and Michigan, $225,000.

The medical providers and business lobby, the Health Care Liability Alliance, has been urging that similar limits be passed as part of national health legislation while ATLA has been fighting against them.

Now, Mitchell and Brooks are backing a provision for federal law to preempt state limits, but Boggs claims the measure will not wipe out state award caps unless Congress passes its own cap. The HCLA counters that federal lawsuits are certain to be filed against state limits, claiming that Congress opposes caps.

If ATLA prevails in Congress, it will be Boggs' second major triumph this year.

On June 29, the Senate fell three votes short of the 60 votes necessary to break a filibuster led by another ATLA acolyte, Sen. Fritz Hollings (D-SC), against legislation limiting awards and legal fees in product liability cases.

In another demonstration of its power, ATLA intervened with then-House Ways and Means Committee Chairman Dan Rostenkowski to slice a $350,000 cap on non-economic damages out of the health care bill approved by the panel's health subcommittee, on the grounds that Brooks' committee had jurisdiction over the topic.

To gain influence, ATLA contributes lavishly to campaigns—$4.4 million during the 1992 election cycle and $235,000 so far in this cycle, according to Federal Election Commission filings. The health industry is spending just as lavishly, but it has numerous objectives in the health care reform fight, whereas ATLA's money is narrowly focused on product liability and medical malpractice.

Despite a close relationship between ATLA and President Clinton, the Administration's health care bill contained some measures sought by the health industry, including 33 percent limits on lawyer's fees and a mandate that parties try mediation before filing lawsuits.

The Clinton bill contained no limits on damage awards, but the Senate Finance Committee wrote in a $250,000 limit indexed to inflation. Mitchell's bill, naturally, contains no such limit and eliminates state caps. House Majority Leader Richard Gephardt (D-Mo) has yet to decide whether to incorporate Brooks' measure into his health care bill.

Boggs' success on Tuesday with Mitchell and Brooks stunned the health and business lobbies.

"This ought to be called the Mitchell-Brooks Trial Lawyers' Full Employment Act," said Wayne Sinclair, senior vice president of the MMI Companies, a malpractice insurance firm. "It amazes me that the trial lawyers are not only trying to block reform, but they've gotten greedy."

With any luck, overreaching will rebound against the lawyers. In the House, Rep. Vic Fazio (D-Calif) is working on Gephardt to keep Brooks' provisions out of the House leadership bill and safeguard his state's reforms. In the Senate, numerous amendments to Mitchell's bill will be proposed.

Mitchell's willingness to compromise on employer mandates improves the chances that some health care legislation will pass this year, but it would be a shame if it contained a windfall for lawyers.

Mr. McCONNELL. Mr. President, according the Rand Corp., only 43 cents of every dollar spent in the malpractice system goes to the injured patient. According to GAO, it takes an average of 25 months to resolve a malpractice claim, and it can take up to 11 years. Doctor's groups report that 1 of every 8 physicians licensed for obstetrics no longer practices obstetrics.

According to the Office of Technology Assessment, half a billion rural women have no obstetric services. These problems are directly related to the malpractice system. Senator MITCHELL's bill will not solve any of these problems and, in fact, will make the problem significantly worse. I will be here on the floor as we debate this bill, and I will be prepared with a number of amendments to make real reforms to the Federal liability system.

I yield the floor.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. SPECTER. Mr. President, I think it important to supplement briefly the arguments made by the chairman in opposition to the pending amendment by the Senator from Florida, Senator GRAHAM. He wishes to transfer some $100 million from salaries and expenses, from the Departments of Labor, Health, Human Services, and Education, to immigrant education.

I wish that we had sufficient money to expand immigrant education by $100 million, but the bill which the Senator from Iowa and I have structured, which has been approved by the full subcommittee and the full Appropriations Committee, already has taken into account very serious constraints on these three departments.

When it became evident that Senator GRAHAM might introduce this amendment, we had been provided with information from the three departments which, I think it is important to note, has the reasons for objecting to this transfer. I might say, preliminarily, that the overall budget of Labor, Health, Human Services, and Education is just slightly under $70 billion. But in allocating the resources, even $100 million is very, very difficult, and we have done it as best we can. It might seem easy to take $100 million for an allocation which is as attractive on the surface as immigrant education, and that is an attractive account. I wish we had more money for immigrant education. When you say take it from salaries and expenses, you might be thinking of some enormous administrative overhead which would not really impact too heavily on these three departments.

But this is what the Department of Labor has provided to us as to what the impact will be if you take $34 million from the Department of Labor's salary and expenses: It would impact severely on the Department's worker-safety enforcement initiative aimed at improving safety in the workplace. The Department of Labor enforcement activities have declined by 19 percent in the last 14 years. The amendment, by taking $34 million, would block OSHA's long overdue initiative to target inspections on the worst violators of the health and safety laws; it would render the Bureau of Labor Statistics unable to undertake the proposed revision of the consumer price index, which is very important for making a lot of Government calculations; it would reduce the number of mine inspections, which will put miners at greater risk, and will reduce the Department's ability to apprehend and prosecute those who embezzle or defraud pension plans and health benefit plans.

There is more, but suffice that for the moment.

The Department of Health and Human Services has given us a list of problems which would be impacted by taking $33 million from their salaries and expenses, such as impacting on the payment of Medicare claims through the Medicare contractors; the entire intermural research program and clinical center at NIH; epidemiological and disease surveillance staff capacity at the Centers for Disease Control; capacity to manage and implement the expansion of Head Start and reform of the welfare system; and the Social Security Administration's disability determinations operations.

If the funds were taken from salaried expenses of the Department of Education, the impact would eliminate the Student Aid Guide and Student Aid Information Center; would significantly delay the award of grants, loans, and work-study opportunities to the 7 million students targeted; it would eliminate management improvements on the subject of fraud and abuse; it would delay the award of Federal dollars to the States and would require about 30 furlough days for the Department's 5,000 employees.

Those are the representations made by these three departments. So that when you see what appears to be an important amendment offered with only salaries and expenses, something which has the appearance of being overhead, it might be easy to do. These are the reasons why it would have a significant impact and why I join Senator HARKIN in opposing this amendment.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. WELLSTONE] is recognized.

Mr. WELLSTONE. I believe that the Senator from Kansas has remarks she would like to make. I ask unanimous consent that following the Senator from Kansas, I might be able to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas is recognized.

JOB CORPS

Mrs. KASSEBAUM. I appreciate the Senator yielding for a few comments on the Labor-HHS appropriations.

Mr. President, on June 30, Senator KERREY and I sent a letter to the Appropriations Committee asking that no new funding be approved for Job Corps until the Senate could investigate reports by the Labor Department's inspector general that criticized the program. These reports identified serious shortcomings in Job Corps' management, its performance measurements approach, and the program's overall cost effectiveness.

I want to acknowledge the committee's restraint in voting to limit new funding of the program despite a vigorous administration request for moneys to substantially expand the program.

I want to especially thank Senator BYRD and Senator HARKIN for their leadership in limiting funding, particularly in regard to the construction of new centers. I am sure the Senators share my concern that we do not want to fund any new Job Corps until we can be assured the existing ones are being operated efficiently and cost effectively.

Mr. President, I had intended to offer an amendment today to freeze funding for Job Corps at the current budget level until the Senate could conduct a thorough oversight of the program. I will forgo that amendment at this time in response to an offer by Senator KENNEDY to hold two hearings in the Labor and Human Resources Committee on Job Corps. Senator KENNEDY has promised to hold one hearing on the program before the Senate adjourns and a followup hearing in the new Congress.

I want to acknowledge Senator KENNEDY for responding to the concerns voiced by Senator KERREY and me regarding Job Corps and agreeing to hold these hearings. I know the Senator from Massachusetts shares our concerns that all job training programs must be held to higher standards of accountability and cost effectiveness in the current deficit environment.

Mr. President, Job Corps holds a unique position within the Federal job training universe. It is the oldest, the most highly regarded, and the single, most expensive program. Its budget for the current fiscal year is $1.04 billion, which translates to more than $23,000 per annual placement slot. That is the equivalent of 4 years tuition at the University of Kansas.

When you combine the program's cost with its regulation and the criticisms of the Labor Department's own IG, I believe the Senate is obligated to take a closer look at its outcomes.

To my surprise, the Secretary of Labor has dismissed most of the issues Senator KERREY and I raised in our letter to the Appropriations Committee. He referred to them as "erroneous * * * or misinterpretations of isolated facts" taken from IG reports. With all due respect to Secretary Reich, I stand by the findings in our letter.

To those who dismiss these reports as old news, I would suggest that their age does not invalidate their accuracy. If that is the case, then I think it is fair to question the effectiveness of a program such as Job Corps, whose reputation is essentially based on research more than 12 years old.

Mr. President, here are some of the IG's findings about Job Corps that I find particularly disturbing.

Low job-trade match: Out of 60,000 new Job Corps enrollees each year, only 12 percent find jobs that match the vocational skills they gain in the program. Providing students with marketable job skills and matching employment is one of the program's major goals. I believe such low placements challenge the program's cost-effectiveness.

High dropout rates: One third of new trainees drop out within the first 90 days, and 50 percent leave by the 6-month mark. Job Corps says the dropout rate results from its strict discipline, which is a sign of the program's success. I believe it means, in some cases, wasted resources and mediocre management.

One hundred million dollars spent with "no measurable benefits": This is the cost for those who started the program but dropped out, found no job, and received no educational or job skills from the program. Job Corps calls this cost insignificant. I call it unacceptable.

Questionable placement numbers: Job Corps claims a 70-percent placement rate, including those who leave and find jobs on their own. The IG reported it was 57 percent for program year 1992. The main reason for the discrepancy is that the program has routinely excluded first quarter dropouts from its evaluation base. The IG also questioned Job Corps' accounting practice of crediting 37 percent of the trainees it cannot locate after leaving the program, with finding a job. The number of students who cannot be located after they leave has risen to 22 percent, a figure that is far too high.

Little performance change in low-rated Job Corps centers: All centers were rated annually from 1988 thru 1992. The low performers showed little or no improvement during that period. Why add more centers when many existing ones annually fail to meet minimum standards?

Insufficient job placement measurement: The required standard for job placement is 20 hours during the first week at a job. Temporary, parttime, or seasonal jobs qualify. This means that a person could work 3 days on a job, then leave and still be considered a successful job placement. Job Corps indicates it is reviewing the policy. I think the standard should be raised to a 6-month employability check.

Value of advanced training programs: The IG recently audited a union contract for an advanced program in data processing skills. These programs are for Job Corps trainees who have graduated from the first-year program and are allowed to stay for a second year. The average cost per trainee for this program was estimated to be $37,000. The contract was $16.6 million for a total of 1,347 enrollees from July 1991 to August 1993.

The placement results of this program were: a 9-percent job-trade match, with 22 percent of the students placed in other training-related jobs. These training-related jobs included an Amtrak train attendent, station cleaner, and coach cleaner. These jobs obviously did not require costly computer skills. Forty eight percent of the entering class dropped out and were not placed. Nearly one-fourth of the graduates lasted less than a year in a job. This statistic appears to refute this program's goal of permanent, long-term employment. Yet, this union was given a new, sole-source contract for $22 million to continue this training.

I also have concerns about the absence of caps on administrative costs for these union instruction contracts, as most other JTPA programs require. The total cost of union contracts for this year was $42 million. Three of these unions had administrative costs ranging from 33 percent to 37 percent.

According to the IG, the average starting hourly wage for graduates of Job Corps' vocational skills programs was $5.92, as of June 30 last year. This is an entry-level wage in many regions of this country. And these were jobs for the program's top graduates.

Those who left the program after 4 to 6 months found jobs starting at $4.80 per hour. That represented an increase of only $.31 per hour over what they earned when they entered the program.

On the one hand, Secretary Reich has called Job Corps, "an example of building on what we know works best." On the other hand, we have reports from the Labor Department's own inspector general which tell a very different story.

That is why I believe we need these oversight hearings: to permit the Senate to explore these conflicting views and gain objective evaluation of the program's real value.

The last Senate oversight hearing on Job Corps took place in February 1984, more than 10 years ago. For a program costing more than 1 billion a year, we should and can do better than that.

I intend to continue my efforts to encourage better accountability and greater cost-effectiveness not only of Job Corps, but of all Federal job training programs. I hope my colleagues will join me in that formidable and important task.

I yield the floor.

Mr. KERREY. Mr. President, I would like to add my comments to those of my good friend from Kansas, Senator KASSEBAUM, regarding Job Corps. We recently received disturbing statistics from the Department of Labor's Inspector General regarding the performance of the Job Corps Program. Because I firmly believe that all federally funded programs must be accountable to Congress for their overall cost-effectiveness, I felt that the inspector general's findings should be brought to the attention of the Senate. Thus, I was pleased when Senator KENNEDY, the distinguished chairman of the Senate Labor Committee, notified me that he would hold hearings before Congress adjourns to examine the inspector general's report.

Job Corps plays an important role in training disadvantaged young people for constructive and meaningful employment. It is clear that this is a difficult job; many Job Corps participants arrive at the training centers without adequate education to pursue a good job. Thus, Job Corps centers offer not only vocational training, but basic education and social instruction as well.

I have been a strong supporter of the Job Corps Program in the past. But this report disturbed me, as I am sure it has everyone who recognizes that now possibly more than ever before, we must insist upon financial accountability and thorough cost analysis of every federal program.

Mr. President, I have no intention of throwing the baby out with the bath water, so to speak. I am not advocating that we dismantle or even cripple the Job Corps Program in terms of funding. This program has been and continues to be an integral part of our Nation's job training system. I am, however, adamant about insisting that all programs are managed with demonstrated financial credibility and program effectiveness.

Again, I would like to commend Senator KENNEDY for his proposal that we hold hearings on this subject, and I want to thank again my distinguished colleague from Kansas for her dedication to ensuring accountability in these programs. In so doing, we will continue to ensure an effective and resourceful Job Corps Program and job training system that meets the needs of our citizens.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized for 15 minutes.

Mr. WELLSTONE. I thank the Chair.

Mr. HARKIN. Mr. President, I wonder if the Senator from Minnesota would just yield for a second. I know he has unanimous consent that he has time.

Will the Senator from Minnesota yield?

Mr. WELLSTONE. I yield.

Mr. HARKIN. I have just about four excepted committee amendments that we would like to adopt. It should not take us more than 60 seconds.

I ask unanimous consent that the full amount of time that the Senator requested be allotted to him upon the disposition of our excepted committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCEPTED COMMITTEE AMENDMENTS ON PAGE 78, LINE 16 THROUGH LINE 23; PAGE 78, LINE 24 THROUGH PAGE 79, LINE 15; PAGE 80, LINE 1 THROUGH LINE 5; PAGE 80, LINE 6 THROUGH PAGE 81, LINE 8

Mr. HARKIN. Mr. President, I urge adoption of the excepted committee amendments on page 78, line 16 through line 23; page 78, line 24 through page 79, line 15; page 80, line 1 through line 5; page 80, line 6 through page 81, line 8. I ask unanimous consent that those excepted committee amendments be adopted.

The PRESIDING OFFICER. Is there objection to the adoption of the committee amendments en bloc?

Without objection, it is so ordered.

So the excepted committee amendments on page 78, line 16 through line 23; page 78, line 24 through page 79, line 15; page 80, line 1 through line 5; page 80, line 6 through page 81, line 8 were agreed to.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 63, LINE 5 THROUGH PAGE 64, LINE 4

Mr. HARKIN. Mr. President, that leaves one excepted committee amendment on page 63, line 5 through page 64, line 4, on which the Helms amendment is now pending.

Mr. President, that really concludes all of the business on H.R. 4606 but for the two amendments, the Gramm amendment and the Helms amendment. They are seeking now unanimous consent on some time limits on debate on those amendments.

FUNDING FOR PARTNERSHIPS IN CHARACTER EDUCATION

Mr. DOMENICI. Mr. President, on behalf of myself and Senators DODD, MIKULSKI, PELL, and DORGAN, I want to take just a moment to thank the chairman and ranking member of the subcommittee, Senators HARKIN and SPECTER, for accepting our amendment to provide funding for a program that the Senate recently authorized in the Elementary and Secondary Education Act.

In the past few months, a number of us have worked very hard to help schools and local communities develop character education programs. I am very pleased that the Senate adopted an amendment I offered to the ESEA bill, cosponsored by Senators DODD, MIKULSKI, PELL, and DORGAN, to create a pilot program to award grants to partnerships of State and local educational agencies for the development and implementation of character education programs.

This program is very modest in scope and in cost. Up to 10 partnerships can be developed, not to exceed $1 million for any one partnership. The startup cost of this program is authorized at $6 million, then such sums as necessary in subsequent years. However modest this program might be, due to the timing of the passage of the ESEA and the Labor-HHS-Education appropriations bill, I was concerned that this program would not be implemented in fiscal year 1995.

Working with the subcommittee chairman and ranking member, I have been assured that there is funding available for $1 million for fiscal year 1995. While my amendment caps the amount any partnership may receive at $1 million, it is my hope that this money can be used to fund more than one state and local partnership.

I very much appreciate the willingness of the committee to accommodate us on this amendment. I believe this is a critical issue, and this appropriation is a good indicator that the Congress takes this matter seriously./

A 1-YEAR WAIVER FROM THE 85/15 RULE

Mr. PELL. Mr. President, our colleagues in the House recently voted to delay for 1 year implementation of the 85/15 rule. I strongly oppose any such delay, and I was pleased to join with Senators NUNN, KASSEBAUM, and ROTH in a letter to the managers of this bill urging that they not include in the Senate bill language to delay implementation of this rule. I want to take this opportunity to thank them both for bringing to the Senate floor a bill that is free of any restriction on the Department of Education's ability to enforce this critical program integrity provision.

Mr. President, many of my colleagues may have heard only recently of the 85/15 rule, which was enacted as part of the Higher Education Amendments of 1992. This rule stipulates that no proprietary school may receive more than 85 percent of its funds from Federal student aid. I supported, and the Senate agreed in conference, to accept this amendment to the Higher Education Act, which was included in the House bill by a floor amendment. This provision of law took effect upon enactment—July 23, 1992—more than 2 years ago. Contrary to other assertions, the effective date of the regulation is July 1, 1994. No institution will have to pay back any Federal student aid funds it received prior to that date.

Put simply, a school must receive at least 15 percent of its revenues from a source other than our title IV student aid programs to remain eligible to participate in such programs. Those nontitle IV revenues may include State funds, corporate and other private funds, and a number of other Federal program funds. Many proprietary institutions derive nontitle IV Federal revenues through the Job Training Partnership Act [JTPA], Vocational Rehabilitation, Veterans' Educational Benefits, and Bureau of Indian Affairs [BIA] program funds. In other words, a for-profit school may receive more than 85 percent of its revenues from a combination of Federal programs and still be in compliance with the 85/15 rule.

It is important to know that three separate court challenges have been made against the Department of Education's final regulation implementing the 85/15 rule. In recent weeks, two of those courts, including the U.S. District Court for the District of Columbia, ruled in favor of the Department. In his decision, Judge Thomas F. Hogan, of the District of Columbia, concluded "This Court and the United States District Court for the District Court of Puerto Rico have found the Secretary's actions rationally related to Congress' intent in passing the 1992 HEA amendments.

I have long been a staunch advocate of proprietary education. These schools often offer education and training not available at more traditional institutions of higher education. I firmly believe that many proprietary schools make extremely important contributions to our economy and to our work force. I am afraid, however, that I do not believe that it is sound business practice to rely so heavily upon one source of Federal funds. Many of the best proprietary schools—those that do a good job of preparing students to take their place in the work force—attract revenues from a number of other public and private sources. Those schools that cannot attract at least minimal financial support from sources other than Federal student aid programs should be of concern to us all, especially if they have high default rates and low rates of completion and job placement.

Mr. President, our student aid programs are intended to provide access to quality educational opportunities for deserving students. As the chairman of the Subcommittee on Education, Arts, and Humanities, I believe our student aid policy should be guided by our concern for quality in higher education and for the students who must borrow in order to finance the education and training they need to become gainfully employed. Those who fail to secure gainful employment and default on their student loans are left in debt, their credit ratings ruined, and no longer eligible for Federal student aid. This, Mr. President, is a tragedy not only for those students, but for us all. It is particularly troublesome if their situation is the result of an experience with a less than solid institution of higher education.

Proponents of a 1-year delay in the 85/15 rule have suggested that a delay is necessary to protect good schools from losing Federal student aid funds which, in turn, may force them to close their doors. I would suggest, therefore, that we consider an alternative course of action, one that would ensure that good schools do not lose title IV funds due to the 85/15 rule. This alternative would permit the Secretary of Education to waive the rule for schools that can meet several key criteria. To be eligible for a waiver, a school would have to meet several conditions: program completion and placement rates of 70 percent, a cohort default rate of less than 25 percent in each of fiscal years 1991 and 1992, and the school could not have lost eligibility under the Supplemental Loans for Students Program or have had its eligibility to participate in title IV programs limited, suspended, or terminated. Mr. President, this is an eminently reasonable compromise and I am pleased to note that the Secretary of Education, Secretary Richard Riley, agrees.

I would like my colleagues to know that the 85/15 rule was the subject of considerable debate during the reauthorization of the Higher Education Act. I continue to believe, as I did 2 years ago, that it is reasonable to expect institutions with quality programs to generate at least 15 percent of their revenues from private, State, or Federal program sources other than the title IV student aid programs. As the Department of Education's inspector general, James B. Thomas, Jr., states in his letter of June 24, the 85/15 rule "* * * is an important anti-fraud, waste and abuse provision that should not be delayed."

In its editorial of June 21, the New York Times aptly characterized a 1-year delay of the 85/15 rules as "* * * worse than a step backward. It would undermine Congress's own efforts to protect its student aid investment. Trade schools with quality programs have nothing to fear from the new rule."

Mr. President, we must make certain that the schools who participate in Federal aid are on the up-and-up and provide a quality education. I would urge my colleagues who serve on the conference committee to give serious consideration to the approach that Senators NUNN, KASSEBAUM, and I have developed as an alternative to a 1-year delay in the implementation of the 85/15 rule.

Mr. President, I ask unanimous consent that the Secretary of Education's letter of August 4, in support of the alternative proposal developed by Senators NUNN, KASSEBAUM, and myself, be included in the RECORD at this point. I also ask unanimous consent that the following additional documents be printed in the RECORD: a June 24 letter I received from the Department of Education's inspector general; Secretary Riley's letter of July 28 to Representative WASHINGTON; a July 27 letter I received from the American Association of State Colleges and Universities [AASCU]; letters to Representative OBEY from the Consumer's Union and the National Association of Consumer Agency Administrators [NACCA] dated June 20 and June 16, respectively; a letter to Representative FAZIO from Kenneth W. Babcock with the Volunteer Legal Services Project in Los Angeles, CA; and a June 19 article and a June 21 editorial from the New York Times.

There being no objection, the materials was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF EDUCATION,
Washington, DC, August 4, 1994.
Hon. CLAIBORNE PELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR PELL: Thank you for providing me with a copy of the amendment you and Senator Nunn intend to offer to the Senate version of H.R. 4606, the Labor-HHS-Education appropriations bill, that would authorize the Secretary of Education to waive the so-called "85-15 rule" for proprietary institutions that meet certain conditions.

As you know, the Higher Education Amendments of 1992 (P.L. 102-325) added a sixth eligibility criterion to the definition of the term "proprietary institution of higher education" in section 481(b) of the Higher Education of 1965 (HEA). The 85-15 rule requires that a proprietary institution must derive at least 15 percent of its revenues from sources other than Title IV, HEA funds.

While I firmly believe that our regulations implementing the 85-15 rule are fully consistent with the statutory requirements, I recognize that the 85-15 rule may adversely affect some worthwhile institutions.

The amendment that you and Senator Nunn intend to offer would allow the Secretary to waive the 85-15 rule if an institution is otherwise in full compliance with all Title IV, HEA requirements, has verified completion and placement rates of 70 percent each, has a cohort default rate less than 25 percent for each of the two preceding fiscal years for which the rates are available, has not been disqualified from participating in the Supplemental Loans for Students program because of its cohort default rate, and has not had its participation in the Federal Family Education Loan program limited, suspended, or terminated.

Your amendment takes a reasonable and balanced approach that should allow proprietary institutions that do serve their students well to continue to be eligible for the Title IV, HEA programs, and, at the same time, preserves the fiscal integrity of these programs by not allowing Federal funds to flow to institutions with high default rates and low placement and completion rates. My staff has provided technical drafting assistance on this issue, and will be happy to assist you further if you require additional assistance.

The Omnibus Budget Reconciliation Act requires that all revenue and direct spending legislation meet a pay-as-you-go (PAYGO) requirement. That is, no such legislation should result in an increase in the deficit, and if it does, it will trigger a sequester if not fully offset. Implementation of this amendment may increase mandatory spending by virtue of continuing eligibility for some number of institutions that otherwise would have lost eligibility due to the application of the current 85-15 rule. However, the Department does not have sufficient data at this time to determine what this effect would be and therefore cannot estimate the costs for this amendment. Since the change would be contained in an appropriations Act, the costs would be scored as discretionary.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Yours sincerely,
RICHARD W. RILEY,
Secretary.

DEPARTMENT OF EDUCATION,
OFFICE OF INSPECTOR GENERAL,
Washington, DC, June 24, 1994.
Hon. CLAIBORNE PELL,
Chairman, Subcommittee on Education and Humanities, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR PELL: I am writing to express my concern about H.R. 4606, a bill approved this week by the House Appropriations Committee, which would delay the effective date of the "85/15" rule. That rule was enacted as part of the Higher Education Amendments of 1992, 20 U.S.C. §1088, and became law on July 23, 1992. It requires that proprietary trade schools derive at least 15 percent of their revenues from non-Title IV sources. In my view, this is an important anti-fraud, waste and abuse provision that should not be delayed.

The Office of Inspector General has done extensive work on the student financial assistance programs under Title IV of the Higher Education Act for many years, and we have identified the proprietary trade school sector as a major contributor to the fraud, waste and abuse in the programs. One such abuse is that such schools set tuition prices that bear little or no relation to the quality of the training, the prospect for employment in the field of the training and the prospect for a salary that will allow students to pay their federally insured loans and support themselves. Instead, our observations reflect that the tuition price is often set based upon the maximum federal student financial assistance that is available, leading in many cases to inflated prices that the federal taxpayer and student are being asked to bear. Our studies have documented instances where community colleges and other public institutions offer training in the same field sufficient to allow students to gain entry-level jobs for a fraction of the price charged by proprietary trade schools.

Before the 85/15 rule there was no provision of law to ensure that tuition prices were reasonable. On the contrary, the availability of Title IV money actually interfered with free market forces that would otherwise control prices, because no one was required to pay his own money for the training or find non-Title IV sources (i.e., private, state or other federal program sources). By ensuring that a modest amount of such schools' revenue come from non-Title IV sources, the 85/15 rule will re-introduce a measure of free market control and force prices to reasonable levels relative to the value of the training offered, without direct federal price controls.

Because I believe this very valuable purpose is served by the 85/15 rule, I am not convinced that it should be delayed based on arguments by the proprietary trade schools that some percentage of such schools will close if the rule takes effect on schedule. First, as I have previously testified before the Senate Appropriations Committee, the acronym "SFA Programs" stands for "Student" Financial Assistance Programs and not "School" Financial Assistance Programs. We must be concerned first and foremost about the students who are victimized by inflated tuition prices for training for generally low-wage jobs, and end up defaulting on their student loans. Second, we have not seen data supporting the statistics for potential school closures cited by the proprietary trade schools. Third, we do not know whether schools that maintain they cannot comply with the 85/15 rule have made any serious efforts to do so in the two years since the law became effective. Finally, based upon this office's extensive experience auditing and investigating proprietary trade schools in the Title IV programs, we believe it is likely that most schools that cannot meet the 15-percent rule have other serious programmatic problems such as high default rates, late refunds and administrative capability problems. I do not believe that "good" schools—those providing valuable training for reasonable prices—will fall victim to the 85/15 rule.

I urge you to reject any attempt to delay or otherwise weaken the 85/15 rule.

Sincerely,

JAMES B. THOMAS, Jr.

DEPARTMENT OF EDUCATION,
Washington, DC, July 28, 1994.

Hon. CRAIG A. WASHINGTON,
House of Representatives,
Washington, DC.

DEAR MR. WASHINGTON: Thank you for your letter requesting that the Department of Education consider delaying implementation of the 85 percent rule until July 1, 1995.

The Higher Education Amendments of 1992, (P.L. 102–325) was enacted on July 23, 1992, and amended section 481(b)(6) of the Higher Education Act of 1965 (HEA) by adding a new sixth eligibility criterion to the definition to the term "proprietary institution of higher education. As you know, a for-profit institution must qualify as an eligible proprietary institution of higher education in order for its students to receive assistance under the student financial assistance programs authorized by Title IV of the HEA (Title IV, HEA programs).

The new sixth criterion requires that an institution that satisfies the first five conditions must also derive at least 15 percent of its revenues from non-Title IV. HEA program funds. Put another way, the section prohibits a proprietary institution of higher education from deriving more than 85 percent of its revenues from Title IV, HEA program funds (the 85 percent rule). Furthermore, by statute, the Secretary was required to issue regulations interpreting the term "revenue" for purposes of implementing the rule. On April 29, 1994, the Department published final regulations in the Federal Register implementing this provision. These regulations took effect on July 1, 1994.

As you know, an issue raised by proprietary schools is that basing an initial determination of an institution's compliance under the new regulations on its past fiscal-year revenue is unfair because it makes the rule retroactive. As a result, they want the effective date delayed for a year to allow them time to comply. However, the statutory provision upon which the regulations are based has been in effect since July 23, 1992, the date of enactment of the Higher Education Amendments of 1992. Thus, these institutions have been aware for almost two years that they would need to take appropriate steps to comply with the 85 percent rule.

Furthermore, these institutions and their representatives have been intimately involved in the development of these regulations since enactment of the law. They participated in the regional meetings and negotiation sessions that were held under the requirement for negotiated rulemaking. They have had access to drafts of proposed regulations, have had the benefit of discussions with Department staff, and have had the opportunity to comment on the proposed regulations. The final regulations do not significantly depart from the position adopted as a result of negotiations on the proposed regulations.

Therefore, these institutions have known for nearly two years the direction in which implementation of the 85 percent rule was moving. We regard that period as ample time for proprietary institutions to have made the appropriate adjustments to ensure that they derive a minimum of 15 percent of their revenues from sources other than Title IV, HEA program funds. In addition, as explained below, the regulations do not cover any period of time prior to the effective date of the 1992 Amendments.

This regulatory approach has recently been upheld as a reasonable and appropriate manner of implementing section 481(b)(6) of the HEA by the United States District Court for the District of Puerto Rico in the case of Ponce Paramedical College, Inc., et al. vs. the Department of Education, and by the United States District Court for the District of Columbia in the case of Career Colleges Association vs. Riley.

Effective on July 1, 1994, each proprietary institution must determine whether it qualifies as an eligible proprietary institution for the 1994–95 award year under the 85 percent rule. The following rules have been developed for this initial determination.

If an institution's latest complete fiscal year ended during the period of October 1, 1993 through June 30, 1994, the institution shall use information based on that fiscal year to determine whether the institution satisfies the 85 percent rule.

If an institution's latest complete fiscal year ended before October 1, 1993, the institution shall use the fiscal year that ends between July 1, 1994 and September 30, 1994 to determine whether the institution satisfies the 85 percent rule.

Therefore, the earliest possible fiscal year that would be used to determine whether the institution satisfies the 85 percent rule would be a fiscal year beginning October 2, 1992 and ending October 1, 1993.

Moreover, most institutions participating in the Title IV, HEA programs have fiscal years that coincide with the calendar year or the award year. Thus, for those institutions whose fiscal year parallels the calendar year, their latest complete fiscal year began January 1, 1993, more than five months after the enactment of section 481(b)(6) and ended December 31, 1993, more than 17 months after enactment. With regard to those institutions whose fiscal year parallels the award year, their latest complete fiscal year began July 1, 1993, more than 11 months after the enactment of section 481(b)(6) and ended June 30, 1994, more than 23 months after enactment.

We believe the regulations accurately reflect the intent of current law, and are aware of the recent House action to delay the effective date of the 85 percent rule for one year. The Department will, of course, take appropriate action to comply with any changes in the law.

I hope this information will be helpful in addressing your concerns. If I can be of further assistance, please let me know.

Yours sincerely,

RICHARD W. RILEY.

AMERICAN ASSOCIATION OF
STATE COLLEGES AND UNIVERSITIES,
Washington, DC, July 27, 1994.

Hon. CLAIBORNE PELL,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR PELL: On behalf of the 370 campus members and the 30 higher education system members of the American Association of State Colleges and Universities (AASCU) I urge you to vote against any provision to the Senate Labor, HHS and Education FY 1995 appropriations bill that would change or delay the implementation of the 85–15 rule. The 85–15 rule, a provision of the Higher Education Act, requires for-profit institutions participating in Title IV student loan programs to derive at least 15 percent of their revenues from non-title IV sources. This provision has been in effect since July 23, 1992, and was scheduled to be implemented on July 1, 1994. The House of Representatives passed an amendment to the Labor, HHS and Education FY 1995 appropriations bill that would delay implementation of the 85–15 rule until next year.

The 85–15 rule is a reasonable and much-needed provision that will help combat waste, fraud and abuse in the Title IV student financial aid programs. I understand that you are hearing from many institutions in the for-profit sector about this issue. Before you finalize your position, it may be prudent to ascertain the loan cohort default rate for the institution's cited by the 85–15 advocates. The U.S. Department of Education can provide you with this information. The enclosed packet will provide you additional background information on the 85–15 rule, included is: (a). a document that was prepared by the National Consumer Law Center that provides answers for the most common arguments against the 85/15 Rule (b). articles from the New York Times and Washington Post (c). Dear Colleague letter from Congresswoman Maxine Waters (d). Department of Education Inspector General letter and, (e). several letters from consumer advocacy groups.

Again, AASCU urges you to vote against any provision that would delay implementation of the 85–15 rule to the Higher Education Act.

Sincerely,

EDWARD M. ELMENDORF,
Vice President, Division of Governmental Relations and Policy Analysis.

CONSUMERS UNION,
Washington, DC, June 20, 1994.

Re prompt implementation of the 81–15 rule for proprietary trade schools.

Hon. DAVID OBEY,
Chairman, House Appropriations Committee,
Washington, DC.

DEAR CONGRESSMAN OBEY: I write on behalf of Consumers Union, the nonprofit publisher of Consumer Reports magazine, to urge you to oppose any amendment to delay implementation of the 85–15 Rule, a vital mechanism for reducing fraud and abuse in federal student aid programs. We understand such an amendment will be offered to the appropriations bill to be marked up by your committee on Tuesday, June 21.

The 85–15 Rule, also known as the Maxine Waters amendment to the Higher Education Act, makes ineligible for Title IV student aid funds any proprietary trade school that does not earn at least 15 percent of its revenue from sources other than Title IV funds. The Rule is intended to eliminate participation by for-profit schools that have been set up primarily to exploit these taxpayer-financed programs. As we reported in the May 1992 issue of Consumer Reports (copy attached), proprietary schools that depend almost exclusively on federal student aid dollars are the very schools engaged in most of the abuses that have plagued the student aid programs in recent years. These schools typically prey on disadvantaged, low-income, and minority populations, diverting them from legitimate public and private educational institutions.

The 85–15 Rule is based upon a rule enacted to protect the GI Bill from the same type of exploitation over 40 years ago. At that time, Congress determined to protect veterans' educational benefits by excluding schools that could not attract at lest 15% non-veteran students. Similarly, in 1992 Congress determined that schools that cannot attract at least 15 percent of their revenue from sources outside Title IV programs (e.g. cash from students or their families, other state, local or federal funds, or other private sources) were particularly vulnerable to fraud and were more likely to offer worthless training. Many schools that derive virtually all of their income from Title IV programs have left hundreds of thousands of young people saddled with huge student loan debts, damaged credit, and no prospect of obtaining skilled employment.

Other methods to halt fraud and abuse in federal financial aid programs have been severely hampered. Some are too costly to be meaningful or are inadequately funded; others have been stymied by legal challenges. Most attack the problem too late, weeding out fraud and corruption only after the school has reaped millions of dollars of student aid funds unlawfully, after a multitude of students have been harmed, and when the school is on the verge of closing with no assets to compensate defrauded victims or the federal government. Even if regulators learn of a school's problems at an early stage, removing the school's eligibility for participation in the aid programs is a lengthy process. The 85-15 Rule, on the other hand, is virtually self-enforcing.

Since the statute containing the 85-15 requirement became effective nearly two years ago, prudent schools have taken steps to insure that they meet the requirement. To delay the implementing regulation would penalize the responsible schools and favor the schools which have continued their business as usual—that is, the business of collecting as much student aid as possible and pegging their tuition to the maximum Title IV aid available.

Through the back door of the appropriations process, the for-profit trade school industry is seeking to accomplish by delay what it has been unable to achieve substantively over the past two years through the respective education committees in the House and Senate. We strongly urge you to oppose any effort to weaken or delay the 85-15 Rule, an important reform measure.

Sincerely,

MARK SILBERGELD,
Director.

NATIONAL ASSOCIATION OF
CONSUMER AGENCY ADMINISTRATORS,
Washington, DC, June 16, 1994.

Hon. DAVID OBEY,
Chair, House Appropriations Committee, Washington, DC.

DEAR CONGRESSMAN OBEY: We understand that an amendment to delay implementation of the 85-15 Rule, also known as the Waters amendment to the Higher Education Act (HEA), will be offered to the appropriations bill your committee is scheduled to mark up on Tuesday, June 21. I am writing on behalf of the National Association of Consumer Agency Administrators (NACAA) to urge you to oppose any effort to delay the effective date of the 85-15 Rule, a key program integrity measure enacted as one of the 1992 amendments to the HEA.

NACAA is a membership organization of over 150 consumer protection agencies at all levels of city, county, state and federal government. Our members operate "where the rubber meets the road," mediating individual consumer complaint, enforcing consumer laws, conducting consumer education programs, and advocating for strong consumer protections. Their agencies deal with consumer problems directly on a daily basis, including complaints regarding vocational or proprietary school abuses.

The proliferation of shoddy vocational programs set up solely to garner federal aid, which the 85-15 Rule is meant to address, is not new. Within five years after the enactment of the G.I. Bill to support training and education for veterans of World War II the number of proprietary trade schools in the United States has mushroomed from 1,878 to 5,635. A House Committee investigating the trade schools receiving GI funds found that, "[t]he vast majority of these schools has exclusive enrollments of veteran students, had no nonveterans at any time and no previous experience in training nonveterans." Report of the Select Committee to Investigate Educational Training and Loan Guaranty Programs under GI Bill, U.S. House of Representatives, 82nd Congress, 2nd Session, February 14, 1952, p. 12.

The House Committee also found that many of the schools offered training of dubious quality and determined that "hundreds of millions of dollars have been frittered away on worthless training" and that "a new group of veterans should not be exposed to the exploitation which has plagued the World War II program." Id. at 11. Among the reforms enacted to curb the abuses—and still in place—is the requirement that to be eligible for veterans' benefits a school must not have more than 15 percent of its students receiving GI Bill benefits.

Apparently concerned about the proprietary school problems that had plagued GI Bill recipients, Congress originally excluded proprietary schools when the Higher Education Act was enacted in 1965. Over time, however, the lessons of the past seem to have been forgotten, and for-profit trade schools made their way into wider and wider participation in HEA programs. Between 1980 and 1987 the number of Pell Grants for students at proprietary schools rose by 159 percent. while the number decreased by 13 percent for college students. "Proprietary Schools and Federal Student Aid, a Report of the American Federation of Teachers Advisory Commission on Higher Education," April 1990, p. 8.

For fiscal year 1989, proprietary schools accounted for 71 percent of the total federal dollars spent to pay off defaulted student loans. U.S. House of Representatives, Committee on Budget, "Management Reform: A Top Priority for the Federal Executive Branch," Nov. 1991, p. 55. The result has been similar to that in the veterans' program: numerous government studies and audits showing grievous abuses by proprietary schools that derive nearly all of their revenue from Title IV funds; tremendous costs to the federal government in loan defaults; and great human suffering by the predominantly low-income, minority student victims of unscrupulous schools. According to a recent Congressional report on proprietary schools and the student loan program, "Rather than allowing these young people to improve themselves, these schools actually leave [them] in a worse position than when they started." "Abuses in Federal Student Aid Programs," Report of the Committee on Governmental Affairs, Permanent Subcommittee on Investigations, U.S. Senate, Report 102-58, May 17, 1991, p. 10. These students have been left demoralized, without meaningful training, and with student loan debts that they may never be able to repay.

The 85-15 Rule requiring that proprietary schools that wish to participate in Title IV programs have a minimal 15 percent of their revenue from non-Title IV sources is a rational and cost-effective means of ensuring that trade schools do not simply prey on the poor and function as Title IV mills. The Rules serves a critical gatekeeping role, keeping questionable schools out of HEA funding rather than waiting several years for overburdened state and/or federal agencies to amass evidence on which to begin an investigation.

There has been opposition by the trade school industry over the past several months concerning the potential effect of implementation of the 85-15 Rule. Contrary to what the trade school industry is saying, the Department of Education's regulation does not apply retroactively. Instead, its initial application is for the award year beginning July 1, 1994, measuring school revenues from after the effective date of the 85-15 statute in 1992.

The Department of Education has written a timely regulation, the prompt implementation of which would, in our opinion, be in the best interests of low-income students and the student aid system. We strongly urge you to oppose any amendment that would delay or modify the Rule. If you have any questions in this regard, please call Susan Grant, Executive Director of NACAA, at 202-347-7395, fax 202-347-2563. Thank you for considering our views on this important consumer protection issue.

Sincerely,

LAWRENCE A. BREEDEN,
President.

VOLUNTEER LEGAL
SERVICES PROJECT,
Los Angeles, CA, June 20, 1994.

Hon. VIC FAZIO,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE FAZIO: I am writing to strongly urge you to oppose any efforts to delay implementation of the 85/15 Rule—one of the most important anti-fraud provisions of the Higher Education Amendments of 1992. Poor, mostly minority, urban young people have historically been subjected to outrageous abuses by for profit trade schools set up to operate as Title IV mills. As the enclosed article from yesterday's New York Times indicates, the 85/15 Rule, patterned after a similar rule concerning veterans programs designed to eliminate fraudulent practices, requires that an institution be of sufficient quality to attract a small percentage of outside, non-Title IV funding to survive. Without this rule, for profit trade schools will be allowed to continue victimizing low income students seeking short term job training by inducing such students to enroll in overpriced, under-quality training programs.

The Department has developed a rule which is fair to legitimate schools, yet at the same time provides the protection Congress sought to establish when it enacted the 85/15 Rule. Contrary to the false claims of the trade school industry, the Department's rule does not operate retroactively. Instead, it only applies to revenues from well after the July 23, 1992 enactment of the 85/15 statute. To delay the rule now would send a message to the Department and to institutions that Congress is not concerned about stopping fraud and abuse in Title IV programs. Given the enormity of losses suffered by the Federal Government due to Title IV abuses by for profit trade schools, this would be exactly the wrong message to send. No doubt it would lead the trade school industry to lead Congress down a slippery slope as the industry would attempt to unwind other protections built into the 1992 Amendments. The Department's 85/15 Rule should be given effect as planned on July 1 to put an end to the trade school fraud and abuse which has cost the taxpayers billions and shattered the hopes, dreams and aspirations of a generation of the poor.

We strongly urge the House Appropriations Committee not to delay implementation of the 85/15 Rule.

Very truly yours,
KENNETH W. BABCOCK,
Directing Attorney.

[From the New York Times, June 19, 1994]

HOUSE PANEL IS FACING VOTE ON SCHOOL AID

(By Michael Winerip)

In the last decade, several efforts to tighten fiscal control of Federal student aid programs, which lose $3 billion to $4 billion a year to defaults and fraud, have been delayed or defeated by higher education lobbyists and their Congressional allies. With a crucial July 1 deadline approaching, it may be happening again.

On Tuesday, the House Appropriations Committee is expected to vote on whether to postpose a new law intended to crack down on trade schools run for profit, which account for most student aid defaults and frauds.

The law, which was passed by Congress in 1992 and is scheduled to take effect on July 1, mandates that a school can receive no more than 85 percent of its revenue from these Federal student aid-programs. At least 13 percent must come from other sources, like paying students.

The intent was to put an end to the fly-by-night trade schools in poor urban areas that have high rates of default on student loans. Testimony at Congressional hearings has described schools that will sign up anyone for Federal loans, then provide courses of such poor quality that graduates cannot find jobs and cannot repay their Government loans.

76 PERCENT OF DEFAULTS

About 5 percent of the nation's 15 million students in higher education attend trade schools. These schools receive 25 percent of Federal student loan revenue, but account for 76 percent of the loan defaults.

The 85–15 provision was sponsored by Representative Maxine Waters, a Democrat whose district includes the poor, black core of Los Angeles. The provision has strong support from Senator Claiborne Pell, the Rhode Island Democrat who was the architect of student aid programs; Senator Sam Nunn, the Georgia Democrat who has held hearings on financial aid fraud, and major consumer groups, including the National Consumer Law Center and the National Association of Consumer Agency Administrators.

* * * * *

But for months, the Career College Association, which represents 1,300 trade schools, has lobbied to delay and ultimately defeat the provision. It supports an amendment before the House Appropriations Committee that would postpone the start of the requirement a year, until July 1, 1995. A bipartisan group of 82 House members has signed a letter in favor of the one-year delay.

300,000 REPORTED INVOLVED

If the current provision goes into effect, Tony Calandro, vice president of government affairs for the trade school group, said 30 percent of the for-profit trade schools could be forced to close, affecting 300,000 students.

Mr. Calandro said these institutions had such a high student loan default rate because they were willing to take a chance on high-risk inner-city students. The 85–15 provision, he said, is " a meat cleaver approach that does not distinguish between good and bad schools."

"All our people are up on the Hill right now, lobbying," Mr. Calandro said recently. The trade school association spent $1.9 million in a similar lobbying effort two years ago, according to its latest available tax return. It has had several successes modifying financial aid provisions in the 1992 Higher Education Act.

Among those in the House persuaded by the lobbyists in the last few weeks is the 18-member Hispanic Caucus. The caucus, in a letter on June 9, supported the delay, emphasizing the impact the law would have on poor Hispanic students and on 125 trade schools in Puerto Rico.

CITING "RIP-OFF SCHOOLS"

Representative Waters disagrees with advocates of a delay, saying that the meets students in housing projects in her district whose lives are at a dead end because they have defaulted on loans and will not get a second chance at education.

"These rip-off schools are preying on low-income and minority communities throughout America," she wrote in a letter to Representative Neal Smith, the Iowa Democrat who heads the Appropriations Committee. "The 85–15 rule is a modest way of checking the abuses of the worst schools."

After World War II, a series of trade school scandals prompted Congress to pass a provision similar to 85–15 to protect veterans using the G.I. education bill.

Usually the Career College Association's biggest ally in Congress is Representative William D. Ford, the Michigan Democrat who heads the House education committee and a graduate of a trade school. But on this issue, he has sent a mixed signal. Last winter he said he supported 85–15. Then last week, in a letter to Representative Smith, he wrote that delay "may be warranted."

An aide to Mr. Smith said the appropriations chairman had not yet taken a position.

[From the New York Times, June 19, 1994]

CRACK DOWN ON STUDENT AID ABUSE

The U.S. Government spends about $20 billion a year on student aid—and loses as much as 20 percent of it to fraud and abuse. In 1992 Congress got tougher on waste in student aid programs, but it could undermine its own actions in a House Appropriations Committee vote today.

An amendment of the Higher Education Act eliminates schools from participation in student aid programs if more than 85 percent of their revenues come from student aid. The amendment, sponsored by Representative Maxine Waters of California, is aimed at for-profit schools that account for many abuses in student loan and grant programs.

Many of these schools enroll marginal students who do not finish. The schools collect the aid, but students who drop out often have trouble finding jobs and they default on loans. The students and the Government are shortchanged.

Requiring schools to obtain at least 15 percent of their revenues from other sources, like cash payments from students or other government funds, aims to discourage schools that set up shop only to pull in Federal aid. A similar 85–15 rule was enacted in the 1950's to curb abuses of the G.I. bill.

The Department of Education, which administers the Higher Education Act, has written regulations to institute the 85–15 rule that take effect on July 1. But trade schools, which lost this battle two years ago, are still lobbying hard against it. They now seek relief from the House Appropriations Committee, in the form of an amendment that would delay application of the rule for a year.

That would be worse that a step backward. It would undermine Congress's own efforts to protect its student aid investment. Trade schools with quality programs have nothing to fear from the new rule.

THE 85/15 RULE

Mrs. KASSEBAUM. Mr. President, I rise today to express my appreciation and support for the members of the appropriations committee for leaving intact the original provisions of the 1992 Higher Education Act Amendments concerning the 85/15 rule. While the House bill watered down the 85/15 rule, I am pleased that the Senate bill does not.

The 85/15 rule requires that for-profit trade schools must generate at least 15 percent of their revenues from non-Federal student aid sources. The 85/15 rule has been used for 40 years to stop abuse of veterans under the GI bill. It is intended to help ensure that proprietary schools are sound enough to attract students who are willing to spend their own funds to attend.

The purpose of the 85/15 rule is to put an end to low-quality programs at schools set up primarily to receive Federal title IV aid. The inspector general of the Department of Education has indicated that, as long as these schools rely on Federal funding, they will raise the tuition fees up to the maximum amount of Federal aid a student can receive and taxpayers will foot the bill for training that does not lead to a job. It will also shield students from the consequences of loan default, which generally follows inadequate education or training.

I have heard from many proprietary school owners who believe that the regulations implementing this provision are retroactive. I am familiar with the Department of Education's regulations on the 85/15 rule, and they are not retroactive. This provision was supposed to have taken effect immediately upon enactment of the Higher Education Act Amendments in July 1992. However, it took 2 years for the U.S. Department of Education to release the regulations. Since the regulations provide for the elimination of schools from title IV eligibility only in the future, they clearly are not retroactive. If the regulations were retroactive, the Department would be asking for reimbursement of all title IV aid received since July 1992 by the schools not meeting the 85/15 requirement.

It is perfectly permissible and consistent with congressional intent that the Department use revenue data from the last full fiscal year that ended after October 1993 to determine school eligibility for the title IV program under the 85/15 rule since the provision was meant to apply upon enactment in 1992. Actually, schools received 2 more years of participation in the student aid program than Congress intended.

As for the definition that is used in the regulations for "revenue," it was developed in a negotiated rulemaking procedure in which representatives from the higher education community participated, including representatives of proprietary schools.

I believe that the 85/15 provision, along with others in the Higher Education Act Amendments, is necessary to protect students and to maintain the fiscal integrity of the student aid programs. I hope that the Senate conferees are able to strike from the final bill the House amendment to delay implementation of this important provision. Its implementation is already 2 years overdue.

FOR-PROFIT TRADE SCHOOLS

Mr. NUNN. Mr. President, I rise to join in this discussion concerning the integrity of the Federal student aid programs—programs which have been wracked by blatant fraud and abuse. After working diligently to expose the fraud and abuse, and after working with the Labor and Human Resources Committee to get strong integrity provisions included in the 1992 reauthorization of the Higher Education Act, I am disappointed to have to appear here today to challenge efforts which would undermine a key provision contained in the 1992 reforms. At issue is a new requirement which for-profit trade schools must comply with: a requirement that at least 15 percent of a school's revenue come from somewhere other than the Federal Pell grant or guaranteed student loan programs. I am disappointed that the House, in its version of this legislation, voted to delay implementation of the so-called 85/15 rule, but I am pleased that the Senate Appropriations Committee struck that delay in this bill. I am hopeful that the Senate will send a clear message to the House and to our conferees: Do not delay 85/15. Clean up the abuses in Federal student aid programs.

I hope to bring to the Senate some facts and thoughts about this provision. Quite frankly, we have been besieged by the for-profit trade school lobby, and they have done an effective job in mustering their membership on this issue. But we have not heard from the students who have been harmed—used as fodder—by those school owners who abuse the Federal student aid programs. They line their pockets with student loan and Pell grant proceeds, leaving needy students without an education and in debt. These students would have been better off if they had stayed at home.

This provision is intended to strengthen and improve Federal student financial aid programs, as governed by title IV of the Higher Education Act. It addresses a provision of that act, enacted in 1992, which requires that for-profit schools certify that at least 15 percent of their revenues are derived from sources other than title IV Federal student aid programs, in order to participate in those programs. In short, to maintain eligibility, a school must now demonstrate that it is capable of attracting at least 15 percent of revenues, a fairly small amount, from other sources.

This new requirement was enacted in 1992 because investigators and regulators alike had found largescale abuse of Federal financial aid programs in some trade schools which, for all practical purposes, existed only because of Federal funding. A good portion of that investigative work was done by the Senate Permanent Subcommittee on Investigations which, under my chairmanship, conducted an indepth examination of waste, fraud, and abuse in title IV programs in 1990.

Every school which the subcommittee investigated for fraud and abuse had, it turned out, relied very heavily on Federal student aid programs as the main source of revenue. In fact, were it not for student aid programs, the schools we investigated would probably not have existed. Our investigation confirmed that some for-profit trade schools establish their tuition charges based not on what the cost of education is, but rather on the amount of student aid available to the students. When the Pell grant and loan limits were raised, we found that many of these schools raised their tuition.

The subcommittee, as well as the regulators, found that many students made no financial contribution to their own education and were drawn to these schools, not due to the quality of the promised education, but because of aggressive advertising campaigns by the schools and the offer of Federal funding. Investigators found that, with high enrollment nearly guaranteed by the draw of Federal dollars, there was little or no incentive to provide quality education to title IV students. When they discovered that many of these educational programs were nearly worthless, Pell grant recipients merely walked away from the school. An absolute waste of limited program funds. Students defaulted on the Federal loans, leaving themselves and the Federal Government with a huge financial burden. In the meantime, many school owners were reaping huge profits at the expense of Federal taxpayers as well as our neediest and most deserving students.

In effect, we found that what we have created is not a Federal subsidy for students, but a cash cow for many businesses that, because of the Federal programs, do not have to operate in the free market. We have created hundreds, if not thousands, of Government-sponsored enterprises which are operated for the benefit of private individuals and to the detriment of the students we aim to assist. We need to constantly remind ourselves that these are student aid programs, not school aid programs.

The statistics lend credibility to our findings. According to the Congressional Research Service, students attending proprietary trade schools account for $5 billion each year in guaranteed Federal student loans and Pell grants. As of the end of fiscal year 1992, for loans entering repayment in 1991, they accounted for 63 percent of the $1.9 billion in federally guaranteed Stafford loans that defaulted. Of those, 450,234—or 74.9 percent—were proprietary school students.

In response to the investigative findings, Congress enacted the 15-percent requirement in 1992. By requiring that at least 15 percent of revenues come from other sources, Congress hoped to ensure that the Federal taxpayer would pay only for an educational product that was good enough to attract buyers in a free market. The requirement was intended to give school owners some incentive to offer quality education, where no such incentive had existed before.

I might add that the law does not say that the 15 percent has to be in the form of cash paid by students. In fact, many schools can and do qualify because that 15 percent may include other Federal program funds, such as JTPA funds, as well as State student financial assistance. In reality, schools can and do continue to be eligible even if no student pays his or her way. In those cases, the quality of the education is at least also subject to the scrutiny of agencies beyond merely the Department of Education, which historically has provided little effective program oversight.

The 15-percent requirement has generated considerable controversy and opposition within the trade school industry. Although many of the trade schools say that they don't mind the requirement itself, they have complained loudly about the way that the Department of Education has implemented the law this year. Under the Department's current plans, the requirement, which was passed in 1992, is effective July 1, 1994. Many of the schools have argued that the Department should delay another year before implementing the law. Why? I suspect that they will continue to work against the law and, at the same time, get other sources of funding for their revenue mix. Given the extensive and blatant abuse that we found in these programs and the huge cost which we are paying for that abuse in terms of dollars and lost educational opportunities for young Americans, I am against this kind of delay.

I recognize that many proprietary trade schools do not abuse the Federal programs; there are many good schools in the industry that in fact play a significant role in educating many deserving young Americans. Some of those schools fear that the 15-percent requirement unfairly impacts their business, since they argue that they enroll mostly needy, poor students who necessarily depend on Federal student aid. The Career College Association, the trade association and lobbying arm for some 1,200 for-profit trade schools, has suggested that the Secretary of Education's implementing regulations will inadvertently cause good schools to close their doors to the detriment of the students and the school owners.

The House version of this bill contains language which, if enacted, will prohibit the Secretary of Education from expending funds to enforce the 15-percent requirement in any case and despite even a proven record of program abuse. I hope that the Senate conferees do not concur with the House, and once again, tie the hands of the administration in its efforts to rid the $20 billion student aid programs of the type of large-scale abuse that has historically plagued these programs.

The real, underlying questions in the debate are:

Should the Federal taxpayer be funding substandard educational programs that attract only because of the Federal subsidy?

If not, how do we provide incentives for quality education to schools who operate, and reap substantial profits, largely, if not exclusively, due to Federal funding?

The 15-percent requirement is the Government's best hope for injecting some concrete and workable incentives for quality in education into these programs.

Mr. President, a blanket delay on this provision makes a mockery of the law and of the very noble purpose which underlies these programs. The 15-percent requirement is there to address a very serious problem that has been proven time and again. Let us not ignore the facts and delay its implementation indiscriminately for 1 year. We need to do everything in our power to protect the programs' integrity, the taxpayers and the students.

REGARDING CHILDHOOD IMMUNIZATIONS

Mr. INOUYE. Mr. President, my Appropriations Committee colleague, Senator DALE BUMPERS, has long recognized the importance of immunizing our Nation's children and has been instrumental in ensuring that children receive the vaccines they need to combat crippling and life-threatening infectious diseases. Senator BUMPERS has continued his leadership by carefully scrutinizing the administration's plans for delivering free vaccines to needy children and has had the foresight to ask for a GAO examination of this vaccine delivery plan to ensure that vaccines are delivered in a safe, timely and cost-effective manner.

The GAO report found that a number of obstacles remain for the administration to overcome before the program can be fully operational. As a result of that GAO report, the Senate Appropriations Committee bill for the Department of Health and Human Services includes a provision authorized by Senator BUMPERS which would prohibit the Secretary from moving forward with the Vaccines for Children Program until she certifies, and the Appropriations Committees of both Houses concur, that the Government distribution of Government-purchased vaccine can be done safely and cheaper than by the private sector.

I agree with Senator BUMPERS that we should not move forward with any program that will endanger the vaccine supply of our country. I am also concerned, however, that we not unduly delay the start of a program that will begin to increase immediately the opportunities available to have children immunized. Our ultimate goal is to immunize our children with safe, reliable, and effective vaccines as soon as possible. We must examine closely whether it is not worth more to protect all of our children at the earliest possible opportunity even if there is an additional small marginal cost.

NATIVE HAWAIIAN LOAN FUND

Mr. President, I rise to commend the distinguished chairman of the Appropriations Subcommittee on the Departments of Labor, Health and Human Services, and Education, and Related Agencies for his leadership in framing budgets for fiscal year 1995 within difficult constraints and for ensuring, within those constraints, that needs of American Indians and other native Americans were not neglected.

I rise, too, to seek clarification related to one program that has been consistently supported by the chairman in the appropriation for the Administration for Native Americans.

Mr. HARKIN. I thank the chairman of the Indian Affairs Committee for his kind comments. What is the program?

Mr. INOUYE. The program is the Native Hawaiian Revolving Loan Fund. Since its inception, the loan fund has supported the creation or expansion of 160 native Hawaiian-owned businesses and created perhaps 450 jobs, virtually all of which are full time. The success stories that have characterized the new enterprises have produced a scrapbook of news clippings.

The loan fund is a standout among economic development programs fostered by the Administration for Native Americans, so much so that the administration has informed me that it would like to continue providing Federal dollars from its appropriation to sustain this important economic development effort.

Mr. President, although continued Federal support is needed, the loan fund is not simply a Federal undertaking. From the beginning, the Office of Hawaiian Affairs of the State of Hawaii has provided full costs of administering the fund. Furthermore, the State has provided appropriations for technical assistance to loan beneficiaries. These contributions have totaled over $500,000 annually.

In addition, for each of the past 3 years, the Office of Hawaiian Affairs has matched the Federal grant of $1 million with a like amount.

The problem that leads me to speak on this subject is that loan requests continue to far exceed the ability of the fund to make loans. Over $1 million in loan requests are received each month. More than $9 million in loans have been approved, representing the entire Federal and State contributions, and even with loan repayments, the ability of the loan fund to be responsive to requests for new loans is severely limited.

Mr. President, the condition of the economy in Hawaii remains sluggish, and native Hawaiians are among those most hurt by such conditions.

May I ask the chairman whether funds are available in the appropriation for the Administration for Native Americans for fiscal year 1995 for an additional grant to the native Hawaiian revolving loan fund? And, if the administration concludes that such a grant should be made, would the chairman object to such a grant?

Mr. HARKIN. The appropriation for fiscal year 1995 for the Administration for native Americans is essentially level with the appropriation for the current year, an appropriation that included funding for the loan fund. If, in the judgment of the administration for native Americans, continuation funding is warranted upon the basis of the fund's performance in advancing economic conditions among native Hawaiians, I would have no objection to such continuation funding.

Mr. INOUYE. I thank the Chairman.

PLANT RELOCATION DATA COLLECTION

Mr. LEVIN. Mr. President, I wish to engage in a colloquy with the manager of the Labor, Health and Human Service appropriations bill regarding the Department of Labor's data collection on plant relocation. It is my understanding that the Labor Department will reinstate its mass layoff statistics [MLS] program that was disbanded under the previous administration. It is good news that the Clinton administration will reinstate and revamp this program by adding additional and expanded information to the survey to make it a more useful survey. I understand the Labor Department expects this program to be up and running by January 1995, to be continued in program year 1995 using EDWAA title III funds contained in this fiscal year 1995 appropriations bill.

Mr. HARKIN. That is also my understanding.

Mr. LEVIN. Mr. President, with the passage of NAFTA and the upcoming congressional consideration of the Uruguay round of the General Agreement on Tariffs and Trade [GATT] it is increasingly important that we have the data necessary to track how various sectors of our economy are doing. This includes being able to track plant relocation, either to other locations around the country or overseas.

Many Members of Congress wanted this type of information in order to assess the possible impact of NAFTA and it was unavailable. For example, we did not know how many United States companies had relocated to Mexico. It's time this important information on plant relocation trends becomes available so that it can be used to make educated decisions. The reinstatement of the Labor Department's mass layoff statistics survey, if implemented properly, offers us the best potential tool to understanding these trends.

Mr. President, in order for this survey to be useful, however, the MLS should provide the following:

It should provide the domestic relocation site for establishments that have laid off workers because of a domestic relocation.

It should provide the overseas relocation site for establishments that have laid off workers because of an overseas relocation.

Finally, if information on specific plant closings is available from publicly available sources the Department of Labor should make this information available in its MLS reports.

Mr. HARKIN. I agree it would be useful to be able to track plant relocation, whether it be overseas or to other parts of the United States. This information will enable Members of Congress and other interested parties to assess the job movement and plant relocation trends by industry sector. I fully support the recommendations made by the Senator from Michigan, Senator LEVIN and believe they will make the MLS program a more useful program.

OLDER WORKERS RETIREMENT INCOME

Mr. METZENBAUM. There are only a few months left in my term in the Senate. Before I leave this body, I would like to know that we are doing more to assist older workers secure their retirement income and obtain the pension benefits promised to them by their employers. For the past year, the Administration on Aging has been funding pension rights information and counseling programs which provide valuable assistance to retirees in securing their rights and their pensions. The Administration on Aging has committed to continue supporting these programs. I ask unanimous consent to have this letter from Assistant Secretary Fernando Torres-Gil inserted in the RECORD at the conclusion of our remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. I also understand that the appropriation for the Pension and Welfare Benefits Administration in the Department of Labor will include an additional $3 million to improve enforcement. PWBA is the primary agency responsible for protecting the security of pensions for participants which it is supposed to do through its direct assistance efforts as well as by its enforcement efforts.

I want to express my appreciation to the Chairman for his efforts in including these amounts. I wonder if the chairman could provide me with assurances that a significant portion of the increase will be used directly to provide participant assistance and that he will do his best to protect these amounts in conference.

Mr. HARKIN. Yes, I can assure the Senator that preserving these amounts will be a high priority for the conference.

I understand that the Department is already making extra efforts in this area. We expect about $1 million of these funds to be used to assist the Department with further improvements in its participant assistance program, particularly providing participants with information on their benefits, assistance in obtaining plan information and assisting participants in protecting their legal rights to benefits.

Mr. METZENBAUM. I thank the Senator. I will do whatever I can to assist.

EXHIBIT 1

DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF THE SECRETARY, ADMINISTRATION ON AGING,
Washington, DC, August 4, 1994.

Hon. HOWARD M. METZENBAUM,
U.S. Senate, Washington, DC.

DEAR SENATOR METZENBAUM: I appreciated receiving your letter which emphasized the value of the six pension rights demonstration projects the Administration on Aging funded on September 30, 1994.

I also strongly agree with your estimation of the importance of these projects. The demonstrations not only provide a vital service to those who directly benefit from them, but also will generate information relevant to the development of a more effective pension policy in the future. Furthermore, public policy development in this crucial area is in keeping with the Administration on Aging's "Blueprint" for an effective response to issues facing retirees in the future. As a result, we will continue to use discretionary Title IV funds to improve our ability to better inform older Americans about their pension rights and benefits.

I assure you that I intend to include in a discretionary grant announcement this fall another call for grant applications from agencies who wish to implement pension information counseling and advocacy programs, and will dedicate Title IV resources for this purpose from the Administration on Aging's FY '95 appropriation.

Sincerely,

FERNANDO M. TORRES-GIL,
Assistant Secretary for Aging.

EXTRAMURAL CONSTRUCTION

Mr. MACK. Mr. President, let me first commend Senator HARKIN for his leadership on this important legislation. As a member of the Subcommittee on Labor, Health and Human Services, Education and Related Agencies, I have enjoyed working with the Senator and his staff and appreciate the courtesy he has shown to me and my staff.

I am pleased the legislation recognizes the need to respond to the growing unmet need for extramural biomedical research facilities and has provided a $20 million proposal to address some of the most pressing and promising needs which exist. I would like to bring to the attention of the Senate and the Department of Health and Human Services a project of great significance and success known as the Miami Project to Cure Paralysis. I have visited the project and have worked closely with Nick Buonoconti for several years. I believe this project is one of the most outstanding efforts in the nation dedicated to neuroscience research and rehabilitation research.

Mr. HARKIN. I am familiar with the Miami Project and share the Senator's admiration.

Mr. MACK. Accordingly, I would like to have this project considered by the Department as having been referenced in the committee report along with the other worthy programs cited and recommended. The Miami Project to Cure Paralysis is deeply involved in finding new approaches to improve recovery after spinal cord injury and seeks funds for essential laboratory facilities and equipment that will enhance their work in developing methods to utilize cellular implants and supporting devices to foster repair of injured nervous systems.

The facility would include equipment for large-scale growth of cells and tissue culture including human cells for the development of model systems for the study of spinal cord injury and regeneration, including analysis of motor and sensory function. The project would also enhance their work in progress on the development of computer-aided devices to facilitate movement in partially impaired patients with spinal cord injury. I hope to ensure that this Project is given every consideration and recognition, and hope you will join me in recommending that the Department give every consideration to this project.

Mr. HARKIN. I do find this project meritorious, and would assure the Senator that I do join him in recommending this project to the Department for their consideration. I agree that this project should be considered as if referenced in the language of the committee report.

Mr. MACK. I thank the Senator from Iowa. Again, I would like to thank the Senator's staff, and the committee for the outstanding work they have done on this legislation. They have gone out of their way to recognize and assist a number of important initiatives and critical needs in Florida in both the health and education areas. I appreciate the strong bipartisan approach the chairman has always taken on his subcommittee, and I look forward to serving with him in the years to come.

OLYMPIC STUDENT ATHLETES

Mr. RIEGLE. Mr. President, I wish to engage in a colloquy with my distinguished colleague from Iowa, the manager of the bill. I am offering my support for a scholarship program that has received $1 million in funding in the House bill. The 1992 Higher Education Reauthorization Act provides grants to Olympic student athletes training at a U.S. Olympic Training Center or Education Center and studying at an accredited college or university.

The $1 million included in the House appropriations bill would go directly to students for tuition, room, and board. Athletes from across the Nation go through rigorous training, often at great personal sacrifice, to represent our country at the Olympics. Many of them have great difficulty in obtaining financial assistance that will allow them to balance their athletic training and their academic careers. This program is not intended to take the place of other scholarships or grants but in some instances may be in addition to other programs that do not fully address the needs of these young men and women. One program I highlight is the resident boxing program in Michigan. Currently this program has 19 athletes and most have inner-city backgrounds. This scholarship, if funded, will allow more young athletes the opportunity to elude the inner-city poverty that can be so difficult to escape from. Over 100 boxers apply annually to the school for only 3 to 5 openings. This is just one example. Of all the U.S. athletes that participated in the 1992 Winter Olympics, 189 passed through the program at Northern Michigan University facility. All these athletes deserve Federal support to make sure that they have the opportunity to obtain an education, while dedicating themselves to representing this Nation in the Olympics.

Mr. HARKIN. Mr. President, I understand the concern the senior Senator from Michigan has for these young students and for the scholarship program. I want to assure him that I will review this program when it is brought up in the conference between the Senate and House.

DISLOCATED WORKERS ASSISTANCE

Mr. SIMON. I would like to engage the chairman in colloquy on a matter related to the dislocated workers assistance account. The Appropriations Committee report estimates that 750,000 participants are expected to be served with increased funding for this program. Displaced homemakers are defined as dislocated workers under the EDWAA Program. Yet most States do not provide any services to displaced homemakers with title III services. I have been deeply concerned about the lack of appropriate services for displaced homemakers and sponsored the Displaced Homemakers Self-Sufficiency Assistance Act so that displaced homemakers could receive the employment and training services needed to move into the paid work force. Is it correct that with the committee's recommended increase in appropriations for the dislocated worker program that the Department of Labor should allocate funding for displaced homemakers based on the services described in the Displaced Homemakers Self-Sufficiency Assistance Act?

Mr. HARKIN. Yes the committee intends that the Department provide services to displaced homemakers as part of the dislocated worker program. The committee appreciates the work you have done on behalf of displaced homemakers and bringing the importance of this issue to the attention of the Senate.

Mr. SPECTER. I also want to reiterate the committee's support for funding services to displaced homemakers. The New Choices programs in my State do an outstanding job in assisting homemakers prepare for the paid work force. But like displaced homemaker programs across the country, there are more women who need these services than the New Choices programs can serve. The committee expects the Department to allocate funding for displaced homemakers under the dislocated worker program.

TRANSFER OF PROGRAMS, U.S. DEPARTMENT OF EDUCATION

Mr. HARKIN. I would like to enter into a colloquy with my distinguished colleague, Senator SPECTER, ranking member of the Subcommittee on Labor, Health and Human Services, and Education to provide a clarification of our intent in developing the committee report language concerning the Office of Educational Research and Innovation [OERI].

Mr. SPECTER. It would be a pleasure to enter into a colloquy with the distinguished Senator from Iowa, chair of the Subcommittee on Labor, Health and Human Services, and Education.

Mr. HARKIN. As the Senator knows, I also serve as the chair of the Subcommittee on Disability Policy of the Committee on Labor and Human Resources and I was the chief sponsor of the bills reauthorizing the Individuals With Disabilities Education Act [IDEA] and the Rehabilitation Act of 1973. These two pieces of legislation include provisions for research, demonstration, and evaluation.

I understand questions have been raised regarding OERI and the program operating components within the Office of Special Education and Rehabilitative Services [OSERS] in administering research, demonstration, and evaluation authorities under IDEA and the Rehabilitation Act.

In accordance with Section 603 of IDEA, the Office of Special Education Programs [OSEP] within OSERS is authorized to administer all programs under IDEA, including research, evaluation, and demonstration programs. In accordance with section 3 of the Rehabilitation Act of 1973, the Rehabilitation Services Administration [RSA] is authorized as the administering agency for rehabilitation programs, including research and demonstration programs. In accordance with section 202 of the Rehabilitation Act of 1973, the National Institute of Disability Rehabilitation Research [NIDRR] is authorized to promote, coordinate and provide research, demonstration, and related activities with respect to individuals with disabilities.

I would like to direct the Senator's attention to the specific language contained in the committee report which accompanies the appropriations bill, H.R. 4606, for fiscal 1995 for the Departments of Labor, HHS, and Education which has been the subject of uncertainty. Permit me to quote the following from page 226 of the report: "Finally, the committee directs the Department to transfer the funding and management of research, evaluation, and demonstration activities throughout the Department to OERI in the fiscal year 1996 budget request."

I would like to make the following clarification of our intent regarding authorities under IDEA and the Rehabilitation Act. The language in the report quoted above is not intended to include the transfer of funding and management of those research, evaluation, and demonstration activities directed to be carried out by OSEP, RSA, and NIDRR under the IDEA and the Rehabilitation Act of 1973. And it is my expectation that all such activities continue to be funded and administered through the appropriate entity within OSERS within the Department of Education.

Mr. SPECTER. I agree with the Senator's understanding. The language included in the committee report does not authorize such a transfer. As stated in the committee report on p. 225, the committee simply requests that the Secretary submit no later than January 25, 1995, a comprehensive list of all education research, evaluation, or demonstration activities throughout the Department, with a justification for each activity's organizational location, if not within OERI.

The authorities under the IDEA should continue to be administered by OSERS, and more specifically, the Office of Special Education Programs (OSEP) within OSERS and activities authorized under the Rehabilitation Act be administered by RSA and

NIDRR as authorized by such legislation.

Mr. HARKIN. It was, and remains, the clear intent of Congress that the programs under IDEA and the Rehabilitation Act of 1973 be highly interactive in improving services for children and adults with disabilities, and that this interaction is greatly enhanced through the administration of all programs within OSERS. The intent of Congress in this regard is also reflected in the legislation which created the U.S. Department of Education.

Mr. SPECTER. I agree.

Mr. HARKIN. I want to thank the distinguished Senator from Pennsylvania for his assistance in providing these clarifications in the intent of our report language.

Mr. SPECTER. I thank the Senator for his clear statement and ongoing leadership in the development of policy and programs on behalf of individuals with disabilities.

CONSUMER PRICE INDEX REVISION

Mr. SPECTER. Mr. President, the committee has included the administration's request for $5.1 million for the Bureau of Labor Statistics to revise the Consumer Price Index [CPI]. Changes in the CPI have a major impact as the CPI is used to calculate COLA's, index Federal tax brackets and standard deductions and calculate increases in many private contracts. Studies have shown that older Americans face costs that are different than those faced by younger Americans. Most older Americans are required to spend a greater proportion of their income on health care, the cost of which has been rising much faster than other goods and services. The current CPI does not fully reflect these differences. Therefore, in constructing any changes to how the CPI is calculated, the BLS should consider this to the greatest extent possible. Would the Senator agree.

Mr. HARKIN. I thank the Senator for that observation. Certainly any recalculation of the CPI is much more than a technical exercise. It has significant consequences for millions of Americans. I would expect that the BLS would fully consider the fact that older Americans have to spend more of their incomes on health care and other essential items when considering any changes to the way the CPI is calculated.

CLINICAL LABORATORY COST CONTAINMENT

Mr. SPECTER. Mr. President, I rise to engage the distinguished committee chairman in a colloquy pertaining to cost containment in the clinical laboratory industry.

Mr. HARKIN. I would be pleased to engaged my good friend and colleague from Pennsylvania.

Mr. SPECTER. Mr. President, as the chairman knows, the committee has wisely included language in its report regarding clinical laboratory cost containment. It is my understanding that the Medicare Program is designed to reimburse providers for the cost of their services, and avoid being overcharged for services. In fact, several years ago this body passed the Medicare and Medicaid Patient and Program Protection Act of 1987 to ensure that providers were not overcharging the Medicare Program. That law gives the Secretary of the Department of Health and Human Services [HHS] the authority to exclude from Medicare participation any provider who charges Medicare in excess of their usual charges or costs.

It has come to the attention of the committee that some companies may still be contracting with commercial insurers at a rate far below the Medicare fee schedule, while collecting higher reimbursements from Medicare, in violation of the 1987 statute. These practices were discussed in a GAO report of June 1991, and it is a form of cost shifting. The cost shifting allows labs to gains market share at the expense of the Medicare Program—and ultimately increase costs for the elderly and other Medicare beneficiaries. If widespread, the practice could cost the Medicare Program and elderly beneficiaries billions of dollars by shifting the true costs of laboratory testing onto the Medicare Program. Is this the understanding of the distinguished chairman?

Mr. HARKIN. We have indications that the practice of providing discounts to commercial insurers while not providing the same discounts to Medicare may still exist. Furthermore, this body is currently working on an issue of great importance—health care reform. As we look for ways to contain costs and finance necessary reforms of the health system, it is extremely important and urgent that the Department of Health and Human Services do everything in its power to seek out and find situations where the Government is being overcharged. It is therefore very appropriate for the HHS inspector general to examine laboratories in order to determine the extent and nature of this practice, and to evaluate whether there are savings for the Medicare Program—and Medicare beneficiaries—in terminating this kind of practice.

FUNDING OF THE DEPARTMENT OF LABOR'S WOMEN'S BUREAU

Mrs. MURRAY. Mr. President, I would like to thank Chairman HARKIN and the rest of the Appropriations Committee on their hard work and diligence in fashioning this bill. In particular, I would like to point out my support for the funding of the Department of Labor's Women's Bureau at $8,592,000. I understand that included in this sum is an additional increase of $600,000 to fund the Family and Medical Leave Act Commission on Leave. I hope that the conferees to the bill will agree to the Senate's position on this issue.

Let me point out that 99 percent of all women will work for pay at some point in their lives, so the important work of the Women's Bureau really helps all women and most families. The Women's Bureau is currently conducting a national survey and project, which is called Working Women Count, to find out more about the treatment of women in the workplace. This October the Women's Bureau plans to present a "Report to the Nation" setting out the issues that women want addressed.

The Women's Bureau is also actively soliciting input for the September 1995, Fourth World Conference on Women. I was proud to have women in my State host Women's Bureau director Karen Nussbaum at the first of 10 U.S. regional preparatory meetings on April 22, 1994, in Tacoma, WA for the world conference. Hundreds of women from all walks of life from throughout the Pacific Northwest attended the event. The Women's Bureau is organizing these meetings on behalf of the U.S. Department of Labor and the State Department to communicate with nongovernmental organizations prior to the Fourth World Conference on Women.

Thank you again for allowing me to speak in support of this important Federal program.

AMENDMENT NO. 2465

Mr. DOMENICI. Mr. President, I am pleased to cosponsor this amendment proposed by my friend from Arizona, Senator McCAIN.

Back in 1976, when the original PILT amendment was adopted in the Senate, I remember the difficult conference that eventually resulted in a system that began to compensate counties for the lost tax revenues on Federal land holdings.

Eighteen years later, we now find ourselves in a similar situation, in that the Senate has seen fit to pass, by a vote of 78 to 20, legislation that updates the formula that has remained unchanged since 1976.

Much of the revenue used for running counties in this country comes from property taxes, and many counties in States like New Mexico are dominated by Federal lands on which they can impose no taxes.

These local governments are finding it increasingly difficult to make ends meet, due in a large way to compensation for Federal lands lagging way behind inflation.

Additionally, there is a continuing shift to nonproductive uses of these Federal lands, placing an additional burden on the county coffers.

The Senate-passed legislation is far overdue, and will benefit units of local government in 49 States and the District of Columbia.

Governors of the States recognize the need for updating these payments, as did the former Governor of Arkansas in 1991, Bill Clinton.

This amendment expresses the sense of the Senate, that an updated system should be enacted into law, and that the President should fund this program in the fiscal year 1996 budget.

This legislation is important to the survival of local government in the provision of public services.

The concept of PILT is as valid today as it was when it was enacted.

When the Federal Government holds what would ordinarily be private lands, it should act responsibly, and provide its fair share to the local infrastructure.

I urge my colleagues to support this amendment.

VACCINES FOR CHILDREN PROGRAM

Mrs. BOXER. Mr. President, I rise today in strong support of the Vaccines for Children Program and for its implementation as mandated on October 1, 1994. This program is vital to raising America's immunization rate for preschool children by providing States with federally purchased vaccines for uninsured, Medicaid-eligible, and native-American children.

Under this program California will receive free vaccines for 61 percent of its children, and will incur significant savings as the State will no longer have to contribute to the purchase of vaccines for Medicaid-eligible children. In anticipation of this, California has amended its budget to reinvest these savings into the provision of direct immunization services for children, including improved public clinic services, registry, and reminder systems.

An amendment offered by Senator BUMPERS in the Appropriations Committee to the fiscal year 1995 Labor, Health and Human Services, Education appropriations bill could delay implementation of the Vaccines for Children Program and would have profound effects in California. I ask unanimous consent that a letter from S. Kimberly Belshé, director of the California Department of Health Services, discussing this issue, be included in the RECORD.

I urge my colleagues to join me in supporting prompt implementation of the Vaccines for Children Program so that States, like California, can move forward and meet the goal of immunizing all of our children against vaccine preventable diseases.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH SERVICES,
Sacramento, CA, August 3, 1994.

Hon. BARBARA BOXER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BOXER: This letter is to request your support for an extremely important program to protect children against vaccine-preventable diseases.

As part of the Omnibus Budget Reconciliation Act of 1993, Congress passed, and the President signed, legislation to create the Vaccines For Children (VFC) program. Under this program, the Federal Government will purchase in bulk, at substantially discounted prices, the standard childhood vaccines for adminsitration to children who do not have private health insurance coverage of vaccine costs—an estimated 60 percent of the nation's children. State health departments are charged, in concert with the Federal Government, with developing and operating a system to obtain VFC vaccine orders from public and private medical offices and clinics and to distribute the vaccines to these providers.

Benefits of the VFC program will include (1) the elimination of the cost of vaccine as a barrier to timely immunization of children and (2) the creation of substantial savings to the State in public sector vaccine costs. These savings will be reinvested to strengthen our existing immunization programs, expand availability of immunization services, and to bring more children into medical offices and clinics for immunization. Along with the Department of Health and Human Services, the Centers for Disease Control and Prevention (CDC), and other state health departments, the California Department of Health Services (DHS) is well along in preparations to implement the VFC program on its congressionally mandated startup date of October 1, 1994.

Recently, Senator Dale Bumpers requested the Government Accounting Office (GAO) to review Federal and State preparations to implement the VFC program. Partly on the basis of the GAO's report, Senator Bumpers has introduced an amendment to the Senate Labor and Health and Human Services appropriations bill regarding vaccine distribution and administration fees charged by physicians under the VFC program. This amendment is currently on the floor of the Senate. The effect of these amendments will almost certainly be to dely implementation of the program. While sharing Senator Bumpers' concerns that this program be as effective as possible, DHS strongly urges that the Bumpers amendment be modified to allow the VFC program to begin on schedule on an interim basis while investigation of his concerns continues. Our reasons for this position follow:

First, Senator Bumpers questions whether or not the use of a national vaccine warehouse operated by the General Services Administration (GSA) to distribute VFC vaccines to public and private immunization providers is the most economical and safe way of accomplishing this. We are impressed with the CDC-GSA collaboration and progress in setting up the vaccine storage, packaging in advance of the startup date. Further, in California we have already made major budgetary decisions and extensive VFC program implementation preparations based on the presumption that national vaccine warehouse will be in operation on October 1, 1994.

Second, Senator Bumpers and GAO question whether the maximum fees which physicians and clinics will be allowed to charge private-paying patients may be too high and, thus, constitute a deterrent to families with young children. However, the limits set by the Federal Government represents just that—the maximum rates which physicians may charge those most able to pay and not what more physicians will, in reality, likely charge most of their patients. Moreover, these limits are based on the only available solid data, administration charges actually used by physicians as reported by the American Academy of Pediatrics, and reflect a balance between patient and medical care provider perspectives on cost issues.

In conclusion, to delay start up of the VFC program would cause harmful disruption in the extensive preparations California and other states have made, waste part of the fiscal investment we have made, and damage the credibility of both Federal and State governments. Such a delay and the negative impacts listed are not necessary. We urge that the Bumpers Amendment be modified to allow the VFC program to start on October 1 and have the Federal Government fully investigate and report to the Congress on Senator Bumpers' concerns. Then, if need be, modifications can be made in operation of this program without delaying its much needed benefits.

If you have any questions regarding the VFC program and its implementation in California, please call George W. Rutherford, M.D., Deputy Director, Prevention Services, at (916) 657-1493.

Sincerely,

S. KIMBERLY BELSHÉ,
Director.

MORNING BUSINESS

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. Mr. President, at this point, I ask unanimous consent that the Senate now proceed as if in morning business with Senators permitted to speak therein for up to 10 minutes, with the exception of the Senator from Minnesota, who already has a unanimous-consent request pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota is recognized for his full 15 minutes, to be followed by 10-minute sessions of morning business. Is that correct?

Mr. HARKIN. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I thank the Chair and I thank the Senators from Iowa and Pennsylvania.

HEALTH CARE AND CAMPAIGN FINANCE REFORM

Mr. WELLSTONE. Mr. President, I want to speak today on health care, but I want to focus on health care within the framework of campaign finance reform, because I think if there ever was an issue that really should focus attention on the mix of money and politics, and why it is just imperative that we pass a strong campaign finance reform bill this session, it is health care.

Mr. President, a couple of months ago I was invited to speak to a gathering, a group of doctors. It was their annual association meeting. It was an 8:30 engagement, and I got there at 8:25. I was having a cup of coffee in the back of the room, at which point the director of this organization was talking to his members. There were about 350 doctors who came from around the country. He said:

> When you go to see your Representative or your Senator, you cannot give them a PAC check in their office. That is not legal. So

they might want to just tell you where to send it instead.

And then he hesitated and he said in kind of an awkward way, "But they will take it," at which point there was this uneasy laughter in the room. But it was not just cynical laughter; actually, it was awkward laughter because, after all, as much as the doctors and the people in this organization did not like the taking of the money, they were doing the giving. I mean, if they thought something should not feel right about this, they were a part of it.

So, Mr. President, it was now my turn to speak, and I was trying to figure out how to make this transition. First, I thanked them for their work as surgeons, having been involved in athletics for a long time, and I said to them:

> I was listening to your conversation, and I have to tell you in all honesty that I really believe that throughout this whole debate on this health care bill, I have said that I do not think Representatives or Senators should take any health care PAC money. I wish there would be a moratorium on it. Nor do I think we should take any large, individual contributions from the health industry, broadly defined, over $100.

Mr. President, at that point, I was certain that I would be met with a kind of wall of hostility, and I was really surprised because people literally came to their feet and there was this tremendous applause. And then I looked at these doctors, who were not particularly political. They all came to Washington because they had been told this is where you come at this moment in this debate. And I said to them:

> Having been a teacher for 20 years, I am pretty good at reading faces, and I now know what is going on here. We are all trapped in this same awful system, those of us in the Senate, whether we are Democrats or Republicans, who are told that the benchmark figure we are supposed to raise is $13,000 a week to be viable for reelection, or thereabouts. This is an obscene money chase, in which people are too often told that you actually have to come to Washington, checkbook in hand, to have influence. No wonder people feel so ripped off; no wonder people feel so angry.

Mr. President, as we start this health care debate, I just want to say to my colleagues that there is nothing more important that we can do to improve our policy process than to enact tough, far-reaching campaign finance reform. The focus of the congressional debate during the next few weeks, on health care reform, really brings this to the forefront.

Mr. President, I say to my colleague from Illinois, if we were talking about a soccer game, as my good friend and long-time campaign reform advocate Phil Stern used to say:

> If you were talking about a soccer game or football game, and you saw the opposing teams pouring in money to the referees or the officials before the game took place, there is not a person in this country who would believe that those officials or those referees were going to be able to make an objective, fair decision. They would feel like something was wrong with that whole process.

That is what is going on right now, Mr. President. In the 1992 Presidential and congressional elections, political contributions from the medical industry stood at a record high of $41 million. This was in the 1990–1992 cycle, $26.4 million from doctors; $7.3 million from the insurance industry; $4 million from drug manufacturers; and almost $3 million from other providers. The rest came from HMO's, lobbyists, mental health professionals, medical suppliers, and others.

Mr. President, according to an FEC analysis by Citizen Action, in the last 18 months, $26.4 million has poured into the U.S. Congress from political action committees and individual special interests; $26.4 million over the last 18 months, Mr. President. That is over $1 million a month.

In March, these organizations contributed a staggering $4 million. Let me repeat that one more time—$4 million, in March alone, pouring into the U.S. Congress from the health industry.

Mr. President, on the one hand, we are supposed to have this debate, we are supposed to make objective decisions, we are supposed to make the kinds of decisions that will enable us to do well for the people we represent; and, on the other hand, you have all of this money pouring into the Congress at an unprecedented rate.

Mr. President, I just think it looks awful. It just looks awful.

Mr. President, I am not talking about the wrongdoing of individual officeholders. I am not arguing that any of us is personally corrupt.

What I am saying, Mr. President, is that this system does not work. We must put a stop to all this money pouring in here. We must clean up our act. We must have real, tough campaign finance reform now.

When $4 million is contributed from the health care industry in March alone and over the last 18 months over $1 million a month has poured in, how can we hope that people we represent will believe that the final reform bill we pass will not, in one way or another, have been affected by these huge special interest contributions?

Mr. President, all too often, Senators and Representatives, rather than being the bold agents of health care change, have become timid agents of interests. And what is interesting to me is that when we look at the analysis or hear about what is wrong, we have the doctors who want to blame the lawyers; we have the employers who say that the problem with the health insurance industry is they do not want to insure anybody unless they are wealthy or healthy. And then we have the insurance companies who blame the doctors. And then, of course, we have this analysis that blames the consumer.

The one kind of issue that has not been focused on—and I really wish it would be, because I think it is so important that we have campaign finance reform this session—is the way in which money and politics have intersected on this issue with such force, with people attempting to buy access to influence and power.

I wish it was not happening, because I think it has a corrosive effect on the political process in our country. And I think it is one of the reasons, by the way, Mr. President, that people feel so out of the loop.

I see the Senator from Illinois has a question; if I could just add one statistic, then I will yield to the Senator from Illinois.

Common Cause recently issued some telling data on this question. They concluded that from January 1987 through December 1983, business PAC's contributed slightly more than $72 million to U.S. Senators. Labor PAC's over the same 6 years contributed $16 million. That is a 4-to-1 business-over-labor margin.

And we wonder why there is opposition in the Senate to employers paying their fair share for universal health care coverage?

Let me repeat that. A Common Cause study found that between 1987 and 1993, $72 million was contributed from business PAC's, and $16 million from labor PAC's: a 4-to-1 margin. And people wonder why it is so difficult to push a health care reform bill through that calls upon employers to pay their fair share.

By the way, these business PAC's out-gave, if that is the right way of putting it, to Democratic Senators by a 2-to-1 margin over labor. Very interesting. Business PAC's in this 6-year period gave $32 million to Democrats; labor PAC's, $15 million. And people wonder why we are having such a time having employers pay their fair share.

I yield to the Senator from Illinois.

Mr. SIMON. My colleague from Minnesota—and I appreciate his yielding—has partially answered the question I was going to ask.

I would add, if we eliminated PAC's tomorrow, in my opinion, we would have only 1 percent of the reform needed. The real reform has to come with public financing of campaigns, where people on their income tax forms check off that they are willing to pay $3 and give to candidates. Then both Democratic and Republican candidates have X number of dollars to spend and cannot take all this other special interest money.

But the question I was going to ask my colleague from Minnesota is, the New York Times poll says 79 percent of the American public believe universal coverage is very important, 17 percent say it is somewhat important, for a total of 96 percent; 96 percent saying health care coverage for everyone is important. And yet, we cannot get the votes here, maybe, to pass that. Does that have anything to do with how we finance campaigns?

Mr. WELLSTONE. I would say to my colleague—and, by the way, let me just give you another figure, as long as you raise this question, because you are quite right. This is not an analysis I am making solely about PAC money. Other forms of large political contributions have at least as great an effect on the process.

A recent Citizen Action study pointed out—again, we are looking at January 1993 to May of this year—that large donor contributions, that is from wealthy individuals, increased by a remarkable 72 percent in the first 17 months of this Congress, vastly outstripping giving in any other area.

So it is not just the PAC money. Huge amounts of money are pouring in from all kinds of sources. And I say this with a profound sense of sadness. There is an unbelievably large disconnect between the viewpoint in the country that universal coverage—employers paying a fair share, making sure that each and every citizen does not go without decent health care for himself, herself, and their loved ones—between the figures you just gave and what is happening right now in the U.S. Congress, especially the U.S. Senate, where there is an all-out effort to hijack this reform effort.

And I would, in analyzing the reasons for this disconnect, say to you, with a profound sense of sadness, it is because representative democracy is not operative with health care. And it is not just health care, the whole political system is on trial.

Do we have democracy for the many, when the wishes of the vast majority of people get reflected in our policy, or do we have democracy for the few? Is it truly an issue where all of this giving of money—and remember the over $100 million that the health insurance industry and all sorts of other people have recently poured into political advertising, as well—have we now reached the point where those who have the financial wherewithal can pour it into political advertising on television, pour it into huge contributions, in PAC's or individual contributions, to Senators and Representatives and because of that money, they are able—this is tough to say, but it is true—to have access to decisionmaking and have clout to the point where you do not really have representative democracy operating? That is to say, the central principle that each person counts as one, and no more than one, has been undermined with such a process.

I think this is a huge problem. And I think our failure to have a system of public financing, our failure to get the big money out of politics, is one of the major reasons right now that we find ourselves struggling to even pass a decent reform bill.

People within these huge institutionalized frameworks of self-interest and power march on Washington every day, and they have disproportionate influence and disproportionate power, and the vast majority of Americans, I think, are cut out of the loop.

Mr. SIMON. I just want to make one more comment and ask one more question. This system we have affects all of us, no matter how conscientious we are.

I have never promised anyone a thing for a campaign contribution. But I know it is true for me, and my guess it is true for the Senator from Minnesota and the Senator from Iowa, that if there is someone who has raised $5,000 for your campaign and they want to come in and have an appointment——

The PRESIDING OFFICER. The 15 minutes of the Senator from Minnesota has expired.

Mr. WELLSTONE. Mr. President, I ask unanimous consent to continue for another 10 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. The reality is that person is going to get an appointment. That money buys access in this process.

Finally, this morning the Senator from Iowa and I were talking about a woman who testified about 2 weeks ago—I think Senator WELLSTONE was there—who worked for Kentucky Fried Chicken 30 hours a week and could not afford $120 a month for her heart medicine; she had to choose between the heart medicine and food.

Mr. WELLSTONE. Yes.

Mr. SIMON. Does my colleague think she is making a big contribution to anybody in the U.S. Senate? Does he think her voice is being heard the way it should be?

Mr. WELLSTONE. Mr. President, I would say to my colleague from Illinois I remember that testimony because she lived in Whitesburg, KY. I remember her speaking. That is precisely my point.

I believe that what we are about to do in health care over the next 3 or 4 weeks is not just about health care, it is about the political system in this country. It is about whether or not representative democracy is operative here. It is about whether or not people like that woman from Whitesburg, KY, who worked at Kentucky Fried Chicken, who did not have a lot of money that she could contribute, whether her voice is going to be heard. It is about whether or not she counts the same as those who have the financial wherewithal to make large contributions.

I say to my colleague, I think in part that is what this debate is all about. One more time: Even putting aside your advocacy or my advocacy or that of the Senator from Iowa of any particular health initiative, I will go back to what my good friend Phil Stern said. If you had a soccer game going on or football game, and those referees and those umpires were receiving money from the two teams before the game started, people would not believe that they could render an objective decision, that it would be fair. People would question the whole process, and they would certainly question the final outcome.

I think it looks terrible. Part of it is not the fault of any particular Senator or Representative. It is this awful system that we are trapped in. I call on media and citizens to examine the amount of money that is pouring into Members of Congress right now, just from the health care industry, be it PAC or individual contributions. If there ever was an issue so central to people's lives that should sharpen our focus on the need for campaign finance reform, it is this issue.

We have a conference committee that is supposed to be meeting soon to put together a final campaign reform bill. But we are running out of time. I urge those conferees, even though that bill we passed was not all that I hoped for, to think about some agreed-upon spending limits and to think about some control over this huge amount of money that is pouring in with vouchers and various kinds of incentives. Even if it does not go as far as you or I or the Senator from Iowa would want us to go, it is an absolute must to do this year. Because if we do not do it, I think we are going to continue to see people lose faith in this process. And I hope that the media especially, as they examine what is going on here with this health care debate and what we do, will not just look at some of the conventional wisdom—you know: lawyers are wrong, insurance companies are wrong, doctors are wrong, consumers are wrong—but they ought to really closely examine what is going on.

Mr SIMON. I thank my colleague.

Mr. HARKIN. If the Senator will yield for a second?

Mr. WELLSTONE. I will be pleased to yield.

Mr. HARKIN. I thank the Senator from Minnesota and compliment him for bringing this to the attention of the Senate, the influx of the amounts of money from different aspects of the health care industry in this country into campaigns, both for the Senate and House. I hope the Senator from Minnesota will periodically, as this debate unfolds on health care, raise this issue up. Because I think as we get into the debate on health care and the different aspects of health care, I think it is going to be important for the American people to hear it repeated and brought home again and again about the enormous amount of money that is coming into this system by special interests who do not want the system to change, or who want to skew the system so more of the health care dollar goes to their end of the spectrum.

In the midst of all this, as the Senator from Minnesota has so eloquently pointed out, in the middle of this lies the American people who understand what universal coverage is about, who understand the present system of sick care in this country has to be changed to truly a health care system; who understand we have to build upon the shared responsibility that we have right now between employers and employees to cover everyone.

There are going to be a lot of issues in the health care debate that is coming up that are going to affect the lives of every American citizen. I hope and trust the Senator from Minnesota will periodically remind us, remind the Senate of what he has just said here today.

The Senator from Illinois, again, is right on the mark. We can do away with PAC's but what are you going to do about the people who are spending millions of dollars of their own money? We have a Senate race in California right now in which one individual has spent over $15 million of his own money to get elected to this Senate.

This son of a coal miner and an immigrant mother—I cannot play in that kind of field. I know the Senator from Illinois has a similar background and so does the Senator from Minnesota. Pretty soon, those of us who worked hard and came up the hard way, that is it—we are out. If you have millions of dollars of your own money, even if you do away with PAC's, that is how you are going to get into the U.S. Senate.

I do not think the Senate ought to just be representative of people with a lot of money in this country. I think we ought to represent working people in this country, too.

That is not to say people with money do not have a conscience, are not good legislators. I know of people here in the Senate who are very wealthy who are conscionable, good, hard-working Senators—on both sides of the aisle—who have the interests of common working people at heart. But I think if this Senate moves in that direction, of just fewer and fewer people from the kind of ranks that we come from, I think we are going to lose something in this country. So I think the Senator from Illinois has an excellent point.

Again, I thank the Senator from Minnesota for his contribution. I just hope he keeps bringing it up as we debate this issue.

Mr. WELLSTONE. Mr. President, I will respond just briefly to the Senator from Iowa for just a moment and I will be done.

Mr. HARKIN. Can I just make a unanimous-consent request?

Mr. WELLSTONE. Surely.

The PRESIDING OFFICER. The Senator from Minnesota still has the floor.

Mr. HARKIN. I yield.

Mr. WELLSTONE. Mr. President, I thank both my colleagues and I will finish up.

I first of all assure my colleague from Iowa that from the opening statements throughout the whole debate, I will continue to raise this whole issue of the mix of money and politics as it applies to health care, because I think it is really important that this be a part of the debate. I think people need to be acutely aware of this because I think we have to have a campaign finance reform bill passed this session. That is my first point.

My second point, one more time, I just find this Common Cause report very interesting. They found that business PAC's, over the last 6 years, gave $72 million to Members of Congress; labor PAC's gave $16 million. And we wonder why we are having trouble having a reform initiative that calls upon employers to pay their fair share. I think this report is very important, because it highlights the disparities.

Mr. President, something is very wrong with our current system.

I am talking about something that is systemic, and I am simply saying it is very difficult for people to have confidence and faith in this process when they see this interaction of money with an issue that is so important to their lives.

I will be raising these questions, but I also hope the conference committee is able to move forward with a campaign finance reform bill that we really need—not for ourselves, but that people in this country need—to make sure that we restore some kind of truly representative democracy here in Washington.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, following the Senator from Minnesota the Senate was to go into a period for morning business with speakers permitted to speak for 10 minutes within that time period.

The Senator from Iowa.

UNANIMOUS-CONSENT AGREEMENT

Mr. HARKIN. I thank the distinguished Republican leader for letting me do this.

Mr. President, I ask unanimous consent that at 9:30 a.m., Wednesday, August 10, the Senate resume consideration of H.R. 4606, the Labor-HHS appropriations bill; and that at that time there be 30 minutes remaining for debate on the Helms amendment No. 2466, with the time divided as follows: 10 minutes each under the control of Senators HARKIN, SPECTER, and HELMS; that upon the use of time, without intervening action, the Senate vote on or in relation to the Helms amendment, to be followed immediately by a vote on or in relation to the Graham amendment No. 2478; that immediately thereafter, the Senate vote on passage of H.R. 4606.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator will proceed in morning business.

The Republican leader is recognized.

CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, I did not hear all the remarks of my colleague from Minnesota. I had no quarrel with him talking about special interest money, but I hope he does not forget organized labor and the millions of dollars they are spending in health care and the preferential treatment they are getting in the health care bill introduced by the majority leader, where they are barely affected.

Anybody else with a plan, like somebody in organized labor, would have to pay 25 percent tax. I think we ought to take a look —in fact, I would say the Senate is on record for eliminating political action committees, at least on this side of the aisle. We are waiting for House Democrats to agree to that so we can have campaign finance reform this year.

I certainly do not quarrel with the Senator from Minnesota trying to shed some light on where the money comes from, though I share the view of the Senator from Illinois, Senator SIMON, that I am not certain in many cases that, in effect, directs or determines what any Member may do, Democrat or Republican.

In fairness, if we are going to debate the special interest money—and there is a lot of it out there, plus the U.S. Government is spending millions and millions of dollars—we are going to try to find out from the Government Accounting Office about all the Members of the Cabinet and President and Mrs. Clinton going all over the country for the last year and a half trying to sell their health plan, which is not going anywhere, how much it cost the American taxpayers.

All the Cabinet Members are spanned out over America today trying to sell Government-run health care. My view is it is not going to work, but we ought to have those figures, too, so when we start making judgments on where the money comes from, how it is being spent and whether or not it has any adverse influence contrary to what we are looking for, then I think we just ought to have the full record.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the minority leader for his comments, and I will say one more time, I think the more careful analysis we make of the numbers the better off we are.

The Common Cause figures—$72 million from business PAC's, $16 million from labor—that is a 4-to-1 margin from business, and we are wondering why we cannot have employers paying their fair share? I think these figures are quite compelling.

I also agree that it is not just a question of political action committees. It is true, the Senate dealt with that. But it is also large individual contributions. Most Senators actually receive their money from large individual contributors as opposed to PAC money. I gave a speech on the floor of the Senate several months ago where I said I thought there ought to be a moratorium and we should not take PAC money, or any other contributions from other sources in the health care industry, over $100. We did not do that. But I do think that the key issue here is that as long as we do not do something about this campaign finance reform, it is extremely difficult for people to believe in this process.

We certainly would not approve of a soccer or football game where the umpires and referees were receiving money from the players before the game started. I think an analysis of health care contributions brings into sharp relief who has the money, who has the power and who is, all too often, left out, in this debate.

I do appreciate the comments of the minority leader.

The PRESIDING OFFICER. The Senate is still in morning business. Who seeks recognition?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized for not to exceed 10 minutes.

JOB CORPS

Mr. SIMON. Mr. President, I want to assure my colleague from Hawaii that I will not use anywhere close to 10 minutes.

I just want to respond that I understand there was some criticism of the Job Corps made today. Sixty-five thousand young people annually are being helped by the Job Corps. My staff has a note here that it returns a net benefit to society of $1.46 for every $1 invested, according to the Mathematica Policy Research, Inc. Study and several subsequent independent reviews.

But in terms of the criticism that it has high dropout rates, it is important that we are talking about young people who are marginal. Eighty percent of those who go into the Job Corps are high school dropouts. And yet, we have very remarkable results in terms of what they do after they get through. Sixty-five percent of the Job Corps students are placed in jobs or enrolled in full-time education. It is true, about one-third drop out within 3 months. But even that one-third, who knows how they may have been helped.

Another criticism was that Job Corps executives receive high compensation. The reality is those who are in charge of the Job Corps do not, but there is an allegation. If somebody from the private sector comes on and works 1 day a week, there is an apportionment of that person's private sector salary, and sometimes those do get a little high. But when you annualize that, you give a very false impression of what is happening.

They say that Job Corps centers that are not operating well continue to be permitted to operate. The reality is that 20 contracts had been dropped by the Job Corps.

The Milton Eisenhower Foundation says:

> The Job Corps results have been consistently positive, and its performance is highly effective.

Mr. President, I ask unanimous consent that the groups of organizations that endorse the Job Corps be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS COMMITTED TO JOB CORPS

ACADEMIC AND RESEARCH INSTITUTIONS

Grand Rapids Public Schools.
Tuskegee University.
University of Nevada-Reno.

ADVOCACY GROUPS

Bread for the World.
Center for Law & Social Policy.
Child Welfare League of America, Inc.
Children's Defense Fund.
Coalition on Human Needs.
National Child Labor Committee.
National Urban League.
U.S. Conference of Mayors.

BUSINESS

Adams and Associates, Inc.
Career Systems Development Corporation.
Coyne American Institute.
Dau, Walker & Associates.
Dynamic Education Systems, Inc.
DMJM/HTB.
Education Management Corporation.
ITT Job Training Services, Inc.
Management and Training Corporation.
The MAXIMA Corporation.
MINACT, Inc.
National Association of Home Builders (NAHB).
Res-Care, Inc.
Teledyne Economic Development Company.
The EC Corporation.
Training and Development Corporation.
Vinnell Corporation.
Wackenhut Education Services, Inc.

EDUCATION, TRAINING & SERVICE ORGANIZATIONS

Alpha Kappa Alpha Sorority, Inc.
American Youth Policy Forum.
Association of Jewish Family & Children's Agencies.
Council of Jewish Federations.
Empire State Organization of Youth Employment Services.
F.E.G.S.-New York City.
Home Builders Institute, the educational arm of the National Association of Home Builders.
Jobs for Youth-Boston.
Jobs for Youth-New York.
National Youth Employment Coalition.
Pacific Education Foundation.
Texas Educational Foundation.
Utah Youth Employment Coalition.
YouthBuild USA.

FEDERAL AGENCIES

U.S. Department of Agriculture—Forest Service.
U.S. Department of the Interior—Bureau of Reclamation.
U.S. Department of the Interior—Fish and Wildlife.
U.S. Department of the Interior—National Park Service.
U.S. Department of Labor.

LABOR UNIONS

Appalachian Council AFL–CIO.
International Brotherhood of Painters and Allied Trades AFL–CIO.
International Masonry Institute.
International Union of Operating Engineers AFL–CIO.
National Maritime Union of America AFL–CIO.
Operative Plasterers and Cement Masons International.
Transportation-Communications International Union.
United Auto Workers AFL–CIO.
United Brotherhood of Carpenters and Joiners of America.

NATIVE AMERICAN ORGANIZATIONS

Cherokee Nation of Oklahoma.
Tribal Council of the Confederated Salish and Kootenai.
Tribes of the Flathead Indian Reservation.

VOLUNTEER/COMMUNITY SERVICE GROUPS

Fresh Air Fund.
Joint Action in Community Service.
Opportunities Industrialization Centers for America.
Puerto Rico Volunteer Youth Corps.
Women in Community Service: American G.I. Forum Women, Church Women United, National Council of Catholic Women, National Council of Jewish Women, and National Council of Negro Women.
YWCA of Los Angeles.

Mr. SIMON. Mr. President, the Home Builders of America have been particularly active in this field. The Job Corps works with young people who are not the valedictorians and the salutatorians of their class. Again, 80 percent of them did not make it to graduation. They are young people who need help, and the Job Corps, I think, does an effective job of helping them.

I am pleased to join in supporting the Job Corps and pleased that the committee is continuing its support of the Job Corps.

I yield the floor, Mr. President.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized. I remind the Senator we are still in morning business, with a 10-minute limitation on speakers.

Mr. INOUYE. That was my inquiry, to find out the pending business.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DECONCINI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE ABOUT THAT

Mr. HELMS. Mr. President, the incredibly enormous Federal debt is like the weather—everybody talks about it but nobody does anything about it. Many Senators talk a good game when they are back home about bringing Federal deficits and the Federal debt under control, but look how they vote on bloated spending bills passing the Senate.

As of Friday, August 5, at the close of business, the Federal debt stood—down to the penny—at exactly $4,646,465,314,008.39. The debt, do not forget, was run up by the Congress of the United States. The big-spending bureaucrats in the executive branch of the U.S. Government cannot spend a dime unless and until it has been authorized and appropriated by the U.S. Congress. The U.S. Constitution is quite specific about that, as every school boy is supposed to know.

And do not be mislead by declarations by politicians that the Federal debt was run up by one President or another, depending on party affiliation. Sometimes they say Ronald Reagan ran it up; sometimes they say George Bush. These buck-passing declarations are false because the Congress of the United States is the culprit.

Most people cannot conceive of a billion of anything, let alone a trillion. It may provide a bit of perspective to bear in mind that a billion seconds ago, Mr. President, the Cuban Missile Crisis was going on. A billion minutes ago, not many years had elapsed since the crucifixion of Jesus Christ.

That sort of puts it in perspective, does it not, that Congress has run up a Federal debt of 4,646 of those billions—of dollars. In other words, the Federal debt, as I said earlier, stands today at 4 trillion, 646 billion, 465 million, 314 thousand, 8 dollars and 39 cents.

JOINT RESOLUTION ACKNOWLEDGING SMOKEY BEAR'S 50TH ANNIVERSARY

Mr. DOMENICI. Mr. President, I am proud to be a cosponsor of Senate Joint Resolution 214 designating August 9, 1994, as "Smokey Bear's 50th Anniversary." In 1950 the Forest Service chose an orphaned bear cub, found in the aftermath of a wildfire in New Mexico's Lincoln National Forest, to be the physical manifestation of their 6-year-old Smokey Bear fire prevention program. In the years that followed the Smokey symbol became synonymous with the rescued cub, quickly making him one of New Mexico's most recognized personalities.

Technically speaking, Smokey Bear has been the living symbol of fire prevention in the United States, but the image and effect of Smokey Bear has extended far beyond the fire prevention message. There is something uniquely American in the story of Smokey Bear and for the ideals he has come to represent. His story is one of survival in the face of adversity and a lifelong determination to shield others from the tragedy he knew.

Readily recognized by millions of Americans, young and old alike, Smokey provides a valuable character reference in a world too often preoccupied with cynicism, distrust, and tensions of all kinds. His frequent visits to schools, willingness to participate in public functions, and numerous TV and radio appearances demonstrate a traditional American work ethic and tireless commitment to protecting the things we value as a Nation.

Today, more than ever, we must heed Smokey's message. Each year, more and more people are living, working, and playing, in or near our wildland resources. Increased human activity naturally leads to increased opportunities for man-caused fires. At the same time, much of the West remains gripped in severe drought and is experiencing an unprecedented potential for catastrophic wildfire. This year 19 firefighters have died protecting our natural resources. I sincerely hope that those were the last tragedies, yet the danger remains.

Preventing destructive wildfires remains a worthwhile objective, and for gains Smokey has made in that endeavor, we are all in his debt. However, on a broader scale, Smokey has become a symbol of individual and national pride in how we, as Americans, deal with the problems of daily living. On this, his 50th anniversary, I salute the spirit of Smokey Bear.

TRIBUTE TO JOSEPH D. MANGIALARDI

Mr. FORD. Mr. President, it is with great sorrow that I inform the Senate of the recent death of Mr. Joseph D. Mangialardi, the Night Production Manager of the U.S. Government Printing Office.

Mr. Mangialardi, "Joe," as he liked to be called, was a well-liked, longtime, valued, knowledgeable, and thoroughly capable employee of the GPO. This is attested to by the fact that he was, at the time of his death, the highest ranking night employee at the GPO.

Joe was ultimately responsible for the timely delivery of the products requested by both Houses of Congress on a nightly basis. These include, but are not limited to, the CONGRESSIONAL RECORD, the House/Senate Calendars, congressional bills, reports, and hearings.

Joe is survived by his wife, Rosemarie, with whom he traveled extensively, including trips to his ancestral home in Italy, two daughters, Denise and Lisa, and two grandchildren.

He began his GPO career 30 years ago when he entered the Office as a journeyman bookbinder on August 20, 1964. After several promotions within the Binding Division, he was named Assistant Night Production Manager on June 9, 1985. A little over a year later on June 22, 1986, he was promoted to the position of Night Production Manager.

I know Joe will be greatly missed by his family, friends, coworkers, and certainly those of us in Congress who had the pleasure of working with this fine gentleman.

I would ask unanimous consent to place in the RECORD at this point a tribute to Mr. Mangialardi.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

JOSEPH D. MANGIALARDI, NIGHT PRODUCTION MANAGER, U.S. GOVERNMENT PRINTING OFFICE

Joseph D. Mangialardi, 62, the Night Production Manager, at the U.S. Government Printing Office, died August 2, 1994, at the Washington Hospital Center of complications related to lymphatic cancer.

Mr. Mangialardi, who lived in Greenbelt, MD, was born in the Bronx, NY. He served in the U.S. Navy for 2 years during the Korean war. He moved to the Washington, DC, area from New York in the early 1960's. He worked for 30 years at the GPO and was Night Production Manager at the time of his death.

Mr. Mangialardi often traveled to Europe and visited his ancestral home in Italy. Survivors include his wife, Rosemarie Mangialardi of Greenbelt, MD; two daughters, Denise Bokar of Chicago, IL, and Lisa Takemoto of Silver Spring, MD; and two grandchildren. His interment was at Fort Lincoln Cemetery on Friday, August 5.

Highlights of Mr. Mangialardi's career at the GPO are as follows:

August 20, 1964, entered the GPO as a journeyman bookbinder.

September 20, 1970, promoted to the position of Group Chief.

March 7, 1971, promoted to the position of Assistant Foreman.

April 14, 1974, promoted to the position of Foreman.

December 21, 1975, promoted to Night Assistant Superintendent, Binding Division.

June 9, 1985, promoted to Assistant Night Production Manager.

June 22, 1986, promoted to Night Production Manager.

H.R. 4277, THE SOCIAL SECURITY ADMINISTRATION REFORM ACT OF 1994

Mr. LAUTENBERG. Mr. President, I rise to express my support for the Social Security Administration Reform Act. I am pleased to be a cosponsor of this reform package and believe that these reforms are both necessary and overdue.

Mr. President, Social Security is a sacred compact between the Federal Government and the citizens of the United States. This program asks for a commitment from American workers to contribute a portion of their earnings to a trust fund, and in return promises that the Government will provide income assistance after they have retired or become disabled. This idea was revolutionary when proposed by President Franklin Delano Roosevelt as part of the New Deal, but Social Security has now been a cornerstone of our Government's social programs for over 50 years.

While the Social Security system has been one of our more successful Government programs, clearly the system has room for improvement. We have an obligation to do anything that we can to make the Social Security system more efficient and more responsive to the needs of the American people. Many Americans, particularly senior citizens, count on the sound administration of this system, and we must provide them with the most efficient organizational structure possible. We must make certain that their benefits and the trust fund are protected from waste, fraud, political pressures, or budgetary maneuvering.

Establishing a Social Security system independent of the Department of Health and Human Services is one way that we can improve the system and further these goals.

Mr. President, an agency as large as the Social Security Administration is simply too big to be included under the ambit of another agency, in this case the Department of Health and Human Services. The Social Security Administration employs 64,000 workers in about 1,300 offices nationwide. Its budget is over $300 billion this year, which is larger than the budget of the Department of Defense. It is the ninth largest agency in the Federal Government.

An independent Social Security Administration will be able to manage its own resources and thus will be stronger and more accountable. For HHS the principal concern of recent years has been health, and rightfully so. Our senior citizens, however, deserve oversight and decisionmaking for the Social Security system that functions with the interests of current and future beneficiaries as its foremost concern. An independent Social Security Administration will be more responsive to the needs of the system and more accountable for its actions. An independent Social Security Administration will also be insulated from partisan political pressures and better able to protect Social Security benefits and the retirement of hard-working Americans.

In conclusion, Mr. President, I am pleased to support the Social Security Administration Reform Act. The creation of an independent Social Security Administration is long overdue, as are other reforms in this bill. I am pleased that the Senate has provided final approval of this measure, and urge the House of Representatives to pass the conference report and send the bill to the President for his signature.

CONCLUSION OF MORNING BUSINESS

Mr. INOUYE. I ask unanimous consent that morning business be concluded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

Mr. INOUYE. I ask for the immediate consideration of the pending business, the defense appropriations bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, on Friday, Senator INOUYE introduced the bill, H.R. 4650, and spoke to the priorities addressed by the committee in forwarding the bill to the Senate.

The chairman has summarized the bill in detail. I would like to focus on just a few of the important initiatives that we recommend to the Senate today.

This bill has one primary theme—taking care of the men and women who serve in our Armed Forces. Consistent with the authorization bill, we increased pay over the budget, and accelerated the retiree COLA.

Several of us voted against the Warner-Sarbanes amendment during consideration of the armed services bill, because it forced the retiree COLA to compete with other critical defense programs.

The approach taken in this bill fully funds the COLA, but places it where it belongs, with other mandatory accounts.

This bill does more than simply increase pay for military personnel and their families. Recognizing the tremendous burden placed on military families by continuous deployments, we have introduced several new family support initiatives.

First, $35 million is provided to improve the quality of child care for military families, and hold down costs.

Second, $94 million is provided for family advocacy programs, to help in times of extraordinary need.

Third, $13.3 million is provided for family support centers.

I want to commend the chairman, Senator INOUYE, for his leadership in this area and commitment to ensure that all military families can count on the resources they need.

Of equal importance, this bill adds $1.3 billion in O&M over the amount provided in the House bill. That increase means readiness and combat effectiveness. We met that commitment by cutting lower priority programs.

There is no money for peacekeeping in this bill. I will strongly oppose any effort to restore peacekeeping funds. Until the United Nations recognizes the hundreds of millions spent by the United States, through the Department of Defense, no more money from DOD should go for peacekeeping.

We cut the funding for environmental studies and analyses. We capped spending on the NATO headquarters. That is how we paid the bill to take care of our people.

This bill fully conforms with the authorized account limits with one exception—equipment for the National Guard and Reserves. Again, the Pentagon failed to meet this need.

We listened to the Joint Chiefs and Secretary Perry in funding key procurement and R&D programs.

This bill funds the requested six C–17 airlifters—and approves the business settlement.

We fully fund the Comanche helicopter for the Army, though I share the chairman's concern and dismay over how the Army has managed its aviation programs.

The committee report raises concerns about the cost of the new attack submarine. I believe it is essential that we proceed with this program, as an alternative to *Seawolf.*

I look forward to working with the chairman, and the Navy, to ensure that the new attack submarine is affordable and meets the Navy's military requirements.

As evidenced by missions under way today in Bosnia, Iraq, Haiti, and Rwanda, the demands on our military did not end with the demise of the cold war.

The bill we present today meets the essential needs of the Department, but with no margin for new requirements. The costs of any expanded missions in Bosnia, Haiti, and Rwanda are not funded in this bill as reported by the committee.

On July 29, the committee included $170 million to meet the needs of the humanitarian relief mission in Rwanda. The adoption of that amendment was not an endorsement of the specific costs for the Rwanda mission; we are still waiting for details on those costs. The adoption of that amendment was not an open authorization for peacemaking or nation building in Rwanda. I do not support any such mission.

The chairman's amendment reduced the supplemental request from the administration, and I commend the chairman for limiting these amounts. The chairman included a number of very specific limitations on the scope, duration, and definition of the mission to Rwanda. These are the minimum requirements.

Mr. President, this bill does not provide sufficient funds to meet the full range of needs for our national security. We are placing too many demands on too few people, and attempting to continue production on too many weapons systems we may not be able to support in the future.

We will not be able to recruit and retain the men and women we need for the Armed Forces if they are constantly away from home, engaged in missions of unclear purpose and duration.

When the Congress meets next year, I will join with other Members to work to increase the share of spending for defense, and consider the restoration of the walls between the various discretionary accounts. Unless we change the missions facing our military, the funding proposed in the 5-year plan advocated by the administration, and reduced further by Congress, simply will not do the job.

I wish to thank the chairman and the subcommittee staff for their hard work on this bill, in an environment of absolute bipartisan teamwork. This is the sixth bill the chairman and I have presented to the committee and the Senate.

I know he shares my concerns about the adequacy of funding for defense, and I am committed to working with the chairman to ensure that we meet those critical needs.

This bill is the best we can do, under the limits imposed on the committee by the 602(b) allocation. Despite my concerns, I urge all Members to support the bill, and to move the bill this week, so we can proceed immediately to conference with the House.

Again, I thank the chairman for his courtesies; also, his very capable assistant, Richard Collins. And I again have nothing but praise for my assistant, Steve Cortese.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SIMON). Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me say at the outset, the majority leader is on the floor. As we normally do, we will work out an agreement on when and how to vote on Bosnia amendments. He has no objection to my laying mine down now and he will pursue that tomorrow.

AMENDMENT NO. 2479

Mr. DOLE. Mr. President, I send an amendment to the desk for myself, Senator LIEBERMAN, Senator MCCAIN, Senator MOYNIHAN, Senator WELLSTONE, Senator EXON, Senator FEINGOLD, Senator HATCH, Senator DECONCINI, Senator LUGAR, I ask Senator HELMS be added as cosponsor, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is it the intention to offer this amendment to the bill?

Mr. DOLE. Yes; the amendment will be offered to the bill. I will ask it be laid aside.

The PRESIDING OFFICER. Without objection, the committee amendments are set aside. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE] for himself and Mr. LIEBERMAN, Mr. MCCAIN, Mr. MOYNIHAN, Mr. WELLSTONE, Mr. EXON, Mr. FEINGOLD, Mr. HATCH, Mr. DECONCINI, Mr. LUGAR, and Mr. HELMS proposes an amendment numbered 2479.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . TERMINATION OF ARMS EMBARGO.

(1) TERMINATION.—The President shall terminate the United States arms embargo of the Government of Bosnia and Herzegovina no later than November 15, 1994 so that Government may exercise its right of self-defense under Article 51 of the United Nations Charter.

(2) DEFINITION.—As used in this section, the term "United States arms embargo of the Government of Bosnia and Herzegovina" means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 F.R. 33322) under the heading 'Suspension of Munitions Export Licenses to Yugoslavia'; and

(B) any similar policy being applied by the United States Government as of the date of receipt of the request described in paragraph (1) pursuant to request described in paragraph (1) pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I am offering this amendment on behalf of myself and the distinguished Senator from Connecticut, Senator LIEBERMAN, and others. I am especially pleased that among the amendment's cosponsors, this time there are some who opposed the previous Dole-Lieberman amendment to end the U.S. arms embargo on Bosnia.

We have not done anything in the text. It is essentially the same as it was, except it gives the President more than 3 months to terminate the United States arms embargo on the Government of Bosnia and Herzegovina. The embargo is to be terminated no later than November 15, 1994.

The intent of this amendment is the same, as well: to allow the Bosnian Government to exercise its inherent right to self-defense. That is what this debate has been all about time after time after time: Whether Bosnia, an independent nation, a member of the United Nations, has a right to self-defense. We think it is a right which is being violated by the U.N. arms embargo that was imposed on the former Yugoslavia, a state that no longer exists. There is no longer any Yugoslavia, so we cannot have an arms embargo on Yugoslavia.

We all know that the administration is pursuing a relatively new multilateral approach through the so-called contact group. While the Bosnian Government unconditionally agreed to the contact group's partition plan, the Bosnian Serbs have rejected the contact group proposal at least four times.

Mr. President, watching the events of the last few weeks makes me feel as if I am watching a rerun—a rerun of the spring of 1993, when the Vance-Owen plan was hailed as the new hope for peace. While some of the actors have changed, the plot and the dialog are still the same. Once again, the Bosnian Government has signed up to a bad deal; once again, the Bosnian Serbs are defiant; once again, there are unfulfilled promises of tough action; and, once again, the situation in Sarajevo and throughout Bosnia is rapidly deteriorating.

The administration insists this time it is different, this time the international community is serious and tough. Well, maybe it is a problem with definition. But to me, last week's microscopic NATO air strike, which destroyed one 76 millimeter gun—that was the effect of the air strike—is not a sign of toughness. Indeed, it is another indication of lack of resolve to seriously respond to blatant Serbian violations of the NATO ultimatum and the NATO exclusion zones.

Setting my skepticism of the contact group's approach aside, this amendment is intended to give the administration one last chance and more than 90 days to do what they said they would do for months now, and the President has been talking about opening it again, so I am encouraged. That would be to seek a U.N. Security Council vote on lifting the U.N. arms embargo on Bosnia.

We are hearing signals from the French, and others, that maybe it is time to lift the embargo.

The amendment is designed not for any confrontation with the President, but to give the President flexibility, give the President enough time up to November 15. And if it is not taken multilaterally, the United States would definitely end its involvement in this immoral and illegal arms embargo on November 15, 1994.

By setting a November deadline, this amendment also gives those allies with troops on the ground in Bosnia time to redeploy or withdraw. We are not trying to put anybody else in harm's way. That never was the purpose of the amendments offered in the past by Republicans, Democrats, or both.

According to statements made by Ambassador Chuck Redman to the DOD authorization conferees, the British and French said they need up to 90 days to withdraw their forces. Now, some have argued that the United States cannot act unilaterally because of the potential effect on other U.N. embargoes. I believe this argument is used to confuse the issue and as a scare tactic.

The arms embargo in Bosnia and Herzegovina, which is the victim of international aggression, cannot be compared to the legal U.N. embargoes intended to punish aggressor states, such as Libya and Iraq. Bosnia is a friendly State. They have great respect for Americans. They appreciate what we have done. They appreciate what President Clinton has done. They appreciated the air strike last week, even though it was not particularly effective, not because of the Americans involved or anybody else but because of bad weather and, I think, very selective targets.

I believe that we and our allies are capable of understanding the difference between the arms embargo in Bosnia and sanctions against Iraq and Libya.

So the only question before us today is whether we will act to finally bring this matter to a close or whether we want to be here next year after another peace plan has failed debating whether the Bosnians should be allowed to exercise their inherent right to self-defense in the wake of 3 years of aggression and ethnic cleansing.

Mr. President, I believe we must act now. I believe it would send a signal to Mr. Karadzic and others, who seem to be, as he said, all alone now in their defiance, after the Bosnians accepted a bad agreement, were urged by the contact group to accept a bad agreement, where they get 51 percent of their country back, and they are supposed to be happy. The Serbs are supposed to get 49 percent of their country, and they are not happy. It is true, the Serbs now have about 70 percent of Bosnia. It seems to me they have been the aggressor nation, and it is not a very just settlement in the first place.

So, Mr. President, I strongly believe the United States must lead the world in doing what is just and right. I believe, as Senator LIEBERMAN and others who cosponsored this amendment, this is just and right. This is bipartisan. An equal number, we hope, of Democrats and Republicans may support the amendment this time.

Again, I believe it would send precisely the right signal to the Bosnian Serbs and will give the President the flexibility he needs.

As I understand it, other Senators may want to speak on this amendment, if not this afternoon, maybe tomorrow morning.

So I guess the amendment will be set aside if there are other amendments to be offered.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair. I am glad to see my neighbor in the Dirksen Building presiding.

What is the pending business, Mr. President?

The PRESIDING OFFICER. The Dole amendment, No. 2479.

Mr. HELMS. Mr. President, I ask unanimous consent that that amendment be set aside so that I may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2480 TO THE COMMITTEE AMENDMENT ON PAGE 2, LINE 15

(Purpose: To limit military assistance and military sales financing to the Government of Colombia until the President certifies that it is fully cooperating in counter-narcotics efforts)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2480.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment, on page 2, line 15, add the following:

SEC. . LIMITATION ON THE USE OF FUNDS FOR UNITED STATES COUNTERNARCOTICS PROGRAMS IN COLOMBIA.

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated by any provision of law to carry out military assistance or FMF programs shall be obligated or expended for the Government of Colombia, and none of the funds appropriated by this Act shall be obligated or expended for United States military activities in or with Colombia, until the President determines and certifies to the Congress that the Government of Colombia is taking actions to—

(1) apply vigorously all law enforcement resources to investigate, track, capture, and incarcerate narcotics kingpins and their accomplices;

(2) create an "elite corps" of investigators to track down corruption and prosecute those responsible for it or otherwise involved in it;

(3) reform Colombia's penal code, including increasing penalties for drug traffickers and removing loopholes in the plea-bargain system;

(4) present to Colombia's Congress stringent anti-corruption legislation;

(5) introduce new legislation to strengthen laws against money-laundering; and

(6) pursue international anti-narcotics initiatives, including the creation of a Caribbean Basin multilateral anti-narcotics force, controls on precursor chemicals, and the adoption of a new inter-American convention to ban financial safe havens for narcotics traffickers in this Hemisphere.

(b) COMMERCIAL ARMS EXPORTS PROHIBITED.—None of the funds appropriated by any provision of law may be used to license the commercial export of items on the United States Munitions List under section 38 of the Arms Export Control Act to Colombia until the President makes the determination and certification described in subsection (a).

(c) REPORT REQUIRED.—Whenever the President makes a certification under subsection (a), the President shall submit to the Congress, together with such certification, a report describing the actions taken by the Government of Colombia upon which such certification is based.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "FMF" means the foreign military financing program under section 23 of the Arms Export Control Act; and

(2) the term "military assistance" means assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961.

The PRESIDING OFFICER. If the Senator from North Carolina will suspend—I am advised by the Parliamentarian—I have to ask whether there is objection to the Senator offering a second-degree amendment.

Is there objection? Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, yesterday, a distinguished citizen of Colombia was inaugurated as the new President, Ernesto Samper-Pizano. When I took note of that yesterday, I recalled that in July I received a very interesting and encouraging letter from President-elect Samper. I want to read it. He wrote:

JULY 15, 1994.

Hon. JESSE A. HELMS,
Ranking Committee on Foreign Relations, Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR HELMS: Next month I will assume the Presidency of Colombia at a very important time in the relations between our two countries and in our common struggle against drug trafficking. I am well aware of your dedication and interest in this issue and I appreciate your efforts in support of Colombia. As I prepare my administration for the challenges which lie ahead, I wanted to take this opportunity to share with you my views about the ways we can strengthen our fight against drug trafficking.

I know, in a very personal way, the kind of threat drugtraffickers represent to our democracies. The four bullets still lodged in my body are a constant reminder of the 1989 Cartel attempt to assassinate me at Bogota International Airport. I was lucky, unlike many of my compatriots who have fallen victim of the brutal violence the cartels have wreaked in my country.

Once again, we are the target of their diabolic machinations. The taping of telephone conversations between a Cali Cartel leader and a journalist known to be on the Cartel's payroll revealed their frustrated efforts to infiltrate the campaign organizations of Colombia presidential candidates.

I was perfectly aware of this threat when I entered the Presidential race. That is why I established an independent moral ombudsman in my campaign. That is why my campaign books and records have always been open to public scrutiny. I also expelled several sympathizers when it became evident that they were not up to our rigid ethical standards. We rejected several contributions because of their unclear or obscure origin. That is why I am completely confident that my campaign was successful in rejecting drug traffickers undercover efforts to spread their corrupting influence. Nevertheless, I have called for a special investigation to carefully examine all of these issues and will take further action as needed to protect the integrity of my government.

Those who thought that the drug war was over with the destruction of Pablo Escobar's organization were wrong. We are entering what could be the last but decisive phase of the drug war. The Cartels know that their campaign of terror and intimidation has failed. Nevertheless, they will try to regain the ground lost during the past years. The Cali Cartel will rely on powerful weapons of choice: violence and fear, bank accounts, legal loopholes, computer networks and corruption.

Today, the task is much more complex and the international community has to readjust its strategy, sharpen its skills and develop new legal and institutional tools. Starting on the day of my inauguration, I will aggressively seek to secure the tools we will need to win, both at home and abroad. I invite the United States to join Colombia in leading this effort.

First, we will continue doing what we have done successfully: vigorously applying all our law enforcement resources to investigate, track and put in jail the drug lords and their accomplices. We know who the bosses of the Cali Cartel are and we will capture them. To achieve that goal we need a continuous commitment from the U.S. in terms of technical support, training, intelligence and evidence sharing. We must establish a high-level bilateral commission to permanently evaluate our cooperation, improve its performance and promptly overcome any problem or obstacle.

My administration will accelerate the reform of Colombia's penal code, increasing the penalties for drug traffickers and removing the loopholes in our plea-bargaining system. We will not tolerate leniency.

Drug traffickers failed in taking over our democracy through terrorism and assassination. Now they want to destroy it through infiltration and corruption. They will not succeed. An "elite corp" of investigators will be created to track down corruption and send the political cronies of the cartels to jail and we will present to Colombia's Congress stringent anti-corruption legislation. Additionally, we will introduce new legislation to strengthen our laws against money-laundering that should be enforced with the support of a U.S.-Colombian financial crime task force, conformed by our best prosecutors and experts.

Equally important, we will urge the U.S. Congress to establish mandatory targets for the reduction of domestic drug consumption and to provide the resources needed to achieve those targets.

Our two countries cannot solely bear the burden of the global war on drugs. Consequently, my administration will work towards the enactment of the following initiatives:

The creation of a Caribbean Basin multilateral anti-narcotics force.

Joining current radar capabilities in a Hemispheric network to track trafficking activities.

The implementation of a global export monitoring system to impose strict controls on the flows of precursor chemicals, crucial to drug production, as well as assault and automatic weapons used by cartel hitmen.

The adoption of a new Inter-American convention to ban financial safe havens in the hemisphere. Drug traffickers cannot be allowed to enjoy the benefits of their ill-gotten gains.

These are concrete initiatives I will launch August 7th, the day of my inauguration. I hope the United States will choose to help Colombia win the drug war instead of being paralyzed by the drug lords' disinformation campaign. I invite the United States to redouble its fifth in the determination and courage of Colombians by joining us again in the difficult battles that lie ahead.

My administration looks forward to working with you on these issues and others of interest to both our countries.

Sincerely,

ERNESTO SAMPER PIZANO,
President-elect of Colombia.

Now, in beginning my remarks about the pending amendment, Mr. President, I wish to emphasize what I believe to be the absolute necessity of the Government of the United States to work with President Samper because a great deal can be accomplished to the benefit of both the United States and his country.

As for the pending amendment, it was on July 15, Mr. President, that this Senate expressed concern about allegations of official corruption in Colombia. I was gratified that the Senate by a vote of 94 to zero approved a measure to provide foreign aid to Colombia once the President of the United States determines and certifies to Congress that the Government of Colombia is taking steps to investigate corruption and is continuing to cooperate in counternarcotics efforts.

I hope it is understandable that I was astonished to learn later that when the House and Senate conferees met on the underlying legislation—the fiscal year 1995 foreign aid appropriations—the House conferees vigorously objected to stipulating that either the President or the Secretary of State must give Congress assurances that the Colombian Government both is doing something about corruption and is continuing its narcotics cooperation. So the Senate amendment that I had offered—and which was overwhelmingly and unanimously approved 94 to nothing—did not make it into the foreign operations conference report.

Now, Mr. President, I imagine there was rejoicing and jubilation in the villas of the drug traffickers after the Senate amendment on Colombia was dropped. I was disturbed to learn that the Colombian Ambassador to Washington had a little champagne party to mark the occasion of the dropping of the Helms amendment from the conference report. I understand that several State Department officials were present at the Colombian Embassy in Washington and joined in toasting the demise of the Helms amendment.

The corrosive effect of narcotics corruption on the government and the people of Colombia is nothing to celebrate. We can rejoice only when the narcotics traffickers are put out of business.

Mr. President, the pending amendment reflects continuing concerns as voiced by the Senate in July. It provides that no United States military assistance will be provided to Colombia and that no United States military activities be conducted in or with Colombia until the President of the United States certifies and reports to Congress that the Government of Colombia is taking actions:

First, to apply vigorously all law enforcement resources to investigate, track, capture, and incarcerate narcotics kingpins and their accomplices;

Second, to create an elite corps of investigators to track down corruption and prosecute those responsible for it or otherwise involved in it;

Third, to reform Colombia's penal code, including increasing penalties for drug traffickers and removing loopholes in the plea bargain system;

Fourth, to present to Colombia's Congress stringent anticorruption legislation;

Fifth, to introduce new legislation to strengthen laws against money laundering; and,

Sixth, to pursue international antinarcotics initiatives, including the creation of a Caribbean Basin multilateral antinarcotics force, control of precursor chemicals, and the adoption of a new Inter-American convention to ban financial safe havens for narcotics traffickers in this hemisphere.

Now, these six initiatives were proposed by the new President of Colombia whose letter I have just read into the RECORD. I reiterate that he was inaugurated yesterday. All six are his ideas to combat the narcotics cartels, to deal with corruption, and to continue cooperative counternarcotics efforts. They are good initiatives.

Now, Mr. President, there was a great deal of misinformation and probably some intentional disinformation about the Helms amendment that was dropped by the conferees earlier. There will probably be some misinformation about this amendment, too, so perhaps I should clarify just a couple of points.

First of all, I do not propose to criticize or question the sacrifices made by the Colombian people in our joint fight against the narcotics cartels. Mr. President, no people have seen more blood spilled in the fight against drugs than have the Colombians. The Colombian people have my admiration and heartfelt thanks. They know that, as does the new President of Colombia. The Colombian people also have the sincere gratitude of the American people for their contribution to the war against drugs.

Second, we are not asking the Government of Colombia to certify anything to the United States. We are asking the President of the United States—who is responsible for conducting our relations with other nations—to make a judgment about the United States cooperative relationship with Colombia. Certifications are anything but new around this place. They are an important mechanism by which the U.S. Congress can demand accountability for the use of American taxpayer dollars overseas.

I have always felt, and have taken the position over and over again on this Senate floor, that the American people should be given some assurances by their own government that we are working with and supporting other governments who share our values and our principles. One of those values is fighting the narcotics traffickers and narcotics-related corruption. The best way to fight corruption is to shine a light both on those attempting to do the corrupting and on those who are being or who have been corrupted.

Neither the earlier amendment nor the one that I offer today say that corruption has to be ended in Colombia. It does not say that the program outlined by President Samper has to be fully implemented. It requires the Government of Colombia to take important steps to implement what President Samper himself told us he wants to do about the narcotics problem and the corruption associated with it.

What prompted the Senate's earlier unanimous vote was the concern stemming from credible and disturbing allegations of corruption in Colombia. When the Senate voted in July, the allegations touched the President-elect of Colombia, who had been publicly accused of receiving large "campaign contributions" from the Cali Cartel, which—as I describe it—is the 800-pound gorilla of the world's cocaine trade. That gorilla still exists. It still operates; and it continues to exert a criminal influence both in Colombia and in the United States.

Since the allegations against Mr. Samper surfaced, there have emerged questions about the head of the Colombian National Police, Maj. Gen. Octavio Vargas Silva. According to the Los Angeles Times, 10 days after the Senate first voted on Colombia, the head of the Drug Enforcement Administration refused to meet with General Vargas because "the U.S. Government has reason to believe that Vargas is corrupt." Mr. President, that is a startling report about the senior Colombian law enforcement official.

The Colombian National Police are on the front lines of the drug war. They are our most significant ally in the drug war. They are an impressive group whose dedication has been the linchpin of our cooperative efforts.

Mr. President, the allegations against President Samper and General Vargas need to be monitored. They need constant followup. They need constant observation. President Samper has persuasively denied the accusation. But as recently as August 3, the senior State Department official responsible for narcotics control testified, "the totality of the evidence would cause one to think that there was a certain amount of credence to the reports." I take seriously the continuing allegations emerging from Colombia.

In other words, let us cooperate with the new President. But let us watch his government, and let us watch him in terms of the distribution of foreign aid to Colombia.

That is the reason I have offered this amendment. The continuing allegations of corruption are enough to merit Senate approval of this amendment. As President Samper and Colombia cooperate, of course, they are going to get the foreign aid. If he does not cooperate, then they will not.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HELMS. I believe we had better seek the return of the managers.

I suggest the absence of a quorum.

The PRESIDING OFFICER. There is not presently a sufficient second.

If there is no objection, the quorum call is withheld.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair. I thank the managers of the bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. REID. Mr. President, would the Chair advise the Senator from Nevada as to the parliamentary matter before the body?

The PRESIDING OFFICER. The pending amendment is the Helms amendment No. 2480.

Mr. REID. To which bill?

The PRESIDING OFFICER. To the committee amendment on page 2, DOD appropriations, H.R. 4650.

Mr. REID. Mr. President, I ask unanimous consent that the I be permitted to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE REFORM

Mr. REID. Mr. President, there has been a statement made earlier today that we should hold up on health care reform until another day. Mr. President, that has been going on for 50 years or more. We have talked about doing something on another day through six Presidents. It has been debated off and on for over 50 years. I think the American public feels that we do not need more time, but we need more action.

What we lack in this body is the ability to go forward on a tough issue. The majority leader has decided that this is the time—after six Presidents and over 50 years—for us to make a decision on health care.

Why is now the time to do something about health care? We have over 40 million uninsured Americans. We have 2 million people that lose their health insurance every month, and of those people who lose it—sometimes for a day, sometimes for 2 months—100,000 out of those 2 million lose their health insurance permanently. The 40 million figure is going up and up and up.

The overwhelming majority of people from the State of Nevada want universal coverage, and they want it now. The vast majority of the American public wants universal health care reform now, just like the people of Nevada.

Around the first of July—I do not have the exact date—an ABC-Washington Post poll reported that 78 percent of the American public wanted universal coverage. I believe, Mr. President, if we fail to act now, every American would remain at risk of having their insurance taken away. When I talk about the 40 million-plus uninsured, all the people from the State of Nevada and all of the people from the other 49 States should understand that health care reform is more than reforming the health care for the uninsured. If it were only the uninsured, maybe we could put it off to another day. But it is not only the uninsured. It is people who have insurance that are losing their insurance. It is people who have insurance that are underinsured.

Health care reform affects everyone. In the State of Nevada, we have had two special sessions of legislature that had to be called as a result of health care costs—no other reason, just health care costs.

So I repeat, if we fail to act now, every American—not only the uninsured, but every American—will remain at risk of having their insurance taken away. Why? Let me give a few reasons. Mr. President, millions of Americans will continue to be denied coverage based on preexisting conditions. When we think about preexisting conditions, I think most of us think of someone that is handicapped in the sense that they are confined to a wheelchair and they are denied coverage because of preexisting illness.

But, no, that is not the way it is. Insurance companies deny coverage to people that have had a heart attack in the past, people who are healthy now, people who may have some orthopedic ailment and may have had surgery on their knee, or may have had back problems. Preexisting conditions are just that. The insurance industry wants people in perfect health. A preexisting condition is anything they can find.

I have used this example before, and I will use it again. What are preexisting conditions that we really can understand? It was brought vividly to my attention when I went to visit my ophthalmologist—as the Presiding Officer knows, I have not worn glasses for a long time, but I am wearing them now. As I was leaving his office—and this is someone that I had known for a long time—he said, "HARRY, I sure hope they do something about the health insurance problem." He said, "I have 27 employees, and I have health insurance for my employees. One of my employees recently got cancer, and they will not rewrite my policy. I am having one heck of a time trying to find another insurance company to rewrite a policy for my 27 employees because of this woman that got cancer."

That is what we are talking about. That woman not only cannot be part of a group policy, a small group policy, but I guarantee you she cannot get coverage on her own. That is impossible. So millions of Americans will be denied coverage based on preexisting conditions unless we do something about health care reform.

We have also the problem of somebody who works for a company, they get sick, and they now have a preexisting condition; they are covered under the large policy that they have, but if they want to leave that job and go someplace else, very likely, they will not be able to get insurance.

So this is a problem that is really spreading throughout our society. So preexisting conditions are important. We need portability with insurance policies, so that someone can leave a job and take their insurance with them, and not have to fight with an insurance company for coverage.

Today millions of working Americans are, in effect, locked out of better jobs. They cannot leave because they have health insurance at one place and want to go someplace else. That is why I am saying this is only one example of how the health care crisis affects not only those that are uninsured, but those that are underinsured and those with preexisting conditions.

Also, this health care debate deals with real people. It deals with people who cannot get insurance, who are a part of the 2 million people who may for a day or 2 months or 2 weeks have no insurance and during that period of time they are in an automobile accident or receive some type of injury. As a result of that, they have no insurance.

Mr. President, the problem with our present health care system is that those who are not insured are paid for by those who are insured.

If I came upon this Senate floor and said, "I just came upon a great idea for health care; what we are going to do is say that everyone who has health insurance is going to pay for those who do not—that is our reform," everyone would say: "What? Are you crazy? You are saying those of us who pay for our health insurance are going to pay for those who do not?" "Hey, that is what I want to do." You would say, "No way."

Everyone should understand that is the system that is now in place in America. Those who have health insurance pay for those who do not. How? In the form of higher taxes for indigent care, in the way of higher insurance premiums, and in the way of higher hospital and doctor bills.

It is not a very good system. If someone is up visiting the Capitol today and he or she has no health insurance, and they leave, and as they are leaving they are in an automobile accident or get sick in some way, they are immediately taken to one of the emergency rooms. It is the same in Las Vegas, Reno, and other cities in Nevada. They have no health insurance, so they are taken to an emergency room. The emergency room takes them in.

The highest cost of care in the United States is in the emergency room. That is where all these uninsured get their health care. Who pays for that? We pay for it.

We need health care reform for lots of reasons. I have mentioned a few of them.

Small businesses will continue to see their premiums rise. Right now, it is about a little over half of those small businesses have health insurance for their employees. Those small business people who are gutsy enough to have health insurance for their employees pay 35 percent more for the same coverage as does big business.

But after having understood that, we should also understand that in addition to the 35 percent higher cost for their health insurance, their yearly increase is at a rate 50 percent higher than big business. Talk about not being competitive. For example, You have two people who are making widgets. They both have a small business. They have 30 employees each. One has health insurance and one does not. It goes without question that the one who has health insurance is not as competitive as the one who has no health insurance. Why? Because of the cost that I have indicated. Not only did they pay for their health insurance but they pay more than big business for health insurance, and the yearly increase is even more.

If we do not achieve universal health care reform, I repeat, we will be placing every American at risk. If we continue the status quo in which those with insurance pay for those without, we would be, in effect, doing the American public a tremendous disservice.

Who is raising the hue and cry that we do nothing? Could it be the health insurance industry, which employs 2.4 million people, employs more people than work for the entire Federal Government? Do you think they want the status quo maintained? Of course they do.

I heard this morning on the way to work that there is almost $50 million that has been spent already, by those who want to maintain the status quo, in television advertisements, radio advertisements, and we are only seeing the beginning of the cost of these misleading status quo ads.

Why would these entities want to change a system? This year the cost of health care in America is going up over $100 billion—not $100 million, $100 billion. We will not have any better health care as a result of costs going up this year over $100 billion, not any better health care at all.

Where is the money going? I submit, Mr. President, it is not all going to doctors and hospitals. Bureaucratic red-tape. How many doctors have told the Presiding Officer—how many physicians from Kentucky have said to the Presiding Officer, "I as a physician would like to be able to practice medicine and not have to depend on some clerk to tell me whether I can do a medical procedure." I would bet the people have said that to the Presiding Officer. Physicians have said that to me, physicians from the State of Nevada. That is why the National College of Surgeons became desperate and supported the single-payer system. I asked my surgeons in the State of Nevada: "Why did you do this?" They said: "Because we are tired of not being able to practice medicine the way we were taught to practice medicine. To do a surgical procedure, we have to jump through hoop after hoop after hoop of clerks telling us what to do."

So this system that is going to cost us $100 billion more this year is soon going to cost $1 trillion. That is, after next year it will be $1 trillion. That is how much we spend in health care in America.

To people who are suggesting, let us not do health care reform, let us do a little bit here, let us do a little bit there, let us do some incremental reform, I say all that is going to do is drive up the cost of health care for middle-income families to pay in the way of higher taxes, higher hospital and doctor bills, and higher insurance premiums.

A recent Lewin-VHI report on incremental reform reports:

> Our analysis shows that premiums are lower under universal coverage than under

insurance market reform linked to subsidies. Further, we estimate that middle income families that currently have insurance will pay more in general for health care under partial reform than under reform that includes universal coverage.

The reason is because we will be picking up the tab for the millions of Americans who are left uninsured. It is no secret. Economists know what the problem is. This is what we call cost-shifting.

Since 1986, the average cost of health insurance has increased by 117 percent. We do not count 1986. We count 1987, 1988, 1989, 1990 1991, 1992, and 1993. In those few years, the cost of health insurance has gone up by more than 100 percent. Over that same period of time almost 8 million Americans have been added to the ranks of the uninsured.

Who are these uninsured? In Nevada lots of them are children. In America, as in Nevada, over 60 percent of the uninsured are people who work every day. They are not derelicts. They are not bums. Over 60 percent of them are people who work for a living.

So, I look forward, Mr. President, to this debate. I publicly commend, I publicly applaud the majority leader for forcing the Senate to act on this measure. He is doing the right thing for the American public. He is doing the right thing for the people of the State of Nevada.

This is an important issue that has been taken out of context by the television ads, the radio ads, and the mailings causing people to be afraid they are going to lose what they have.

I believe any health care reform should not cause people who have health insurance to have less after we finish than they have now. But what it would do, I believe, is cut down on the bureaucracy, the red tape, fraud and abuse, and allow health care to be more cost effective than it is now.

The frenzy that has been whipped up over this issue is simply a smokescreen. They set out to confuse the American public, and they have accomplished what they set out to do. They have confused the American public. But the American public will soon understand, as many of them do now, that it is a smokescreen, it is a feignt, it is a misleading tactic to divert their attention from the goal line. And what is the goal line? The goal line is to bring down the cost of health care for the American public.

What we have been witnessing the last little bit and what we will probably see in the next few days is what has come to be known as gridlock, attempts to defeat what will be a winner for the middle class.

The reason health care is so important, Mr. President, is that those people who are injured in accidents, those people who become ill, however that befalls them, it does not do it on the basis of their party affiliation, it does it whether you are a Democrat or Republican. And that is why I am so concerned that the direction of this health care debate has become partisan.

I call upon my friends on the other side of the aisle to be courageous, to break from the pack, and be part of a debate that will allow us to accomplish something without partisan politics.

We have a choice of preserving the status quo, in which every American is at risk and where those who have insurance pay for those who do not. Or we can take the courageous step of providing health security for all Americans and restoring fiscal soundness to skyrocketing health care expenditures.

I also extend my appreciation to the senior Senator from Hawaii, the manager of this bill, for allowing me to go out of order and set the committee amendment aside.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. INOUYE. Mr. President, I think the time has come to advise the American public that may be viewing the proceedings as to what is happening.

Mr. President, as you are aware, we are presently considering a measure that calls for the funding of the defense and security activities of this Government. The total amount involved is $243.6 billion. Mr. President, it is the largest appropriations measure, so I can understand the surprise among Americans as to why the lack of interest.

Your Committee on Appropriations filed a measure 9 days ago. Senators have had the bill for a week. But we, Senator STEVENS and I, realized that the matter before us is not only large, but very complicated. And I would suppose that it does take time to go through this massive bill that we have here and to study each provision and the consequences of each provision. So we have been sitting here very patiently to accommodate our colleagues.

Together with this complexity is the fact that at this moment, the conference on the authorizing committee is on the Armed Services Committee. It may surprise some that the authorizers have not completed their conference, notwithstanding that the appropriators are moving.

There is also another very important conference committee pending at this moment, and that is the Appropriations Subcommittee on Commerce, State, and Justice. The Commerce Committee is also having a very important meeting on the so-called information superhighway. We are hoping that agreement can be reached so that that matter can be brought before the committee.

At this moment, there is a very important meeting on the national health program.

What I am trying to tell you, Mr. President, and the American public that may be viewing this strange situation, with the Presiding Officer and two other Senators present, is that the Senate, notwithstanding, is very diligently at work.

We understand that. And so, though we may look frustrated, we realize that this is part of the process of the U.S. Senate. We know that 24 hours from now, the situation will change. We will begin to consider amendments. We are hoping that this whole process can be concluded by the close of business on Wednesday so that we may go into conference with the House.

We just hope that our colleagues will come forth by tomorrow noon and begin to present their amendments.

NAVY F/A-18 GEARBOXES

Mr. SIMON. Mr. President, I would like to ask the distinguished chairman of the Defense Appropriations Subcommittee a question regarding the Navy's F/A-18 program. It has been well publicized that the Navy has been having significant problems with the gearbox of the F/A-18 C/D models. In fact, the Navy attributes a significant number of aborted missions directly to these problems.

To its credit, I understand that the Navy is now committed to expeditiously qualify a second source for the gearboxes. Is the chairman aware of the Navy's commitment?

Mr. INOUYE. Mr. President, I am aware of the commitment the Navy had made to move expeditiously to qualify a second source for this flight-critical item. I also expect the Navy will keep our committee fully informed of its progress on a timely basis, and I will share that information with the Senator from Illinois as well.

Mr. SIMON. Mr. President, I thank the chairman for his willingness to keep me informed of the Navy's progress on this important matter and I look forward to the Navy's reports.

UNIVERSAL HEALTH CARE

Mr. INOUYE. Mr. President, realizing that, at this moment, important decisions are being made on the health program of the United States, being from Hawaii, the present debate surprises me, because, as you may know, Mr. President, for the past 20 years, Hawaii has had a health program of universal coverage. All of our citizens have had health coverage for the past 20 years, with portability. If you leave a job and go to another job, you do not have to worry about losing your insurance coverage, because that coverage will follow you.

It is true that, in the early days, there were those who were quite critical, because it called for a rather controversial element—employer mandate.

Our program is financed by employees and employers paying for the premium.

And, finally, may I just note the following: Hawaii is a beautiful place, but I think all of us realize that the cost of living in Hawaii is about the highest in the United States All of our goods have to be either flown in or shipped in by transport ships, so there is this extra cost of transportation.

Added to this is the fact that we are insular, so the land area is limited. The cost of real estate is almost unbelievable. Here in Maryland, you would get a beautiful residential parcel for something the equivalent of $2 a square foot. In Hawaii, comparable real estate would cost you about $15 a square foot. As a result, the cost of a new home in Hawaii, the average cost, exceeds $230,000.

Everything is high, with the exception of one thing. The cost to small business for health insurance coverage is about 30 percent lower than the national average. Everything is high but the cost of health insurance. Why? Because we have universal coverage. Why? Because we have employer mandate.

And I am proud to say that the Hawaiian politicians had the guts to face this, to address this problem, and to adopt a program that benefits all of us. I hope that my colleagues in the U.S. Congress will have equal courage to face up to the facts. I think 50 years of debate is long enough. The time has come to act.

Mr. President, reluctantly, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. AKAKA). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FORD. I ask unanimous consent we now have a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:53 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 178. Joint resolution to proclaim the week of October 16 through October 22, 1994, as "National Character Counts Week."

The message also announced that the House has passed the following joint resolutions; in which it requests the concurrence of the Senate:

H.J. Res. 131. Joint resolution designating December 7 of each year as "National Pearl Harbor Remembrance Day";

H.J. Res. 175. Joint resolution designating October 1994 as "Italian-American Heritage and Culture Month"; and

H.J. Res. 390. Joint resolution designating September 17, 1994, as "Constitution Day."

The message further announced that the House has agreed to the following concurrent resolution; in which it requests the concurrence of the Senate:

H. Con. Res. 248. Concurrent resolution providing for the printing of eulogies, encomiums, and funeral services for the late President of the United States, Richard M. Nixon.

The message also announced that the House has agreed to the following concurrent resolutions; each with amendments:

S. Con. Res. 38. Concurrent resolution to authorize the reprinting of the book entitled "The United States Capitol: A Brief Architectural History";

S. Con. Res. 39. Concurrent resolution to authorize the printing of a new annotated edition of Glenn Brown's "History of the United States Capitol", originally published in two volumes in 1900 and 1903, prepared under the auspices of the Architect of the Capitol; and

S. Con. Res. 41. Concurrent resolution to authorize the printing of the book entitled "The Cornerstones of the United States Capitol."

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes.

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent; and referred as indicated:

H.J. Res. 390. Joint resolution designating September 17, 1994, as "Constitution Day"; to the Committee on the Judiciary.

The following concurrent resolution was read; and referred as indicated:

H. Con. Res. 248. Concurrent resolution providing for the printing of eulogies, encomiums, and funeral services for the late President of the United States, Richard M. Nixon; to the Committee on Rules and Administration.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on August 5, 1994, she had presented to the President of the United States, the following enrolled bill:

S. 1458. An act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Indian Affairs, with an amendment:

S. 2067. A bill to elevate the position of Director of Indian Health Service to Assistant Secretary of Health and Human Services, to provide for the organizational independence of the Indian Health Service within the Department of Health and Human Services, and for other purposes (Rept. No. 103–327).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMON (for himself, Mr. PELL, Mr. REID, Mr. BOREN, Ms. MOSELEY-BRAUN, and Mr. JEFFORDS):

S. 2370. A bill to provide procedures for the contribution of volunteer United States military personnel to international peace operations; to the Committee on Armed Services.

By Mr. HATFIELD:

S. 2371. A bill to encourage owners and operators of facilities to conduct voluntary internal audits of the compliance of the facilities with applicable Federal environmental laws, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMON (for himself, Mr. PELL, Mr. REID, Mr. BOREN, Ms. MOSELEY-BRAUN, and Mr. JEFFORDS):

S. 2370. A bill to provide procedures for the contribution of volunteer United States military personnel to international peace operations; to the Committee on Armed Services.

VOLUNTEER U.S. MILITARY PERSONNEL TO INTERNATIONAL PEACE OPERATIONS

Mr. SIMON. Mr. President, I am introducing a bill titled, "To Provide Procedures for the Contribution of Volunteer United States Military Personnel to International Peace Operations." It is cosponsored by Senator PELL, Senator REID, Senator BOREN, Senator MOSELEY-BRAUN, Senator JEFFORDS.

Let me outline what has just happened. There are unfortunately other examples of what has happened.

In April, the situation in Rwanda exploded. It did not explode on our television screens yet, but it exploded. And we knew things were happening that were not good.

In early May, Senator JIM JEFFORDS, our colleague from Vermont, and I called General DeLauer, the Canadian general in charge of the small contingent of U.N. troops there. He said, "If I can get 5,000 to 8,000 troops here quickly we can stop this whole thing."

We immediately wrote a letter, Senator JEFFORDS and I, to President Clinton with a copy to the Secretary of State, Warren Christopher, and a copy to Assistant Secretary George Moose, urging that action be taken quickly. On May 17, the U.N. Security Council authorized up to 5,500 troops to go to Rwanda.

On June 22, Secretary General Boutros Boutros-Ghali said it would take 3 months to get 5,500 troops there. And shortly after that, and I do not remember all the details on dates, but we held a hearing and I was in phone conversation with people both from the State Department and the Defense Department. At one point, there was an indication that the United States was willing to take a battalion from Mali to Rwanda. and at one point, while we, the nations of the world, were kind of spinning our wheels doing nothing, and things were getting worse and worse in Rwanda, the French, to their credit, made a decision to send 2,000 troops to Rwanda and within 72 hours those troops were there.

But, in the meantime, things were getting worse and worse and now we read in the papers there may have been as many as 1 million people killed. I do not think anyone will ever know the precise total. But whether it was a quarter of a million or a half million or a million, most of it could have been prevented had we moved quickly.

The New York Times today, in an editorial on the Rwanda situation, has these final words:

> The world had neither the means nor the will to respond in April, the critical early stage of Rwanda's descent into genocide. It has been a terrible learning process, and yet crueler lessons may lie ahead.

What do we do about it? Senator PELL, Senator REID, Senator BOREN, Senator MOSELEY-BRAUN, and I are suggesting this possibility. Obviously, this is not set in stone. It will have to be refined. We are suggesting there would be 3,000 volunteers among those who serve in our Armed Forces who would be paid some kind of incremental amount—10 percent, 15 percent—for volunteering, who would be available on 24-hour notice whenever the Security Council acted on something and the President of the United States approved.

The assumption here is if the United States has 3,000 troops available—volunteers again, I stress, volunteers from within our Armed Forces—the Germans would do the same, the French, the Brits, the Japanese, and other countries might have smaller amounts. But we could respond immediately to a situation like in Rwanda.

The reality is what the New York Times says in this editorial. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 8, 1994]

RWANDA'S VERY LONG HAUL

It has begun to dawn on policy makers, if not yet the public, that the crisis in Rwanda may take years to resolve. Relief workers in Zaire, where a million Rwandans have fled, see little hope for a prompt return home by Hutus fearing reprisal massacres by Tutsis, who now dominate the new Government in Kigali. Indeed, instead of getting better, matters could become worse, spreading conflict, hunger and uprooted peoples through an entire region.

It would be wise for the Clinton Administration to prepare Americans for what may be a very long haul in Central Africa. A small contingent of U.S. troops is already assisting the United Nations operation in Rwanda, and Washington has promised to come up with $270 million in new aid. If the case is fairly made, if burdens are fairly shared with others, and if civil peace can be maintained, this is an effort that Americans can be persuaded to support.

The immediate, compelling consideration is humanitarian. It affronts decency to do nothing as children starve in squalid refugee camps. But other interests are affected when four million people flee their homes, half of them across frontiers, in a country of just under eight million people where, today, no food grows in vacated farms. Desperation will breed new wars, sending shock waves through tense neighboring states, notably Burundi and Zaire. The fearful prospect of more upheavals calls out for energetic preventive diplomacy.

The place to start is Kigali, where a new Government lacking even telephones, desks and offices rules a country lacking people. Creditably, the victorious Rwanda Patriotic Front has established a multi-party Cabinet that is led by a President and Prime Minister who are both Hutu. But real power is held by minority Tutsis, notably Vice President and Defense Minister Paul Kagame, who was the chief strategist of the rebel victory.

The new regime is speaking the right words about reconciliation. Yet these have to be set against the scattered killings of returning Hutus, as reported in The Times by Raymond Bonner, and Government plans to try thousands of civilians as war criminals. There could also be another nightmare if 500,000 Rwandans, most of them Hutu, flee a security zone created by French peacekeepers, who are due to depart by Aug. 22.

Keeping to that timetable is a problem, since the French are supposed to be replaced by a 5,500-strong U.N. peacekeeping force. But less than a thousand Canadian and African troops are now in Rwanda, with the rest still to be trained to protect convoys and reassure returning villagers. A small contingent of U.S. troops is under direct U.S. command in Kigali.

By any measure, the prospects are grim: an untested new Government, a collapse of basic services, reprisal killings, an improvised international force and a depopulated country, with the planting season supposed to begin next month.

Meantime, mingling with two million refugees in Zaire and Tanzania are remnants of the defeated Rwandan Army, including units responsible for the worst massacres. Commanders talk of regrouping and of border war from sanctuaries in Zaire; they also threaten to shoot foreign relief workers who dare urge Rwandans to return home. And the same despicable radio station that clamored for Tutsi blood before the rebel victory continues its broadcasts from a mobile base.

What could make an enormous difference is a real international presence in Rwanda, to reassure and to witness. Now there are reports of killings in adjacent Burundi, with a similar ethnic mix and with the same history of strife. The world had neither the means nor the will be respond in April, the critical early stage of Rwanda's descent into genocide. It has been a terrible learning process, and yet crueler lessons may lie ahead.

Mr. SIMON. "The world had neither the means nor the will to respond." That is true. We just do not have the mechanism. And the great threat today is not nuclear annihilation. The great threat is chaos. It is instability. If we had moved quickly in Rwanda, hundreds of thousands of lives would have been saved. And there is a spillover effect. What is going to happen in Burundi? What is going to happen in Tanzania? I do not know. I hope nothing happens in any of these areas.

I have been on the phone two or three times to our former Senate colleague, Senator Bob Krueger, who is now Ambassador to Burundi, right next door. So far, every indication is of stability there. But people around the world should know that the United Nations can move and move quickly. The only alternative to that is for the United States, as the only superpower, to be what everybody says we should not be, the policeman of the world. I think this makes sense.

Again, this would be up to 3,000 people who are within our Armed Forces, who would volunteer and presumably get an additional 10 or 15 percent, but take additional risks—there is no question about it. And they might be sent into Bosnia. They might be sent into Rwanda. Who knows where the next trouble spot might be around the world?

So I am pleased to be joined by Senator PELL, Senator REID, Senator BOREN, and Senator MOSELEY-BRAUN in introducing this legislation here today.

By Mr. HATFIELD:

S. 2371. A bill to encourage owners and operators of facilities to conduct voluntary internal audits of the compliance of the facilities with applicable Federal environmental laws, and for other purposes; to the Committee on Environment and Public Works.

ENVIRONMENTAL AUDIT PROTECTION ACT

Mr. HATFIELD. Mr. President, I rise today to introduce legislation to create new incentives for business and industry to police their own environmental actions. My bill, the Environmental Audit Protection Act, would create a very limited legal privilege for businesses that conduct environmental audits and take corrective action to avoid violation of environmental laws.

In 1993, Oregon became the first State to codify a privilege for environmental audits. Under the Oregon law, an internal environmental audit, undertaken voluntarily, cannot be used against the company in a trial or administrative action, unless efforts to comply were not promptly initiated and pursued with reasonable diligence or the privilege is invoked for fraudulent purposes. The Oregon law garnered support not only from the business community but also from the department of environmental quality and the State attorney general. These supporters have told me of the positive effects this law has had in my State.

Several other States have created a privilege, including Colorado, Indiana, and Kentucky, and another dozen States are considering bills to create the privilege. Some of these laws, such as Colorado's, create a broader right based on disclosure of the results of an audit.

My bill is based on the Oregon law, and it strikes a good balance between protecting a business's right to self-police and ensuring environmental compliance. There are clear limits on the privilege. The privilege would cease to exist if used for fraudulent activities or if waived by a company.

Most importantly, the privilege is moot if the company does not promptly act to achieve compliance if a violation is discovered in an audit. This fact creates a strong incentive for companies to immediately correct any potential or real problem.

Moreover, my bill would not bar any enforcement action for any environmental violation. The privilege only extends to information in the audit report, not to the violation itself. No environmental law is decriminalized, and the enforcement agencies are not barred from pursing action.

Finally, even if the company proceeds to immediately correct a violation, the privilege is not absolute. A prosecutor is allowed access to an environmental audit if it contains evidence relevant to an environmental crime that is not otherwise available without substantial cost or delay.

The new law has had a positive impact on the environmental practices of companies in Oregon. The Oregon law has increased a company's flexibility in learning about and correcting compliance problems in several ways. First, it has expanded employee involvement; this has made audits more complete and accurate and has helped employees connect their daily jobs with environmental compliance.

Second, it has created new incentives for companies to spend money on compliance. The potential loss of the privilege is a strong motivator for companies to quickly allocate whatever resources are needed to correct a potential violation.

Third, it has encouraged companies to create more systematic approaches to environmental activities. Companies can now keep records, and have had much greater success in dealing with chronic problems.

Last, but by no means least, lawyers are no longer needed in Oregon to shield audit documents under the attorney-client privilege. Removing lawyers from this process has substantially reduced the cost of auditing and has created a better flow of information with companies.

Mr. President, self-enforcement by responsible companies is a vital issue. It is an impossible task for the Environmental Protection Agency to find and prosecute every environmental violation. I believe that most companies want to police themselves; it is both morally right and less costly to find and correct a violation than to face regulatory, civil and criminal action. Incentives for self-enforcement will help free up the very limited resources in the Federal and State environmental and enforcement agencies to enforce the most severe, egregious, and dangerous violations of our environmental laws.

I am introducing this bill to begin a dialog in the Senate on this issue. Last week, the Senate urged the EPA to seriously consider the benefits of self-evaluation that come from privilege by passing a sense-of-the-Senate resolution as part of the VA-HUD appropriations bill. I believe that this debate should take place in Congress as well as at the EPA, and I hope my bill is a responsible beginning for our conversation on this issue.

Mr. President, I have received a number of letters of support for this bill, and I ask that they be included in the RECORD immediately following my remarks. Furthermore, I ask that the text of my bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Environmental Audit Protection Act".

SEC. 2. PURPOSE.

The purpose of this Act is to encourage owners and operators of facilities, and other persons conducting activities, regulated under applicable environmental laws to conduct voluntary internal environmental audits of their compliance programs and management systems and to assess and improve compliance with applicable environmental laws by protecting the confidentiality of communications relating to voluntary internal environmental audits.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) APPLICABLE ENVIRONMENTAL LAW.—The term "applicable environmental law" means—

(A) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(B) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.);

(C) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

(D) the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.);

(E) title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.);

(F) the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.);

(G) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(H) the Clean Air Act (42 U.S.C. 7401 et seq.);

(I) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.);

(J) the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001 et seq.); and

(K) the Pollution Prevention Act of 1990 (42 U.S.C. 13101 et seq.).

(2) ENVIRONMENTAL AUDIT.—The term "environmental audit" means a voluntary, internal, and comprehensive evaluation of a facility or an activity at a facility regulated under an applicable environmental law, or of a management system related to the facility or activity, that—

(A) is designed to identify and prevent noncompliance and to improve compliance with an applicable environmental law; and

(B) is conducted by the owner or operator of the facility, by an employee of the owner or operator, by another person conducting an activity regulated under an applicable environmental law, or by an independent contractor.

(3) ENVIRONMENTAL AUDIT REPORT.—

(A) IN GENERAL.—The term "environmental audit report"—

(i) means a report comprised of 1 or more components, each labeled "Environmental Audit Report: Privileged Document", that is prepared as a result of an environmental audit; and

(ii) includes any supporting information (such as a field note or record of observations, finding, opinion, suggestion, conclusion, draft, memorandum, drawing, photograph, computer-generated or electronically recorded information, map, chart, graph, or survey) that is collected or developed for the primary purpose and in the course of the environmental audit.

(B) COMPONENT.—As used in subparagraph (A), the term "component" means any of the following 3 items:

(i) An audit report prepared by the auditor, which may include information on the scope of the audit, information gained from the audit, and conclusions and recommendations relating to the audit, together with exhibits and appendices.

(ii) A memorandum or other document that analyzes a portion or all of the audit report and that may include information concerning the implementation of the report.

(iii) An implementation plan that addresses the correction of past noncompliance, the improvement of current compliance, and the prevention of future noncompliance.

SEC. 4. PROTECTION OF ENVIRONMENTAL AUDITS.

(a) GENERAL RULE.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subsections (b) and (c), an environmental audit report shall not be subject to discovery and shall not be admitted into evidence in any civil or criminal action or administrative proceeding before a Federal court or agency.

(2) EXCLUSION OF CERTAIN TYPES OF INFORMATION.—Paragraph (1) shall not apply to—

(A) any document, communication, data, report, or other information required to be collected, developed, maintained, reported, or otherwise made available to a regulatory agency pursuant to an applicable environmental law, or other Federal, State, or local law, ordinance, regulation, permit, or order;

(B) information obtained by observation, sampling, or monitoring by any regulatory agency; or

(C) information obtained from a source independent of the environmental audit.

(b) WAIVER.—Subsection (a) shall not apply with respect to an environmental audit report to the extent that subsection (a) is waived expressly or by implication by the owner or operator of a facility, or other person conducting an activity, that is regulated under an applicable environmental law, who prepared or caused to be prepared the environmental audit report.

(c) INAPPLICABILITY OF GENERAL RULE.—

(1) CIVIL AND ADMINISTRATIVE PROCEEDINGS.—

(A) IN GENERAL.—In a civil action or an administrative proceeding, subsection (a) shall not apply to an environmental audit report, or a portion of the report, if—

(i) subsection (a) is invoked for a fraudulent purpose; or

(ii)(I) the report or portion provides evidence of noncompliance with an applicable environmental law; and

(II) appropriate efforts to achieve compliance with the law were not promptly initiated and pursued with reasonable diligence.

(B) DETERMINATION OF INAPPLICABILITY.—In determining whether subsection (a) applies to a report or portion of a report, a court or administrative law judge shall conduct an in camera review of the report or portion of the report.

(2) CRIMINAL PROCEEDINGS.—

(A) IN GENERAL.—In a criminal proceeding, subsection (a) shall not apply to an environmental audit report, or a portion of the report, if—

(i) subsection (a) is invoked for a fraudulent purpose;

(ii)(I) the report or portion provides evidence of noncompliance with an applicable environmental law; and

(II) appropriate efforts to achieve compliance with the law were not promptly initiated and pursued with reasonable diligence; or

(iii)(I) the report or portion contains evidence relevant to the commission of an offense under an applicable environmental law;

(II) the Attorney General has a compelling need for the information;

(III) the information is not otherwise available; and

(IV) the Attorney General is unable to obtain the substantial equivalent of the information by any means without incurring unreasonable cost and delay.

(B) DETERMINATION OF INAPPLICABILITY OF GENERAL RULE.—In determining whether subsection (a) applies to a report or portion of a report, a court or administrative law judge shall conduct an in camera review of the report or portion of the report in accordance with subparagraph (C).

(C) IN CAMERA REVIEW PROCEEDINGS.—

(i) IN GENERAL.—If the Attorney General has probable cause to believe that an offense has been committed under an applicable environmental law based on information obtained from a source independent of an environmental audit report, the Attorney General may obtain an environmental audit report, or a portion of the report, for which subsection (a) is invoked pursuant to a search warrant, criminal subpoena, or discovery in a criminal proceeding. The Attorney General shall immediately place the report under seal and shall not review or disclose the contents of the report.

(ii) FILING OF PETITION.—Not later than 30 days after the Attorney General obtains an environmental audit report, or a portion of the report, under clause (i), the owner or operator, or other person conducting an activity regulated under an applicable environmental law, who prepared or caused to be prepared the report, may file with the court a petition requesting an in camera hearing on whether subsection (a) applies to the environmental audit report or portion. Failure by the owner or operator or other person to file the petition shall constitute a waiver of subsection (a).

(iii) SCHEDULING ORDER.—As soon as practicable after the filing of the petition, the court shall issue an order scheduling an in camera hearing on the petition not later than 45 days after the filing of the petition.

(iv) REVIEW BY THE ATTORNEY GENERAL.—

(I) IN GENERAL.—An order described in clause (iii) shall allow the Attorney General to remove the seal from the report to review the report and shall place appropriate limitations on the distribution and review of the report to protect against unauthorized disclosure. The Attorney General may consult with any enforcement agency regarding the contents of the report as the Attorney General determines is necessary to prepare for the in camera hearing.

(II) USE OF INFORMATION FROM REVIEW.—The information used in preparation for the in camera hearing shall not be used in any investigation or in any proceeding against the defendant, and shall be kept confidential—

(aa) unless and until the information is found by the court to be subject to disclosure under subparagraph (A); or

(bb) unless the person using the information demonstrates that the information was obtained from a source independent of the environmental audit report.

(v) STIPULATIONS BY THE PARTIES.—With respect to proceedings under this subparagraph, the parties may at any time stipulate to entry of an order directing that subsection (a) does or does not apply to specific information contained in an environmental audit report.

(3) RELEVANCE REQUIREMENT.—Upon making a determination under paragraph (1) or (2) that an environmental audit report, or a portion of the report, should be subject to disclosure, the court may require the disclosure of only such portions of the report as are relevant to an issue in dispute in the proceeding.

(d) BURDENS OF PROOF.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a party invoking the protection of subsection (a) shall have the burden of proving the applicability of subsection (a), including, if there is evidence of noncompliance with an applicable environmental law, the burden of proving that appropriate efforts to achieve compliance were promptly initiated and pursued with reasonable diligence.

(2) FRAUD IN A CIVIL ACTION.—If a party seeks discovery under subsection (c)(1)(A)(i), the party shall have the burden of proving that subsection (a) is invoked for a fraudulent purpose.

(3) ATTORNEY GENERAL.—If the Attorney General seeks discovery under subsection (c)(2)(A)(iii), the Attorney General shall have the burden of proving the matters described in subsection (c)(2)(A)(iii).

SEC. 5. EFFECT ON OTHER RULES.

Nothing in this Act shall limit, waive, or abrogate the scope or nature of any statutory or common law rule regarding discovery or admissibility of evidence, including the attorney-client privilege and the work product doctrine.

SEC. 6. APPLICABILITY.

This Act shall apply to each Federal civil or criminal action or administrative proceeding that is commenced after the date of enactment of this Act.

OREGON DEPARTMENT OF
ENVIRONMENTAL QUALITY,
August 8, 1994.

Hon. MARK O. HATFIELD,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: Thank you for the opportunity to comment on voluntary self-audit legislation you are introducing today, legislation which I understand to be identical to Oregon law enacted in the 1993 legislative session. I think Oregon's approach is different from other states' legislation because it provides safeguards against abuse.

Let me begin by noting that the EPA nor the states have the resources to inspect the regulated community on a regular and frequent basis as we think appropriate. Consequently, we need to encourage those programs which will provide incentives to the regulated community to comply even without fear of inspection and enforcement. I believe, if properly crafted, limited privileging environmental self-audits can be one of those incentives.

Since environmental audits are not required, we don't want to create disincentives to performing them. (I recognize that if such audits became mandatory we would have a completely different situation.) And while none of us want to let an unscrupulous operator use an audit to avoid enforcement, I think we know that a really unscrupulous operator will either not conduct an audit in the first place or have the results first sent to their lawyer and then forwarded to them under attorney-client privilege.

Let me turn to the Oregon law and how I think it overcomes these concerns. First, the privilege is extended only to the information contained in the audit (at least for us this will most likely be a source of information that they knowingly violated the law and are subject to criminal enforcement) and not to the violation itself. Consequently, if we are able to document the violation independent of the audit, we are able to take any and all appropriate enforcement actions.

Second, and most importantly, the audit remains privileged only if the entity is implementing the recommendations and correcting the violations. If the corrective actions are not being implemented the privilege disappears, and we are able to use the audit to help prove our case. The method our law outlines for determining if the corrective actions are being taken is for the judge hearing the case to review the audit in camera and make the determination.

The beauty of this latter provision, it seems to me, is that it provides for a real incentive for anyone conducting an environmental audit to be sure they follow any and all recommendations to correct problems—whether or not we are going to be there to do an inspection. My guess is that there will be many more audits conducted than we will discover through our normal inspection and enforcement process. Consequently, we need to build in incentives to get these audits to produce environmental improvements. Knowing that the audit could prove to be the "smoking gun" in a future enforcement action if the recommendations are not followed provides just the incentive we need.

I might add, the Oregon law was developed out of a lot of hard negotiations involving us, the Attorney General, district attorneys, municipalities and members of the environmental community along with the two main business organizations in the state.

Thank you for the opportunity to offer support for your effort to make Oregon law the law for the whole nation.

Sincerely,

FRED HANSEN,
Director.

August 2, 1994.

Re Legislation for a federal environmental audit privilege.

Hon. MARK. O. HATFIELD,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: I understand that you are favorably inclined to introduce legislation in Congress for a federal environmental audit privilege. Your bill would be modeled along the lines of the law Associated Oregon Industries pushed through the Oregon Legislature last year. On behalf of Associated Oregon Industries' 2,100 primary members and 13,000 associate members, I am pleased at this prospect and encourage you to actively pursue a federal law protecting environmental audit reports.

As a whole, Oregon industry works hard to comply with today's complex and voluminous environmental laws. Perfect compliance at all times, however, is a virtually unattainable objective for large facilities. Compliance is made all the more difficult when reports, generated during a company's voluntary environmental audit, are not confidential. Prior to Oregon's law, the first of its kind in the nation, environmental agencies could obtain a company's audit reports and use them in an enforcement action. By making environmental audit reports privileged, Oregon's law protects companies from "hanging themselves" as long as actions are taken to correct any violations found.

Though Oregon's regulated companies are reacting positively to the new state protections, Oregon's new law does not complete the protection circle. The Environmental Protection Agency (EPA) is not bound by Oregon's environmental audit privilege and occasionally inspects Oregon companies. This is why a federal environmental audit privilege is needed.

On July 27, 1994, I testified before the Environmental Protection Agency on the environmental audit privilege concept. The EPA is currently reviewing its policies on environmental audits. Enclosed is a copy of my testimony referencing the Oregon experience for your use.

Thank you for your efforts. I am pleased to be working with you.

Sincerely,

JAMES W. WHITTY,
Legislative Counsel.

PORTLAND GENERAL ELECTRIC CO.,
Portland, OR, August 4, 1994.

Subject: Legislation on environmental audit privilege.

Hon. MARK O. HATFIELD,
Hart Senate Office Building, U.S. Senate, Washington, DC.

Thank you for your leadership in sponsoring this important environmental legislation. A national policy is much needed to provide the incentive for companies to voluntarily achieve higher levels of environmental compliance through self-auditing and disclosure without the threat that internal company communications will be used against them. This bill embodies the qualities of a rigorous but workable regulatory framework which Portland General Electric Company (PGE) supports.

To that point, PGE has an Environmental Policy that emphasizes open communication within all our operating divisions concerning environmental problems. We have been conducting formal Environmental Compliance Reviews of our facilities for several years with written documentation of results going to managers and officers. In addition, we report monthly on any compliance exceedances. Since the development of Oregon's Environmental Audit Privilege, we have increased confidence that open written communications can, in fact, be used to resolve environmental problems.

Federal legislation similar to Oregon's will have a positive impact on industry to take proactive steps to improve compliance with regulations and will subsequently improve environmental quality. Removing the threat of having audit information used by regulatory agencies will encourage written documentation. This, in turn, will greatly improve internal communication and resolution of environmental problems.

FRED D. MILLER,
Vice President Public Affairs.

OREGON STEEL MILLS,
Portland, OR, July 29, 1994.

Hon. MARK HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: It is my understanding that you are preparing to introduce a bill for a federal environmental audit privilege in the near future. I am in favor of this concept and wholly support your furtherance of this issue.

The enactment of such a law would complete the protection that the state of Oregon has provided in its audit privilege statute.

This type of legislation will go a long way towards encouraging environmental compliance in areas not even looked at under current laws.

SINCERELY,
Jerry O. Richartz,
Corporate Manager, Energy & Environment.

TEKTRONIX,
July 29, 1994.

Senator MARK O. HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD, I am writing to lend support for the environmental audit privilege bill that you are about to introduce.

As Director of the Corporate Environmental, Safety and Health groups at Tektronix for the past twenty-five years it has been our policy to do continuous audits both internally and with our vendors (reclaim, disposal, and transportation). I believe this has been a critical part of our proactive program.

If we were to not able "find and fix-it" and document that we had followed through without fear of enforcement or having our records used against us I am sure we would change the way we do things.

As you know Oregon is a leader in the country in environmental stewardship, this is not an accident, industry, environmental interest groups, academia, and regulatory agencies have worked closely together to protect the environment and keep Oregon in a leadership position.

I doubt you will find this cooperative working relationship anywhere else, enforcement as a primary regulatory tool simply is not effective. We must be able to be critical of ourselves and work on constant improvement.

I applaud your efforts and wish you success.

FRANK L. DEAVER,
Director, Corporate Environmental Affairs.

POPE & TALBOT, INC.
Halsey, OR, August 8, 1994

Senator MARK O. HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: We understand you are considering a bill to adopt the Oregon Environmental Audit Privilege as a federal law. Our company is in preparation for an environmental audit this month at this site and we intend to take any necessary corrective action based on the audit findings. Frankly, I think the Oregon law encourages businesses to conduct audits so that potential problems can be identified and corrected.

Pope & Talbot encourages and supports extending the Oregon Audit Privilege nationally. It makes good sense from both a business perspective and an environmental perspective.

Sincerely,

WILLIAM O. DAMEWORTH,
Environmental Manager.

WACKER SILTRONIC CORP.,
Portland, OR, August 2, 1994.

Re Environmental audit privilege.

Senator MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

THE HONORABLE SENATOR HATFIELD: Oregon has a rich history of leadership in environmental affairs. Where the trend of increasingly prescriptive environmental regulation followed by "get tough" enforcement programs has been pursued by other states and the administration, Oregon has always been more protective. The latest example has come to be known as Oregon's "Environmental Audit Privilege."

Wacker Siltronic Corporation offers encouragement and support as you prepare to introduce a bill which will extend the environmental audit privilege across the nation. Your bill will share with the nation, Oregon's example of how to improve environmental awareness and encourage responsible actions.

Oregon has built sound environmental programs based upon the cooperative efforts of government, industry and public interests generally represented by environmental groups. Collectively, we have built a regulatory program that seeks not only to meet federal requirements, but to encourage industry to become environmental leaders and share this valuable information freely.

Promoting, encouraging, and becoming an environmental leader is no small task. It takes diligence and years of effort from dedicated individuals using the best of tools. One of the best tools available to teach people regulatory requirements and how to care for the environment is the environmental audit.

Environmental audits are a primary tool for improvement of management methods, recordkeeping systems, training, and facility design. Environmental audits assure all mandated programs are in place, pollution control equipment is functioning at peak operating efficiency and swift correction of operational and administrative deficiencies occurs. Audits provide the learning opportunities that train people to see the difference between "getting by" and "well managed" operations.

It is the use of self audit documents as proof of non-compliance and as a primary enforcement tool by environmental agencies and the Department of Justice which is most troubling to Oregonians.

Realizing that environmental audit activities should be encouraged not discouraged, Oregon has taken a stand. The Oregon Legislature, led by the Associated Oregon Industries passed the Environmental Crimes Act, a section of which protects audit documents from discovery under most circumstances. This has become known as the "audit privilege". Oregonians felt strongly that there should not be a downside risk associated with doing your best for the environment.

This level of environmental protection can only occur if we all have a high level of environmental awareness, monitor our own performance and correct what ever needs attention without delay. Taking responsible actions through the environmental audit will assure our future and the future of Oregon.

Oregonians are not asking for special privilege nor attempting to extend special privilege to others. Your help is needed to encourage industries throughout the United States to conduct environmental audits. Help provide the opportunity for them to manage better, improve facilities and methods, and provide the learning experiences necessary to protect the environment we share.

Respectively,

THOMAS C. MCCUE,
Environmental, Health and Safety Manager and Chair, Environment Committee, Associated Oregon Industries.

ONTARIO PRODUCE,
August 1, 1994.

To Senator MARK O. HATFIELD.

I would like to give my support for your bill providing for a federal environmental audit privilege similar to the Oregon law. It would allow businesses to realistically correct problems without creating more problems for themselves.

Very truly yours,

ROBERT KOMOTO.

LOUISIANA-PACIFIC CORPORATION,
Portland, OR, August 2, 1994.

Re Environmental Audit Protection Act.

Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: I am writing to express support for the Environmental Audit Protection Act which I understand you will introduce next week. Environmental auditing has been an effective tool in enhancing compliance with environmental laws at facilities operated by Louisiana-Pacific Corporation (L–P). However, the sensitive nature of documents associated with environmental audits can deter auditing since the disclosure of such documents during litigation may expose parties to increased liabilities.

Currently, the only effective means by which an organization can protect the confidentiality of environmental audits is to use a system where information is provided to an attorney for the preparation of legal advice. In other words, the process must be structured to produce communications protected by the attorney-client privilege. Although in many respects it is beneficial to have such information presented to counsel, it also reduces the flexibility available to organizations that wish to audit their operations in a confidential manner. Forcing organizations to resort to attorney participation in the audit process necessarily increases the cost of such auditing and may reduce the frequency as well. The extra cost also tends to discourage businesses from auditing their operations.

Of particular concern to organizations that contemplate environmental auditing is whether they will be exposed to enhanced liability because they decide to affirmatively seek out problems that need to be corrected. Several parties have sought discovery of environmental audit documents from L–P during legal proceedings. Given the sensitivity of environmental issues, there is a sincere concern that such documents could be used abusively by private litigants unless protected. Government agencies have also requested audit documents during proceedings. Despite assurances and policies on the part of government agencies stating that they will generally not seek audit documents, L–P is aware of only one instance in which an agency withdrew a request in response to concerns that such requests discourage auditing.

The protection of the confidentiality of environmental audits should promote the public interest by enhancing compliance with environmental laws. Although organizations are under a duty to comply with such laws in the first instance, an evaluation by an outside party with a fresh perspective can do much to discover problems that otherwise would go uncorrected. In response, to criticisms that an environmental audit privilege would enable organizations to conceal problems, it is doubtful that any organization willing to tolerate noncompliance would even start an audit program. It should also be emphasized that the Environmental Audit Protection Act acts only to protect a limited sphere of documents and will not enable a company to hide otherwise discoverable evidence. The Act will merely allow an organization to protect the confidentiality of documents that were created for the sole purpose of correcting problems.

Thank you for introducing this important bill. If anyone at L–P can provide you with information or otherwise provide assistance, please advise accordingly.

Very truly yours,

BERT P. KRAGES, II.

STOEL RIVES BOLEY JONES & GREY,
Portland, OR, August 1, 1994.

Re Federal Environmental Audit Privilege Legislation.

Hon. MARK O. HATFIELD,
Washington, DC.

DEAR SENATOR HATFIELD: I applaud your efforts to develop a federal environmental audit privilege. The best mechanism for environmental compliance is a properly constructed environmental audit program—and anyone who is sincerely concerned with environmental compliance should be interested in eliminating disincentives to environmental audits.

A federal environmental audit privilege will complete the protection provided by Oregon's law on this subject, and will signal the federal government's commitment to environmental compliance.

Best regards.

Very truly yours,

RICHARD D. BACH.

CABLE HOUSTON BENEDICT HAAGENSEN & FERRIS,
Portland, OR, July 29, 1994.

Senator MARK O. HATFIELD,
Washington, DC.

DEAR SENATOR HATFIELD: Jim Whitty of Associated Oregon Industries indicated that you were interested in receiving information from Oregon on your proposed federal environmental audit privilege bill. Our firm supports introduction and passage of such a bill.

Our law firm provides legal representation for numerous businesses and individuals involving compliance with federal, Oregon and Washington environmental statutes and rules. We have been involved extensively with environmental enforcement matters before the Environmental Protection Agency and Oregon and Washington agencies. We also have assisted clients in establishing and maintaining environmental compliance programs. During the 1993 session of the Oregon Legislative Assembly, we worked on Senate Bill 912, the Oregon Environmental Crimes Act. As you know, that Act in ORS 468.963 creates an "environmental audit privilege" that means that if the proper procedures are followed, the information contained in an environmental audit cannot be used to prove a violation of an environmental law in Oregon civil, criminal or administrative proceedings.

Although the Oregon law has been in effect for less than one year, it has been significant. Certain of our clients have been more receptive to establishing environmental auditing programs for their operations. Other clients with existing environmental audit programs have been more willing to document the audit process through written materials and have also been more willing to involve a larger number of individuals in the auditing process.

Thus, it appears Oregon's law protecting environmental audits is having a positive effect. Oregon's audit protection, however, does not provide a blank check to those in Oregon regulated by environmental laws. The Oregon law has an important safeguard in ORS 468.963(3)(d)—that the privilege only applies if the party asserting the privilege uses appropriate efforts to achieve compliance promptly and with reasonable diligence as soon as the person is faced with evidence of noncompliance with an environmental law.

Federal legislation similar to Oregon's law would complete the protection provided by Oregon law by extending the audit privilege to federal enforcement activities. Again, if Oregon law is followed the important counterbalance would be present that the privilege would not apply unless the person asserting the privilege used appropriate efforts to achieve compliance promptly and with reasonable diligence as soon as a violation of environmental law becomes apparent.

I hope this information is of assistance in your work on a federal environmental audit privilege bill. If I can provide any additional information, please let me know.

Very truly yours,

DONALD A. HAAGENSEN.

SIMPSON PAPER CO.,
West Linn, OR, August 4, 1994.

Senator MARK O. HATFIELD,
Washington, DC.

DEAR SENATOR HATFIELD: I am writing to you regarding the federal environmental audit privilege bill that you are preparing to introduce shortly. I have been with industry for ten years now and serve in the capacity of Environmental Supervisor for Simpson Paper Company, in West Linn, Oregon. Simpson Paper Company has implemented an internal audit program. I served on the task force to detail the audit program, and serve as a member of the audit team for our sister mills outside of Oregon.

The audit program is truly strengthening our environmental programs. Our Code of Conduct is to be in full environmental compliance. I believe that any company wants to find out problems, and correct any deficiencies without the threat of punishment for doing the right thing. The environmental audit programs are a way that industry can achieve environmental benefits for the community in a much more positive manner than enforcement actions, or any negative mechanism. In fact, my inspector for Oregon DEQ, told me that it is his experience, that companies are harder with their own audit programs, than the regulatory agency.

I strongly support your efforts to introduce the bill for the federal environmental audit privilege. The Oregon privilege creates a cooperative work environment for industry and the environmental regulatory community.

Sincerely,

HEATHER M. BARTLETT,
Environmental Supervisor.

GEORGIA-PACIFIC CORP.,
Toledo, OR, August 3, 1994.

DEAR SENATOR HATFIELD: I am writing in support of your bill to provide an environmental audit privilege which would be both a part of EPA's programs and protect the audit privilege in Oregon's statutes.

There can never be enough federal and state inspectors to keep track of every activity in the nation, so that ultimately environmental progress comes down to trust and self-compliance. Our corporate audits are valuable review of our practices and training to ensure that we are operating correctly. Beyond those, the audits if conducted freely with ample opportunity for discussion back and forth among mill and corporate environmental staffs and with corporate legal staffs on points open to interpretation are a vehicle for exploring issues and arriving at progressive corporate policies. We need the audit privilege to be free to raise issues that may need legal research to determine their status, or may be environmentally sound changes even though existing practices are not illegal. We would not want to be trapped into declaring activities illegal just by including them in an audit.

The basic purpose of audits is to determine whether sources or practices are or are not in compliance. If an audit finds noncompliance, action can, and is, taken immediately to correct the problem. It is literally impossible to be in complete compliance 100% of the time with all the various and changing environmental statutory and regulatory requirements. The corporate policy of Georgia-Pacific is to comply with environmental requirements. We have an internal audit program. As part of that program, action is taken immediately to correct deficiencies. The goal for EPA and other agencies should be compliance, not the amount of money that can be collected in penalties. Corporations should be encouraged to conduct audits and to correct deficiencies. If audit reports are not privileged and audits are subject to review by regulatory agencies and environmental groups, large fines may be assessed and, as a result, companies become very reluctant to conduct audits. This would be a very serious mistake, because problems can be corrected only once they are known. The environment is improved when environmental problems are discovered and corrected. Encouraging audits is a way that the agencies can be proactive in furthering environmental progress.

Whey you were Governor of Oregon, and I was starting my environmental career in the OSSA (now DEO), we as a state accomplished much with "conciliation and cooperation." Now the environmental programs are based on adversarial procedures, and there is a risk of discussing issues informally with the agencies. Internal audits keep us as a corporation making progress beyond the letter of the law and before formal agency actions. It would be a shame to lose this internal avenue of progress that flows from our audits.

Sincerely,

CLINT AYER,
Environmental Supervisor.

STOEL RIVES BOLEY JONES & GREY,
Portland, OR, August 1, 1994.

Re Environmental Audit Privilege.

Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: Thank you for the opportunity to speak with you on July 7 about Superfund reauthorization and the development of a federal environmental audit privilege. As we discussed at that meeting, our firm and many of our clients strongly support the concept of a self-evaluation privilege for environmental audits.

The objections of the Environmental Protection Agency and the United States Department of Justice to the environmental audit privilege are very difficult to understand, especially if the privilege is limited in the manner provided in the Oregon law. We are hard pressed to think of any circumstances under which the audit privilege would frustrate civil or criminal investigations or enforcement. In essence, the privilege would protect from discovery in litigation only information that simply would not exist in the absence of the privilege. All documents not prepared as part of a qualified audit would be fully admissible as evidence.

For years, our firm has assisted clients in conducting environmental audits under the attorney-client communication privilege and the attorney work product privilege. While the use of these privileges is appropriate in many circumstances, the level of necessary attorney involvement can encumber an environmental audit program, thereby increasing its expense and limiting its frequency and utility. In many circumstances, an environmental audit privilege will free clients to conduct these audits on their own without the added expense of legal counsel being involved at every step. Like our clients, we view such efficiencies as a positive development.

Thank you again for the opportunity to comment on this legislation. We hope that you will help Oregon lead the country in developing a program that will encourage rather than frustrate industries' efforts to improve compliance with environmental laws.

Very truly yours,

J. MARK MORFORD.

WILLAMETTE INDUSTRIES, INC.,
Albany, OR, August 5, 1994.

Senator MARK O. HATFIELD,
Washington, DC.

DEAR SENATOR HATFIELD: Willamette Industries, Inc. has learned that you are preparing to introduce a bill for a Federal environmental audit privilege. Although we do not have the details of your bill, Willamette would be in support of a Federal environmental audit privilege similar to that provided by Oregon law.

The Oregon law is designed to be an incentive to owners and operators of manufacturing facilities for investigating and addressing noncompliance without the fear of retribution from a regulatory agency. The results are beneficial to the owners/operators, the public and to the environment. The law fosters better relations, enhanced communications and restored trust between the regulated community and the regulators. Each of these factors can lend to the advancement of proactive, motivated environmental compliance.

Without Federal audit privilege comparable to the Oregon law, environmental compliance is going to continue to be burdened by the fear of Federal reprisal. Your bill could have major, positive ramifications for not only Oregon businesses but the entire nation.

Again, we support your efforts in this regard and your continued interest in maintaining a healthy business climate. We would appreciate it if you or your staff would keep us apprised of your progress with this bill. Please give us a call if we can be of any assistance.

Sincerely,

COREY L. UNFRIED,
Chief Environmental Engineer,
Building Materials Group.

PACIFICORP,
Portland, OR, August 5, 1994.

Re environmental audit privilege.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: Thank you for the opportunity to express our position on federal legislation for an environmental audit (aka self-evaluative) privilege. We are very much in support of a federal privilege.

PacifiCorp (dba Pacific Power and Utah Power) has been performing environmental audits of its various facilities for seven years. PacifiCorp has never attempted to protect internal audit documents through means such as the Attorney/Client Privilege, the Work Product Doctrine, or by limiting distribution. PacifiCorp has always felt that, to obtain effective resolution on environmental audit findings, documents must be available to the workers who will ultimately implement corrective action. Due to the wide distribution of environmental audit documents, PacifiCorp has always felt vulnerable to agency action based on PacifiCorp's own investigations.

In 1986, a year before PacifiCorp began environmental auditing, the United States Environmental Protection Agency (USEPA or EPA) published the Environmental Auditing Policy Statement (the Policy). In the Policy, EPA stated that it would not routinely request audit documents. It further stated that when it did request the documents, it would be because no alternative method was available to obtain the information. And, entire documents would not be requested, but only parts pertinent to its investigation. The Policy gave some of industry a limited amount of comfort it sought to be able to initiate internal environmental auditing programs. In the years since the Policy was published, EPA has demonstrated its integrity by adhering to the policy.

Problems remain with the Policy, though. For one, it is merely a policy, not law. EPA does not have to follow the Policy if it doesn't want to. For another, it has no effect on state or local agencies. Recently, state and local agencies have established enforcement divisions. Industry desires the same treatment from the states it has been (and hopes to continue) receiving from EPA.

A clear benefit of a federal privilege written into law, as opposed to the Policy, would be the establishment of enforceable guidelines for the agencies. Since 1986, the USEPA has been very conscientious about adhering to the Policy. But, it doesn't have to. That is what continues to worry many in industry. With a federal privilege as law, EPA would have certain steps to follow in certain circumstances should it desire access to the written products of industry's internal environmental audits. In addition to allowing industry to know what to expect from the agencies, this could actually streamline processes for the agencies. Instead of arguing over the vagaries of law, they would be able to follow the clear guidelines of the privilege.

One of industry's biggest concerns when performing environmental audits is having its findings used against it, whether in an agency's administrative action, to initiate criminal charges, or to promote a third party civil suit. Industry spends considerable amounts of time and money establishing internal environmental auditing programs to evaluate its level of compliance with environmental laws and regulations. It then spends even more to develop methods to correct those problems. Industry feels that the products developed through its labors and at its expense belong to the company doing the work and paying the bills. When an agency asks industry for its environmental audit documents, the agency is asking industry to do the agency's work at industry's expense. Then, if the public agency obtains possession of the documents, all of the information in the documents becomes public information. These are NOT incentives for industry to investigate its level of environmental compliance and document its findings so it can take corrective action.

Protecting audit documents from disclosure through methods such as a self-evaluative privilege or the Policy does not restrict an agency's ability to enforce environmental regulations in any way. In contrast, it helps the agencies establish higher levels of environmental compliance. Evidence of underlying violations is not protected by self-evaluative privileges. All information is still available to the agencies; they just have to do their own investigations. This is the same with or without the privilege. The advantage with the privilege is a cleaner environment and higher levels of compliance with environmental regulations. This is brought about by the auditing that will be done if the privilege is available, but wont be done without it.

In Oregon, we are lucky. Our legislators, had the foresight to establish a self-evaluative privilege. Their priority was a clean environment, not punishment. Years ago, when the first environmental laws were being enacted and the first environmental regulations promulgated, industry did whatever it could to avoid compliance. At that time, agencies needed a big hammer to beat industry into compliance. Currently though, industry operates with a different mind set. Industry has become much more responsible. It is time for industry and the environmental agencies to move away from their adversarial positions and to begin cooperating. The self-evaluative privilege aids this cooperation by enabling industry to take the lead searching for and cleaning up its own environmental problems.

Individual states have taken the initiative to propose, and in some cases pass, legislation aimed more at improving the environment than toward punishing polluters. The individual states' laws differ slightly, though. When a company, such as Pacific Corp, operates in more than one state, it must play by different rules as it moves from state to state. Changing from the Policy to a federal self-evaluative privilege would aid in consistency. As with many other environmental laws and regulations, many states would incorporate the federal rules by reference. Even states that have already passed their own privilege laws may change to adopt a well written federal law. With consistency in environmental laws state to state, industry has a much easier time learning and understanding, and therefore, complying with them. This is not to suggest that environmental laws should be lenient or lax to help industry comply, just that they be consistent. After all, isn't the goal increased compliance to enhance the environment?

Oregon, in her tradition of an environmental leader, was the first state to pass an environmental self-evaluative privilege law. Being the first, Oregon had no other laws to review and build on PacifiCorp has found, through its review of other states' proposed laws, that some of the other states have taken Oregon's law as a starting place and improved on it. PacifiCorp respectfully suggests review of Alabama's proposed bill during your research for preparation of a federal bill.

Thank you, Senator, for this opportunity to express our support for your efforts. We encourage your success in this matter.

Sincerely,

DAVID WILSON,
Sr. Environmental Engineer,
PacifiCorp.

ADDITIONAL COSPONSORS

S. 277

At the request of Mr. SIMON, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 277, a bill to authorize the establishment of the National African American Museum within the Smithsonian Institution.

S. 426

At the request of Mr. SHELBY, the names of the Senator from Indiana [Mr. COATS] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 426, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States.

S. 993

At the request of Mr. KEMPTHORNE, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 993, a bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

S. 1881

At the request of Mr. ROCKEFELLER, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. INOUYE], the Senator from Mississippi [Mr. LOTT], the Senator from Vermont [Mr. JEFFORDS], the Senator from Virginia [Mr. ROBB], the Senator from Ohio [Mr. GLENN], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of S. 1881, a bill to establish and implement a technology investment policy for aeronautical and space activities of the National Aeronautics and Space Administration, and for other purposes.

S. 1887

At the request of Mr. BAUCUS, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from Illinois [Mr. SIMON], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 1887, a bill to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

S. 2270

At the request of Mr. BAUCUS, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 2270, a bill to authorize the Secretary of the Interior to transfer 40 acres of land on the Northern Cheyenne Indian Reservation, Montana, to Lame Deer High School District No. 6, Rosebud County, Montana, and for other purposes.

S. 2294

At the request of Mr. RIEGLE, his name was added as a cosponsor of S. 2294, a bill to amend the Public Health Service Act to provide for the expansion and coordination of research concerning Parkinson's disease and related disorders, and to improve care and assistance for its victims and their family caregivers, and for other purposes.

SENATE JOINT RESOLUTION 165

At the request of Mr. COCHRAN, the names of the Senator from Louisiana [Mr. JOHNSTON] and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of Senate Joint Resolution 165, a joint resolution to designate the month of September 1994 as "National Sewing Month."

SENATE JOINT RESOLUTION 178

At the request of Mr. DOMENICI, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of Senate Joint Resolution 178, a joint resolution to proclaim the week of October 16 through October 22, 1994, as "National Character Counts Week."

SENATE JOINT RESOLUTION 208

At the request of Mr. WOFFORD, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Hawaii [Mr. INOUYE], the Senator from Ohio [Mr. GLENN], the Senator from Idaho

[Mr. CRAIG], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Nevada [Mr. REID] were added as cosponsors of Senate Joint Resolution 208, a joint resolution designating the week of November 6, 1994, through November 12, 1994, as "National Health Information Management Week."

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. METZENBAUM, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Concurrent Resolution 69, a concurrent resolution expressing the sense of the Congress that any legislation that is enacted to provide for national health care reform should provide for compensation for poison control center services, and that a commission should be established to study the delivery and funding for poison control services.

AMENDMENTS SUBMITTED

LABOR—HHS APPROPRIATIONS ACT

MCCAIN (AND BAUCUS) AMENDMENT NO. 2465

Mr. SPECTER (for Mr. MCCAIN for himself and Mr. BAUCUS) proposed an amendment to the bill H.R. 4606 making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1995, and for other purposes; as follows:

The Senate finds, that Federal payments in lieu of taxes to counties compensate local jurisdictions for services provided in areas owned by the federal government and for tax revenues foregone due to such federal ownership.

PILT payments are critical to counties to provide vital basic services such as emergency search and rescue; law enforcement; fire and emergency medical services; solid waste management, road maintenance, and health and other human services.

PILT payments have not been increase since 1976, and the consumer price index has risen 127 percent since 1976.

On April 13, 1994, the Senate approved legislation to increase PILT payments by $115 million over 5 years, and index the payments to keep pace with inflation.

Enactment of this legislation is critical to counties in 49 states throughout the nation.

It is the sense of the Senate that the House should approve the Senate passed legislation to increase PILT payments, and that this legislation should be enacted by the adjournment of the 103d Congress. Further, it is the sense of the Senate that, pursuant to enactment, the President should include full funding for the PILT program in the fiscal year 1996 Budget.

HELMS AMENDMENT NO. 2466

Mr. HELMS proposed an amendment to the bill, H.R. 4606, supra; as follows:

At the appropriate place, add the following:

SEC. . RESPONSIBLE HEALTH CARE REFORM.

(a) FINDINGS.—The Senate finds that—

(1) health care reform proposals to be considered in August 1994 in the Senate and the House of Representatives will significantly affect the health care received by each and every American;

(2) such health care reform proposals impose many new and increased taxes which will be borne by all working Americans;

(3) all health care reform proposals that require employers to purchase and pay for health insurance for their employees will result in hundreds of thousands of Americans losing their jobs;

(4) most Americans oppose having the Federal Government force everyone to buy a standard package of health insurance coverage that is the same for everyone, regardless of age, gender, or religion;

(5) an overwhelming majority of Americans believe that Congress should change only those parts of the health care system that do not work and avoid getting the Federal Government more involved in health care than it already is;

(6) an overwhelming majority of Americans have stated their belief that health care reforms being considered by Congress will lead to health care rationing;

(7) by a wide margin, the American people prefer that rather than rush to enact a health reform bill in 1994, Congress should take time to debate this issue and do it right, even if that means putting off passing a bill until next year;

(8) despite the wishes of the American people, the congressional leadership has imposed arbitrary deadlines on the consideration of health care reform by both Houses of Congress;

(9) in our democracy, the American people should have maximum input into the manner in which health care is reformed; and

(10) the mid-term congressional elections will provide the American people with a means to express their voices on the shape that health care reform should take.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that major health care reform is too important to enact in a rushed fashion, and Congress should take whatever time is necessary to do it right by deferring action until next year to give Congress and the American people ample time to obtain, read, and consider all alternatives and make wise choices.

HARKIN AMENDMENTS NOS. 2467–2468

Mr. HARKIN proposed two amendments to the bill, H.R. 4606, supra; as follows:

AMENDMENT NO. 2467

On page 3, line 1, strike "$5,049,267,000" and insert in lieu thereof: "$5,234,055,000".

On page 53, strike line 8 and all before the second comma on line 9 and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 2, strike "reported", and all that follows before the second comma on line 3, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 13, strike "reported", and all that follows before semicolon on line 14, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 54, line 18, strike "$1,164,849,000" and insert in lieu thereof: "$1,264,849,000".

On page 55, line 1, after the comma, insert the following: "$13,000,000 shall be for part A of title VIII,".

On page 55, strike line 11, and all that follows before second comma on line 12, and insert in lieu thereof: "passed the Senate on August 2, 1994".

On page 59, line 20, after the "," insert the following: "to be administered by the Secretary of Education,".

On page 63, line 6, strike "as", and all that follows before the semicolon on line 7, and insert the following: "as passed the Senate on August 2, 1994".

On page 63, line 8, strike all after the comma, and on line 9 strike all before the semicolon, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 63, line 13, after the semicolon, insert the following: "$43,000,000 shall be for the Fund for the Improvement of Education, including".

On page 63, line 13, strike "shall be".

On page 63, line 14, strike the semicolon, and insert in lieu thereof: "," and strike "shall be for part K" and insert in lieu thereof: "for Elementary School Counseling Demonstrations,".

On page 63, line 15, strike the first "of".

On page 63, strike line 17 and all before the semicolon on line 18, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 64, line 1, strike "as" and all that follows before the semicolon on line 2 and insert in lieu thereof: "as passed the Senate on August 2, 1994".

On page 64, line 5 strike the second "as" and all that follows before the period on line 7, and insert in lieu thereof: "as passed the Senate on August 2, 1994".

AMENDMENT NO. 2468

On page 55, line 20, strike "$3,045,425,000" and insert in lieu thereof: "$2,753,300,000".

On page 55, line 22, before the period, insert the following: ", of which $292,125,000 for section 686 shall become available for obligation on September 30, 1995, and shall remain available through September 30, 1996".

KOHL AMENDMENT NO. 2469

Mr. HARKIN (for Mr. KOHL) proposed an amendment to the bill, H.R. 4606, supra; as follows:

On page 43, between lines 8 and 9, insert the following:

The Secretary shall provide payments under titles IV-A and XIX of the Social Security Act to carry out a demonstration project for a qualified program in accordance with this section which shall take effect on January 1, 1995. For each calendar quarter in which there is a qualified program as defined below, the Secretary shall pay to the State for the purpose of transmittal to the operator of the qualified program, for no more than 20 calendar quarters, an amount equal to the aggregate amount that would otherwise have been payable to the State with respect to the participants in the program for such a calendar quarter, in the absence of the program, for cash assistance and child care under part A of title IV of the Social Security Act, for medical assistance under title XIX of such act, and for administrative expenses related to such assistance. The term "qualified program" means a program operated by the New Hope Project, Inc., which assists low-income residents of Milwaukee, Wisconsin, move from welfare to work, in accordance with an application to be prepared by the operator to the qualified program, transmitted by the State to the Secretary, and defined by and approved by the Secretary. The application shall provide for evaluation of the demonstration project; funds provided herein may not be used for said evaluation.

HARKIN (AND BRYAN) AMENDMENT NO. 2470

Mr. HARKIN (for himself and Mr. BRYAN) proposed an amendment to the bill H.R. 4606, supra; as follows:

On page 48, line 2, before the period insert the following: ", together with any funds, to remain available until expended, that represent the equitable share from the forfeiture of property in investigation in which the Office of Inspector General participated and which are transferred to the Office of the Inspector General by the Department of Justice or the Department of Treasury".

GRASSLEY (AND HARKIN) AMENDMENT NO. 2471

Mr. HARKIN (for Mr. GRASSLEY, for himself and Mr. HARKIN) proposed an amendment to the bill, H.R. 4606, supra; as follows:

On page 52, between lines 17 and 18, insert the following new section:

SEC. 210. (a) Of the funds appropriated or otherwise made available for the Department of Health and Human Services General Departmental Management for fiscal year 1995, the Secretary of Health and Human Services shall transfer to the Office of the Inspector General such sums as may be necessary for any expenses with respect to the provision of security protection for the Secretary of Health and Human Services.

(b) The Comptroller of the General of the United States shall conduct a review on the need of personal security protection for all cabinet and subcabinet officials in the Federal government, and shall not later than April 1, 1995, prepare and submit a report to the Senate and House Committees on Appropriations of the findings of the Comptroller.

HARKIN AMENDMENT NO. 2472

Mr. HARKIN proposed an amendment to the bill, H.R. 4606, supra; as follows:

On page 63, line 15, before the word: "title" insert the following: "$125,000 for National Student and Parent Mock Elections, $1,000,000 for the Partnerships in Character Education Pilot Project, $500,000 for Promoting Scholar-Athlete Competitions, and $900,000 for 21st Century Community Learning Centers, as authorized by".

SIMON AMENDMENT NO. 2473

Mr. HARKIN (for Mr. SIMON) proposed an amendment to the bill, H.R. 4606, supra; as follows:

On page 44, after line 20, insert the following:

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(INCLUDING RESCISSION)

Funds not expended by the States by July 1, 1995, under section 204(b)(4) of the Immigration and Nationality Act are hereby rescinded.

For allotments of funds to the States made by the Secretary of Health and Human Services for the purpose of making payments to public and private nonprofit organizations for—

(1) public information and outreach activities regarding naturalization and citizenship; and

(2) English language and civics instruction provided to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States, *$8,000,000: Provided*, That the Secretary of Health and Human Services shall allocate such amount among the States not later than August 15, 1995: *Provided further*, That each State's share of these funds shall be equal to that State's percentage share of the total costs of administering and providing educational services to eligible legalized aliens in all States through fiscal year 1994, as determined by the Secretary: *Provided further*, That the definition of "eligible legalized alien" contained in Section 204(j)(4) of the Immigration Reform and Control Act of 1986 is amended by inserting before the period at the end ", except that the five-year limitation shall not apply for the purposes of providing public information and outreach activities regarding naturalization and citizenship; and English language and civics instruction to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States: *Provided further*, That each State may designate the appropriate agency or agencies to administer funds under this heading: *Provided further*, That Section 204(b)(4) of the Immigration Reform and Control Act of 1986 is amended by striking the fourth sentence and inserting the following: "Funds made available to a State pursuant to the preceding sentence of this paragraph shall be utilized by the State to reimburse all allowable costs within 90 days after a State has received a reallocation of funds from the Secretary, but in no event later than July 31, 1995."

On page 7, line 20, strike "$232,000,000" and insert "$226,000,000" in lieu thereof.

COVERDELL (AND NUNN) AMENDMENTS NOS. 2474–2475

Mr. HARKIN (for Mr. COVERDELL, for himself and Mr. NUNN) proposed two amendments to the bill, H.R. 4606, supra; as follows:

AMENDMENT NO. 2474

At the end of the bill, insert the following new title:

TITLE VI—EMERGENCY SUPPLEMENTARY APPROPRIATIONS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For an additional amount for the Public Health and Social Services Emergency Fund to be used to assist States and local communities in recovering from the flooding caused by tropical storm Alberto and other disasters, $35,000,000 to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement, as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 2475

At the end of the bill, insert the following new title:

TITLE VI—EMERGENCY SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF EDUCATION

IMPACT AID

For carrying out disaster assistance activities related to the flooding caused by tropical storm Alberto and other disasters, authorized under section 7(a) of Public Law 81–874, $10,000,000, to remain available until expended, of which $10,000,000 shall be available from funds provided under the heading "DEPARTMENT OF EDUCATION" under the heading "IMPACT AID" in the Emergency Supplemental Appropriations Act of 1994 (Public Law 103–211): *Provided*, That such funds shall be available only to the extent an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

HATFIELD (AND PACKWOOD) AMENDMENT NO. 2476

Mr. HARKIN (for Mr. HATFIELD, for himself and Mr. PACKWOOD) proposed an amendment to the bill, H.R. 4606, supra; as follows:

At the appropriate place insert the following new section:

SEC. . DIRECTION TO THE SECRETARY OF HEALTH AND HUMAN SERVICES REGARDING ACTION ON A REQUEST FOR CERTAIN WAIVERS UNDER THE AFDC PROGRAM.

In the event the Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") fails to approve the application for waivers to conduct a demonstration project, known as JOBS Plus, under section 1115 of the Social Security Act submitted by the Oregon Department of Human Resources on October 28, 1993, (hereafter referred to in this section as the "application") by the date of the enactment of this Act, notwithstanding the Secretary's authority to approve the application under such section, the application shall be deemed approved.

SPECTER AMENDMENT NO. 2477

Mr. HARKIN (for Mr. SPECTER) proposed an amendment to the bill, H.R. 4606, supra; as follows:

On page 24, line 25, before the period insert the following: ": *Provided*, That such funds shall not be treated as a reprogramming and shall not be available for obligation or expenditure except in compliance with the Committee reprogramming procedures".

GRAHAM (AND HUTCHISON) AMENDMENT NO. 2478

Mr. HARKIN (for Mr. GRAHAM, for himself and Mrs. HUTCHISON) proposed an amendment to the bill, H.R. 4606, supra; as follows:

At the end of title V, insert the following:

SEC. . There is appropriated out of any money in the Treasury not otherwise appropriated for fiscal year 1995 for expenses necessary to carry out the Emergency Immigrant Education Act of 1984 (or its successor authority) $100,000,000, and each amount appropriated or otherwise made available for each program, project or activity relating to the salaries, expenses and program management funded under titles I through III of this Act (other than by this section) that is not required to be appropriated or otherwise made available by a provision of law is reduced by the uniform percentage necessary to reduce the total amount appropriated for such programs, projects or activities by $100,000,000.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

DOLE (AND OTHERS) AMENDMENT NO. 2479

Mr. DOLE (for himself, Mr. LIEBERMAN, Mr. MCCAIN, Mr. MOYNIHAN, Mr. WELLSTONE, Mr. EXON, Mr. FEINGOLD, Mr. HATCH, Mr. DECONCINI, Mr. LUGAR, and Mr. HELMS) proposed an amendment to the bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes; as follows:

At the appropriate place, add the following:

SEC. . TERMINATION OF ARMS EMBARGO.

(1) TERMINATION.—The President shall terminate the United States arms embargo of the Government of Bosnia and Herzegovina no later than November 15, 1994 so that Government may exercise its right of self-defense under Article 51 of the United Nations Charter.

(2) DEFINITION.—As used in this section, the term 'United States arms embargo of the Government of Bosnia and Herzegovina' means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 F.R. 33322) under the heading 'Suspension of Munitions Export Licenses to Yugoslavia'; and

(B) any similar policy being applied by the United States Government as of the date of receipt of the request described in paragraph (1) pursuant to request described in paragraph (1) pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

HELMS AMENDMENT NO. 2480

Mr. HELMS proposed an amendment to the bill, H.R. 4650, supra; as follows:

At the end of the Committee amendment, on page 2, line 15, add the following:

SEC. . LIMITATION ON THE USE OF FUNDS FOR UNITED STATES COUNTERNARCOTICS PROGRAMS IN COLOMBIA.

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated by any provision of law to carry out military assistance or FMF programs shall be obligated or expended for the Government of Colombia, and none of the funds appropriated by this Act shall be obligated or expended for United States military activities in or with Colombia, until the President determines and certifies to the Congress that the Government of Colombia is taking actions to—

(1) apply vigorously all law enforcement resources to investigate, track, capture, and incarcerate narcotics kingpins and their accomplices;

(2) create an "elite corps" of investigators to track down corruption and prosecute those responsible for it or otherwise involved in it;

(3) reform Colombia's penal code, including increasing penalties for drug traffickers and removing loopholes in the plea-bargain system;

(4) present to Colombia's Congress stringent anti-corruption legislation;

(5) introduce new legislation to strengthen laws against money-laundering; and

(6) pursue international anti-narcotics initiatives, including the creation of a Caribbean Basin multilateral anti-narcotics force, controls on precursor chemicals, and the adoption of a new inter-American convention to ban financial safe havens for narcotics traffickers in this Hemisphere.

(b) COMMERCIAL ARMS EXPORTS PROHIBITED.—None of the funds appropriated by any provision of law may be used to license the commercial export of items on the United States Munitions List under section 38 of the Arms Export Control Act to Colombia until the President makes the determination and certification described in subsection (a).

(c) REPORT REQUIRED.—Whenever the President makes a certification under subsection (a), the President shall submit to the Congress, together with such certification, a report describing the actions taken by the Government of Colombia upon which such certification is based.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "FMF" means the foreign military financing program under section 23 of the Arms Export Control Act; and

(2) the term "military assistance" means assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Monday August 8, 1994, beginning at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, August 8, 1994, to hold a hearing on oversight of the insurance industry: Blue Cross/Blue Shield—Federal contracts.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MORRIS K. UDALL PARKINSON'S RESEARCH, EDUCATION, AND ASSISTANCE ACT OF 1994

• Mr. RIEGLE. Mr. President, I rise today to add my name to the list of cosponsors of legislation to establish the Morris K. Udall Parkinson's Research, Education, and Assistance Act. Each year this disease costs society an estimated $6 billion. The victims know no age limits or boundaries and indeed a very large percentage of Parkinson's patients are under the age of 60. The patients are the famous and the unknown, but the have in common a disease that progressively increases its control of the body. This legislation will help focus the limited resources we have in a way that will hopefully offer a breakthrough. Included in this legislation is a coordination council to direct and coordinate research, a national conference to build a consensus on strategy, the creation of an agenda, and the establishment of 10 research centers.

Mr. President, it is fitting that this legislation has been given a human face by naming it after former Congressman Morris Udall. As a colleague of his in the House of Representatives, I know that Morris Udall represented what is best in this institution and what is best in American political life. No one could offer a more serious and intelligent approach on issues. At the same time, he always maintained his wit and sense of humor in a way that would guarantee that we did not lose sight of who we were and what we were trying to accomplish.

Mo Udall's career was highlighted in 1976 when he ran for President. Although he worked tirelessly on the campaign trail and did not receive the party nomination. Mo managed to keep this sense of humor. Typical of his self-deprecating humor, he once began a speech by recounting to the audience a story about his campaigning in a local barbershop in Keene, NH. As he described, "I walked up to the first man sitting in the barber chair and said 'Hi, I'm Mo Udall, and I'm running for President.' And he said to me, 'Yeah, I know. We were just laughing about it.'" Despite the humor, Mo Udall's Presidential campaign, like his career, was no joke. He offered serious leadership and integrity at a time when all faith in Government had been shaken. His service in the House for 30 years was tragically cut short by Parkinson's disease, and his absence for the past 4 years has been deeply felt by many of us here on Capitol Hill.

Mr. President, it is time we cut this disease short so that the tragedy that is Parkinson's will not continue to afflict more and more victims, along with their family and friends. If we can make headway through the Morris K.

Udall Parkinson's Research, Education, and Assistance Act, then we will have given due tribute to our dear friend and colleague.●

FEDERAL AVIATION ADMINISTRATION AUTHORIZATION—CONFERENCE REPORT ACT OF 1994

Mr. FORD. Mr. President, I submit a report of the committee of conference on (H.R. 2739) and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 5, 1994.)

Mr. FORD. Now, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on H.R. 2739, the Federal Aviation Administration authorization bill; that the conference report be agreed to, the motion to reconsider be laid upon the table, and any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the conference report was agreed to.

Mr. FORD. Mr. President, let me make a comment about the conference report we have just approved. It has been a laborious process leading up to the passage of the bill. I remember when we had this bill in the Chamber we had three germane amendments, we had seven amendments on Whitewater, one on Korea, and one on EEOC. And so it took about 9 days to get the bill out of the Senate and to conference. I am very pleased tonight that this conference report has been approved.

Let me compliment my chairman, Senator HOLLINGS. He supports his subcommittee chairmen without any reservation. When he is needed, he comes and helps and allows us to proceed. He worked with the conference committee diligently and is one of the main reasons we were able to complete this conference in such a timely manner.

I also want to compliment Senator DANFORTH, the ranking member of the Commerce Committee. He had such strong interest in this bill, and he stayed with us in the conference committee. I am grateful to him for his interest in the bill and his support.

Mr. President, let me also thank two of my staff members, Sam Whitehorn and Martha Moloney for their long hours and diligent work in making this moment possible; and my ranking member, Senator PRESSLER, and to the minority staff who have worked in a bipartisan way to see that this bill has come to fruition now, and to be sent to the President for his signature.

Today, before my colleagues is the conference report to H.R. 2739, the Federal Aviation Authorization Act of 1994. As my colleagues know, earlier this year we spent 8 days trying to pass a bill to provide airports with Federal funds. Most of those days were spent on issues wholly unrelated to the FAA or to airports. We had amendments on Whitewater, North Korea, and EEOC, all of which consumed enormous amounts of time.

I can now report to my colleagues that we have a final agreement with our House colleagues on funding for the FAA for the next 3 years. Let me explain briefly what the bill before you does. The bill:

Provides authorization for the airport improvement program, facilities and equipment, operations and research of the FAA for 3 years;

Sets out a process to resolve airport-airline fee disputes on an expedited basis and guards against illegal revenue diversion;

Does not, and I repeat, does not, require that fees in dispute be placed in an escrow account. This is something that was discussed at great length when the bill was passed on the Senate floor this past June;

Preempts State regulation of intermodal air cargo carriers and other companies engaged in the transportation of cargo; and,

Establishes a 5 year term for the Administrator of the FAA.

As my colleagues are well aware, this is an important funding bill. Because of its importance, we have spent many days on the Senate floor debating its merits, and spent many days discussing with the aviation community and financial community its true impacts. I can assure my colleagues that this bill will, and I repeat, will, provide funds for airports.

I also want to touch on a few provisions. First, the bill includes a 5 year term for the administrator of the FAA. The position of leadership at the FAA is a critical one. All too often the FAA Administrator, though able, stays but a short time. The average tenure is about 18 months, which is not long enough to really get to know the agency, make decisions, and see them carried out. Earlier this year, we got into a great debate on whether or not to establish an air traffic control corporation, something which has since been laid to rest. However, all concerned recognize the need to reform the FAA, and the 5 year term will help the FAA with a continuity of leadership and stability.

The airline-airport fee dispute process sets out specific time frames, ensures that airlines can recoup funds if a fee is determined to be unreasonable, and specifies when a civil penalty can be imposed. The conferees wanted to ensure that airport sponsors be able to mitigate any penalty, and language in the report specifically addresses this matter. In addition, and most important, airports that are now permitted to divert funds legally, are not affected by this legislation. Rights held before by a limited number of airports continue. This is a matter that was raised by a number of colleagues, from Massachusetts to California, and I want to assure them that the grandfathered airports are unaffected.

With respect to section 211, as passed by the Senate, the House conferees sought to modify the Senate provision to ensure that regulatory burdens for all those in the cargo industry are limited. The Senate conferees receded to the House on this matter.

I want to thank my Senate conferees, and colleagues for all of their assistance and suggestions. As many of you know, we had to conference this bill with six committees. Without the assistance of many of you in a timely manner, this bill would not be before you today.

I want to thank personally our House colleagues, Chairman MINETA, Congressman OBERSTAR, the aviation subcommittee chairman, Congressman RAHALL, the surface transportation subcommittee chairman, as well as the ranking members of those committees, Congressman SHUSTER, CLINGER, and PETRI, respectively, for all of their fine work. I must recognize as well the leadership of the House Science and Technology, Foreign Affairs, Ways and Means, and Banking committees for all of their cooperation and efforts.

Finally, I want to recognize the staff of the House, who worked long and hard to resolve all of the issues and put the report to bed late Friday night, for senior staff to the excellent work of the staff assistants. I know the House aviation staff has met for weeks with my staff and I want to extend my thanks to Dave Hymsfeld, Dave Traynham, Mary Walsh, Caroline Gabel, Dave Schaeffer, Donna McLean, and Ed Fedderman as well as Mary Beth Gaiarin, Gretchen Biery, and Linda Burdett.

Mr. PRESSLER. Mr. President, as ranking member of the Senate Aviation Subcommittee, I am very pleased the Senate is about to pass the conference report to H.R. 2739, the Federal Aviation Administration Authorization Act of 1994. This is a very important bill, providing a 3 year authorization for the FAA's Airport Improvement [AIP]. Prompt enactment of this measure is critical to our Nation's airports.

While almost $1.7 billion has been appropriated for AIP for fiscal year 1994, about one-half of this appropriation has not been available to local communities in South Dakota and other States in dire need of AIP funding. This is because the AIP program has not been fully authorized since it expired in 1993.

We were able to pass a temporary authorization bill in May, releasing about $800 million for AIP grants. However, this provided only temporary relief following an 8-month gap in AIP. No AIP grants have been made available since June 30 of this year. This is very troubling because the construction seasons in many of our States soon will be over.

In addition to reauthorizing AIP for 1994 through 1996, the conference agreement includes several provisions that merit attention:

Section 207, the Air Service Termination Notice. This section requires air carriers to provide 45 days advance notification prior to terminating air service at non-hub airports. I am very pleased the conference members were able to reach an agreement on this section. Cities in South Dakota and other rural areas struggle continually to maintain jet service. I would have preferred the conferees to have retained the provision as passed by the Senate—requiring a 60 day advance notice. However, I hope our compromise will be an important step in helping smaller communities in their struggle to maintain adequate air service.

Section 206, Slots for Air Carriers at Airports. This section of the bill addresses the issue of takeoff and landing rights at high density airports, commonly know as slots. These slots are necessary for operations at four of our Nation's busiest airports, Chicago O'Hare, New York LaGuardia, New York Kennedy, and Washington National.

I am particularly pleased the conference agreement provides that the Secretary of Transportation shall insure that air carriers wishing to provide essential air service [EAS] at high density airports will be granted the necessary operational authority to do so. A preference is expressed in the conference agreement for the use of what are known as exemptions. These exemptions would be used by EAS carriers to provide service unless the Secretary determines that such an exemption would significantly increase operational delays.

In the event that the Secretary cannot use an exemption to ensure EAS service, the Secretary shall take other necessary actions to ensure access, including the withdrawal of slots from incumbent carriers. This is a major step forward for communities in States like South Dakota that are dependent on EAS subsidies and want access to high density airports.

Section 601, the Preemption of Intrastate Transportation of Property. This is one provision in the Senate-passed bill that caused me concern. It would have provided for the preemption of State Law for certain intermodal all-cargo carriers engaged in intrastate transportation. My concern was for those transportation companies not covered by the Senate provision.

I believe the conferees have reached a more reasoned approach. Section 601 makes it clear that the preemption would apply to all firms operating in intrastate transportation, so that smaller companies would be put on a level playing field. In addition, to the extent that trucking companies want to avail themselves of certain State economic regulations, they can choose to be covered by such. The agreement also emphasizes that States maintain their authority to regulate certain essential areas, such as safety and insurance regulations. Those necessary aspects of State regulatory authority are clearly preserved.

Mr. President, these are just a few of the provisions of the bill I consider to be important. It is a sound agreement. It authorizes funding for the capital needs of our Nation's commercial airports and general aviation facilities. I urge adoption of the conference report.

Mr. President, at this time I would like to take the opportunity to congratulate the chairman of the Aviation Subcommittee, Senator FORD, for his leadership on this bill. Further, I want to commend the other Senate conferees who helped us to move this bill through the legislative process: the chairman of the Commerce Committee, Senator HOLLINGS, the ranking member of the committee, Senator DANFORTH, and Senator EXON.

In addition, I want to thank the staff members for all of their hard work on this time consuming bill. First, I would like to thank Alan Maness and Betsy Iverson from the Senate Commerce Committee for their assistance. I also want to extend my appreciation to Martha Moloney from Senator FORD's staff, Sam Whitehorn from the Senate Commerce Committee, Chris McLean from Senator EXON's staff and Ann Begeman of my staff.

Mr. HOLLINGS. I am pleased to speak in support of the conference report on H.R. 2739. This airport improvement bill has had a long road to final passage. Last November the Committee on Commerce, Science, and Transportation reported S. 1491, the Federal Aviation Authorization Act of 1993. But it was not until last Friday night, at around 11 p.m., that the House and Senate conferees reached a final agreement, and the conference report was completed. The House of Representatives passed the conference report on Monday, August 8, 1994, enabling the Senate to consider the matter expeditiously.

As my colleagues all know well, this bill provides funds for all of our Nation's airports. Without this bill, no airport can receive Federal funds to meet its safety and capacity needs.

I want to discuss a number of issues addressed in the bill, and some that were not included, as a result of the conference. First, the bill sets out a 3-year authorization of appropriations for the entire Federal Aviation Administration [FAA], including airport improvement, operations, facilities, and research. Second, the bill provides a procedure for airports and airlines to settle disputes over airport rates and charges. The procedure differs from that proposed earlier this year by the Department of Transportation, primarily by setting out an expedited decisionmaking process. Representatives of airlines, airports, the bond community, and many other affected interests have spent a great deal of time going through each of the issues, and have reached a compromise. It is a fair compromise, and one supported by all sides.

Third, the bill as it passed the Senate addressed a problem of fairness in the air cargo industry. One carrier, Federal Express, as a result of a decision in the Ninth Circuit Court of Appeals, is treated as an air carrier right now, and thus is exempt from State regulation. UPS, a carrier in the exact same business, is treated like a trucking company and is subject to State regulation. As my colleagues know, I have many concerns with airline deregulation, but leveling the playing field for these two giants is different. To address this inequity, the Senate-passed version of the bill included a provision that preempted State economic regulation of air carriers with trucks like Federal Express, motor carriers with aircraft like UPS, indirect air carriers, and a number of other large carriers that make use of air cargo services.

After Senate passage, the House Public Works and Transportation Committee held hearings on this preemption provision, and the hearing testimony indicated that exempting a number of large carriers from State regulation could put nonexempted carriers at a competitive disadvantage. In light of this desire for fairness, the conference committee expanded the provision to preempt regulation of all intermodal and motor carriers engaged in the transportation of cargo. However, like others of my colleagues, I am concerned that new competition resulting from this action may adversely affect many small companies. I will be monitoring carefully the impact of this provision on those small companies.

Finally, the House version of the bill sought to permit collective bargaining at the Washington area airports. Instead, the conferees decided to continue to review the issue through a study to look at how best to proceed with this issue as a result of concerns raised during the conference.

I urge my colleagues to support passage of this conference report.

Mr. DANFORTH. Mr. President, I am pleased we are moving forward on legislation that is vital not only to our aviation system, but our economy as a whole. The short-term airport reauthorization bill that was enacted on May 26 provided $800 million in Airport Improvement Program [AIP] funding. That authorization expired on June 30. Since that time no Federal money has gone to our Nation's airports. The conference report would bring the total authorization for fiscal year 1994 to $2.105 billion. It also would authorize $2.161 billion for fiscal year 1995 and $2.214 billion for fiscal year 1996.

Our Nation's aviation system needs expanded airport capacity. According to the FAA, there are currently 23 airports where flights are delayed by 20,000 hours or more annually. According to the FAA, this costs the airlines, on average, $32 million in delay costs at each airport. At the same time, passenger enplanements at the top 100 airports are predicted to increase from 452 million in 1991 to 861 million in 2005. This is a 90-percent increase. If nothing is done to increase system capacity, FAA projects that within 10 years 33 airports will experience more than 20,000 hours in annual delays. To meet these needs, the airports estimate that their capital development requirements will be $10 billion each year for the next 5 years. The current funding sources ($1.45 billion to $1.5 billion in AIP appropriations for fiscal year 1995, $3.5 billion in airport bonds, and $800 million in passenger facility charges) fall far short of the $10 billion annual need. FAA has $8 billion in unfunded pending grant requests.

A good example of the importance of AIP is Lambert Airport in St. Louis. Lambert currently experiences 50,000 hours of delays each year. Lambert projects that these delays will exceed 175,000 hours a year by 2010 unless the airport is expanded. These delays currently cost the airlines $60 million a year and, without an expansion, these costs will grow to $200 million by 2010. In the next 2 years, Lambert is expected to seek an AIP funding commitment of $300 million over 10 years. Without these funds, Lambert officials will not be able to piece together the financing plan for the projected $1.8 billion expansion.

Mr. President, another issue on which the conferees agreed was the question of the economic regulation of intrastate property movements by air carriers and motor carriers. The conference report recognizes that intrastate economic regulation of freight transportation no longer makes sense in a global economy with rapidly evolving transportation markets and practices such as just in time inventory control. Importantly, this legislation specifically recognizes the authority of States to regulate safety:

> Impose highway route controls or limitations based on the size or weight of the motor vehicle or the hazardous nature of the cargo, or the authority of a State to regulate motor carriers with regard to minimum amounts of financial responsibility relating to insurance requirements and self-insurance authorization.

Mr. President, reauthorizing AIP is important. It also is important that this bill covers three aspects of the ongoing dispute between the airlines and the airports over the fees charged airlines. Examples of the types of fees that have created controversy include landing fees, as well as rental charges for gate space and baggage handling areas.

The Secretary of Transportation would have 90 days to develop procedures and policies for reviewing airline-airport fee disputes. The procedures would have to include the following elements: First, a total review process period of 120 days; second, upon an airline's complaint, the Secretary would have to decide within 30 days whether to dismiss it or set it for hearing before an administrative Law Judge [ALJ]; third, within 60 days of the filing of the complaint, the ALJ would have to decide whether the fee was reasonable; fourth, the Secretary would have 30 days to review the ALJ's decision; and fifth, the Department's determination would be reviewable by a court of appeals under a substantial evidence standard of review.

Second, the bill contains a provision that would prevent an airport from locking out an airline over a fee dispute, provided the airline paid the disputed amount during DOT review. The airport would have to provide some assurance of repayment to an airline or airlines who prevail in the DOT rate review process. This assurance could take the form of a surety bond, letter of credit or other credit facility.

Finally, the conference report deals with the issue of diverting airport revenue to non-airport purposes. Within 90 days of enactment of this legislation, the Secretary of Transportation would have to issue new policies and procedures designed to strengthen the prohibition on diversion. These new policies would provide airports clear guidelines on impermissible diversion.

The Conference Report also includes a provision regarding revenue diversion that is legally permitted. Under this provision the Secretary must first make a finding that an airport which is legally permitted to divert is taking, in inflation adjusted terms, more off the airport than it did in the airport's first fiscal year ending after enactment. If this finding is made the increase in diversion will be a factor militating against distribution of discretionary funds to the airport. The conference report limited the application of this provision to those airports that are increasing the amounts they are diverting because the conferees recognized that these legal diversions represent long standing practices. Moreover, applying pressure to airports is unlikely to change the approach of fiscally strapped city governments. Lambert Field in St. Louis is one of the so-called grandfathered airports that has legally diverted a small percentage of airport revenues for many years. Given its fiscal problems, St. Louis will not change this practice regardless of changes we make in AIP funding criteria. Moreover, in determining how to weigh the factor of legal diversion it is important for the Secretary to consider the magnitude of the diversion. the Statement of Managers addresses this issue by stating, "[T]he Secretary shall consider the amount being diverted by the airport operator compared to the amount being sought in discretionary grants in reviewing the grant application." Thus, the Secretary must consider the size of the diversion amount in comparison with the discretionary grant being sought.

Mr. President, I would like to close by thanking Senators HOLLINGS, FORD, and PRESSLER for the work they have done to bring this important legislation to the floor. I urge my colleagues to support it.

GRANDFATHERED AIRPORTS

Mr. KERRY. Will the chairman of the Aviation Subcommittee answer a few questions concerning the conference report to H.R. 2739?

Mr. FORD. I would be delighted to.

Mr. KERRY. I know that the chairman spent a great deal of time sorting through airport revenue diversion issues, and the conferees discussed the issue at length as well. Is the chairman's understanding that those airports that are permitted to divert revenues legally, are unaffected by the bill?

Mr. FORD. That is correct. There is nothing in the bill that affects Massport's status. In fact, the conferees discussed this same problem with respect to St. Louis, which is in a similar situation to Massport. The conferees agreed to alter slightly the originally House provision language concerning legal revenue diversion as a factor in awarding discretionary grants. All of the conferees agreed that we were not taking away rights already granted in existing law.

Mr. KERRY. I appreciate that explanation, as well as the Senator's efforts to make sure all of the airports are adequately funded.

Mr. BRYAN. I commend the chairman of the Aviation Subcommittee for his outstanding work to resolve numerous contentious issues on this legislation which provides important funding for our Nation's airports.

I would like to ask the chairman about one of the provisions in the legislation dealing with the ability of air carriers to provide gaming applications on in-flight interactive video systems. As the chairman knows, newly designed interactive video systems are being installed on foreign and domestic aircraft worldwide providing passengers a wide variety of in-flight entertainment options.

Last year, we learned that foreign carriers had announced plans to provide games of chance on these entertainment systems. Because the market for international passengers is intensely competitive, numerous U.S. carriers likewise considered providing similar games.

However, under an archaic law called the Johnson Act, U.S. air carriers—but not foreign carriers—are prohibited from providing gaming on their flights. The prohibition apparently applies to U.S. carriers even when the flight is in international waters and even if the flight is not taking off from or landing in the United States.

A study has shown that U.S. flag carriers could lose hundreds of millions of dollars each year because—on those long international flights—some passengers may decide to fly on foreign-flag carriers rather than U.S. carriers in order to enjoy these additional entertainment options.

To level the competitive playing field, U.S. carriers asked Congress last year to permit them to provide comparable gaming applications on in-flight video systems when their flights were over international waters. Earlier, Congress permitted U.S. cruise ships to provide gaming to compete with foreign cruise ships which likewise had a competitive advantage due to the operation of the Johnson Act.

Congress recognized the potential adverse competitive implications for U.S. air carriers, but there were some concerns raised about the logistical operation of these gaming devices and whether their use would pose any threat to the safety of the aircraft or other passengers.

I fully agree with those who have raised those concerns that these issues should be addressed before we permit these additional in-flight options. As a result, I agreed to the provisions in the conference report which provides for the Federal Aviation Administration to study the safety implications of the application of gaming devices on in-flight interactive video systems. The safety study is very important. I believe the FAA should consider whether there is any reason that games of chance electronically will have any different effect on the operation of the aircraft than other electronic games such as Nintendo. The FAA should also consider whether allowing games of chances will affect passenger behavior more dramatically than the serving of alcohol on flights, or the prohibition on smoking. Frankly, I doubt they will. Finally, if the FAA determines that there are any valid safety issues, I urge them to include in its report to Congress how these issues could be addressed through the regulatory process.

The conference report provision attempts to level the competitive playing field by prohibiting foreign air carriers from providing gaming applications, and provides that the Department of Transportation should study the competitive implications if foreign carriers are able to provide gaming while U.S. carriers are not.

I also fear that the prohibition on foreign carriers may not be enforceable and that U.S. carriers will remain at a competitive disadvantage. For example, if the foreign carrier takes out the computer chip—which provides the gaming function—before it reaches U.S. airspace, I am uncertain how the U.S. could apply U.S. law against the carrier. In addition, it seems highly unlikely that the U.S. could enforce—or intends to try to enforce—such a provision when the flight does not even go to or from the United States. The DOT should consider the ability to enforce this law as part of its study.

Mr. President, I hope the Senator from Kentucky will join me in urging the DOT and FAA to conduct these studies and report back to Congress expeditiously, and in no event later than the time frames in the legislation. I expect that the reports are likely to demonstrate that the foreign air carriers will remain at a competitive advantage, and any safety concerns can be addressed through the regulatory process. In any event, once we have the reports, we will be in a better position to consider this issue at the beginning of next Congress.

Mr. FORD. I thank my friend from Nevada for his comments. I join him in urging the DOT and FAA to complete the studies required in the legislation in a timely fashion. Once we have these studies, we will better be able to determine the competitive implications for U.S. carriers, and whether any valid safety concerns can be addressed through the regulatory process.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. FORD] suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Tuesday, August 9; that following the prayer, the Journal of the proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 9:30 a.m., with Senators permitted to speak therein for up to 5 minutes each, with Senators GRAMM of Texas and BREAUX recognized to speak for up to 10 minutes each; that at 9:30 a.m. the Senate resume consideration of H.R. 4650, the Department of Defense appropriations bill, with Senator BUMPERS recognized to offer an amendment relating to Milstar; that on Tuesday, the Senate stand in recess from 12:30 p.m. to 2:15 p.m. in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MITCHELL. Mr. President, the Senate will shortly complete its deliberations today and will under a previous order resume consideration of the Department of Defense appropriations bill at 9:30 a.m. tomorrow. During the day tomorrow, the Senate will begin consideration of health care reform legislation, if I am able to obtain agreement to proceed to that measure, as I hope I will. I have had several discussions today with a number of Senators on the schedule for that legislation including the distinguished Republican leader, with whom I have just recently met. We do not yet have final agreement on the precise time for beginning that debate. But it will not in any event be until after the respective party caucuses end at approximately 2:30 p.m. I am not certain of how soon after that we will begin. That will depend in part upon progress made on other matters, including the Department of Defense appropriations bill, and on other matters now being discussed among several Senators, Democratic and Republican Senators, the distinguished Republican leader and myself.

So I hope that we will begin the health care reform debate tomorrow. It will be no earlier than 2:30, and could be a little later than that, depending upon how the discussions culminate and how much progress we make on other legislation before that.

I hope to have a further announcement in this regard tomorrow morning following other meetings.

Mr. President, I thank my colleagues for their cooperation.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. MITCHELL. Mr. President, seeing no other Senator seeking recognition, I now ask unanimous consent that the Senate stand in recess as under the previous order.

There being no objection, the Senate, at 5:43 p.m., recessed until tomorrow, Tuesday, August 9, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 8, 1994:

DEPARTMENT OF STATE

KENNETH SPENCER YALOWITZ, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BELARUS.

DEPARTMENT OF JUSTICE

SHELDON C. BILCHIK, OF MARYLAND, TO BE ADMINISTRATOR OF THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, VICE ROBERT W. SWEET, JR., RESIGNED.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

LUISE S. JORDAN, OF MARYLAND, TO BE INSPECTOR GENERAL, CORPORATION FOR NATIONAL AND COMMUNITY SERVICES. (NEW POSITION)

ANDREA N. BROWN, OF MICHIGAN, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 1 YEAR. (NEW POSITION)

THOMAS EHRLICH, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 3 YEARS. (NEW POSITION)

CHRISTOPHER C. GALLAGHER, SR., OF NEW HAMPSHIRE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 4 YEARS. (NEW POSITION)

REATHA CLARK KING, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 5 YEARS. (NEW POSITION)

CAROL W. KINSLEY, OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 5 YEARS. (NEW POSITION)

LESLIE LENKOWSKY, OF INDIANA, TO BE MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 4 YEARS. (NEW POSITION)

MARLEE MATLIN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 2 YEARS. (NEW POSITION)

ARTHUR J. NAPARSTEK, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 4 YEARS. (NEW POSITION)

JOHN ROTHER, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 2 YEARS. (NEW POSITION)

WALTER H. SHORENSTEIN, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 3 YEARS. (NEW POSITION)

HOUSE OF REPRESENTATIVES—*Monday, August 8, 1994*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. MORAN].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 8, 1994.

I hereby designate the Honorable JIM MORAN to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, February 11, 1994, and June 10, 1994, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Maryland [Mr. HOYER] for 5 minutes.

GUARANTEED INSURANCE ACT OF 1994

Mr. HOYER. Mr. Speaker, I wanted to take a moment to talk about health care reform.

After 5 years of listening to our constituents tell us their problems with the current health care system; after hundreds of hours of public hearings and thousands of town hall meetings; House and Senate Democrats have crafted final proposals from the legislation passed by congressional committees.

Sometimes we get caught up in the big issues—"universal or incremental," "comprehensive or barebones."

Today, I would like to focus on what our proposal will mean to real people—how the Guaranteed Insurance Act of 1994 will improve the lives and strengthen the security of working class people.

I would like to talk about Ms. Smith, who works in a small company and is currently insured.

Under the Guaranteed Insurance Act of 1994, Ms. Smith will continue to receive health coverage either through a private plan offered by her employer; or, through a private plan offered through the Universal Federal Employee Health Benefit Program.

If her employer does not offer private coverage, she can enroll in Medicare Part C. If her employer chooses this route, she will have a choice of a plan offering unlimited choice of doctors or a managed care plan.

She can also choose a medical savings account, if her employer offers one.

Ms. Smith will have a choice she probably does not have today—she can choose from at least one plan offering unlimited choice of doctors, and one managed care plan.

Her benefits will either remain the same or improve.

Ms. Smith will share the responsibility for paying the premium with her employer—just like she probably does today.

Her employer will pay at least 80 percent of the cost of the premium. That cost is tax-deductible for her employer.

Ms. Smith's maximum payment will be 20 percent of the premium cost—about $35 per month for an individual policy, or $69 per month for a single parent with children, or $94 per month for a two-parent family with children.

If Ms. Smith earns under $38,400 and she is married with two or more children; or, if she earns less than $27,000 and is a single parent: or, if she is single with no children and earns less than $17,760—Ms. Smith will receive help paying her portion of the premium.

If Ms. Smith's household income is less than the poverty level, or she is an SSI or AFDC recipient, she will have no premium obligation.

The Nation should—and will—be focused on what we say and what we do in the coming days.

There is a lot at stake for every American—their family's security, their children's health.

Let us approach this debate with that in mind. Let us not spread fear.

Let us not sow confusion. Let us keep this debate on the highest level—and that level is this: How does this affect Americans who play by the rules and pay the bills?

If we do, we will do what the people who sent us here want us to do.

If we do that, the American people can win.

THE CRIME BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I take the floor because I have been very frustrated by what some of the politicians are saying about the crime bill. I think it is time we have a little truth in advertising around here.

I proudly sit on the Committee on the Judiciary, and I am proud of how this House dealt with the crime bill. We dealt with it piece by piece by piece so all Members had a chance to debate and understand fully what is in it. Then it was packaged in the omnibus crime bill, and now it appears many Members have all sorts of reasons they suddenly cannot vote for it.

I think every voter ought to be very angry about that. The No. 1 thing that any government ought to do is to be able to protect its citizens against violence. I think this is one of the smartest bills we have seen yet.

Let me talk about the four parts that are in it. First of all there is very strong punishment. The three strikes and you are out is in there. There is money to help States build more prisons which we know are way underfunded, and to help catch up with that backlog and many other pieces for very strong punishment.

Then there is a very strong antiassault weapons ban. We voted on it separately. We debated it separately. We won that bill, and it seems very important that the ban on assault weapons belongs in an anticrime bill. Look at the average law enforcement officer today and he or she is way outgunned by the criminals, way outgunned. Look at the average law enforcement officers today and they do not look much different than Wyatt Earp, except they have a car rather than a horse. But the criminals have much stronger firepower. They can do these drive-by shootings, they can terrorize all sorts of neighborhoods, and we do not need assault weapons out there in the hands of people. This is a very important component.

There is also a very important component in the prevention, and prevention breaks out into two different parts. I must say as I listen to Members say they are voting against this because of pork, they really ought to take a look at what they are really voting against.

No. 1, under prevention we put a very important bill in called the Violence Against Women Act.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

□ 1040

It really starts moving this country forward in dealing with the violence in the home by either men or women. We have totally left the home untouched. We allow domestic terrorism by both sexes against children and against each other, and that is wrong.

In fact, today the American Bar Association put out an excellent report about how the law has totally failed in this area. Well, that is why we need the Violence Against Women Act, because this will beef up the laws in this area. It will also provide for more shelters in those kinds of violent actions. Right now we have three times as many shelters in this country for dogs and cats as we do for people.

Does that make sense, that we are more concerned about battered dogs and cats than we are about children and families? I do not think so.

We also do not have a 1-800 number that we can use in this situation. This funds 1-800. Do you think that is pork? Do you think those are things we really need? I do, and I do not think that is pork.

We also have some very important preventive programs that are being tried in my great city of Denver, CO. I must tell you we had so much violence on the street in the spring and fall of last year I was terrorized to go into the summer, and I contacted our Attorney General, Janet Reno, and she made our city one of the models to see if these programs work.

What people are calling pork is really a few bucks that we are able to put in the hands of an awful lot of community groups who want to reach out and work with the youth. Before, these groups have had to spend over half their time getting the money to be able to pay the rent or insurance or whatever it was. They are all volunteering their time, but they were having to spend twice as much time having bake sales or car washes or whatever. With these few extra bucks, they can spend 100 percent of their time on the young people, and I must tell you it has worked like a charm in Denver, CO.

This has been our summer of safety, the quietest summer we have seen in a long time. We put in a very tough curfew where kids are picked up off the street after a certain hour. They are taken to a rec center. We found a lot of troublemakers came from other cities that came in to make trouble. Their parents are notified. If they are from our area, we put them in touch with community groups that are willing to get them into sports or get them into some kind of a job or get them into something so we get them out of trouble. That is what we need to do.

It has worked so well, and that is the model that this "pork" has been developed around. Yes, midnight sports; why not rather have them do midnight sports than some of the other "sporting" things they were doing on the street?

So I really hope this week we can get this crime bill passed. It is the smartest bill we have had on this floor. Year after year we have been passing just the tough bills without the prevention part, and year after year crime went up instead of down.

In my city, where we have balanced the tough part with the prevention part, guess what, crime is going down, and it is going down rapidly.

So I hope everybody gets ahold of the politicians that call the crime bill pork or they are so afraid of the NRA and do not want to vote against assault weapons and say, "Look, this is the very basic thing you should be doing," and make sure we get this bill out of here this week.

APPOINTMENT OF KENNETH STARR

The SPEAKER pro tempore (Mr. MORAN). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from New Mexico [Mr. RICHARDSON] is recognized during morning business for 5 minutes.

Mr. RICHARDSON. Mr. Speaker, many of us, hoping that the Whitewater controversy had ended, woke up this weekend with another Whitewater controversy: the replacement of Robert Fiske with Kenneth Starr. The White House has already expressed its views on the matter. So has the President's lawyer.

Let me just say that I am concerned about this appointment. I am not calling for Starr's resignation, nor am I criticizing him. He appears to have excellent legal and academic credentials and he appears to be a man of integrity.

The question that comes to mind is whether Kenneth Starr, based on past actions, is too partisan a Republican to do a fair job. Is he the only individual that we can find to fill this position? What was wrong with Fiske? He was a Republican, and I understand a Republican had to get this job.

Did that letter from those House Republicans influence the judges?

Mr. Speaker, here is why I am concerned about Kenneth Starr: Just this year, Starr planned to file a legal brief supporting the Paula Jones lawsuit. Starr admitted that he was involved in discussions with attorneys for Paula Jones, but he will not specify with whom—the Washington Post, June 24, 1994.

Additionally, Starr said he planned to file a legal brief supporting Paula Jones' contention that the President is not immune from her suit. And it was widely reported in the press that Starr was considering the filing of a brief—the Washington Post, June 24, 1994, and the Dallas Morning News, June 11, 1994.

Starr publicly criticized President Clinton's legal defense team for arguing to delay the Paula Jones lawsuit until after he had left office, saying, "It is a very serious step to take to say that the President of the United States is simply too busy to respond to a lawsuit"—the Daily Telegraph, June 30, 1994.

According to other news reports, Starr is active this year in a campaign to unseat a Democratic incumbent, JIM MORAN. According to the news reports, he serves with Jay Stephens, William Barr, Edwin Meese, and Henry Hudson on the list of cochairmen of the Kyle McSlarrow campaign to unseat Democratic incumbent JIM MORAN in Alexandria, and apparently, according to many, Starr has made statements that, "We are going to try to tie JIM MORAN to Bill Clinton."

In 1993, Starr was mentioned as a Republican Senate candidate in Virginia. Starr said he was considering a bid for the Republican Senate nomination in Virginia—Newsweek, February 15, 1993, and Roll Call, January 18, 1993.

In 1992 Starr was deeply involved in the Presidential campaign and was criticized in two Clinton campaign releases. On October 16, 1992, the Clinton campaign statement criticized Starr for actions taken in his role as former President Bush's Solicitor General. Specifically, Starr was criticized for backing a Federal court ruling allowing employers to cut health insurance coverage for seriously ill employees, including those who contract AIDS—Clinton campaign statement, October 16, 1992.

Again, on October 24, 1992, a Clinton campaign statement criticized Starr for filing a brief with the Supreme Court, reversing the Bush administration's opening on "Federal construction contracts to nonunion labor without regard to prevailing-wage requirements of the Davis-Bacon Act."

The point of this is that Kenneth Starr is a partisan Republican, and I am concerned. I am not calling for his resignation. But I am going to be watching this, I think like everybody will.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Maryland.

Mr. HOYER. The gentleman has been very measured and temperate in his observations with respect to this appointment.

I want to tell the gentleman, when I read about this in the paper, I was outraged. I believe, in my opinion, it calls into question the judgment of the judges who made the appointment. It calls into question the judgment of Mr. Starr, who took the appointment.

This is a very weighty matter. It is a very important matter that the American public know the full truth and that the judgment and recommendation made by the special prosecutor are not tainted with partisan politics.

It seems to me, based upon the information that the gentleman has discussed just now, that it is almost impossible to conceive of an outcome that would not reflect on the partisanship of the particular individual selected by the court.

I believe this matter needs further study and further comment, and I intend to do that in the future.

Mr. RICHARDSON. Mr. Speaker, I am including two newspaper articles and other documents at this point in the RECORD, as follows:

KENNETH W. STARR

Kirkland & Ellis Citicorp Center, 153 East 53rd Street, New York, New York, 10022-4675.

Political: Member, Fairfax County Republican Comm 1979–1981; Ops. chmn. Fairfax Co. Republican party Dranesville Dist., VA 1979–1980; Legal advisor CAB transition team office of pres.-elect 1980–1981; Legal advisor SEC transition team, 1980–1981, and Co-chairman of the 1994 Kyle McSlarrow congressional campaign to unseat Democratic Rep. James Moran of Alexandria. (Along with former federal law enforcement officials William P. Barr, Edwin Meese, Henry Hudson and Jay B. Stephens.)

Government Exp.: Clerk, Chief Justice Warren E. Burger 1974–1977; Counselor to U.S. Attorney General (William French Smith), 1981–1983; Circuit Judge, U.S. Court of Appeals, District of Columbia Circuit, 1983–1989; and U.S. Solicitor General, 1989–1993 (nom. 4/9/89; confirmed 5/18/89).

Work: Gibson, Dunn & Crutcher, 1974–1981 (Associate Partner, 1977–1981).

Born: July 21, 1946, Vernon, Texas

Concentration: Appellate Litigation; Commercial Litigation; Antitrust Law.

Admitted To Bar: 1973, California; 1979, Virgnia and District of Columbia.

Rating: AVT.

Position: Member.

Law School: Duke University (Formerly Trinity College of North Carolina) (J.D. 1973).

College: George Washington University (A.B. 1968); Brown U. (M.A. 1969).

Kirkland & Ellis lobbies for: American Ass'n for Laboratory Accreditation; the American Petroleum Institute; Amoco Corp.; CF Industries, Inc.; Chicago Board of Trade; General Motors Corp.; and Safe Buildings Alliance.

Personal: M. Alice Jean Mendell, 8/23/70; children; Randall, Carolyn, Cynthia.

[From the Washington Post, June 24, 1994]

THE COUNTRY LAWYER, TAKING A SWING AT GOLIATH

(By Kim Masters)

Maybe once in a lifetime it comes—terrifying, alluring, irresistible. The big one. The leviathan. Your own personal, say, Moby Dick. So it is with Gilbert K. Davis, the Fairfax lawyer who did not shrink from a task that no one else, it seemed, would undertake: suing the president of the United States on behalf of Paula Corbin Jones—accusing the commander in chief of sexual misconduct in the most repugnant detail. It is an unprecedented, ugly and politically charged case that has inflamed conspiracy theorists on the left and right while throwing the motives of all involved into question. Including the plaintiff's lawyers.

"He's an avid Republican who would go to any lengths, within the confines of propriety, to embarrass the president," says one former colleague.

Davis, who's taken on the case with co-counsel Joseph Cammarata, portrays himself in nobler terms. He's in it partly to establish the principle that in the United States, the president is not above the law. "We don't call our leader 'king,'" he says. "We call him Mr. President."

Gil Davis is a big man—a bulky, genial, double-chinned, pipe-smoking sort who occupies a small suite in an unremarkable office town house on Lee Highway. His bookshelves are lined with classics, though he cheerfully confesses, "I didn't read more than half of 'em." He is an avid teller of stories—even when he is the butt of the joke. The Jones case, however, he takes seriously.

It is uncertain whether his experience has prepared him for litigation in the most major of leagues. In local legal circles, it is fair to say, the 51-year-old Davis hasn't been especially visible in recent years. Much of his practice comes from what a colleague in Northern Virginia calls the "bib-and-overall crowd" in southwest Virginia mountain country—but even there, local attorneys say, he isn't a towering presence. "He's gregarious, likable—extraordinarily nice on a personal basis," says Jackson White, a veteran attorney in the area, "but I don't think he has been high-profile." Davis is no "dragon-slayer," White adds, but "he's not somebody that just handles speeding tickets and drunk driving."

Many of Davis's cases are personal-injury matters, usually for a percentage of the damages. He has handled an array of other matters—including, he says, several sexual harassment cases. But one of his most recent trials did involve a traffic ticket—and he lost.

Which leads to the question: How did Gil Davis end up representing a secretary from Arkansas in a suit filed in the federal courthouse in Little Rock just days before the deadline imposed by the statute of limitations.

Davis says no conservative group approached him. But his explanation of how he got the case—through "a friend" who "very coincidentally" happened to be in his office and mentioned it—has led to all manner of speculation about whether Davis or his co-counsel, Commarata, had secret connection to the religious right or other Clinton foes.

But the real explanation for Davis's involvement in the case holds no particular intrigue, says a former Davis colleague. "He just let it be known that he was available," says Frank Dunham, an Arlington lawyer and former fellow federal prosecuter who has discussed the case with Davis.

Pressed on this point, Davis is vague, "Either Joe Cammarata or I made a call or received a call from Mr. [Daniel] Traylor," he says, referring to Jones's attorney in Arkansas. "I have a feeling that Mr. Traylor heard about our names before. . . . But I don't know that to be the case."

A CASE FOR PARANOLA?

If there was no conspiracy behind Davis's entry into the case, that doesn't mean the Clinton camp shouldn't be on red alert. Already there are signs that Davis isn't exactly flying solo. High-powered Washington lawyer Kenneth W. Starr, who was the Bush administration's solicitor general, acknowledges that he may file a brief in the case supporting Jones's contention that the president is not immune from her suit. Starr says he was approached by counsel associated with Jones but he won't specify who.

Davis acknowledges that he is a Republican, and active enough that he usually attends the party's annual convention. But this year he stayed home to avoid the appearance of partisanship—for my client's purposes," he says. State and local GOP officials say they have seen little of him in recent years. "If somebody's trying to make a case that Gil is a partisan Republican who has been thirsting to make a political impact. I don't think that case can be made," says state party official Morton Blackwell.

Some fund-raising groups with conservative affiliations have said they will raise money for Jones. But Davis has attempted to eliminate any appearance of collision with politically motivated donors by getting a friend. Cindy Hays, to set up a fund to solicit contributions for Jones. Davis's fund-raisers cost the effort in terms that are personal or feminist, rather than political—but they are not divulging the names of contributors.

JOE BAG-O-DONUTS

Davis says he already has lost a client or two who objected to his decision to sue the president. That's nothing compared with the fate suffered by Cammarata, a 36-year-old tax and trial lawyer who worked with Davis part time before the suit was filed. Cammarata's other employer—the D.C. law firm of Beaozzi, Gavin & Craver—dropped him instantly when his investment in the Jones matter was announced. Several lawyers associated with that firm have ties to the Clinton administration. The firm declines to comment on Cammarata.)

Cammarata is an alumnus of the Justice Department's tax division, where former colleagues remember him as a bright young man. "I was not surprised when I saw him on CNN," says Boston attorney Ellen Carpenter, one of Cammarata's former associates. "He's always been very aggressive and—I don't want to use the word 'hustler,' but that's sort of the impression he would give, that he was very much out for his best benefit. . . He could alienate people. He's got that edge to him."

At Justice, Cammarata was assigned to handle Chicago cases and was dubbed "Joe Bag-o-Donuts" because of the gift he always proffered to assistant U.S. attorneys who helped handle his cases: He also coached the office softball team and helped organize an annual Red Cross fund-raiser in Alexandria. Cammarata appeared at that fund-raiser this month—rockin' to the music with his high-profile client.

Once he left the Justice Department, Cammarata worked for a D.C. tax firm but went out on his own after a couple of years. He spent part of his time at the Beaozzi firm, where a college classmate practices. And he hooked up with Gil Davis by picking his name out of a lawyers' directory and calling cold to offer his services.

PLENTY OF MOXIE

Cammarata and Davis face formidable white-collar attorney Robert Bennett—a man with famous clients and $450-an-hour fees. The clearly enjoy the image of themselves in a Davis-and-Goliath confrontation. Without visible outside assistance, they've taken on a complex case that raises novel constitutional questions. "What stirs a warrior's blood is battle," Davis intones.

His friends say he is quite capable of putting up an impressive fight on his own.

"Gilbie ain't no slouch," says Joseph Duvall, a former partner who cackles with glee at the consternation his one-time colleague must be causing Clinton. "He's got plenty of moxie."

"Gilbie" is the nickname Davis got as an assistant U.S. attorney in the Eastern District of Virginia. He came there out of the

University of Virginia law school in 1969, where he impressed his associates with his skill at trying criminal cases. "He was a natural from the very beginning, especially with juries," says former U.S. attorney Brian Gettings. "He demonstrated an easy ability to communicate and persuade and before long was winning more than his share of cases."

"He is a world-class lawyer," says Jim Tate, another former law partner. "These lawyers in Fairfax may not know it, but I know it."

Nonetheless, Davis never emerged as a lion of the local bar. He bounced in and out of a couple of partnerships but seemed destined to practice on his own. He says his biggest flaw is that he's "disorganized." Ron Lynch, who was one of a group that briefly teamed up with Davis years ago, remembers Davis as a man with an abundant ego: "I remember him sitting there saying, 'I know you fellows came over here to latch your wagon to my star'".

Duvall calls Davis a friend now but the two men quarreled when they were partners. Duvall actually had a deadbolt—"the Gilbie guard"—installed on his office door to prevent Davis from barging in. The story might suggest that Duvall bears Davis ill will—except that Davis tells it on himself, with evident relish.

A BRIEF POLITICAL FORAY

Davis says he decided to go to law school partly because he had read that Woodrow Wilson called law a path to politics. And he had noticed that a half-dozen sitting senators at that time—the mid- '60s—were U-Va.-trained lawyers.

His brief political career was a rocky one. He was elected chairman of the state Young Republican Federation in 1973 but a conservative faction quickly invalidated the election and won control of the group. Those who prevailed in that battle "weren't wild about Gil," recalls attorney Ray LaJeunesse, who represented the triumphant conservatives. In later years, he adds, Davis mended fences by supporting party nominees.

In 1975, Davis challenged Democratic Commonwealth Attorney Robert Horan in a campaign that became exceptionally bitter. Davis accused Horan of everything from fixing parking tickets to being soft on organized crime. Horan called Davis "an apostle of the half-truth" and trounced him in the election. "That inoculated me from seeking elected office," Davis says. From then on, he satisfied himself with supporting other people's candidacies. He was a Howard Baker man in 1980 and favored George Bush in 1988.

None of this suggests right-wing fervor. And those who know Davis well dispute a view held by more casual acquaintances that he would do anything to humiliate a Democratic president—or that he would take the case just for publicity. "Gil really doesn't care about his image," Dunkan says. "But he's not a sleazebag third-rate lawyer. He's a very educated, high-minded lawyer. And he takes the Constitution seriously. It's not a lark for him."

Others say Davis has an appetite for combat. "It's just his nature," says Tate, his former partner. "He just loves the challenge. When he found out other lawyers didn't want the case, I think that excited him the most."

Even if a couple of clients have abandoned him, Davis doesn't seem to be putting much on the line professionally by taking the Jones case. Locally, he hasn't had a newsmaking case since 1985, when one of his clients—then-owner of the Tony Galileo restaurant—faced drug charges (he received a fine and a five-year suspended sentence). Several years ago, Davis sent out letters soliciting drunk-driving cases—though he says he dropped the practice after he decided it was "kind of demeaning."

His practice hasn't made him rich or famous, but Davis says he enjoys the plain-folks cases he takes in the southwest part of the state. "It's refreshing because the people are sincere," he says. "They're not cases that you read about every day, but they're important to these people."

Davis also says he was slowed down after a 1991 wreck when a truck slammed into his van on Interstate 66. Hit from behind, he smashed into the windshield with so much force that he not only broke the wheel, but the steering column as well. He was pulled from his vehicle moments before it was engulfed in flame and had injuries that kept him in the hospital for two months.

But his sense of honor didn't flag. When he was wheeled into the emergency room, he recognized the doctor as one Herbert Lane, who had frequently testified as an expert witness in personal-injury cases—always disputing the injury claims of Davis's clients. The doctor had made so many such courtroom appearances, Davis says, that he was nicknamed "no-pain Lane." So Davis says he was relieved when he saw Lane in the emergency room.

"I said, 'Doctor, I'm so glad to see you're on the case,'" Davis remembers. "It must mean I'm not hurt."

A MATTER OF "PRINCIPLE"

Davis's practice may involve more traffic tickets than big tickets, but he could collect a percentage of a major payoff soon if the Kentucky Supreme Court doesn't reverse its own ruling in long-standing litigation against Bethlehem Steel Corp. Davis represents a family accusing the company of illegally mining its coal. The case has been on appeal since 1987 but his clients stand to collect more than $35 million if the verdict stands. Meanwhile, Davis says, he's been paying costs of that case—about $200,000—out of his own pocket.

If Jones's fund-raisers are unsuccessful, Davis would have to cover the potentially hefty cost of the Jones litigation. But he says he isn't worrying about money; to him, this is about America—about a country where the law levels the playing field. "Before the courts, we're all the same," he says. "I'm interested in establishing that principle * * * It says something about what this country is. In some countries, if you were to sue the president, you would be faced with a barrage of bullets rather than a barrage of cameras."

He is prepared to fight at least to the metaphorical death, he warns. "I'm like Lincoln," he says. "I think cases that go to trial—somehow there's been a failure because it's an expensive and time-consuming and difficult process for litigants. But once in the courtroom, it's a different matter. Then there is a winner and a loser. It is, as [lawyer-author] Gerald Spence has called it, a killing ground. The end result is that someone is wounded, mortally."

KENNETH STARR

1994 Starr Planned To File A Legal Brief Supporting Paula Jones' Lawsuit. Starr admitted that he was involved in discussions with attorneys for Paula Jones—but he won't specify who. [Washington Post, 6/24/94]

Starr said that he planned to file a legal brief supporting Paula Jones's contention that the President is not immune from her suit. It was widely reported in the press that Starr would in fact do so. [Washington Post, 6/24/94; 6/10/94; Dallas Morning News, 6/11/94]

Starr publicly criticized President Clinton's legal defense team for arguing to delay the Paula Jones lawsuit until after he has left office saying, "It's a very serious step to take to say that the President of the United States is simply too busy to respond to lawsuits." [Daily Telegraph plc, 6/30/94]

1994 Starr Served With Partisan Jay Stephens On McSlarrow Campaign. Starr joined Republicans Jay Stephens, William P. Barr, Edwin Meese, and Henry Hudson—on the list of co-chairmen of the Kyle McSlarrow campaign to unseat Democratic Rep. James Moran of Alexandria, Virginia. [Washington Times, 3/21/94]

1993 Starr Mentioned As A Republican Senate Candidate in Virginia. Starr said he was "considering" a bid for the Republican Senate nomination in Virginia. [Newsweek, 2/15/93; Roll Call, 1/18/93]

1992 Starr Criticized in Two Clinton Campaign Releases.

An October 16, 1992 Clinton campaign statement criticized Starr for actions taken in his role as former-President George Bush's Solicitor General. Specifically, Starr was criticized for backing a Federal court ruling allowing employers to cut health insurance coverage for seriously ill employees—including those who contract AIDS. [Clinton Campaign Statement, 10/16/92]

An October 24, 1992 Clinton campaign statement criticized Starr for filing a brief with the Supreme Court reversing the Bush administrations and opening "federal construction contracts to non-union labor without regard to prevailing wage requirements of the Davis-Bacon Act." [Clinton Campaign Statement, 10/24/92]

[From the Washington Times]

FRIEND OF COURT IS FOE OF CLINTON

STARR MULLS BRIEF AGAINST IMMUNITY

(By Michael Hedges)

Former Solicitor General Kenneth W. Starr is planning to file a legal opinion in the sexual misconduct lawsuit against President Clinton that could bolster arguments against immunity for the president.

Mr. Starr would examine the constitutional issues in his friend-of-the-court brief, delineating his reasoning that the presidency is not immune from lawsuits such as the one filed by former Arkansas state employee Paula Corbin Jones.

"I'm not going to comment at all on that," Mr. Starr, a short-list candidate for the Supreme Court during the Bush administration, said last night.

But informed sources said Mr. Starr has had discussions with Mrs. Jones' attorneys and, while not committed to doing so yet, was leaning toward writing an opinion exploring the constitutional issues the case raises.

Mr. Starr, now in private practice in Washington, already has partially signaled his views on the immunity issues.

Appearing on PBS' "MacNeil-Lehrer News Hour" in late May, he said, "It is a very serious step to take to say that the president of the United States is simply too busy to respond to lawsuits the way others have to, even if we're willing to bend over backward to protect his schedule and so forth."

On May 18, White House Counsel Lloyd Cutler asked the Justice Department to determine whether Mr. Clinton is immune from lawsuits. The move came shortly after Mr. Clinton's attorney in the Jones lawsuit, Robert S. Bennett, referring to a 1982 Supreme Court decision, said he would argue that a sitting president cannot be sued because it would paralyze the presidency.

Mr. Starr said in the PBS interview that concern that a president would be hamstrung by too many lawsuits could be addressed by Congress. He also said that federal judges have various methods to control case proceedings in a way that would protect the office of the presidency.

Mr. Bennett said "I don't want to comment on that at all" when asked if a brief by Mr. Starr would have an impact on the case.

Mr. Bennett said he continued work on Mr. Clinton's response to the charges. Under the law, those responses must be filed by mid-July.

Mrs. Jones' attorney, Gilbert K. Davis, said last night, "I have nothing to say on this matter."

Bruce Fein, a constitutional scholar, said if Mr. Starr files a brief in the case it could add weight to the Jones lawsuit.

"I think it certainly would be an exceptionally persuasive document," he said. "Kenneth Starr has exceptional credibility. It would place Paula Jones in the company of a legal opinion that would at least be the equal to any opinion on the constitutional issues filed for Mr. Clinton."

Erwin Chemerinsky, a law professor at the University of Southern California, said, "Mr. Starr is an extremely eminent attorney, and is also someone identified as sensitive to the executive branch of government. It is hard to imagine anyone filing a brief in this case that would have more influence than one filed by Mr. Starr."

As solicitor general, Mr. Starr, 48, handled virtually all the litigation involving the executive branch of government that went before the Supreme Court. The solicitor general's office handles about two-thirds of all the cases going before the Supreme Court each year.

Mr. Starr, a graduate of George Washington University and Duke Law School, was a law clerk for Chief Justice Warren Burger.

From 1983 to 1989, he was a judge on the U.S. Court of Appeals for the D.C. Circuit. In the year he became President Bush's solicitor general, Mr. Starr was considered very close to being picked for the Supreme Court when the openings occurred that were eventually filed by Justices David Souter and Clarence Thomas.

Mrs. Jones filed her lawsuit May 6 in U.S. District Court in Little Rock, seeking $175,000 on each of four complaints against Mr. Clinton for "willful, outrageous and malicious conduct" during a Governor's Quality Conference held May 8, 1991, in the Excelsior Hotel in downtown Little Rock.

Mrs. Jones, then 24-year-old Paula Corbin, was a low-level state employee and Mr. Clinton was the governor of Arkansas. In her four-count complaint Mrs. Jones said Mr. Clinton exposed himself and made abusive sexual overtures to her, then warned her to keep quiet about it. This was five months before he announced he would be a candidate for president.

Meanwhile, a second co-defendant in the suit, Arkansas State Trooper Danny Ferguson, is expected to file his response as early as next week, according to his attorney, Bill Bristow of Jonesboro, Ark.

Trooper Ferguson's account of what happened could prove critical to the issue of credibility in the case, legal experts have said.

Mrs. Jones said Trooper Ferguson escorted her to a room at the Excelsior at the request of Mr. Clinton. She said when she was alone with the governor, he solicited oral sex from her.

The White House and Mr. Clinton have said he had no recollection of ever meeting Mrs. Jones, and characterized her charges as "pathetic."

But Trooper Ferguson, in interviews with the American Spectator magazine and the Los Angeles Times newspaper, has said Mr. Clinton did direct him to approach a woman he identified as "Paula" on the same day Mrs. Jones said the incident occurred.

His only public comment about the suit so far came to reporters last month when he said he would "tell the truth" about Mrs. Jones' charges when he filed his answer to the lawsuit.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 10 o'clock and 50 minutes a.m.) the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, that You nourish us with Your good spirit all our days. From our own beginnings as infants to our last breath You have promised to bless us and provide Your nurture and grace so we will be Your people and belong to You. We give our thanks for faithful parents and caring friends who support us through our pilgrimage on Earth and who are witnesses to Your abiding presence and love. In Your name, we pray. Amen.

JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio [Mr. TRAFICANT] come forward and lead the House in the Pledge of Allegiance?

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4624. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4624) "An Act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1995, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Ms. MIKULSKI, Mr. LEAHY, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. KERREY, Mrs. FEINSTEIN, Mr. BYRD, Mr. GRAMM, Mr. D'AMATO, Mr. NICKLES, Mr. BOND, Mr. BURNS, and Mr. HATFIELD, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4277) "An Act to establish the Social Security Administration as an independent agency and to make other improvements in the old-age, survivors, and disability insurance program."

The message also announced that the Senate agrees to the amendments of the House of Representatives to the amendment of the Senate numbered 12 to the bill (H.R. 4429) "An Act to authorize the transfer of naval vessels to certain foreign countries."

NATIONAL SUPPORT FOR THE GEPHARDT HEALTH CARE BILL

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, Congress gets elected to represent its various constituencies to the U.S. Government. But I doubt any representative suffers the illusion that Congress is America's only representative body.

Thousands of organized associations represent millions of Americans. I would like to introduce you to some of the national organizations with members in every congressional district who support the Gephardt health care bill.

There are the 5 million members of the Consumer's Union, the 150,000 members of Families USA, the 5 million members of the National Council of Senior Citizens, the 310,000 members of the National Letter Carriers, and the 1.3 million members of the American Federation of State, County, and Municipal Employees.

There are the 8 million children in the Children's Defense Fund, the 1.2 million members of the United Auto Workers, and the 2.2 million members of the American Nurses.

Health care reform. Let us not forget it is a national mandate.

HEALTH BILLS MAY HAVE NO SUBSTITUTE FOR BUREAUCRACY

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, the President now prefers the Mitchell health care plan to his own. He says it is an improvement; it is less bureaucratic, he says. Yet the Washington Post headline, on the front page, reads, "Health Bills May Have No Substitute for Bureaucracy."

Mr. Speaker, well, instead of 1,462 pages produced by the White House it is only 1.410 pages. It creates 20 new Government bureaucracies. It is more Government, more redtape, and more taxes.

Among the new Government expansions under the Clinton-Mitchell plan would be a National Health Care Cost and Coverage Commission, a National Health Benefits Board, a National Council on Graduate Medical Education, a National Quality Council, and on and on. The Clinton-Gephardt plan is even more bureaucratic.

The American people know that Government is too big and too bureaucratic. They do not support a massive expansion of Government into the health care arena.

KENNETH STARR'S APPOINTMENT AS INDEPENDENT COUNSEL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I am concerned with Kenneth Starr's appointment. I am concerned that he is much too partisan a Republican to do an impartial job. I am most concerned, however, with the way in which he was selected. I was amazed to learn that the independent three-judge court which removed Republican independent counsel Robert Fiske on Friday after he had completed the Washington phase of his investigation and replaced him with a Reagan/Bush partisan had itself been contacted ex parte by a group of Senate and House Republican Members. This highly unusual and potentially inappropriate lobbying of Federal appeals court judges for partisan purposes casts a cloud over the judicial process by which Mr. Starr was selected. Mr. Speaker, we need to know who else wrote or called these judges and whether other nonpublic contacts have tainted the objectivity and judicial impartiality that these judges are supposed to maintain.

The independent counsel law was designed to instill public confidence in the investigative process, but that cannot happen if Federal judges are playing politics with appointments under this statute. If, like the famous Tinkers-to-Evers-to-Chance double play combination—Judge Sentelle received the toss from his Senate and House Republican sponsors to put Starr in play, then we need to reexamine this choice.

MFN FOR CHINA? NOT

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, tomorrow the Congress will have an opportunity to vote for human rights in China.

Some people say it does not work. Well, let me ask you a question. Ask Nelson Mandela, did human rights and pressure from the United States work in South Africa? And he will say "yes."

Ask Elena Bonner and those who are interested in the emigration of Soviet Jews to Israel and to the United States, did sanctions work there? They will say "yes."

Ask Father Ceaushu and the numbers in Romania that we used to get out of jail because of MFN sanctions. What will they say? They will say "yes."

Ask Vaclev Havel, who came and spoke to this very body and said how important it was, ask him if sanctions worked. Clearly they work.

Now, some say that President Clinton is going to veto this bill. That is his problem. But I will tell you this: The American people want this Congress to vote for sanctions to send a message to the People's Liberation Army that we stand not with the People's Liberation Army but we stand with the suffering, persecuted in China.

BASEBALL: LET US NOT DAMAGE THE GOLDEN GOOSE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, another strike in baseball; owners want more, players want more. The minimum wage is $109,000, the average wage is $1 million, and the average owner equity is about $150 million, but that is not enough.

I think everybody is overlooking good 'ole mom and dad. For about $150 they could take their three kids to the ballpark, $150. They can get stale peanuts, flat soda, and flat beer for about $3.50 a pop, and the hot dogs cost more than prime rib.

This is a national pastime, OK. I think it is going to become a thing of the past because there is an old axiom that baseball produced, "Three strikes and you're out."

Mr. Speaker, I think the problem with baseball is not the cork in the bats, I think it is the cork in the brain of all these people who are going to damage the golden goose and the golden egg.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RICHARDSON). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the end of legislative business today, but not before 5 p.m.

VETERANS' PERSIAN GULF WAR BENEFITS ACT

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4386) to amend title 38, United States Code, authorizing the Secretary of Veterans Affairs to provide compensation to veterans suffering from disabilities resulting from illnesses attributed to service in the Persian Gulf theater of operations during the Persian Gulf War, to provide for increased research into illnesses reported by Persian Gulf War veterans, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Persian Gulf War Benefits Act".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) During the Persian Gulf War, members of the Armed Forces were exposed to numerous potentially toxic substances, including fumes and smoke from military operations, oil well fires, diesel exhaust, paints, pesticides, depleted uranium, infectious agents, chemoprophylactic agents, and indigenous diseases, and were also given multiple immunizations. It is not known whether these servicemembers were exposed to chemical or biological warfare agents. However, threats of enemy use of chemical and biological warfare heightened the psychological stress associated with the military operation.

(2) Significant numbers of veterans of the Persian Gulf War are suffering from illnesses, or are exhibiting symptoms of illness, that cannot now be diagnosed or clearly defined. As a result, many of these conditions or illnesses are not considered to be service connected under current law for purposes of benefits administered by the Department of Veterans Affairs.

(3) The Technology Assessment Workshop on the Persian Gulf Experience and Health conducted by the National Institutes of Health concluded that the complex biological, chemical, physical, and psychological environment of the Southwest Asia theater of operations produced

complex adverse health effects in Persian Gulf War veterans and that it appears that no single disease entity or syndrome exists. Rather, it appears that the illnesses suffered by those veterans result from multiple illnesses with overlapping symptoms and causes that have yet to be defined.

(4) That workshop concluded that the data concerning the range and intensity of exposure to toxic substances by military personnel in the Southwest Asia theater of operations are very limited and that such data were collected only after a considerable delay.

(5) In response to concerns regarding the health-care needs of Persian Gulf War veterans, particularly those who suffer from illnesses or conditions for which no diagnosis has been made, the Congress, in Public Law 102-585, directed the establishment of a Persian Gulf War Veterans Health Registry, authorized health examinations for veterans of the Persian Gulf War, and provided for the National Academy of Sciences to conduct a comprehensive review and assessment of information regarding the health consequences of military service in the Persian Gulf theater of operations and to develop recommendations on avenues for research regarding such health consequences. In Public Law 103-210, the Congress authorized the Department of Veterans Affairs to provide health care services on a priority basis to Persian Gulf War veterans. The Congress also provided in Public Law 103-160 (the National Defense Authorization Act for Fiscal Year 1994) for the establishment of a specialized environmental medical facility for the conduct of research into the possible health effects of exposure to low levels of hazardous chemicals, especially among Persian Gulf veterans, and for research into the possible health effects of battlefield exposure in such veterans to depleted uranium.

(6) Further research and studies must be undertaken to determine the underlying causes of the illnesses suffered by Persian Gulf War veterans and, pending the outcome of such research, veterans who are seriously ill as the result of such illnesses should be given the benefit of the doubt and be provided compensation benefits to offset the impairment in earnings capacities they may be experiencing.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to provide compensation to Persian Gulf War veterans who suffer disabilities resulting from illnesses that cannot now be diagnosed or defined, and for which other causes cannot be identified,

(2) to require the Secretary of Veterans Affairs to develop at the earliest possible date case assessment strategies and definitions or diagnoses of such illnesses,

(3) to promote greater outreach to Persian Gulf War veterans and their families to inform them of ongoing research activities, as well as the services and benefits to which they are currently entitled, and

(4) to ensure that research activities and accompanying surveys of Persian Gulf War veterans are appropriately funded and undertaken by the Department of Veterans Affairs.

SEC. 4. DEVELOPMENT OF CASE ASSESSMENT PROTOCOL AND CASE DEFINITIONS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall—

(1) develop and implement at the earliest possible date a uniform case assessment protocol that will ensure thorough assessment, diagnosis, and treatment of all Persian Gulf War veterans suffering from illness attributed to service in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) develop at the earliest possible date case definitions or diagnoses for illnesses associated with such service.

(b) CONSULTATION.—Development of a uniform case assessment protocol under subsection (a)(1) and development of case definitions or diagnoses under subsection (a)(2) shall be carried out by the Secretary of Veterans Affairs in consultation with the Secretary of Defense and the Secretary of Health and Human Services.

(c) REPORTS.—The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an annual report on the status of the activities required by this section. The first such report shall be submitted not later than six months after the date of the enactment of this Act.

SEC. 5. PROVISION OF INFORMATION TO VETERANS OF THE PERSIAN GULF WAR.

(a) OUTREACH PROGRAM.—The Secretary of Veterans Affairs shall develop and implement a comprehensive outreach program and information system to provide Persian Gulf War veterans and their families with information regarding the following:

(1) The Persian Gulf War Veterans Health Registry established by the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note).

(2) Access to health services and health-related benefits provided by or under the auspices of the Department of Veterans Affairs, including—

(A) marriage and family counseling available under section 121 of the Veterans' Medical Programs Amendments of 1992 (38 U.S.C. 1712A note);

(B) health care available under section 1710(e)(1)(C) of title 38, United States Code; and

(C) health examinations, consultation, and counseling available under section 703 of the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note).

(3) Compensation and benefits related to disabilities resulting from service in the Persian Gulf War, including disabilities resulting from illness that resulted from such service.

(4) Significant developments in research relating to the health consequences of service in the Persian Gulf War.

(5) Any other information that the Secretary determines to be appropriate.

(b) TOLL-FREE TELEPHONE NUMBER.—The information system required by subsection (a) shall include the establishment and staffing of a toll-free telephone number for the use of such veterans and their families.

(c) FURTHER INFORMATION.—Section 702(f) of the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note) is amended to read as follows:

"(f) ONGOING OUTREACH TO INDIVIDUALS LISTED IN REGISTRY.—(1) The Secretary of Veterans Affairs shall notify each individual listed in the Registry or, in the case of such an individual who is deceased, the surviving spouse, children, or parents of such individual, at least quarterly, by newsletter or by other means that the Secretary determines to be appropriate, of—

"(A) the status and findings of federally sponsored research relating to the illnesses of individuals who served as members of the Armed Forces in the Persian Gulf theater of operations during the Persian Gulf War or to the illnesses of the family members of such individuals;

"(B) compensation and benefits, including health care and other health-related benefits, that may be provided by the Department of Veterans Affairs or the Department of Defense to an individual who served as a member of the Armed Forces in the Persian Gulf theater of operations during the Persian Gulf War or, in the case of such an individual who is deceased, to the surviving spouse, children, or parents of such an individual; and

"(C) any other information that the Secretary determines to be appropriate.

"(2) In preparing the newsletter or other means used to provide information as required by paragraph (1), the Secretary shall consult with veterans' service organizations.

"(3) The requirement of paragraph (1) shall not apply regarding notification of any individual if that individual makes a written request to the Secretary of Veterans Affairs that the notification not be provided.".

SEC. 6. COMPENSATION BENEFITS FOR DISABILITY RESULTING FROM ILLNESS ATTRIBUTED TO SERVICE DURING THE PERSIAN GULF WAR.

(a) IN GENERAL.—(1) Chapter 11 of title 38, United States Code, is amended by adding at the end of subchapter II the following new section:

"§1117. Compensation for disabilities associated with Persian Gulf War

"(a) The Secretary shall pay compensation under this subchapter to a Persian Gulf veteran suffering from a chronic disability resulting from an undiagnosed illness (or combination of undiagnosed illnesses) that became manifest to a degree of 10 percent or more before the later of (1) October 1, 1996, or (2) the end of the two-year period beginning on the last date on which the veteran performed active military, naval, or air service in the Southwest Asia theater of operations while on active duty.

"(b) A disability for which compensation under this subchapter is payable shall be considered to be service connected for purposes of all other laws of the United States.

"(c) Compensation may not be paid under this section with respect to a disability occurring in a veteran—

"(1) where there is affirmative evidence that the disability was not incurred by the veteran during service in the Persian Gulf theater of operations during the Persian Gulf War; or

"(2) where there is affirmative evidence to establish that an intercurrent injury or illness which is a recognized cause of the disability was suffered by the veteran between the date of the veteran's most recent departure from that theater of operations while on active duty and the onset of the disability.

"(d) The Secretary may not make payments under this section with respect to a disability for which compensation is paid under this section for any month after the month during which the Secretary determines that such disability was not incurred as the result of service in the Southwest Asia theater of operations during the Persian Gulf War.

"(e) For purposes of this section, the term 'Persian Gulf veteran' means a veteran who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War.

"(f)(1) No payment may be made under this section for any month that begins after the end of the three-year period beginning on the date of the enactment of this section.

"(2) If, before the end of such three-year period, the Secretary submits to the Committees on Veterans' Affairs of the Senate and House of Representatives a report stating that, as of the date of the report, no diagnoses for the illnesses referred to in subsection (a) can be made based on current medical knowledge, such three-year period shall continue for an additional three years.

"(3) The Secretary shall submit to those committees a report addressing the issue of diagnoses of such illnesses not later than April 1, 1997.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1116 the following new item:

"1117. Compensation for disabilities associated with Persian Gulf War.".

(b) EFFECTIVE DATE.—Section 1117 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 1994.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR PERSIAN GULF ILLNESS RESEARCH.

There is authorized to be appropriated to the Department of Veterans Affairs $5,000,000 for each of fiscal years 1995 through 1997 for the conduct of research, which the Secretary of Veterans Affairs, in consultation with the Secretary of Defense and the Secretary of Health and Human Services, determines would advance understanding of health risks and effects of service during the Persian Gulf War and effective means of treating such health effects.

SEC. 8. SURVEY OF PERSIAN GULF VETERANS.

(a) In General.—There is authorized to be appropriated to the Department of Veterans Affairs such sums as are needed for fiscal year 1995 for the conduct of a survey of Persian Gulf veterans to gather information on the incidence and nature of health problems occurring in Persian Gulf veterans and their families.

(b) Coordination With Department of Defense.—The survey under subsection (a) shall be carried out in coordination with the Secretary of Defense.

(c) Persian Gulf Veteran.—For purposes of this section, a Persian Gulf veteran is an individual who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War as defined in section 101(33) of title 38, United States Code.

SEC. 9. AUTHORIZATION FOR EPIDEMIOLOGICAL STUDIES.

(a) Study of Health Consequences of Persian Gulf Service.—If the National Academy of Sciences includes in the report required by section 706(b) of the Veterans Health Care Act of 1992 (Public Law 102-585) a finding that there is a sound basis for an epidemiological study or studies on the health consequences of service in the Persian Gulf theater of operations during the Persian Gulf War and recommends the conduct of such a study or studies, the Secretary of Veterans Affairs is authorized to carry out such study.

(b) Oversight.—(1) The Secretary shall seek to enter into an agreement with the Medical Follow-Up Agency (MFUA) of the Institute of Medicine of the National Academy of Sciences for (A) the review of proposals to conduct the research referred to in subsection (a), (B) oversight of such research, and (C) review of the research findings.

(2) If the Secretary is unable to enter into an agreement under paragraph (1) with the entity specified in that paragraph, the Secretary shall enter into an agreement described in that paragraph with another appropriate scientific organization which does not have a connection to the Department of Veterans Affairs. In such a case, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives, at least 90 days before the date on which the agreement is entered into, notice in writing identifying the organization with which the Secretary intends to enter into the agreement.

(c) Access to Data.—The Secretary shall enter into agreements with the Secretary of Defense and the Secretary of Health and Human Services to make available for the purposes of any study described in subsection (a) all data that the Secretary, in consultation with the National Academy of Sciences and the contractor, considers relevant to the study.

(d) Authorization.—There are authorized to be appropriated to the Department such sums as are necessary for the conduct of studies described in subsection (a).

SEC. 10. EXTENSION OF MARRIAGE AND FAMILY COUNSELING AVAILABILITY FOR PERSIAN GULF WAR VETERANS.

(a) In General.—Section 121(a) of the Veterans' Medical Programs Amendments of 1992 (38 U.S.C. 1712A note) is amended by striking out "September 30, 1994" and inserting in lieu thereof "December 31, 1998".

(b) Authorization of Appropriations.—Section 121(g) of the Veterans' Medical Programs Amendments of 1992 (38 U.S.C. 1712A note) is amended by striking out "and 1994" and inserting in lieu thereof "through 1999".

SEC. 11. COST-SAVINGS PROVISIONS.

(a) Election of Death Pension by Surviving Spouse.—Section 1317 of title 38, United States Code, is amended—

(1) by striking out "No person" and inserting in lieu thereof "(a) Except as provided in subsection (b), no person"; and

(2) by adding at the end the following:

"(b) A surviving spouse who is eligible for dependency and indemnity compensation by reason of any death occurring after December 31, 1956, may elect to receive death pension instead of such compensation.".

(b) Policy Regarding Cost-of-Living Adjustment in Compensation Rates for Fiscal Year 1995.—The fiscal year 1995 cost-of-living adjustments in the rates of and limitations for compensation payable under chapter 11 of title 38, United States Code, and of dependency and indemnity compensation payable under chapter 13 of such title will be no more than a percentage equal to the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1994, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)), with all increased monthly rates and limitations (other than increased rates or limitations equal to a whole dollar amount) rounded down to the next lower dollar.

The SPEAKER pro tempore (Mr. TRAFICANT). Pursuant to the rule, the gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 4386 and the next veterans bill on the agenda, H.R. 4088.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

I am proud to bring before the House H.R. 4386, as amended, the Veterans' Persian Gulf War Benefits Act, which I and several of my committee colleagues introduced on May 11.

I want to thank the gentleman from Kansas [Mr. SLATTERY], the gentleman from Florida [Mr. BILIRAKIS], and the ranking minority member of the committee, the gentleman from Arizona, [Mr. STUMP], for their cooperation in getting this bill to the floor.

The bill would provide compensation to Persian Gulf veterans who have disabilities that may have occurred from undiagnosed illnesses following service in the gulf region. We do not know the exact cause of these disabilities. Further research would be required and this bill provides that authorization.

VA Secretary Jesse Brown calls this bill a revolutionary measure. I agree with the Secretary. What we are doing is unprecedented. But, when disabled veterans are unable to work or to get answers about their health problems, we must act swiftly and compassionately.

Under current law, Secretary Brown does not have authority to grant compensation in these cases. This is also the administration's view. Therefore, we need to pass this bill to help disabled veterans and their families.

H.R. 4386 enjoys strong bipartisan support in the House and is strongly supported by the administration. The bill is cosponsored by 169 Members of the House.

Mr. Speaker, as I said, no one knows what these illnesses are, nor do we know what caused them. Scientists are unable to tell us how long it may take to find the answers to these questions. What we do know, however, is that there are a number of sick Persian Gulf war veterans who are facing serious challenges in their lives and they need help. The VA cannot favorably consider claims for compensation because the illnesses cannot be diagnosed. The veteran finds himself in a catch-22 situation. The veteran is suffering from something that is disabling. But because it does not have a name, the VA cannot provide benefits.

As a nation that prides itself on the manner in which it treats its veterans, it is very clear to me that we owe this small group of Persian Gulf veterans the full range of benefits available to others. I have come to this conclusion having heard from many veterans and family members during nine hearings in our committee.

Knowing that answers from the medical community will not be forthcoming any time soon, I have concluded that we have a moral obligation to grant some monetary relief for their disabilities.

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Mr. Speaker, I will yield such time as he may consume to the very able chairman of our Subcommittee on Compensation, Pension and Insurance, the gentleman from Kansas [Mr. SLATTERY]. I want to congratulate the gentleman for his primary victory on Tuesday and wish him well in November.

I also want to thank him for moving this legislation quickly to the floor and for all of the work he has done, not only for Persian war veterans, but for all veterans since coming to the Congress. The gentleman from Kansas has stood firmly for our veterans and they are grateful for his strong support of programs that enhance their quality of life.

I yield such time as he may consume to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I thank the chairman of the committee for yielding time to me.

Mr. Speaker, H.R. 4386, as amended, is landmark legislation that has several purposes.

First, and foremost, it would provide for the payment of compensation on a presumptive basis to those veterans of the Persian Gulf war who suffer chronic disabilities resulting from undiagnosed illnesses attributed to their service in the Persian Gulf region. The Secretary of Veterans Affairs has indicated that current law does not permit the VA to grant service connection in these cases due to the absence of a diagnosis of the underlying illness.

My colleagues, we cannot let the fact that these illnesses have not been diagnosed, prevent the granting of service-connected benefits for these wartime veterans. They are suffering as the result of their service to their country and we must take responsibility for their disabilities. H.R. 4386, as amended, is a reflection of our deep concern for these veterans and their families.

The presumption of service connection would be applied in the case of a Persian Gulf war veteran who manifested the disability in question within the later of 2 years from the date he or she left the Persian Gulf theater, or within a 2-year period following the effective date of the new statutory provision, which would be October 1, 1994. The committee believes this timeframe is reasonable, given the current state of science on these illnesses.

Second, it would require the Secretary to work with the Secretaries of Defense, and Health and Human Services, to develop, at the earliest possible date, uniform case assessment protocols and case definitions or diagnoses of the mystery illnesses. Recurring status reports would be required on these activities.

It would also direct the Secretary to implement an aggressive outreach program for the benefit of Persian Gulf war veterans through the establishment of a toll-free hotline and also through a recurring newsletter to be sent to Persian Gulf veterans who have signed onto the Persian Gulf Veterans Health Registry.

Third, the bill as amended would authorize funding for the conduct of appropriate research activities, which could include an epidemeiological study, if recommended by the National Academy of Sciences, and the conduct of a survey of Persian Gulf veterans to collect additional data on their health status. It is agreed by all concerned that further research must be conducted into the causes of the ailments from which these veterans suffer.

Fourth, the amended bill would extend the Secretary's authority to conduct a program of family counseling for Persian Gulf veterans and their families until the end of 1998.

Finally, Mr. Speaker, I would note that the amended bill contains cost-savings provisions sufficient to offset any estimated pay-go costs.

As Secretary Brown testified on June 9, H.R. 4386 has the strong support of the administration, and I am confident we will convince our colleagues in the other body of the necessity for this legislative relief.

I want to thank my good friend from Florida, MIKE BILIRAKIS, for helping me to craft the ultimate compromise on this bill, and I want to thank our distinguished ranking member, Mr. STUMP, and my able colleagues, LANE EVANS and JOE KENNEDY, for their efforts. But most of all, Mr. Speaker, I want to express my gratitude and admiration to my chairman, SONNY MONTGOMERY, because had it not been for his vision and strong leadership, we would not be acting on this beneficial legislation today. This is just another shining example of his excellent leadership on behalf of our veterans.

For the benefit of my colleagues, there follows an excerpt from the committee report on H.R. 4386, as amended, which contains a complete discussion of the reported bill:

DISCUSSION OF THE REPORTED BILL

The reported bill has four main purposes. The primary purpose is to provide disability compensation on a presumptive basis to certain veterans of the Persian Gulf War who suffer chronic disabilities resulting from undiagnosed illnesses attributed to their service in the Persian Gulf. The Secretary of Veterans Affairs has indicated that current law does not permit the VA to grant service connection in these cases due to the absence of a diagnosis of the underlying illness. As indicated in a June 10, 1994, memorandum to the Secretary of Veterans Affairs, it is the opinion of the VA's General Counsel that "because the VA is authorized to compensate only for disease-caused or injury-caused disabilities, unless the VA can ascribe a disability to a disease or injury, there is no authority to compensate. The pending legislation supplies that needed additional authority."

The National Institutes of Health Technology Assessment Workshop on the Persian Gulf Experience and Health (NIH Workshop), which met April 27 through April 29, 1994, was unable to develop a working case definition for the so-called "Persian Gulf Syndrome", concluding that it was impossible to establish a single case definition. It went on to state that a premature attempt to establish a case definition for this illness may be misleading and inaccurate. The NIH Workshop indicated that no single disease or syndrome is apparent, but rather multiple illnesses with overlapping symptoms and possible causes. *See* Report, NIH Workshop. (Appendix A)

The presumption of service connection, as embodied in section 6 of the reported bill, would be granted in the case of a Persian Gulf War veteran who manifested the chronic disability in question within the later of two years from the date he or she left the Persian Gulf theater, or before September 30, 1996, providing a two-year period following the effective date of the new statutory provision.

The Committee notes that the term "manifestation" should not be equated to the filing of a claim for benefits. Rather, the Committee intends that there must be some objective indication or showing of the disability which is observable by a person other than the veteran, or for which medical treatment has been sought.

As introduced, H.R. 4386 required that the disability be manifested within one year after the date the veteran departed from the Persian Gulf. However, virtually all of the veterans service organizations who testified in support of H.R. 4386 questioned the imposition of a one-year manifestation period, and many indicated that there should be no manifestation period. The Secretary of Veterans Affairs, who testified before the Subcommittee on Compensation, Pension, and Insurance on June 9, 1994, in strong support of H.R. 4386, suggested that a two-year period would be more appropriate. In a letter to the Honorable Jim Slattery, dated June 14, 1994, the Secretary clarified that the suggested two-year period was to begin on the date the veteran departed from the Southwest Asia theater of operations rather than the date on which the veteran was discharged from active duty. After further consideration of the matter, the Committee determined that, in order to ensure that no veteran of the Persian Gulf War be unfairly excluded, the manifestation period should be modified to provide a period of two years from the date the veteran left the Persian Gulf, with consideration given to those veterans who had not, while on active duty, presented themselves for examination due to concerns that they would be medically discharged as a result. In the case of any Persian Gulf veteran discharged prior to October 1, 1994, an additional two-year manifestation period would be provided.

The Committee wishes to note that, in response to concerns raised about the possibility of a servicemember being discharged because of a disability for which no diagnosis could be made, and in response to considerations regarding issues of compensation, the Honorable William Perry, then Under Secretary of Defense for Personnel and Readiness, indicated in a June 2, 1994, memorandum to the Service Secretaries that:

> no individual on active duty who shows symptoms associated with Persian Gulf illness (may) be retired or separated unless (1) the member requests retirement or separation in writing or (2) the member can be medically retired or separated through the disability system with an established diagnosis.

The term "Persian Gulf veteran" would be defined to mean a veteran who served on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War. Current law defines the Persian Gulf War as the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law. Consequently, for purposes of benefits administered by the Secretary of Veterans Affairs, the Persian Gulf War is considered open-ended and, as a result, those members of the Armed Forces who are currently stationed in that region, or who may in the future be so located, are "Persian Gulf veterans", by definition, for purposes of this provision.

Payments of compensation under this authority would continue for a three-year period, but would be extended automatically for an additional three-year period if the Secretary reports to the Congress that the illnesses suffered by Persian Gulf veterans remain undiagnosed. The Secretary would be required to submit to the Congress a report addressing the issue of diagnoses of these illnesses not later than April 1, 1997. The Committee wishes to emphasize that there is no intention on the part of the Committee to terminate compensation payments under this new authority for so long as issues concerning the underlying illnesses remain unresolved. If, at the end of the second three-year period provided for in this legislation, the issues surrounding diagnoses of these illnesses remain, it is the express intention of the Committee that appropriate action should be taken by Congress to either further extend the authority or make it a permanent provision. The Committee is committed to giving this group of veterans the benefit of the doubt for as long as it may take to find the answers to the medical questions that now exist. The Committee hopes and believes that these questions will be resolved in the near future and that, once the medical questions are resolved, it is the Committee's intent that the normal disability compensation provisions be applied to this group in the same manner as all other veterans.

The second purpose of this legislation is to require the Secretary of Veterans Affairs to work with the Secretaries of Defense, and Health and Human Services, to develop, at the earliest possible date, uniform case assessment protocols and case definitions or diagnoses of the mystery illnesses. This was a recommendation of the NIH Workshop, which also indicated that an assessment strategy modeled after the Centers for Disease Control and Prevention (CDC) protocol for chronic fatigue syndrome is recommended. The Committee concurs in this recommendation. Because of the Committee's desire that this action occur as soon as is practicable, the reported bill would require the Secretary to provide recurring status reports on these activities, with the first such report due to the Committees on Veterans' Affairs of the House and Senate not later than six months after the date of enactment of the Act.

The third purpose of the reported bill is to direct the Secretary to implement an aggressive outreach program for the benefit of Persian Gulf war veterans and their families. The Committee is cognizant of activities the Secretary has already undertaken to reach out to Persian Gulf veterans and appreciates the efforts that have been made on their behalf.

However, in order to ensure that continued outreach efforts are maintained or improved, the reported bill would require the development and implementation of a comprehensive outreach program and information system to provide information regarding the Persian Gulf War Veterans Health Registry, access to health services and benefits, compensation and benefit entitlement, and health research relating to the health consequences of service in the Persian Gulf to Persian Gulf War veterans and their families. It would require the VA to establish a new toll-free telephone number for the use of Persian Gulf veterans and their families. It is assumed by the Committee that this toll-free number would be staffed in the same manner as the already existing toll-free numbers, such as the Radiation Hotline. In addition, the Persian Gulf War Veterans' Health Status Act (38 U.S.C. 527 note) would be amended to include the provision of a quarterly newsletter to VA Health Registry participants, in consultation with veterans' service organizations, which would include information concerning the status of appropriate health research and benefits, including compensation and health care benefits. The Committee recognizes that the VA has already instituted a newsletter and that, to date, three issues have been published. The requirement for a quarterly newsletter will provide an assurance that regularly published information will be made available to Persian Gulf veterans and their families on a timely and recurring basis.

The fourth purpose of the reported bill would be to ensure that appropriate research activities and accompanying surveys of Persian Gulf veterans are properly funded and undertaken by the VA. Sections 7 through 9 of the reported bill embody the Committee's intentions in this area.

Section 7 of the reported bill would authorize the appropriation of $5 million in each of fiscal years 1995 through 1997, for the conduct of such research which the Secretary of Veterans Affairs, in consultation with the Secretaries of Defense and Health and Human Services, determines would advance the understanding of the health risks and effects of service during the Persian Gulf War and a productive means of treating these effects. The Committee strongly believes that further research must be conducted into the causes of the ailments from which these veterans suffer. However, it is not clear at this time as to what the nature of these activities should be.

In Public Law 102–585 the Congress required the Secretaries of Veterans Affairs and Defense to enter into a contract with the National Academy of Sciences (Academy) for the Medical Follow-Up Agency (MFUA) of the Institute of Medicine to review existing scientific, medical, and other information on the health consequences of military service in the Persian Gulf during the Persian Gulf War and required the submission of a report to the Secretaries and the Veterans' Affairs Committees on the results of the review. The law specified that the report include an assessment of the effectiveness of actions taken by the Secretary of Veterans Affairs and the Secretary of Defense to collect and maintain information that is potentially useful for assessing the health consequences of the military service; recommendations on means of improving the collection and maintenance of such information; and recommendations on whether there is sound scientific basis for an epidemiological study or studies on the health consequences of such service, and, if the recommendation is that there is sound scientific basis for such study or studies, the nature of the study or studies. In testimony before the Subcommittee on Compensation, Pension and Insurance on June 9, 1994, Mr. Richard Miller, Director MFUA, indicated that an interim report would be provided to the Committee by December 1994. The Committee has great respect for the opinions of the Academy and expects that the VA will give its recommendations very serious consideration.

Section 8 of the bill, as reported, would authorize the appropriation of such sums as may be needed in fiscal year 1995 for the conduct of a survey of Persian Gulf veterans to gather information concerning the incidence and nature of health problems occurring in this group of veterans and their families. This was also a recommendation of the NIH Workshop. *See* NIH Workshop Report (Appendix A). During the June 9, 1994, hearing before the Subcommittee on Compensation, Pension, and Insurance, Mr. Clyde J. Behney, Assistant Director, Congressional Office of Technology Assessment, testified that a survey should provide information for deciding what types of further studies are necessary. He also stressed that the results of a well-designed and conducted survey are a necessary prerequisite to a decision as to whether other major epidemiologic studies should be conducted.

Section 9 would authorize the VA to conduct an epidemiological study on the health consequences of service in the Persian Gulf if the Academy finds a basis for and recommends such study in the report required by Public Law 102–585 (described above), and would authorize the appropriation of such sums as may be needed to carry out such study. The VA would be authorized to contract with NAS for review of proposals, oversight, and review of findings of the study or with another appropriate scientific organization if it is unable to enter into an agreement with NAS. It would also require DOD and HHS to make relevant data available for the study. In the event that an epidemiological study is recommended by NAS, the Committee would intend that such study be conducted in a timely fashion and that interim progress reports be provided at reasonable intervals.

An additional purpose of the reported bill, embodied in section 10, would be to extend, through the end of calendar year 1998, the VA's authorization to provide marriage and family counseling to Persian Gulf War veterans, and to extend the authorization for the appropriation of $10 million for each year through fiscal year 1999 for such purpose. In Public Law 102–405, the Congress required the Secretary to establish a program of marriage and family counseling to veterans who were awarded campaign medals for active-duty service during the Persian Gulf War and their spouses and children, and veterans who are or were members of reserve components, including Reserve and National Guard forces, who were called to active duty during the war, as well as their spouses and children. The law specified that the authority to conduct the counseling program would expire at the end of fiscal year 1994. However, because the Committee recognizes that Persian Gulf War veterans and their families may still be suffering from the stress of military deployment in the Persian Gulf region, an extension of this program for an additional period would be appropriate.

Finally, the reported bill contains two cost-savings provisions that fully offset estimated Pay-Go costs. First, section 11 would provide that new rates in compensation and dependency and indemnity compensation (DIC) which may be enacted for fiscal year 1995 must be rounded down in the same manner as the fiscal year 1994 cost-of-living adjustment. This method for determining the new rates of compensation has been applied in previous years and has only a minimal impact on benefits. Second, the reported bill reflects the adoption of a recommendation by the VA that certain surviving spouses of veterans with no dependents who are receiving nursing-home care under Medicaid programs be permitted to elect to receive death pension in lieu of DIC, and thereby be treated in the same fashion as are veterans under the same circumstances.

Mr. Speaker, I strongly urge my colleagues to support this bill.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4386, as amended, the Veterans' Persian Gulf War Benefits Act.

I want to commend the gentleman from Mississippi [Mr. MONTGOMERY] chairman of the Veterans' Affairs Committee, for addressing the needs of those Persian Gulf veterans who are showing signs of illness. His consistent dedication to our Nation's veterans has been unwavering.

I also want to recognize the gentleman from Kansas [Mr. SLATTERY], chairman of the Compensation, Pension, and Insurance Subcommittee, and the gentleman from Florida [Mr. BILIRAKIS], ranking minority member of the subcommittee, for their tireless assistance on developing this bipartisan legislation, moving it through the full committee and bringing it to the floor.

Many Persian Gulf war veterans have been suffering disabling illness since returning to the United States. Because no exact causes and diagnoses have been determined, these former service members have not been able to receive compensation from the Department of Veterans' Affairs. As of today, the only apparent causal link seems to be active duty in the Southwest Asia theater of operations.

Mr. Speaker, H.R. 4386, as amended, is precedent-setting; for the first time, we will be compensating veterans who have returned from war with as yet undiagnosed illnesses. This bill authorizes funds for further research into the unknown causes of Persian Gulf Syndrome, as well as greater outreach to these veterans and their families.

The Veterans' Affairs Committee is strongly committed to compensating the disabled men and women who served our country.

Mr. Speaker, I urge my colleagues to support H.R. 4386.

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Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. EVANS], a member of our committee.

Mr. EVANS. Mr. Speaker, over 3 years have passed since hostilities ended in the Persian Gulf war. For many of the men and women who fought there, the battle continues.

Thousands of Persian Gulf war veterans have reported unexpected health problems, including, chronic fatigue, weight loss, muscle weakness, and lung ailments.

The Persian Gulf war may have been the dirtiest war that we have ever fought. U.S. service personnel were exposed to a variety of toxic substances and parasitic diseases. For months, these men and women breathed the fumes of burning oil and trash and were given experimental drugs by the Department of Defense.

The reports of adverse health effects cannot be discounted. The short- and long-term health effects of exposure to these substances are not fully understood. What we do know, however, is that many of our veterans are sick and that it is our responsibility to ensure that these veterans get the assistance that they need.

VA's general counsel has decided that the Department lacks the authority to provide veterans benefits to Persian Gulf vets with undiagnosible diseases. While I disagree with this position, I commend Secretary Brown for his strong support of the legislation.

I also would like to remind our colleagues in the other body that our job is to care for veterans. If something is wrong, it is our responsibility to fix it. Congress cannot shirk its responsibility by simply saying that VA should fix the problem itself.

Nevertheless, I am very pleased that the House has learned from past battles. These veterans will not have to sit around and suffer as politicians play the same games that they did with Vietnam veterans exposed to agent orange and World War II veterans exposed to ionizing radiation.

Today, we lift the burden off the shoulders of these veterans. With the passage of this bill, we give Persian Gulf veterans the benefit of the doubt and show our resolve to prevent an awful chapter of history from repeating itself.

H.R. 4386, as amended, recognizes the service and sacrifices of Persian Gulf veterans and moves to provide them with their rightful VA benefits.

The measure reflects a solid bipartisan compromise on a variety of issues and I thank each of my colleagues who participated in the negotiations.

I would like to thank JIM SLATTERY for negotiating the compromise and to JOE KENNEDY, Chairman MONTGOMERY, MIKE BILIRAKIS, and BOB STUMP for their willingness to move on this measure. I also would like to thank the 84 sponsors of my legislation and recognize both the American Legion and the Vietnam Veterans of America for their contribution to this debate. Their assistance was critical in drafting and furthering this legislation.

On behalf of the men and women who served in the gulf, I urge that the Members support H.R. 4386, as amended.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I would like to thank the Members who have spoken on behalf of this bill today.

Mr. Speaker, this must be pretty good legislation. The Washington Post stated in its lead editorial on July 30 that "the enactment of this legislation will break an old rule and set a new precedent." It is needed legislation, and I am confident that my colleagues will fully support the bill.

Mr. BILIRAKIS. Mr. Speaker, I rise in strong support of H.R. 4386, the Veterans' Persian Gulf War Benefits Act.

H.R. 4386 will provide compensation to Persian Gulf Veterans who are suffering from mysterious illnesses. Currently, these veterans are unable to be compensated since, to date, we have been unable to precisely define a causal link.

H.R. 4386 was introduced by our full committee chairman SONNY MONTGOMERY. I want to commend Chairman MONTGOMERY for his efforts to address the problems facing Persian Gulf veterans.

The compensation subcommittee adopted an amendment which made substantial improvements to H.R. 4386. This amendment was drafted in cooperation with Chairman MONTGOMERY, Chairman SLATTERY, BOB STUMP, LANE EVANS, and JOE KENNEDY. I would like to thank my colleagues for their valuable input.

With the passage of H.R. 4386, we will be setting a new precedent in veterans benefits. For the first time, we will be providing compensation for medical conditions for which there is no definitive scientific evidence that they are service-connected.

While we are setting a new precedent with this legislation, I think it is important to remember that we have responsibility for our servicemembers' financial well-being as well as their physical well-being. Many of the veterans suffering from these mysterious illnesses are no longer able to work. At the same time, they are unable to collect disability compensation from the VA. We cannot ignore the needs of our Persian Gulf veterans.

I believe H.R. 4386, as amended, is an appropriate step toward assisting our Persian Gulf war veterans. These veterans answered the call to duty, and we should not force them to wait for an irrefutable scientific diagnosis before we recognize their claims for disability compensation.

We made that mistake once and thousands of Vietnam veterans and their families suffered the consequences of our inaction. We must not allow this to happen again.

I urge my colleagues to support H.R. 4386.

Mr. BARCA of Wisconsin. Mr. Speaker, I rise today to strongly support H.R. 4386, the Persian Gulf war veterans' benefits legislation.

I commend the Veterans' Affairs Committee chair and members for moving this bill to the floor in an expeditious manner.

A number of constituents and veterans' groups have contacted me to describe their personal experiences, or that of family members, as they struggle with the baffling and debilitating symptoms of illness following their return from service in the gulf war. We must give them the support they so justly deserve.

I am also pleased that on this same day we are considering H.R. 4088, Veterans' Disability Compensation. The men and women who served our country so valiantly and have suffered service-connected disabilities and the families who lost loved ones are surely deserving of increased compensation to reflect the increase in the cost-of-living.

These bills merit our support.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 4386, the Veterans Persian Gulf War Benefits Act. As a cosponsor of this legislation, I am pleased that the House of Representatives has the opportunity to discuss this important legislation. Furthermore, I praise the leadership of the Committee on Veterans' Affairs; its guidance has been invaluable in ensuring that our Persian Gulf war veterans receive the medical care and treatment that they have valiantly earned.

For some time, I have been deeply concerned that our Nation's veterans were exposed to chemical or biological warfare agents during the Persian Gulf war. The relationship between the mystery symptoms that many of our Persian Gulf war veterans are experiencing—including fatigue, headaches, memory disturbance, skin rashes, and diarrhea—and their military service is something that we can no longer ignore. I strongly believe that our Nation's veterans should not and cannot be penalized for their military service.

As a supporter of H.R. 4386, I believe that it will assist our Nation's veterans in a variety of ways.

First, effective October 1, 1994, this legislation will provide compensation to Persian Gulf war veterans who suffer from chronic disabilities that are a result of their military service during the Persian Gulf war.

Also, H.R. 4386 directs the Departments of Veterans Affairs to work in conjunction with the Department of Defense and the Department of Health and Human Services in implementing uniform case assessment protocols for veterans that are displaying symptoms associated with their military service during the Persian Gulf war.

Furthermore, this legislation authorizes $5 million for fiscal year 1995, 1996, and 1997, to conduct research on Persian Gulf war veterans' health risks and treatment.

I believe this legislation is a positive first step in ensuring that our heroes of the Persian Gulf war are fully compensated and provided with the medical treatment and health care that they deserve. Accordingly, I urge my colleagues to join me in supporting this important measure.

Ms. SNOWE. Mr. Speaker, I rise today to express my strong support for H.R. 4386, the Persian Gulf War Veterans' Benefits Act.

I strongly support the effort to determine the true cause of the gulf war syndrome, but despite the best efforts of the medical science we have not yet found that cause. In the meantime, this bill is crucially important because it ensures the coverage of all the men and women who served their country during Desert Storm and are suffering from the gulf war syndrome.

Since the end of Operation Desert Storm, we have been hearing tragic stories about American soldiers with debilitating symptoms linked to their service in the Persian Gulf. Through the end of June, over 17,000 gulf war veterans suffering from this syndrome have contacted the Department of Veterans Affairs. These veterans are experiencing health problems that defy diagnosis.

The origins of their illnesses are still unknown, and the symptoms of this mysterious syndrome range from persistent headaches, unexplained weight loss, and fatigue to sore joints, mental confusion, and strange rashes. Theories abound about the cause of these symptoms—smoke from burning oil wells; unusual responses to vaccines; exposure to pesticides or other substances; or possible exposure to Iraqi chemical or biological warfare agents.

The veterans afflicted with this malady and their families have endured crippling physical, emotional, and financial hardships because of the Persian Gulf syndrome. This bill provides compensation to these veterans suffering from chronic disabilities resulting from undiagnosed illnesses connected to their service in the Persian Gulf. They desperately need this legislation to ensure that they receive the assistance necessary for them to put their lives back together.

When this bill was introduced by the distinguished chairman from Mississippi, the Secretary of Veterans Affairs hailed this bill as revolutionary. This bill directs the VA, in consultation with the Departments of Defense and Health and Human Services, to implement new case assessment strategies for veterans with this mystery illness, and it authorizes $5 million for the VA to conduct research on Persian Gulf war veterans' health risks and treatment. By our action today, the House will be sending the clear message that we will not let our veterans down.

We cannot wait while medical science strives to determine the cause of the Persian Gulf syndrome, because the brave men and women of our Armed Forces that went to the Persian Gulf to turn back the tide of aggression and liberate Kuwait need our help and they need it now.

The fact that the specific cause to the Persian Gulf syndrome is still not known does not lessen our responsibility to give our veterans the treatment and compensation they rightfully deserve.

I cannot emphasize enough how important this bill is, and I urge all of my colleagues to support it.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TRAFICANT). The question is on the motion by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 4386, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

VETERANS' BENEFITS ACT OF 1994

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4088) to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Benefits Act of 1994".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—COST-OF-LIVING ADJUSTMENT IN RATES OF COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 101. DISABILITY COMPENSATION.

Section 1114 is amended—

(1) by striking out "$87" in subsection (a) and inserting in lieu thereof "$89";

(2) by striking out "$166" in subsection (b) and inserting in lieu thereof "$170";

(3) by striking out "$253" in subsection (c) and inserting in lieu thereof "$260";

(4) by striking out "$361" in subsection (d) and inserting in lieu thereof "$371";

(5) by striking out "$515" in subsection (e) and inserting in lieu thereof "$530";

(6) by striking out "$648" in subsection (f) and inserting in lieu thereof "$667";

(7) by striking out "$819" in subsection (g) and inserting in lieu thereof "$843";

(8) by striking out "$948" in subsection (h) and inserting in lieu thereof "$976";

(9) by striking out "$1,067" in subsection (i) and inserting in lieu thereof "$1,099";

(10) by striking out "$1,774" in subsection (j) and inserting in lieu thereof "$1,827";

(11) by striking out "$2,207" and "$3,093" in subsection (k) and inserting in lieu thereof "$2,273" and "$3,187", respectively;

(12) by striking out "$2,207" in subsection (l) and inserting in lieu thereof "$2,273";

(13) by striking out "$2,432" in subsection (m) and inserting in lieu thereof "$2,504";

(14) by striking out "$2,768" in subsection (n) and inserting in lieu thereof "$2,851";

(15) by striking out "$3,093" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$3,185";

(16) by striking out "$1,328" and "$1,978" in subsection (r) and inserting in lieu thereof "$1,367" and "$2,037", respectively; and

(17) by striking out "$1,985" in subsection (s) and inserting in lieu thereof "$2,044".

SEC. 102. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking out "$105" in subparagraph (A) and inserting in lieu thereof "$108";

(2) by striking out "$178" and "$55" in subparagraph (B) and inserting in lieu thereof "$183" and "$56", respectively;

(3) by striking out "$72" and "$55" in subparagraph (C) and inserting in lieu thereof "$74" and "$56", respectively;

(4) by striking out "$84" in subparagraph (D) and inserting in lieu thereof "$86";

(5) by striking out "$195" in subparagraph (E) and inserting in lieu thereof "$200"; and

(6) by striking out "$164" in subparagraph (F) and inserting in lieu thereof "$168".

SEC. 103. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking out "$478" and inserting in lieu thereof "$492".

SEC. 104. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

Section 1311 is amended—

(1) in subsection (a)(1), by striking out "$769" and inserting in lieu thereof "$792";

(2) in subsection (a)(2), by striking out "$169" and inserting in lieu thereof "$174";

(3) in subsection (a)(3), by striking out the table therein and inserting in lieu thereof the following:

"Pay grade	*Monthly rate*	*Pay grade*	*Monthly rate*
E–7	*$817*	*O–3 ....*	*$923*

E–8	863	O–4	976
E–9	[1] 901	O–5	1,075
W–1	836	O–6	1,212
W–2	869	O–7	1,309
W–3	895	O–8	1,433
W–4	947	O–9	1,536
O–1	836	O–10	[2] 1,685
O–2	863		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $971.

"[2] If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,805.";

(4) in subsection (c), by striking out "$195" and inserting in lieu thereof "$200"; and

(5) in subsection (d), by striking out "$95" in subsection (c) and inserting in lieu thereof "$97".

SEC. 105. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking out "$327" in paragraph (1) and inserting in lieu thereof "$336";

(2) by striking out "$471" in paragraph (2) and inserting in lieu thereof "$485";

(3) by striking out "$610" in paragraph (3) and inserting in lieu thereof "$628"; and

(4) by striking out "$610" and "$120" in paragraph (4) and inserting in lieu thereof "$628" and "$123", respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking out "$195" in subsection (a) and inserting in lieu thereof "$200";

(2) by striking out "$327" in subsection (b) and inserting in lieu thereof "$336"; and

(3) by striking out "$166" in subsection (c) and inserting in lieu thereof "$170".

SEC. 106. EFFECTIVE DATE.

The amendments made by this title shall take effect on December 1, 1994.

TITLE II—DISABILITIES RESULTING FROM HERBICIDE EXPOSURE

SEC. 201. CODIFICATION OF PRESUMPTIONS ESTABLISHED ADMINISTRATIVELY.

Section 1116(a)(2) is amended by adding at the end the following new subparagraphs:

"(D) Hodgkin's disease becoming manifest to a degree of disability of 10 percent or more.

"(E) Porphyria cutanea tarda becoming manifest to a degree of disability of 10 percent or more within a year after the last date on which the veteran performed active military, naval, or air service in the Republic of Vietnam during the Vietnam era.

"(F) Respiratory cancers (cancer of the lung, bronchus, larynx, or trachea) becoming manifest to a degree of 10 percent or more within 30 years after the last date on which the veteran performed active military, naval, or air service in the Republic of Vietnam during the Vietnam era.

"(G) Multiple myeloma becoming manifest to a degree of disability of 10 percent or more.".

TITLE III—BOARD OF VETERANS' APPEALS ADMINISTRATION

SEC. 301. APPOINTMENT, PAY COMPARABILITY, AND PERFORMANCE REVIEWS FOR MEMBERS OF THE BOARD OF VETERANS' APPEALS.

(a) IN GENERAL.—(1) Chapter 71 is amended by inserting after section 7101 the following new section:

"§7101A. Members of Board: appointment; pay; performance review

"(a) The members of the Board of Veterans' Appeals other than the Chairman (and including the Vice Chairman) shall be appointed by the Secretary, with the approval of the President, based upon recommendations of the Chairman.

"(b) Members of the Board (other than the Chairman and any member of the Board who is a member of the Senior Executive Service) shall, in accordance with regulations prescribed by the Secretary, be paid basic pay at rates equivalent to the rates payable under section 5372 of title 5.

"(c)(1) Not less than one year after the job performance standards under subsection (f) are initially established, and not less often than once every three years thereafter, the Chairman shall determine, with respect to each member of the Board (other than a member who is a member of the Senior Executive Service), whether that member's job performance as a member of the Board meets the performance standards for a member of the Board established under subsection (f). Each such determination shall be in writing.

"(2) If the determination of the Chairman in any case is that the member's job performance as a member of the Board meets the performance standards for a member of the Board established under subsection (f), the member's appointment as a member of the Board shall be recertified.

"(3) If the determination of the Chairman in any case is that the member's job performance does not meet the performance standards for a member of the Board established under subsection (f), the Chairman shall, based upon the individual circumstances, either—

"(A) grant the member a conditional recertification; or

"(B) recommend to the Secretary that the member be noncertified.

"(4) In the case of a member of the Board who is granted a conditional recertification under paragraph (3) or (5)(C), the Chairman shall review the member's job performance record and make a further determination under paragraph (1) concerning that member not later than one year after the date of the conditional recertification. If the determination of the Chairman at that time is that the member's job performance as a member of the Board still does not meet the performance standards for a member of the Board established under subsection (f), the Chairman shall recommend to the Secretary that the member be noncertified.

"(5)(A) In a case in which the Chairman recommends to the Secretary under paragraph (3) or (4) that a member be noncertified, the Secretary shall establish a panel to review that recommendation. The panel shall be established from among employees of the Department other than members of the Board or of the Board's staff and may include Federal employees from outside the Department with appropriate expertise.

"(B) The panel shall review the matter and recommend to the Secretary whether the Board member should be noncertified or should be granted a conditional recertification.

"(C) The Secretary, after considering the recommendation of the panel, may either—

"(i) grant the member a conditional recertification; or

"(ii) determine that the member should be noncertified.

"(d)(1) If the Secretary, based upon the recommendation of the Chairman and after considering the recommendation of the panel under subsection (c)(5), determines that a member of the Board should be noncertified, that member's appointment as a member of the Board shall be terminated and that member shall be removed from the Board.

"(2) An individual so removed from the Board shall have the right to be employed by the Board in an attorney-advisor position.

"(e)(1) A member of the Board (other than the Chairman or a member of the Senior Executive Service) may be removed as a member of the Board by reason of job performance only as provided in subsections (c) and (d). Such a member may be removed by the Secretary, upon the recommendation of the Chairman, for any other reason as determined by the Secretary.

"(2) In the case of a removal of a member under this section for a reason other than job performance that would be covered by section 7521 of title 5 in the case of an administrative law judge, the removal of the member of the Board shall be carried out subject to the same requirements as apply to removal of an administrative law judge under that section. Section 554(a)(2) of title 5 shall not apply to a removal action under this subsection. In such a removal action, a member shall have the rights set out in section 7513(b) of that title.

"(f) The Chairman, subject to the approval of the Secretary, shall establish standards for the performance of the job of a member of the Board (other than a member of the Senior Executive Service). Those standards shall establish objective and fair criteria for evaluation of the job performance of a member of the Board.

"(g) The Secretary shall prescribe procedures for the administration of this section, including deadlines and time schedules for different actions under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7101 the following new item:

"7101A. Members of Board: appointment; pay; performance review.".

(b) SAVE PAY PROVISION.—The rate of basic pay payable to an individual who is a member of the Board of Veterans' Appeals on the date of the enactment of this Act may not be reduced by reason of the amendments made by this section to a rate below the rate payable to such individual on the day before such date.

(c) EFFECTIVE DATE.—Section 7101A(b) of title 38, United States Code, as added by subsection (a), shall take effect on the first day of the first pay period beginning after December 31, 1994.

SEC. 302. CONFORMING AMENDMENTS.

Section 7101(b) is amended—

(1) by striking out paragraph (2);

(2) by designating as paragraph (2) the text in paragraph (1) beginning "The Chairman may be removed"; and

(3) by striking out "Members (including the Chairman)" in paragraph (3) and inserting in lieu thereof "The Chairman".

SEC. 303. DEADLINE FOR ESTABLISHMENT OF PERFORMANCE EVALUATION CRITERIA FOR BOARD MEMBERS.

(a) DEADLINE.—The job performance standards required to be established by section 7101A(d) of title 38, United States Code, as added by subsection (a), shall be established not later than 90 days after the date of the enactment of this Act.

(b) SUBMISSION TO CONGRESSIONAL COMMITTEE.—Not later than the date on which the standards referred to in subsection (a) take effect, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing the Secretary's proposal for the establishment of those standards.

TITLE IV—ADJUDICATION IMPROVEMENTS

SEC. 401. SHORT TITLE.

This title may be cited as the "Veterans' Adjudication Improvements Act of 1994".

SEC. 402. REPORT ON FEASIBILITY OF REORGANIZATION OF ADJUDICATION DIVISIONS IN VBA REGIONAL OFFICES.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report addressing the feasibility and impact of a reorganization of the adjudication divisions located within the regional offices of the Veterans Benefits Administration to a number of such divisions that would result in improved efficiency in the processing of claims filed by veterans, their survivors, or other eligible persons, for benefits administered by the Secretary.

SEC. 403. MASTER VETERAN RECORD.

(a) REQUIREMENT.—The Secretary of Veterans Affairs shall implement a recordkeeping system whereby each veteran and other person eligible for benefits under laws administered by the Secretary shall be identified by a single identification number and through which information relating to that person, including that person's current eligibility or entitlement status with respect to each benefit or service administered by the Secretary, shall be available through electronic means to employees of the Department located in each regional office of the Veterans Benefits Administration or medical center of the Veterans Health Administration.

(b) DEADLINE FOR IMPLEMENTATION.—The recordkeeping system required by subsection (a) shall be implemented not later than two years after the date of the enactment of this Act

SEC. 404. REPORT ON PILOT PROGRAMS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report enumerating and describing each pilot program and major initiative being tested in the regional offices of the Veterans Benefits Administration that affect the adjudication of claims for benefits administered by the Secretary.

(b) CONTENTS.—The report shall include the Secretary's recommendations regarding the need, if any, for legislation to implement any of such pilot programs the Secretary may recommend. If the Secretary indicates that legislation is not required to implement one or more of such programs, the Secretary shall advise the Committees as to whether any such pilot program will be implemented and provide a timetable for such implementation.

SEC. 405. ACCEPTANCE OF CERTAIN DOCUMENTATION FOR CLAIMS PURPOSES.

(a) STATEMENTS OF CLAIMANT TO BE ACCEPTED AS PROOF OF RELATIONSHIPS.—Chapter 51 is amended by adding at the end the following new section:

"§5124. Acceptance of claimant's statement as proof of relationship

"(a) For purposes of benefits under laws administered by the Secretary, the Secretary shall accept the written statement of a claimant as proof of the existence of any relationship specified in subsection (b) for the purpose of acting on such individual's claim for benefits.

"(b) Subsection (a) applies to proof of the existence of any of the following relationships between a claimant and another person:

"(1) Marriage.

"(2) Dissolution of a marriage.

"(3) Birth of a child.

"(4) Death of any family member.

"(c) The Secretary may require the submission of documentation in support of the claimant's statement—

"(1) if the claimant does not reside within a State; or

"(2) if the statement on its face raises a question as to its validity.".

(b) REPORTS OF EXAMINATIONS BY PRIVATE PHYSICIANS.—Such chapter, as amended by subsection (a), is further amended by adding at the end the following new section:

"§5125. Acceptance of reports of private physician examinations

"For purposes of establishing a claim for benefits under chapter 11 or 15 of this title, a report of a medical examination administered by a private physician that is provided by a claimant in support of a claim for benefits under that chapter shall be accepted without a requirement for confirmation by an examination by a physician employed by the Veterans Health Administration if the report is sufficiently complete to be adequate for disability rating purposes.".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"5124. Acceptance of claimant's statement as proof of relationship.

"5125. Acceptance of reports of private physician examinations.".

SEC. 406. EXPEDITED TREATMENT OF REMANDED CLAIMS.

The Secretary shall take such actions as may be necessary to provide for the expeditious treatment, by the Board of Veterans' Appeals and by the regional offices of the Veterans Benefits Administration, of any claim that has been remanded by the Board of Veterans' Appeals or by the United States Court of Veterans Appeals for additional development or other appropriate action.

SEC. 407. SCREENING OF APPEALS.

Section 7107 of title 38, United States Code, is amended—

(1) in subsection (a)(1), by striking out "Each case" and inserting in lieu thereof "Except as provided in subsection (f), each case"; and

(2) by adding at the end the following new subsection:

"(f) Nothing in this section shall preclude the screening of cases for purposes of—

"(1) determining the adequacy of the record for decisional purposes; or

"(2) the development, or attempted development, of a record found to be inadequate for decisional purposes.".

SEC. 408. REVISION OF DECISIONS BASED ON CLEAR AND UNMISTAKABLE ERROR.

(a) ORIGINAL DECISIONS.—(1) Chapter 51 is amended by inserting after section 5109 the following new section:

"§5109A. Revision of decisions on grounds of clear and unmistakable error

"(a) A decision by the Secretary under this chapter is subject to revision on the grounds of clear and unmistakable error. If evidence establishes the error, the prior decision shall be reversed or revised.

"(b) For the purposes of authorizing benefits, a rating or other adjudicative decision that constitutes a reversal or revision of a prior decision on the grounds of clear and unmistakable error has the same effect as if the decision had been made on the date of the prior decision.

"(c) Review to determine whether clear and unmistakable error exists in a case may be instituted by the Secretary on the Secretary's own motion or upon request of the claimant.

"(d) A request for revision of a decision of the Secretary based on clear and unmistakable error may be made at any time after that decision is made.

"(e) Such a request shall be submitted to the Secretary and shall be decided in the same manner as any other claim.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5109 the following new item:

"5109A. Revision of decisions on grounds of clear and unmistakable error.".

(b) BVA DECISIONS.—(1) Chapter 71 is amended by adding at the end the following new section:

"§7111. Revision of decisions on grounds of clear and unmistakable error

"(a) A decision by the Board is subject to revision on the grounds of clear and unmistakable error. If evidence establishes the error, the prior decision shall be reversed or revised.

"(b) For the purposes of authorizing benefits, a rating or other adjudicative decision of the Board that constitutes a reversal or revision of a prior decision of the Board on the grounds of clear and unmistakable error has the same effect as if the decision had been made on the date of the prior decision.

"(c) Review to determine whether clear and unmistakable error exists in a case may be instituted by the Board on the Board's own motion or upon request of the claimant.

"(d) A request for revision of a decision of the Board based on clear and unmistakable error may be made at any time after that decision is made.

"(e) Such a request shall be submitted directly to the Board and shall be decided by the Board on the merits, without referral to any adjudicative or hearing official acting on behalf of the Secretary.

"(f) A claim filed with the Secretary that requests reversal or revision of a previous Board decision due to clear and unmistakable error shall be considered to be a request to the Board under this section, and the Secretary shall promptly transmit any such request to the Board for its consideration under this section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7111. Revision of decisions on grounds of clear and unmistakable error.".

(c) EFFECTIVE DATE.—(1) Sections 5109A and 7111 of title 38, United States Code, as added by this section, apply to any determination made before, on, or after the date of the enactment of this Act.

(2) Notwithstanding section 402 of the Veterans Judicial Review Act (38 U.S.C. 7251 note), chapter 72 of title 38, United States Code, shall apply with respect to any decision of the Board of Veterans' Appeals on a claim alleging that a previous determination of the Board was the product of clear and unmistakable error if that claim is filed after, or was pending before the Department of Veterans Affairs, the Court of Veterans Appeals, the Court of Appeals for the Federal Circuit, or the Supreme Court on, the date of the enactment of this Act.

TITLE V—MISCELLANEOUS

SEC. 501. RESTATEMENT OF INTENT OF CONGRESS CONCERNING COVERAGE OF RADIATION-EXPOSED VETERANS COMPENSATION ACT OF 1988.

(a) RESTATEMENT OF ABSENCE OF STATUTORY LIMITATION TO UNITED STATES TESTS.—(1) Clause (i) of section 1112(c)(3)(B) is amended by inserting "(without regard to whether the nation conducting the test was the United States or another nation)" after "nuclear device".

(2) The amendment made by paragraph (1) shall take effect as of May 1, 1988.

(b) PROOF OF SERVICE CONNECTION OF DISABILITIES RELATING TO EXPOSURE TO IONIZING RADIATION.—(1) Section 1113(b) is amended—

(A) by striking out "title or" and inserting in lieu thereof "title,"; and

(B) by inserting ", or section 5 of Public Law 98–542 (38 U.S.C. 1154 note)" after "of this section".

(2) The amendments made by paragraph (1) shall apply with respect to applications for veterans benefits that are submitted to the Secretary of Veterans Affairs after the date of the enactment of this Act.

SEC. 502. EXTENSION OF AUTHORITY TO MAINTAIN REGIONAL OFFICE IN THE PHILIPPINES.

Section 315(b) is amended by striking out "December 31, 1994" and inserting in lieu thereof "December 31, 1999".

SEC. 503. RENOUNCEMENT OF BENEFIT RIGHTS.

Section 5306 is amended by adding at the end the following new subsection:

"(c) Notwithstanding subsection (b), if a new application for pension under chapter 15 of this title or for dependency and indemnity compensation for parents under section 1315 of this title is filed within one year after renouncement of that benefit, such application shall not be treated as an original application and benefits will be payable as if the renouncement had not occurred.".

SEC. 504. EFFECTIVE DATE OF DISCONTINUANCE OF COMPENSATION UPON DEATH OF CERTAIN VETERANS.

(a) IN GENERAL.—Section 5112 is amended by adding the following new subsection:

"(d) In the case of a veteran who, at time of death, was in receipt of compensation for a disability rated as totally disabling with an additional amount being paid for a spouse, if the Secretary determines that the surviving spouse of such veteran is not eligible for dependency and indemnity compensation, the effective date of the discontinuance of such compensation shall be the last day of the month in which such death occurred.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to deaths occurring after September 30, 1994.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. STUMP] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

H.R. 4088, as amended, would provide a 3-percent cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.

In addition, the bill would make certain changes in the claims and appeals processes at the Board of Veterans' Appeals and the VA regional offices.

Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Kansas [Mr. SLATTERY], and I would say again that I realize this might be the last bill he will handle in this House, and I thank him again for his great service.

Mr. SLATTERY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, H.R. 4088 affects a wide spectrum of benefits and issues concerning the provision of benefits to veterans or their survivors.

First, it would provide for a 3-percent cost-of-living adjustment in the rates of compensation and DIC payable to service disabled veterans or to their surviving spouses or dependents, effective on December 1, 1994.

Second, it would codify the administrative action taken by Secretary Brown to add four additional disabilities to the statutory list of disabilities for which a presumption of service connection is granted to Vietnam era veterans who were exposed to herbicides while serving in Vietnam.

Third, it would provide that members of the VA Board of Veterans' Appeals be compensated at basic rates of pay equivalent to administrative law judges. This provision recognizes that the work performed by Board members is very similar to the work performed by ALJ's. It also recognizes the greater responsibility we have given individual Board members in making decisions on veterans' appeals. This provision is intended to ensure that members of the Board not feel compelled to pursue ALJ positions, but rather to remain at the Board, where their expertise is badly needed.

Fourth, the bill, as amended, contains several provisions that would make several improvements in the adjudication process, including activities at both the local, regional-office level and at the Board of Veterans' Appeals. Many of these provisions were suggested to us by the veterans organizations and I am very confident of their support. We have labored long and hard to try to develop changes in the way VA conducts its business. It has not been an easy or quick process and much more work remains to be done. I do not pretend to suggest that these changes represent a panacea but, I do feel that they represent a step in the right direction for veterans.

Finally, the bill contains miscellaneous improvements in other areas that will benefit veterans and their survivors.

I again want to express my thanks to the gentleman from Florida [MIKE BILIRAKIS]. It has been a real pleasure to work with him these past 2 years. And, once again, I want to thank Chairman MONTGOMERY and BOB STUMP for their strong leadership and support of this very important measure which we have all worked so hard to enact.

Mr. Speaker, I also wish to recognize the gentleman from Florida [Mr. LEWIS] and thank him for his support of one of the very important provisions contained in this legislation.

Mr. Speaker, for the benefit of my colleagues, there follows an excerpt from the committee report on H.R. 4088, as amended, which contains a complete discussion of the reported bill:

DISCUSSION OF THE REPORTED BILL

TITLE I—COST-OF-LIVING ADJUSTMENT IN RATES OF COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION

Title I of H.R. 4088, as reported, (sections 101 through 106) would provide, effective December 1, 1994, a 3.0 percent cost-of-living adjustment (COLA) in the rates of compensation and dependency and indemnity compensation.

The Administration's proposed fiscal year 1995 budget request, submitted earlier this year, recommended that increases in the service-connected disability compensation and DIC programs be directly tied to the annual change in the Consumer Price Index (CPI) to provide the same cost-of-living adjustment as the non-service-connected disability pension program and the Social Security program. The President recommended that Congress enact legislation to authorize the Secretary of Veterans Affairs to adjust the rates under these programs in an amount equal to the cost-of-living adjustment provided for Social Security. The Administration estimated that the cost-of-living increase for these programs, effective December 1, 1994, would be 3.0 percent, based on the changes in the CPI from the third quarter of calendar year 1993 to the third quarter of calendar year 1994.

During a hearing conducted by the Subcommittee on Compensation, Pension, and Insurance on April 28, 1994, spokesmen for the Department of Veterans Affairs (VA) testified that the Administration strongly supports COLA's based upon actual increases in the cost of living. In addition, it was indicated that the Administration believes that full COLA's should be provided for all compensation and DIC recipients. The Committee strongly believes that an annual COLA that, at a minimum, meets any adjustment provided for Social Security is warranted in the case of these two service-connected benefit programs.

Should the proposed 3.0 percent rate increase be enacted, the changes in compensation and DIC rates, effective December 1, 1994, would be as follows:

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1994

		Increase (monthly rate)	
		From	To
Percentage of disability or subsection under which payment is authorized:			
(a)	10 percent	$87	$89
(b)	20 percent	166	170
(c)	30 percent	253	260
(d)	40 percent	361	371
(e)	50 percent	515	530
(f)	60 percent	648	667
(g)	70 percent	819	843
(h)	80 percent	948	976
(i)	90 percent	1,067	1,099
(j)	100 percent	1,774	1,827
Higher statutory awards for certain multiple disabilities:			
(k)	(1) Additional monthly payment for anatomical loss, or loss of use of, any of the following: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss.	70	70
	(2) Limit for veterans receiving payments under (a) to (j) above.	2,207	2,273
	(3) Limit for veterans receiving benefits under (l) to (n) below.	3,093	3,187
(l)	Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200) visual acuity or less), permanently bedridden or so helpless as to require aid and attendance.	2,207	2,273
(m)	Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance.	2,432	2,504

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1994—Continued

		Increase (monthly rate)	
		From	To
(Percentage of disability or subsection under which payment is authorized:)			
(n)	Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip to prevent use of prosthesis.	2,768	2,851
(o)	Disability under conditions entitling veterans to two or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis.	3,093	3,185
(p)	(1) If disabilities exceed requirements of any rates prescribed, Secretary of Veterans Affairs may allow next higher rate or an intermediate rate, but in no case may compensation exceed.	3,093	3,185
	(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed.	3,093	3,185
	(3) Blindness with only light perception or less with bilateral deafness (hearing impairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed.	3,093	1,185
	(4) Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (l) to (n) but in no event in excess of.	3,093	3,185
(q)	[This subsection repealed by Public Law 90–493.].		
(r)	(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates.	1,328	1,367
	(2) If the veteran, in addition to need for regular aid and attendance is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate.	1,985	2,044
(s)	Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.	1,985	1,044
(t)	[This subsection repealed by Public Law 99–576.].		

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and—		
Has a spouse	$105	$108
Has a spouse and child	178	183
Has no spouse, 1 child	72	74
For each additional child	55	56
For each dependent parent	84	86
For each child age 18–22 attending school	164	168
Has a spouse in nursing home or severely disabled	195	200

DEPENDENCY AND INDEMNITY COMPENSATION

Under the bill as reported, the rates of dependency and indemnity compensation payable with respect to service-related deaths occurring on and after January 1, 1993, (and payable with respect to any service-connected death if payments based on a veteran's rank would result in a lesser payment) would increase by 3.0 percent, from $769 to $792 for the base rate, and from $169 to $174 for the additional amount or "kicker" payable if the veteran suffered from a service-connected disability rated as totally disabling for a period of at least eight years immediately preceding death.

The following increases would be provided for surviving spouses of deceased veterans whose service-connected deaths occurred prior to January 1, 1993, and who are not receiving dependency and indemnity compensation (DIC) payments under the new rate structure at a higher rate:

Pay grade	Increase (monthly rate)	
	From	To
E–7	794	817
E–8	838	863
E–9	[1]875	[1]901
W–1	812	836
W–2	844	869
W–3	869	895
W–4	920	947
0–1	812	836
0–2	838	863
0–3	897	923
0–4	948	976
0–5	1,044	1,075
0–6	1,177	1,212
0–7	1,271	1,309
0–8	1,392	1,433
0–9	1,492	1,536
0–10	[2]1,636	[2]1,685

[1] If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $971.

[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,805.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates would be increased as follows:

	Increase (monthly rate)	
	From	To
One child	$327	$336
Two children	471	485
Three children	610	628
Each additional child	120	123

TITLE II—CODIFICATION OF DISABILITIES RESULTING FROM HERBICIDE EXPOSURE

Section 201 would codify the administrative action taken by the Secretary of Veterans Affairs pursuant to the authority provided under Public Law 102–4 to add four additional disabilities to the statutory list for which a presumption of service connection is granted to Vietnam era veterans who were exposed to herbicides while serving in Vietnam. The disabilities are as follows: Hodgkin's disease manifest to a degree of 10 percent or more; porphyria cutanea tarda manifest to a degree of 10 percent or more with one year after departure from the Republic of Vietnam during the Vietnam era; respiratory cancers (cancer of the lung, bronchus, larynx, or trachea) manifest to a degree of 10 percent or more within 30 years of departure from the Republic of Vietnam during the Vietnam era; and multiple myeloma to a degree of 10 percent or more. The Committee believes it is appropriate to amend the statutory list in section 1116 of title 38, United States Code, to reflect the Secretary's actions in this area.

TITLE III—BOARD OF VETERANS' APPEALS ADMINISTRATION

The VA Board of Veterans' Appeals (BVA or Board) has a long history of deciding appeals from denials of benefits by the Veterans Benefits Administration in a fair and impartial manner. Although statistics are available which indicate the rate at which previous decisions are sustained, overturned, or remanded, the Committee has never been apprised of evidence of any attempt to change a particular Board section's allowance or denial rate. The Board has no quotas for denial or allowance, and does not keep track of the amount of any benefits granted by the Board. These are indicators that the Board operates independently and without bias in deciding cases.

Section 301 of the reported bill would provide that members of the Board be compensated at basic rates of pay equivalent to Administrative Law Judges (ALJs). This provision recognizes that the work performed by Board members is very similar to the work performed by ALJ's. It also recognizes the greater responsibility Congress has given individual Board members in making decisions on veterans' appeals by virtue of the enactment of Public Law 103–271, signed by the President on July 1, 1994. This provision is intended to encourage members of the Board to remain at the Board, where their expertise is badly needed.

The current pay disparity between Board members and Administrative Law Judges is producing a migration of Board members to the Social Security Administration and other federal agencies. According to the June, 1994, report submitted by the Select Panel on Productivity Improvement for the Board of Veterans' Affairs (Select Panel Report), ten percent of the 62 Board members have recently accepted positions as Social Security Administration ALJs. Of the remaining members, 29 percent are eligible for appointment and 40 percent have completed the arduous application process. With an anticipated increase in Social Security ALJ hiring and the current pay disparity, the loss of experienced members can be expected to accelerate. The Committee has thus adopted provisions to restore traditional pay equity between Board members and Administrative Law Judges, who, among other things, make similar disability determinations for the Social Security Administration.

The Committee is also concerned about the effect on employee moral and productivity caused by the potential termination of employment Board members now face. The Veterans' Judicial Review Act (Pub. L. No. 100-687) imposed term appointments on Board members. Prior to enactment of the Act, Board members held unlimited appointments, providing a relatively high degree of job security. The Select Panel Report concluded that the continuing uncertainty surrounding a Board member's prospect for long-term employment may well result in an adverse effect on productivity, as long-time Board members leave the Board for more certain employment as ALJs for the Social Security Administration or other federal agencies.

While persuaded that the restoration of permanent appointments for Board members is warranted, the Committee believes that there should be appropriate standards of accountability for Board members, who issue a total of anywhere from 30,000 to 40,000 decisions a year. Such decisions, as commentators have observed of Social Security disability claims, lend themselves to statistical comparisons because of their "high volume and relative fungibility." *Paul Verkuil et al., Admin. Conf. U.S., the Federal Administrative Judiciary* 157 (August 1992). In 1978, the Administrative Conference of the United States (ACUS) found that maintaining a judge's "decisional independence does not preclude the articulation of appropriate productivity norms or efforts to secure adherence to previously enunciated standards and polices underlying the . . . Administration's fulfillment of statutory duties." Recommendation 782, "Procedures for Determining Social Security Disability Claims," 1 CFR 305.78-2 (1991).

In a 1986 Report entitled, "Case Management as a Tool for Improving Agency Adjudication," ACUS added:

> Use of internal agency guidelines for timely case processing and measurements of the quality of work products can maintain high levels of productivity and responsibility. If appropriately fashioned, they can do so without compromising independence of judgment.
>
> 1 CFR 305.86-7.

Support for this position can also be found in judicial decisions such as *Nash* v. *Bowen*, 869 F.2d 675, (2d Cir. 1989), where the court held that an agency's reasonable efforts to increase production levels did not infringe on decisional independence, observing that:

> [I]n view of the significant backlog of cases, it was not unreasonable to expect ALJs to perform at minimally acceptable levels of efficiency. Simple fairness to claimants awaiting benefits required no less.

Given the large caseload facing the Board, the Committee is concerned about the problem, summed up by one Chief Administrative Law judge as follows:

> Most of our ALJs are smart, hardworking and productive, but X likes golf a lot more than opinion writing, Y has lost the ability to analyze issues and evidence if he ever had it, and Z is such a compulsive perfectionist I can never get an opinion out of him.
>
> *Paul Verkuil et al., Admin. Conf. U.S., the Federal Administrative Judiciary 140 (August 1992).*

In order to insure timeliness and quality in decision making, the Committee has thus conditioned receipt of the pay increase and the elimination of term appointments on the establishment of a system for periodic recertification similar to that in effect for members of the Senior Executive Service (SES). Under this system, a Board member would be subject to a performance evaluation every three years. It is the intention of the Committee that this evaluation be based on objective factors such as the timeliness of the work product, overall case management, quality of legal writing and the absence of "substantive error". Such substantive error would be determined by a member's reversal rate and remand rate for errors routinely noted in COVA decisions.

The Committee believes the objective factors to be considered for evaluation purposes should include the failure to state adequate "reasons and bases" for the decision, failure to support conclusions of law with findings of fact, and failure to address relevant evidence or credibility determinations. Substantive error would also be determined by a failure to identify and resolve dispositive issues or failure to identify and apply appropriate legal authority in a decision. In this connection, the Committee notes that a recent study by the VA's Office of General Counsel of cases remanded by the Court of Veterans' Appeals in the last quarter of 1993 found that 86 percent were remanded for reasons based on well-established court precedent. In 79 percent of those cases the reason for remand was either failure to state adequate "reasons and bases" or failure to address evidence/credibility in the Board's decision. Also frequently cited was failure to assist the claimant, necessitating additional medical examination (36 percent) or the securing of government records (13 percent).

The standards to be employed in determining whether a member's performance during the rating period has demonstrated the quality and quantity of work expected of a Board member are intended to be fair and impartial and, to the maximum extent feasible, to be based on objective, quantifiable standards developed by the Chairman and approved by the Secretary. In developing the standards, the Chairman may consult with any individual or entity, and the Committee suggests that consultation with the American Bar Association would be approriate.

The Committee notes, for the Chairman's consideration, that the ABA guidelines for ALJs contain the following criteria for evaluation:

> (1) Integrity—avoidance of impropriety and appearance of impropriety, freedom from bias, impartiality;
>
> (2) Knowledge and understanding of the law—legally sound decisions, knowledge of substantive, procedural and evidentiary law of the jurisdiction, proper application of judicial precedent;
>
> (3) Communication skills—clarity of bench rulings and other oral communications, quality of written opinions, sensitivity to the impact of demeanor and other nonverbal communications;
>
> (4) Preparation, attentiveness and control over proceedings—courtesy to all parties, willingness to allow legally interested persons to be heard unless precluded by law;
>
> (5) Managerial skills—devoting appropriate time to pending matters, discharging administrative responsibilities diligently;
>
> (6) Punctuality—prompt disposition of pending matter and meeting commitments of time according to rules of court;
>
> (7) Service to the profession—attendance at and participation in continuing legal education, ensuring that the court is serving in the public to the best of its ability;
>
> (8) Effectiveness in working with other judges—extending ideas and opinions when on multi-judge panel, soundly critiquing work of colleagues.
>
> *The Federal Administrative Judiciary: Establishing an Appropriate System of Preformance Evaluation for ALJS, 7 Administrative Law Journal 589, 608.*

The Committee emphasizes that the recertification procedures should not in any way compromise the decisional independence of the Board member and that there should be no evaluation based on the rates in which appeals are either granted or denied.

In requiring the Chairman of the Board to establish performance standards for members of the Board, the Committee is aware of the potential conflict between an evaluation of the quality of a Board member's work and an evaluation of the number of cases decided. It has been alleged that pressure to decide a minimum number of cases affects the ability of the decision-maker to fairly consider each case, and may affect the quality of the decision as well as the Board member's independence. However, " . . . in order for an agency to fulfill its managerial responsibilities, it must be able to control ALJs to some extent." *Administrative Law Judges, Performance Evaluation, and Production Standards: Judicial Independence Versus Employee Accountability*, 54 The George Washington Law Review 591, 612 (1986). The Committee is convinced that an evaluation system can be established which respects Board members' independence, but which also requires that the member be productive in comparison to other Board members.

If the Chairman determines that a Board member's performance meets the performance standards established for all Board members, the individual shall automatically be recertified. In a case in which the Chairman determines that the member's performance does *not* meet the performance standards, the Chairman, based on the individual circumstances, shall either grant a conditional recertification to the member or recommend to the Secretary that the member be noncertified. If the member is granted a conditional recertification, the Board member shall be eligible to continue in that position for a period of one year, at which time the Chairman shall again render a determination with respect to the member's performance. If it is then determined that the member's performance still does not meet the Board's performance standards, the Chairman shall recommend to the Secretary that the member be noncertified. If, at that time, however, the member's performance is found to meet the standards, the member's appointment shall be automatically recertified.

In any case in which a noncertification is recommended by the Chairman, the Secretary shall establish a panel of individuals to review the recommendation. The panel will be established from among employees of the VA, other than members of the Board, and may include other Federal employees with appropriate expertise from outside the VA.

The panel will review the proposed noncertification and recommend to the Secretary whether the member should be noncertified or should be granted a conditional recertification. After considering the panel's recommendation, the Secretary may either grant the member a conditional recertification or determine that the member be noncertified.

In the event noncertification is decided by the Secretary, the member shall be removed as a member of the Board, but may be reinstated or employed as an attorney adviser at the Board of Veterans' Appeals.

The Committee notes that, in addition to removals based on performance, the reported bill also retains existing provisions regarding removal of Board members for reasons other than performance, with the existing safeguards and rights provided under title 5, United States Code, being fully retained by the members.

TITLE IV—ADJUDICATION IMPROVEMENTS

This title may be cited as the "Veterans' Adjudication Improvements Act of 1994".

Section 402 would require the Secretary of Veterans Affairs to submit to the House and Senate Committees on Veterans' Affairs, within 180 days after the date of enactment of this Act, a feasibility and impact report concerning reorganization of VA claims adjudication divisions. Administration of the compensation and pension programs is carried out in the 58 regional offices of the Veterans Benefits Administration of the Department, located in the fifty States, the District of Columbia, Puerto Rico, and the Republic of the Philippines. There is an adjudication division in each of these regional offices except one. By comparison, the Loan Guaranty Program is administered in 47 locations. Insurance programs are administered in two locations.

The purpose of this provision is to require the VA to carefully evaluate its existing adjudication structure in light of diminishing resources and in light of reductions in workforce, and to determine whether greater efficiency could be achieved through reorganization or consolidation of existing divisions. It does not direct the VA to initiate any consolidation activity nor does it intend that any regional offices be closed. To the contrary, the Committee strongly believes that the VA presence in the various localities, particularly in the form of benefit counselors, must be maintained. It is not clear to the Committee whether each regional office must have an adjudication division in order to meet the needs of the veterans served thereby. It is imperative, however, in light of continuing budgetary limitations, that the possibility of consolidation of resources be examined and considered. In this regard, the Committee notes a recent announcement by the Veterans Health Adminstration to integrate, or merge, two or more VA facilities to create a multi-division facility within a single management structure. The integration will affect 33 VHA facilities nationwide.

It is well known that claims for benefits are adjudicated, from time to time, in locations other than the regional office in which the claims were originally received. For instance, in special situations, a particular regional office may be designated as a centralized adjudication center, e.g., Persian Gulf War veterans' claims with environmental aspects (adjudicated in Louisville, Kentucky). In other instances, veterans' claims may be transferred to other offices in order to speed the adjudication of claims and alleviate the backlog of claims in a particular regional office. The Committee is also aware of instances in which larger regional offices have assisted smaller offices in close proximity when the need has arisen. The Committee has no reason to believe that this practice has created any inequities and it is believed that some consolidation of existing divisions would be extremely beneficial in improving the quality and timeliness in claims processing.

Section 403 of the reported bill would require VA to have in place, within 2 years of enactment of this Act, a master veterans' data system available to all VA regional offices and medical centers. It would require that all beneficiaries' records be identified by a single identification number and that the record include information regarding the individual's entitlement to each VA benefit or service. The development of a Master Veteran Record and the modernization of the VA's information infrastructure was the first recommendation affecting the VA in the National Performance Review's (NPR) report of September 7, 1993. However, the Administration's budget request for fiscal year 1995 did not request additional funds to facilitate the development of the Master Record through the use of outside contractors. Although establishment of a Master Veteran Record has long been included as part of the VA's modernization initiative, the Committee is concerned that the project has lost momemtum and may be substantially delayed or underfunded to the further detriment of the adjudication process.

Section 404 of the bill as reported would require the VA to submit to the House and Senate Committees on Veterans' Affairs, within 180 days of the date of enactment of this Act, a comprehensive report describing major pilot programs and initiatives affecting VA claims adjudication. The Committee is aware of numerous ongoing pilot programs and initiatives being developed within the various regional offices. However, information regarding these programs is not available to the Committee in a form which permits it to review or evaluate the individual initiatives. There is also lacking a clear policy as to which programs may be adopted for use on a national basis, nor is there a clear time frame for their adoption. The required report would include the Secretary's recommendations regarding the need for legislation to implement any of such pilot programs. If legislation is not considered necessary, the Secretary shall advise the Committees whether any such program will be implemented and provide a timetable for such implementation.

Section 405 of the reported bill would add a new section 5124 to chapter 51 of title 38, United States Code, to provide that for claims purposes, the written statement of a claimant shall be accepted as proof of relationships, which include marriage, dissolution of a marriage, birth of a child, and death of any family member. The submission of documentation in support of the claimant's statement would be required if the claimant does not reside in a State (defined in title 38, United States Code, to include each of the several States, Territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico) or if the statement on its face raises a question as to its validity. The Committee would also intend that, if the statement conflicts with previous statements of the claimant, or if conflicting information is contained in the claimant's record, the Secretary could require documentation in support of the statements.

This section would also add a new section 5125 to chapter 51 to provide that the medical examination report of a private physician shall be accepted in support of a claim for benefits, without further examination by VA physicians, if the report is determined by the rating activity to be adequate for rating purposes. The Committee intends that the Secretary have considerable latitude in determining the question of "adequacy" for rating purposes. However, the Committee intends that determinations of adequacy for rating purposes include, at a minimum, consideration of the extent to which the report contains clinical manifestations and substantiation of diagnosis by findings of diagnostic techniques generally accepted by medical authorities, such as pathological studies, x-rays, and laboratory tests.

Section 406 of the reported bill would require the Secretary to take such actions as may be necessary to provide that claims remanded by the Board of Veterans' Appeals or by the U.S. Court of Veterans Appeals be treated expeditiously. According to a June 1994 report issued by the Secretary of Veterans Affairs' Select Panel on Productivity Improvement for the BVA, during fiscal year 1993, the average length of time required by regional offices to process appeals remanded from the Board was 353 days, nearly one year. This lengthy period was found to be in addition to the 366 days during which the claim had been pending at the regional office for the initial determination (188 days) and the amount of time it had been pending at the Board (178 days). The Committee finds this lack of responsiveness to be wholly unacceptable and unfair to veterans who have been forced to endure overly long delays in pursuing their claims.

Section 407 of the bill as reported would amend section 7107 of title 38, United States Code, to provide that cases pending on appeal before BVA may be screened at any point in the decision process to determine whether the record is adequate for decisional purposes. The Committee strongly believes that there is a great need for early screening of appeals once they are forwarded to the Board. Data from the select panel noted above indicates that some 178 days may pass before a case is reviewed. The Committee finds this length of time to be unacceptable and intends that new screening methods be immediately established at the Board to permit early reviews of appeals in order that cases needing additional development be quickly remanded for that purpose.

Section 408 would amend chapter 51 of title 38, United State Code, by adding a new section 5109A to provide that a decision by the Secretary may be revised in the case of clear and unmistakable error, with such revised decision to be effective as of the date of the prior decision. This would codify an existing regulatory provision set forth in section 3.105(a) of title 38, Code of Federal Regulations. It would provide that a request for review of a decision may be initiated by either the Secretary or the claimant at any time after the decision is made.

This section would also amend chapter 71 of title 38 by adding a new section 7111 to provide that a decision by the BVA may also be revised in the case of clear and unmistakable error, with such revised decision to be effective from the date of the prior decision. It would provide that a request for review of a decision may be initiated by either the Board or the claimant at any time after that decision is made. The amendments made by this section would apply to any determination made before, on, or after the date of enactment of this Act.

In addition, this section would provide that, notwithstanding section 402 of the Veterans Judicial Review Act (38 U.S.C. 7251 note), which limits the jurisdiction of the Court of Veterans Appeals (COVA) to claims in which notices of disagreement were filed on or after November 18, 1988, the Court would be provided jurisdiction to review a decision of the Board on a claim alleging clear and unmistakable error in a previous BVA decision, without regard to when the notice of disagreement leading to the BVA decision may have been filed. The provision would apply to claims of clear and unmistakable error that are filed after, or which were pending before the VA, the BVA, COVA, the Court of Appeals for the Federal Circuit, or the Supreme Court on the date of enactment of this Act.

The Committee firmly believes that a veteran should have the statutory right to challenge a previous decision of the VA or the BVA on the grounds of clear and unmistakable error, regardless of when that decision may have been made, and that decisions of the BVA on such claims should also be subject to review by COVA.

TITLE V—MISCELLANEOUS

Section 501(a) of the reported bill would amend section 1112(c) of title 38, United States Code, by inserting clarifying language to include participation by a U.S. veteran in a foreign nuclear test as a "radiation-risk activity" for purposes of section 1112(c). Public Law 100-321, enacted on May 1, 1988, established a presumption of service connection for 13 cancers suffered by veterans who participated in atmospheric testing of nuclear devices during and after World War II, or in the occupation of Hiroshima and Nagasaki during World War II. Two additional cancers were added to this list by Public Law 102-578.

It is the Committee's strong view that the current VA regulation implemention of section 1112(c), 38 C.F.R. 3.309(d)(3)(ii)(A), in which the term "radiation risk activity" is defined to mean "[o]nsight participation in a test involving the atmospheric testing of a nuclear device *by the United States*" (emphasis added), is incorrect. Contrary to an opinion of the VA General Counsel, it is the Committee's view that there is nothing in the operative statutory language to support its limited interpretation as reflected in the regulation, nor was it ever intended that the language be interpreted in such a restrictive fashion. Because the Committee views the VA's present interpretation of this section as erroneous, this change is made retroactive to May 1, 1988. It is expected that the Secretary will take such action as may be needed to reopen and readjudicate any claim of a veteran denied on the basis of the existing regulation.

Subsection (b) of this section would clarify congressional intent with respect to the consideration of direct evidence as a means of establishing service connection for a disability resulting from a veteran's exposure to ionizing radiation. The issue was addressed in a decision of the United States Court of Veterans Appeals in *Combee* v. *Principi*, 4 Vet. App. 78 (1993); *en banc rev. denied*, 5 Vet. App. 248 (1993), in which the court upheld a VA determination that a veteran suffering from a disability (neutropenia) attributed to exposure to ionizing radiation could establish service connection on a direct basis only if the disability was enumerated on the list of diseases recognized by the Secretary (for purposes of Public Law 98-542) as being "radiogenic." In this instance the disease was not included on the list; thus, consideration of the veteran's claim for service connection of a disability based on radiation exposure through consideration of direct evidence was precluded.

The court apparently viewed Congress' enactment of Public Law 98-542 (and later, Public Law 100-321) as providing the exclusive means for establishing veterans' claims for compensation if radiation exposure was cited as the underlying cause of the disability. The court and the VA, however, failed to acknowledge the existence, or possible impact, of section 1113(b) of title 38, United States Code, which reflects congressional intent with respect to veterans' claims for service connection of disabilities which may also be affected by liberalizing statutes providing presumptions of service connection. Section 1113(b) states (as it did in 1993) that "[n]othing in section 1112 or 1116 of this title . . . shall be construed to prevent the granting of service connection for any disease or disorder otherwise shown by sound judgment to have been incurred in or aggravated by active military, naval, or air service." The two sections referred to in this section, sections 1112 and 1116, contain specific statutory presumptions of service connection for certain disabilities suffered by certain groups of veterans, including former prisoners of war, Vietnam veterans, and veterans who were exposed to ionizing radiation through their participation in identified radiation-risk activities.

Contrary to the Secretary's interpretation as upheld by the court, Congress did not intend, in its enactment of Pubic Law 98-542, that the Secretary develop a means for determining veterans' claims for benefits with radiation-exposure aspects to the exclusion of other existing methods. Further, the Committee wishes to make clear that, when the Congress has enacted liberalizing legislation, such as that which providing benefits on a presumptive basis, there has been no intention on its part to adversely affect veterans' rights under existing laws. In order to fully clarify congressional intent in this area, the reported bill would amend section 1113(b) to specifically incorporate a reference to section 5 of Public Law 98-542, under which the Secretary has established additional procedures for adjudicating claims based on radiation exposures, other than those for which presumptions are provided, to insure that veterans be permitted to seek to establish their claims for compensation on a direct basis. The amendment made by this section would apply to claims filed on and after the date of enactment of this section.

Section 502 would extend the Secretary's authority to maintain the regional office in the Republic of the Philippines until December 31, 1999. This authority is now set to expire on December 31, 1994. The VA requested an extension of this authority in a letter to the Speaker of the House dated June 21, 1993. In a report issued in July 1993 (GAO/HRD-93-96), the General Accounting Office concluded that a premature closing of the Manila regional office could be costly and recommended that it should be maintained for an indefinite period until the VA can demonstrate that "(1) it can maintain proper internal controls of benefit payments if the office is closed and its functions moved to the United States, (2) closure would be cost effective notwithstanding possible higher administrative costs in the United States, and (3) VA can maintain adequate services to beneficiaries from the United States." In light of these recommendations, the Committee believes a 5-year extension of this authority is appropriate.

Section 503 would amend current law to provide that an application filed for non-service-connected pension under chapter 15 of title 38, United States Code, or parent's DIC under chapter 13 of such title, made within one year of a renouncement of such benefits, shall be paid as if the renouncement had not occurred. Under current law if a veteran renounces his or her right to a benefit and then subsequently reapplies, the claim is treated as an original claim and only prospective income may be considered in determining the veteran's eligibility, or the amount of the benefit. The Committee has been advised that, in some instances, veterans may have renounced their benefits in anticipation of receipt of increased sums of income, and then, following such receipt, may have subsequently filed new claims for pension. The Committee believes such actions undermine the intent of these need-based programs and seeks to prevent this through the enactment of this amendment.

Section 504 would amend section 5112 of title 38, United States Code, by adding new subsection 5112(d) to provide that the effective date for the discontinuance of compensation due to the death of a veteran shall be the last day of the month of death in the case of a totally disabled veteran with a surviving spouse whose death does not result in an award of dependency and indemnity compensation (DIC) to the surviving spouse. This would result in the creation of one month's worth of accrued compensation which could be paid to the surviving spouse in accordance with section 5121 of title 38, United States Code.

Under current law, the effective date for the discontinuance of an award of compensation based on the death of the veteran is the last day of the month preceding the month in which the veteran dies. This is true whether the veteran dies on the first day of the month or the last. This provision is intended to address the limited situation where the veteran, although rated totally disabled as the result of a service connected disability, either does not die as a result of such disability or has not been so rated for a period of ten years. In these cases, the surviving spouses are not eligible for DIC. Given the fact that the current monthly rate for a totally disabled veteran with a spouse is $1,879 ($1,774 + $105), and that under current law that entire amount must be returned to the VA regardless of the date on which the veteran died, the Committee believes it is approriate to effect this change in the effective date for this limited category of surviving spouses.

Mr. Speaker, I urge my colleagues to support the passage of this important bill.

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 4088, as amended, the Veterans' Benefits Act of 1994.

I would like to commend the leadership of the Subcommittee on Compensation, Pension, and Insurance, namely chairman SLATTERY and the ranking minority member, Mr. BILIRAKIS, for their efforts on behalf of our veteran population.

Also, of course, Chairman MONTGOMERY has lost no time in bringing this important bill to the House for consideration.

H.R. 4088 would provide for a 3-percent cost-of-living adjustment for service connected veterans and survivors of veterans who died as a result of their service.

In addition, H.R. 4088 codifies additional diseases presumed to be the result of herbicide exposure. This action was previously taken administratively by the Department of Veterans Affairs.

Finally, H.R. 4088 provides for adjudication improvements at the Board of Veterans' Appeals. The Board estimates as much as a 6-year wait for appeals by the end of fiscal year 1995. By offering compensation equivalent to that of administrative law judges, the Board will be able to retain many of its most experienced members, rather than see them become ALJ's at the Social Security Administration. Already, 10 percent of Board members have left to become ALJ's. By implementing a master veterans' record in all regional offices and medical centers, there will be greater access to files, and by allowing claimants to submit written statements as proof of relationship, instead of more formal evidence, claims files will be processed more timely.

Mr. Speaker, this bipartisan effort, supported by the full House Veterans' Affairs Committee, benefits the whole veteran community. I urge the support of my colleagues for H.R. 4088, as amended.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. LEWIS].

□ 1230

Mr. LEWIS of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 4088 which makes important improvements to veterans' benefits. It also corrects an unfair situation I have fought hard to change.

The Department of Veterans Affairs was developed for one reason and I quote "To care for him who shall have borne the battle * * * and for his widow * * * and his orphan."

For too long now, the widows of veterans have been subject to a very cruel practice.

When a veteran who receives a disability compensation or pension passes away, the VA actually revokes that month's check from his widow.

This happened to a constituent of mine whose husband died just hours before midnight on the last day of March. She was forced to pay the VA over $1,200, money that was already spent on her husband's living expenses.

I cannot believe our VA would demand money from a recent widow of a veteran. To remedy this unfair situation, I came up with the following solution.

The VA would prorate the final compensation check a veteran gets to the day of death.

Mr. Speaker, in my opinion, this is the fairest way for Congress to pay the debt we owe our veterans' families. I am appalled the spouse of one of our veterans would be penalized by the VA.

The legislation before us includes a provision which will help some of our most needy veterans' spouses.

This is a start, and I hope my colleagues will see fit to further open this door for other spouses.

If passed, this bill will give the spouse of a totally disabled veteran his entire month's check, if she is not eligible for other widows benefits, such as DIC.

At least we can help the most needy spouse, the widow whose husband was totally disabled.

In passing this bill, we are sending a message to the VA that we will not tolerate this type of treatment of our veterans' families.

For acting in a bipartisan fashion to craft a workable compromise, I wish to thank the distinguished chairman, Mr. MONTGOMERY, the ranking member, the gentleman from Arizona [Mr. BOB STUMP], the gentleman from Kansas [Mr. SLATTERY], and my colleague, the gentleman from Florida [Mr. BILIRAKIS].

Mr. Speaker, I urge my colleagues to support this important legislation.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I also want to thank the gentleman from Florida [Mr. LEWIS], for his help in this legislation. It was constructive, and I appreciate the gentleman working with our committee. The gentleman is not a member of the committee, but he came in with this great idea.

Also, Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Missouri [Mr. CLAY], the chairman of the Committee on Post Office and Civil Service, and the gentleman from Indiana [Mr. MYERS], for their cooperation on title III of the bill. They let us bring this legislation to the floor.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. STUMP. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to thank the gentleman from Florida [Mr. LEWIS] for his contribution to this legislation and the hard work he has done for veterans, and once again my thanks go to Chairman MONTGOMERY for his leadership in bringing these two important bills to the floor.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 4088, the Veterans' Benefits Act of 1994. I commend my colleague, the gentleman from Kansas [Mr. SLATTERY] for introducing this legislation that ensures our Nation's veterans receive the compensation and the attention that they deserve.

Our Nation's veterans deserve the very best. They have, after all dedicated their lives to promoting the goals and ideals of our Nation. When the battle cry is sounded, our servicemen and women are quick to respond.

Based upon the sacrifices and contributions of our Nation's military, it is only fitting that we, as a nation, provide the benefits, the compensation, and the medical care that they have valiantly earned.

This legislation does just that. First, H.R. 4088 provides a 3-percent cost-of-living adjustment [COLA], for the Department of Veterans Affairs veterans' disability compensation programs.

Second, the legislation guarantees that Hodgkin's disease, porphyria cutanea tarda, respiratory cancers, and multiple myeloma are added to the list of diseases associated with herbicide exposure; and are therefore eligible for service-connected disability compensation.

Also, H.R. 4088 makes numerous improvements to the Department of Veterans Affairs claims adjudication process. The terms of H.R. 4088 specifically requires the VA to:

Report to Congress within 180 days of enactment on reorganizing VA claims and adjudication divisions and the agency's major pilot programs and initiatives;

Implement a veterans data system that is accessible to all regional offices and medical centers;

Accept written statements, as proof of relationship, for claims purposes, eliminating the need for certified copies of records;

Accept private physician medical reports for benefits claims;

Compensate Board of Veterans' Appeals members at a level consistent with the salaries of administrative law judges; and,

Treat claims that are returned by the Board of Veterans Appeals in an prompt and timely manner.

I am proud to support this legislation that does much to improve the benefits and services that are provided to our Nation's veterans. I urge my colleagues to join in support of H.R. 4088.

Ms. SNOWE. Mr. Speaker, I rise today in support of H.R. 4088, the Veterans' Benefits Act of 1994.

This bill is relatively straightforward, but it has a number of important provisions of great concern to many of this country's 27 million veterans.

H.R. 4088 sets a 3-percent cost-of-living adjustment for benefits paid to disabled veterans and their surviving spouses and dependents. It also adds Hodgkin's disease, respiratory cancers, and other diseases to the list of illnesses associated with herbicide exposure and presumed to be service connected.

One of the biggest challenges facing a disabled veteran is getting through the Department of Veterans Affairs' bureaucratic adjudication process. This bill strives to make much-needed improvements in that adjudication process and it requires the VA to submit a report about the feasibility of reorganizing its claims adjudication divisions. H.R. 4088 also requires the VA to develop objective performance standards for members of the Board of

Veterans Appeals, and to periodically evaluate their performance.

For many of our disabled veterans and their families who live on fixed incomes, this is an extremely important piece of legislation. The cost-of-living adjustment provided for in this bill will help many of the 150,000 veterans in the State of Maine, and all across the country, make ends meet. But the true meaning of this bill goes much deeper.

This bill reflects the responsibility we in Congress have to those who have borne the brunt of battle, and to the commitment we have made to their families. This responsibility and commitment on the part of the American Government toward our disabled veterans is one that I hold sacred, for this Nation owes a debt to these veterans that can never be repaid. They answered the call when their country needed them and the promises made at that time must be honored.

We must never forgot the sacrifices made by our disabled veterans or their families. In a small way, this bill is just one way that this body remembers and honors them.

I strongly urge all of my colleague to support this bill, and to show our disabled veterans that we do recognize the sacrifices they have made on behalf of their country.

Mr. BILIRAKIS. Mr. Speaker, I rise in strong support of H.R. 4088, the Veterans' Benefits Act of 1994.

H.R. 4088 provides a cost-of-living adjustment for disabled veterans and recipients of dependency and indemnity compensation [DIC]. This is a 3-percent cola effective December 1, 1994.

H.R. 4088 also adds a variety of illnesses ranging from Hodgkin's disease to multiple myeloma to the list of diseases associated with herbicide exposure. In this measure, we are simply codifying administrative action already taken by the VA. These presumptions for service connection are important for the thousands of veterans afflicted with these illnesses.

During its consideration of H.R. 4088, the compensation subcommittee adopted an amendment to the bill which makes improvements to the claims adjudication process. Throughout the 103d Congress, the subcommittee has been examining the VA's claims processing system. If enacted, H.R. 4088 will help reduce the huge backlog currently plaguing the system.

I would like to thank subcommittee Chairman JIM SLATTERY for his assistance in correcting a problem which I strongly believe has had a negative impact on the ability of the Board of Veterans Appeals to process veterans claims in a timely fashion. The problem I am referring to is the exodus of experienced Board members.

In the last year, a total of eight Board members have left to become administrative law judges [ALJ's] for the Social Security Administration. Overall, the Board has lost more than 10 percent of its current membership to the Social Security Administration. If losses to the Board continue, it will take many years to regain the knowledge, experience, and expertise departing members take with them.

One of the main reasons members are leaving the Board is the pay differential between Board members and administrative law judges. At one time, the Board members were recognized as performing professional responsibilities at least comparable to those of administrative law judges.

However, since the Federal Employees Pay Comparability Act of 1990, ALJ's have been placed on a pay scale that awards them compensation averaging at least $20,000 more per year than that of the average Board member.

I have introduced legislation, H.R. 69, that restores pay comparability between Board members and ALJ's. I am pleased that Chairman SLATTERY has recognized the seriousness of this issue and included a pay comparability provision in H.R. 4088.

In addition, H.R. 4088 eliminates term limits for members of the Board of Veterans Appeals. Term limits are another reason why many members are considering leaving the Board. While the compromise amendment eliminates terms, it sets up a new recertification process for Board members. I believe this new system will ensure that Board members are treated fairly and that veterans claims are adjudicated in a timely manner.

In closing, I want to take a moment to commend Chairman SLATTERY for the leadership he has brought to this subcommittee. JIM is leaving Congress at the end of the current session. I have enjoyed working with him on several important matters this Congress, and I want to wish him the best of luck in his future endeavors.

H.R. 4088 is a good bill which will benefit our Nation's veterans. I urge my colleagues to support H.R. 4088.

Mr. STUMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 4088, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, to revise and improve veterans' benefits programs, and for other purposes."

A motion to reconsider was laid on the table.

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the Senate bill (S. 1927) to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1994".

SEC. 2. DISABILITY COMPENDATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES.

(a) IN GENERAL.—(1) The Secretary of Veterans' Affairs shall, as provided in paragraph (2), increase, effective December 1, 1994, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2)(A) The Secretary shall increase each of the rates and limitations provided for in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code. The increase shall be the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1994, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(B) In the computation of increased rates and limitations pursuant to subparagraph (A), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (2 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1994, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2)(A) as increased under this section.

MOTION OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MONTGOMERY moves to strike all after the enacting clause of the Senate bill, S. 1927, and to insert in lieu thereof the provisions of H.R. 4088, as amended, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read:

A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, to revise and improve veterans' benefits programs, and for other purposes.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4088) was laid on the table.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION AND SPACE POLICY ACT, FISCAL YEAR 1995

Mr. BROWN of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4489) to authorize appropriations to the National Aeronautics and Space Administration for human space flight, science, aeronautics, and technology, mission support, and inspector general, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aeronautics and Space Administration Authorization and Space Policy Act, Fiscal Year 1995".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the National Aeronautics and Space Administration will require a stable budget, adjusted for inflation, in order to carry out the initiatives now planned in human space flight and science, aeronautics, and technology;

(2) cooperation in space should continue to be a major element of the post-cold war foreign policy agenda through a broad range of scientific and engineering programs that have the potential to stabilize the scientific and industrial base of the former Soviet Union and encourage the transition toward political reform and a market-based economy;

(3) the National Aeronautics and Space Administration should aggressively pursue actions and reforms directed at reducing institutional costs, including management restructuring, facility consolidation, procurement reform, personnel base downsizing, and convergence with other defense and private sector systems; and

(4) in formulating a national space transportation policy, the National Aeronautics and Space Administration should take the lead role in developing advanced space transportation technologies including reusable space vehicles, single-stage-to-orbit vehicles, and manned space systems.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration; and

(2) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

TITLE I—AUTHORIZATION OF APPROPRIATIONS

Subtitle A—Authorizations

SEC. 101. AUTHORIZATIONS.

(a) AUTHORIZATIONS.—There are authorized to the National Aeronautics and Space Administration for Human Space Flight, Science, Aeronautics, and Technology, Mission Support, and Inspector General, such amounts as may be appropriated for fiscal year 1995.

(b) OPERATING PLAN.—(1) Not later than 60 days after the later of the date of enactment of an Act making appropriations to the National Aeronautics and Space Administration for fiscal year 1995 or the date of enactment of this Act, the Administrator shall submit to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate an operating plan that provides a detailed plan for obligating fiscal year 1995 funds.

(2) To the maximum extent practicable, and except to the extent inconsistent with an appropriations Act, the operating plan required under paragraph (1) shall reflect the recommended authorizations set forth in Report No. 103-654 of the House of Representatives.

SEC. 102. SPECIAL PROVISIONS AND LIMITATIONS.

(a) GLOBAL OBSERVATIONS TO BENEFIT THE ENVIRONMENT.—Beginning in fiscal year 1996, amounts appropriated for the Global Observations to Benefit the Environment, or any other program established to perform substantially the same functions, may be obligated only to the extent that an equal or greater amount of non-Federal funding is provided for such program.

(b) SMALL SPACECRAFT TECHNOLOGY INITIATIVE.—No funds authorized to be appropriated under this Act may be obligated for the Small Spacecraft Technology Initiative—

(1) to duplicate private sector activities or to fund any activities that a private sector entity is proposing to carry out for commercial purposes; or

(2) for projects that are initiated after the date of enactment of this Act unless such projects require cost-sharing by industry at levels consistent with comparable joint Government-industry advanced technology development programs.

(c) SCIENTIFIC COOPERATION WITH RUSSIA.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that the National Aeronautics and Space Administration should seek, to the maximum extent practicable, to undertake joint scientific activities with Russia with an initial focus on the robotic exploration of Mars. Such joint scientific activities may include other spacefaring nations, as appropriate.

(2) MARS TRANSITION PLAN.—The Administrator shall provide to the Congress by February 15, 1995, a detailed plan for the transition of the Mars Surveyor program to an integrated Mars exploration program with Russia and other spacefaring nations, as appropriate.

(d) VISITORS CENTER.—To the extent provided in advance in appropriations Acts, all unobligated funds available to the Administrator from appropriations for fiscal years before fiscal year 1995, but not to exceed $5,000,000, may be obligated for the establishment of a Visitor Center for the Lewis Research Center, if at least—

(1) an equal amount of funding;

(2) in-kind resources of equivalent value; or

(3) a combination thereof,

are provided for such purpose from non-Federal sources.

Subtitle B—Limitations and Special Authority

SEC. 111. USE OF FUNDS FOR CONSTRUCTION.

(a) AUTHORIZED USES.—Funds appropriated pursuant to subtitle A for purposes other than—

(1) construction of facilities;

(2) research and program management, excluding research operations support; and

(3) Inspector General,

may be used for the construction of new facilities and additions to, repair of, rehabilitation of, or modification of existing facilities at any location in support of the purposes for which such funds are authorized.

(b) LIMITATION.—None of the funds used pursuant to subsection (a) may be expended for a project, the estimated cost of which to the National Aeronautics and Space Administration, including collateral equipment, exceeds $500,000, until 30 days have passed after the Administrator has notified the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost to the National Aeronautics and Space Administration of such project.

(c) TITLE TO FACILITIES.—If funds are used pursuant to subsection (a) for grants to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities, title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in the grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefits adequate to justify the making of that grant.

SEC. 112. AVAILABILITY OF APPROPRIATED AMOUNTS.

To the extent provided in appropriations Acts, appropriations authorized under subtitle A may remain available without fiscal year limitation.

SEC. 113. REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.

(a) IN GENERAL.—Amounts appropriated pursuant to subtitle A for a construction of facilities project—

(1) may be varied upward by 10 percent in the discretion of the Administrator; or

(2) may be varied upward by 25 percent, to meet unusual cost variations, after the expiration of 15 days following a report on the circumstances of such action by the Administrator to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(b) SPECIAL RULE.—Where the Administrator determines that new developments in the national program of aeronautical and space activities have occurred; and that such developments require the use of additional funds for the purposes of construction, expansion, or modification of facilities at any location; and that deferral of such action until the enactment of the next National Aeronautics and Space Administration Authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities, the Administrator may use for such purposes up to $10,000,000 of the amounts appropriated pursuant to subtitle A for construction of facilities purposes. No such funds may be obligated until a period of 30 days has passed after the Administrator has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a written report describing the nature of the construction, its costs, and the reasons therefor.

SEC. 114. CONSIDERATION BY COMMITTEES.

Notwithstanding any other provision of this Act—

(1) no amount appropriated to the National Aeronautics and Space Administration may be used for any program for which the President's annual budget request included a request for funding, but for which the Congress denied or did not provide funding; and

(2) no amount appropriated to the National Aeronautics and Space Administration may be used for any program which has not been presented to the Congress in the President's annual budget request or the supporting and ancilliary documents thereto,

unless a period of 30 days has passed after the receipt by the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action. The National Aeronautics and Space Administration shall keep the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate fully and currently informed with respect to all activities and responsibilities within the jurisdiction of those committees. Except as otherwise provided by law, any Federal department, agency, or independent establishment shall furnish any information requested by either committee relating to any such activity or responsibility.

SEC. 115. USE OF FUNDS FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.

Funds appropriated pursuant to subtitle A for Mission Support may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the authority of the Administrator.

SEC. 116. VOLUNTARY SEPARATION INCENTIVES.

The Administrator shall, to the maximum extent practicable, make voluntary separation incentive payments pursuant to the Federal Workforce Restructuring Act of 1994 (Public Law 103–226) to employees of the National Aeronautics and Space Administration from funds appropriated for fiscal year 1995 and available for such payments.

SEC. 117. LIMITATION ON TRANSFERS TO RUSSIA.

(a) LIMITATION.—No funds authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1995 may be paid or otherwise transferred to Russia unless—

(1) the payment or transfer is made in exchange for goods or services that have been provided to the National Aeronautics and Space Administration in accordance with a written agreement between the National Aeronautics and Space Administration and Russia;

(2) the Government of the Russian Federation agrees to provide a monthly report to the National Aeronautics and Space Administration during the term of such written agreement, that fully accounts for the disposition of the funds paid or transferred, including information with respect to the preceding month on—

(A) the amount of the funds received, and the date of receipt;

(B) the amount of the funds converted from United States currency, the currency into which the funds have been converted, and the date and rate of conversion;

(C) the amount of non-United States currency, and of United States currency, that is disbursed to any contractor or subcontractor, the identity of such contractor or subcontractor, and the date of disbursement; and

(D) the balance of the funds not disbursed as of the date of the report;

(3) Russia has provided all monthly reports with respect to which an agreement was made pursuant to paragraph (2); and

(4) the President, before such payment or transfer and annually upon submission of the President's budget request for fiscal years after fiscal year 1995, has certified to the Congress that—

(A) the presence of any troops of the Russian Federation or the Commonwealth of Independent States; and

(B) any action by the Russian Federation or the Commonwealth of Independent States, in Estonia, Latvia, Lithuania, or any other independent state of the former Soviet Union do not violate the sovereignty of those independent states.

(b) DEFINITION.—For purposes of this section, the term "Russia" means the Government of the Russian Federation, the Russian Space Agency, or any agency or instrumentality of the Government of the Russian Federation or the Russian Space Agency.

SEC. 118. SPACE STATION SPENDING CAP.

The total amount of spending by the National Aeronautics Space Administration for the space station shall not exceed $2,120,900,000 for fiscal year 1995. The limitation in this section shall not apply to amounts provided for payments to Russia for phase I of the International Space Station Program.

SEC. 119. CONSORTIUM FOR INTERNATIONAL EARTH SCIENCE INFORMATION NETWORK BUILDING.

The Consortium for International Earth Science Information Network may not obligate more than $27,000,000 for the construction of a new building. Such funds may not be obligated until 90 days after the completion of a building prospectus by the General Services Administration.

SEC. 120. LIMITATION ON APPROPRIATIONS.

Notwithstanding any other provision of this Act, no funds are authorized to be appropriated for carrying out the programs for which funds are authorized by this Act for any fiscal year after fiscal year 1995.

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 201. COMMERCIAL SPACE LAUNCH AMENDMENTS.

(a) AMENDMENTS.—Chapter 701 of title 49, United States Code, is amended—

(1) in the table of sections—

(A) by amending the item relating to section 70104 to read as follows:

"70104. Restrictions on launches, operations, and reentries.";

(B) by amending the item relating to section 70108 to read as follows:

"70108. Prohibition, suspension, and end of launches, operation of launch sites, and reentries.";

(C) by amending the item relating to section 70109 to read as follows:

"70109. Preemption of scheduled launches or reentries."; and

(D) by adding at the end the following new item:

"Sec. 70120. Report to Congress.";

(2) in section 70102—

(A) by inserting "from Earth" after "and any payload" in paragraph (3);

(B) by redesignating paragraphs (10) through (12) as paragraphs (12) through (14), respectively; and

(C) by inserting after paragraph (9) the following new paragraphs:

"(10) 'reenter' and 'reentry' mean to return purposefully, or attempt to return, a reentry vehicle and payload, if any, from Earth orbit or outer space to Earth.

"(11) 'reentry vehicle' means any vehicle designed to return from Earth orbit or outer space to Earth substantially intact.";

(3) in section 70104—

(A) by amending the section designation and heading to read as follows:

"§ 70104. Restrictions on launches, operations, and reentries";

(B) by inserting ", or reenter a reentry vehicle," after "operate a launch site" each place it appears in subsection (a);

(C) by inserting "or reentry" after "launch or operation" in subsection (a) (3) and (4);

(D) in subsection (b)—

(i) by striking "launch license" and inserting in lieu thereof "license";

(ii) by inserting "or reenter" after "may launch"; and

(iii) by inserting "or reentering" after "related to launching"; and

(E) in subsection (c)—

(i) by amending the subsection heading to read as follows: "PREVENTING LAUNCHES OR REENTRIES.—";

(ii) by inserting "or reentry" after "prevent the launch"; and

(iii) by inserting "or reentry" after "decides the launch";

(4) in section 70105—

(A) by inserting ", or reentry of a reentry vehicle," after "operation of a launch site" in subsection (b)(1); and

(B) by striking "or operation" and inserting in lieu thereof ", operation, or reentry" in subsection (b)(2)(A);

(5) in section 70106(a)—

(A) by inserting "or reentry site" after "observer at a launch site"; and

(B) by inserting "or reentry vehicle" after "assemble a launch vehicle";

(6) in section 70108—

(A) by amending the section designation and heading to read as follows:

"§ 70108. Prohibition, suspension, and end of launches, operation of launch sites, and reentries"; and

(B) in subsection (a)—

(i) by inserting ", or reentry of a reentry vehicle," after "operation of a launch site"; and

(ii) by inserting "or reentry" after "launch or operation";

(7) in section 70109—

(A) by amending the section designation and heading to read as follows:

"§ 70109. Preemption of scheduled launches or reentries";

(B) in subsection (a)—

(i) by inserting "or reentry" after "ensure that a launch";

(ii) by inserting ", reentry site," after "United States Government launch site";

(iii) by inserting "or reentry date commitment" after "launch date commitment";

(iv) by inserting "or reentry" after "obtained for a launch";

(v) by inserting ", reentry site," after "access to a launch site";

(vi) by inserting ", or services related to a reentry," after "amount for launch services"; and

(vii) by inserting "or reentry" after "the scheduled launch"; and

(C) in subsection (c), by inserting "or reentry" after "prompt launching";

(8) in section 70110—

(A) by inserting "or reentry" after "prevent the launch" in subsection (a)(2); and

(B) by inserting ", or reentry of a reentry vehicle," after "operation of a launch site" in subsection (a)(3)(B);

(9) in section 70112—

(A) by inserting "or reentry" after "one launch" in subsection (a)(3);

(B) by inserting "or reentry" after "launch services" in subsection (a)(4);

(C) by inserting "or a reentry" after "launch services" each place it appears in subsection (b);

(D) by inserting "OR REENTRIES" after "LAUNCHES" in the heading for subsection (e); and

(E) by inserting "or reentry" after "launch site" in subsection (e);

(10) in section 70113 (a)(1) and (d) (1) and (2), by inserting "or reentry" after "one launch" each place it appears;

(11) in section 70115(b)(1)(D)(i)—

(A) by inserting "reentry site," after "launch site,"; and

(B) by inserting "or reentry vehicle" after "site of a launch vehicle";

(12) in section 70117—

(A) by inserting "or reenter a reentry vehicle" after "operate a launch site" in subsection (a);

(B) by inserting "or reentry" after "approval of a space launch" in subsection (d);

(C) in subsection (f)—

(i) by inserting "OR REENTRY" after "LAUNCH" in the subsection heading;

(ii) by inserting ", reentry vehicle," after "A launch vehicle";

(iii) by inserting "or reentered" after "that is launched"; and

(iv) by inserting "or reentry" after "the launch"; and

(D) in subsection (g)—

(i) by inserting "reentry of a reentry vehicle," after "or launch site," in paragraph (1); and

(ii) by inserting "reentry," after "launch," in paragraph (2);

(13) in section 70119, by inserting the following after paragraph (2):

"There are authorized to the Secretary of Transportation such amounts as may be appropriated to carry out this chapter for fiscal year 1995."; and

(14) by adding at the end the following new section:

"§ 70120. Report to Congress

"The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that—

"(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

"(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.".

(b) ADDITIONAL AMENDMENTS.—(1) Section 70105 of title 49, United States Code, is amended—

(A) in subsection (a), by striking "receiving an application" both places it appears and inserting in lieu thereof "accepting an application in accordance with subsection (b)(2)(D)";

(B) by striking "and" at the end of subsection (b)(2)(B);

(C) by striking the period at the end of subsection (b)(2)(C) and inserting in lieu thereof "; and"; and

(D) by adding at the end of subsection (b)(2) the following new subparagraph:

"(D) regulations establishing criteria for accepting an application for a license under this chapter.".

(2) The amendment made by paragraph (1)(A) shall take effect upon the effective date of final regulations issued pursuant to section 70105(b)(2)(D) of title 49, United States Code, as added by paragraph (1)(D) of this subsection.

SEC. 202. OFFICE OF SPACE COMMERCE AUTHORIZATION.

There are authorized to the Secretary of Commerce such amounts as may be appropriated for the activities of the Office of Space Commerce for fiscal year 1995.

SEC. 203. USE OF DOMESTIC PRODUCTS.

(a) GENERAL RULE.—Except as provided in subsection (b), the Administrator shall ensure that procurements are conducted in compliance with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a through 10c, popularly known as the "Buy American Act").

(b) LIMITATIONS.—This section shall apply only to procurements made for which—

(1) amounts are authorized by this Act to be made available; and

(2) solicitations for bids are issued after the date of enactment of this Act.

(c) INAPPLICABILITY IN CASE OF VIOLATION OF INTERNATIONAL AGREEMENT.—This section shall not apply to the extent that the United States Trade Representative determines that a procurement described in subsection (b) would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(d) PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that any recipient of a grant under this Act, or under any amendment made by this Act, should purchase, when available and cost-effective, American made equipment and products when expending grant monies.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In allocating grants under this Act, or under any amendment made by this Act, the Secretary shall provide to each recipient a notice describing the statement made in paragraph (1) by the Congress.

SEC. 204. REQUIREMENT FOR INDEPENDENT COST ANALYSIS.

The Chief Financial Officer for the National Aeronautics and Space Administration shall be responsible for conducting independent cost analyses of all new projects estimated to cost more than $5,000,000 and shall report the results annually to Congress at the time of the submission of the President's budget request. In developing cost accounting and reporting standards for carrying out this section, the Chief Financial Officer shall, to the extent practicable and consistent with other laws, solicit the advice of expertise outside of the National Aeronautics and Space Administration.

SEC. 205. GLOBAL CHANGE DATA AND INFORMATION SYSTEM.

Title I of the Global Change Research Act of 1990 (15 U.S.C. 2931 et seq.) is amended by adding at the end the following new section:

"SEC. 109. GLOBAL CHANGE DATA AND INFORMATION SYSTEM.

"(a) The National Aeronautics and Space Administration, in coordination with other agencies that belong to the Committee established under section 102, shall establish the requirements and architecture for, design, and develop a Global Change Data and Information System that shall serve as the system to process, archive, and distribute data generated by the Global Change Research Program.

"(b) The National Aeronautics and Space Administration shall design the Global Change Data and Information System—

"(1) so that other Federal agencies may connect data centers operated by such agencies to such System; and

"(2) so as to minimize, to the extent practicable, the cost of connecting such data centers.

"(c) Each agency involved in the Global Change Research Program shall retain the responsibility to establish and operate Global Change Data and Information System data centers to process, archive, and distribute data generated by such agency's programs. Agencies may agree to assume the responsibility for processing, archiving, or distributing data generated by other agencies.".

SEC. 206. ACCESS TO CLASSIFIED DATA FOR GLOBAL CHANGE RESEARCH.

The Committee on Environment and Natural Resources shall develop and submit to the Congress within one year after the date of enactment of this Act a plan for providing access to data from classified archives and systems for global change research. The plan shall—

(1) determine whether the Global Change Data and Information System or other means should be used to provide access to such data for the scientific community; and

(2) identify what agencies should be responsible for particular parts of such data and any data centers needed to process, archive, and distribute such data.

SEC. 207. NATIONAL AERONAUTICS AND SPACE ACT OF 1958 AMENDMENTS.

(a) REPORTS TO THE CONGRESS.—Section 206(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2476(a)) is amended—

(1) by striking "January" and inserting in lieu thereof "May"; and

(2) by striking "calendar" and inserting in lieu thereof "fiscal".

(b) DISCLOSURE OF TECHNICAL DATA.—Section 303 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2454) is amended—

(1) in subsection (a)(C), by inserting "or (c)" after "subsection (b)"; and

(2) by adding at the end the following new subsection:

"(c)(1) The Administration may delay for a period not to exceed 5 years the unrestricted public disclosure of technical data in the possession of, or under the control of, the Administration that has been generated in the performance of experimental, developmental, or research activities or programs funded jointly by the Administration and the private sector.

"(2) The Administrator shall issue regulations to carry out this subsection. Paragraph (1) shall not take effect until such regulations are issued.

"(3) Regulations issued pursuant to paragraph (2) shall include—

"(A) guidelines for a determination of whether data is technical data within the meaning of this subsection;

"(B) a requirement that a determination described in subparagraph (A) that particular data is technical data shall be reported to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate;

"(C) provisions to ensure that technical data is available for dissemination within the United States to United States persons and entities in furtherance of the objective of maintaining leadership or competitiveness in civil and governmental aeronautical and space activities by the United States industrial base; and

"(D) a specification of the period or periods for which the delay in unrestricted public disclosure of technical data is to apply to various categories of such data, and the restrictions on disclosure of such data during such period or periods, including a requirement that the maximum 5-year protection under this subsection shall not be provided unless at least 50 percent of the funding for the activities or programs is provided by the private sector.

"(4) Along with the initial publication of proposed regulations under paragraph (2), the Administrator shall include a list of those experimental, developmental, or research activities or programs conducted by, or funded in whole or in part by, the Administration that may result in products or processes of significant value in maintaining leadership or competitiveness in civil and governmental aeronautical and space activities by the United States industrial base. Such list shall be updated biannually.

"(5) For purposes of this subsection, the term 'technical data' means any recorded information, including computer software, that is or may be directly applicable to the design, engineering, development, production, manufacture, or operation of products or processes that may have significant value in maintaining leadership or competitiveness in civil and governmental aeronautical and space activities by the United States industrial base.".

SEC. 208. COMPARATIVE ANALYSIS OF UNITED STATES AND FOREIGN EXPENDABLE SPACE LAUNCH SYSTEMS.

The National Aeronautics and Space Administration shall conduct a comprehensive study of the differences between existing United States and foreign expendable space launch vehicles. This study shall determine specific differences in the design, manufacture, processing, and overall management and infrastructure of current United States and foreign expendable space launch vehicles. The study shall also determine the approximate effect of these differences on the relative cost, reliability, and operational efficiency of such space launch systems. This study shall be conducted in consultation with the Department of Defense and, as appropriate, other Federal agencies, United States industries, and institutions of higher education. The results of this study shall be submitted to the Congress no later than October 1, 1995.

SEC. 209. UNIVERSITY INNOVATIVE RESEARCH PROGRAM STUDY.

(a) FINDINGS.—The Congress finds that—

(1) institutions of higher education offer a significant resource for the conduct of innovative scientific and technological research to advance the National Aeronautics and Space Administration's mission;

(2) the National Aeronautics and Space Administration should act to broaden the foundation of its research base by increasing the direct involvement of research laboratories of institutions of higher education in the development of technology for space science;

(3) the National Aeronautics and Space Administration should commit to strengthening research programs in technology of institutions of higher education beyond contracting with institutions of higher education for services in support of specific programs; and

(4) the National Aeronautics and Space Administration should develop mechanisms to foster innovative technological research at institutions of higher education that do not participate in the University Space Engineering Research Centers.

(b) STUDY.—The Administrator shall undertake a study of the feasibility and potential implementation of a University Innovative Research Program which—

(1) promotes technological innovation in the United States by using the Nation's institutions of higher education to help meet the National Aeronautics and Space Administration's research and development needs, by stimulating technology transfer between institutions of higher education and industry, and by encouraging participation by minority and disadvantaged persons in technological innovation;

(2) is modeled on the Small Business Innovation Research Program;

(3) avoids duplication of existing National Aeronautics and Space Administration programs with the institutions of higher education; and

(4) derives funding from the Space Research and Technology program.

(c) COMPLETION.—The study required by subsection (b) shall be completed and its results submitted to the Congress within one year after the date of enactment of this Act.

(d) ADVICE.—In carrying out the study required by subsection (b), the Administrator shall seek the advice of the National Aeronautics and Space Administration Advisory Council, the National Research Council's Aeronautics and Space Engineering Board and Space Studies Board, and other organizations as appropriate.

SEC. 210. GEOGRAPHICAL DISTRIBUTION.

The National Aeronautics and Space Administration shall give consideration to geographical distribution of its research and development funds whenever feasible.

SEC. 211. ADDITIONAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FACILITIES.

(a) SELECTION IN DEPRESSED COMMUNITIES.—When consistent with the goals of the National Aeronautics and Space Administration and cost-effective, the Administrator shall select sites in depressed communities for new programs or functions of the National Aeronautics and Space Administration, unless those new programs or functions are so closely related to programs or functions carried out at an existing facility as to require being carried out at that existing facility.

(b) DEFINITIONS.—For purposes of this section, the term "depressed communities" means rural and urban communities that are relatively depressed, in terms of age of housing, extent of poverty, growth of per capita income, extent of unemployment, job lag, or surplus labor.

SEC. 212. RECIPROCITY.

(a) GENERAL RULE.—Except as provided in subsection (b), no contract or subcontract may be made with funds authorized under this Act to a company organized under the laws of a foreign country unless the Administrator finds that such country affords comparable opportunities to companies organized under the laws of the United States.

(b) EXCEPTION.—(1) The Administrator may waive the rule stated under subsection (a) if the products or services required are not reasonably available from—

(A) companies organized under the laws of the United States; or

(B) companies organized under the laws of a foreign country which the Administrator finds affords comparable opportunities to companies organized under the laws of the United States.

Any such waiver shall be reported to the Congress.

(2) Subsection (a) shall not apply to the extent that to do so would violate the General Agreement on Tariffs and Trade or any other international agreement to which the United States is a party.

SEC. 213. STUDY ON TDRSS AND COMMERCIAL SATELLITE SYSTEM CONVERGENCE.

(a) REQUIREMENT.—The Administrator shall conduct a study on the convergence of the National Aeronautics and Space Administration Tracking and Data Relay Satellite System (TDRSS) with commercial communications satellite systems. The study shall assess whether a converged system, from which the National Aeronautics and Space Administration would buy tracking and data relay services, could—

(1) satisfy the National Aeronautics and Space Administration's tracking and data relay requirements;

(2) reduce the National Aeronautics and Space Administration's expenses in satisfying tracking and data relay requirements through maintenance and operations of the TDRSS;

(3) be financed, developed, and operated by the private sector;

(4) serve commercial communication needs;

(5) be established to satisfy the National Aeronautics and Space Administration's requirements in time to obviate the need to procure TDRSS spacecraft beyond the tenth flight; and

(6) encourage the growth of the commercial satellite communications market.

(b) CONSULTATION.—In conducting the study, the Administrator shall consult with commercial satellite operators, including the International Telecommunications Satellite Organization, other international satellite operators, and United States satellite operators, as appropriate, and shall also consult with the Department of Defense concerning its requirements for tracking and data relay services.

(c) REPORT.—The Administrator shall report on the study's findings and recommendations on feasibility of convergence to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate by February 15, 1995.

SEC. 214. STUDY ON CONVERGENCE OF GEOSAT AND EOS ALTIMETRY PROGRAMS.

(a) REQUIREMENT.—The Administrator shall conduct a study on the convergence of the National Aeronautics and Space Administration Earth Observing System (EOS) Altimetry mission with the Navy Geosat Follow-On program. The study shall assess whether a converged system, which may involve minor modifications to the Geosat Follow-On satellite, could—

(1) satisfy the needs of the Earth Observing System program for altimetry data;

(2) reduce the National Aeronautics and Space Administration's expenses in satisfying such needs;

(3) be available in time to serve as the follow-on to the Topex/Poseidon mission; and

(4) continue to meet the Navy's requirements for altimetry data at no additional cost to the Navy.

(b) Consultation.—In conducting the study, the Administrator shall consult with the Navy and the scientific community, as appropriate.

(c) Report.—The Administrator shall report on the study's findings and recommendations on the feasibility of convergence to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate by February 15, 1995.

SEC. 215. SPACE SHUTTLE COST REDUCTION INITIATIVES.

By February 1, 1995, the Administrator shall submit a report to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that—

(1) specifies the minimum number of Space Shuttle flights that would be required each fiscal year from 1995 through 2004 to implement payload and related activities provided for in the President's fiscal year 1995 budget request and supporting and ancillary documents thereto;

(2) outlines the Space Shuttle flight and payload manifest that could be implemented for each of the fiscal years 1995 through 1999 if the Space Shuttle flight rate for each of those years were 8 missions, if the flight rate were 7 missions, and if the flight rate were 6 missions;

(3) evaluates the extent to which various potential management consolidation initiatives could reduce the annual cost of the Space Shuttle program while preserving quality and safety; and

(4) evaluates the extent to which various potential contract incentives could be used to reduce the annual cost of the Space Shuttle program while preserving quality and safety.

SEC. 216. ADVANCED LAUNCH TECHNOLOGY PROGRAM.

(a) Funding Policy.—The Administrator may use, and is encouraged to use, any funds appropriated for Space Shuttle operations, but not needed for such purposes because of a reduction in annual operating costs, for an advanced launch technology program, including the cost of technology development, flight demonstrators, and procurement of operational flight hardware.

(b) Report to Congress.—By February 1, 1995, the Administrator shall submit to the Congress a program plan for an advanced launch technology program that—

(1) clearly articulates the goals and objectives of the program and the flight hardware it will produce;

(2) describes the management structure and development philosophy that will be used to implement the program;

(3) outlines key milestones toward the achievement of the goals and objectives articulated under paragraph (1);

(4) estimates the total cost that will have been incurred upon completion of the program;

(5) defines the annual budgetary requirements of the program for the next 5 years; and

(6) identifies the source or sources of funding anticipated for the program for each of the next 5 years, including funds described in subsection (a).

SEC. 217. LAND CONVEYANCE.

The Administrator may accept the conveyance to the United States of certain parcels of land from the cities of Cleveland and Brook Park, Ohio, for the purpose of establishing a Visitor Center for the Lewis Research Center.

SEC. 218. PROCUREMENT.

(a) Procurement Demonstration Program.—

(1) In general.—The Administrator shall establish within the Office of Advanced Concepts and Technology a program of expedited technology procurement for the purpose of demonstrating how innovative technology concepts can rapidly be brought to bear upon space missions of the National Aeronautics and Space Administration.

(2) Procedures and evaluation.—The Administrator shall establish procedures for actively seeking from nongovernment persons innovative technology concepts relating to the provision of space hardware, technology, or services to the National Aeronautics and Space Administration, and for the evaluation of such concepts by the National Aeronautics and Space Administration's Advisory Council against mission requirements.

(3) Requirement.—At least 2 percent of amounts appropriated pursuant to subtitle A for the Office of Advanced Concepts and Technology shall be used for innovative technology procurements that are determined under paragraph (2) of this subsection to meet mission requirements.

(4) Special authority.—In order to carry out this subsection the Administrator shall recruit and hire for limited term appointments persons from the nongovernmental sector with special expertise and experience related to the innovative technology concepts with respect to which procurements are made under this subsection.

(5) Sunset.—This subsection shall cease to be effective 10 years after the date of its enactment.

(b) Technology Procurement Initiative.—

(1) In general.—The Administrator shall coordinate National Aeronautics and Space Administration resources in the areas of procurement, commercial programs, and advanced technology in order to—

(A) fairly assess and procure commercially available technology from the marketplace in the most efficient manner practicable;

(B) achieve a continuous pattern of integrating advanced technology from the commercial sector into the missions and programs of the National Aeronautics and Space Administration;

(C) incorporate private sector buying and bidding procedures, including fixed price contracts, into procurements; and

(D) provide incentives for cost-plus contractors of the National Aeronautics and Space Administration to integrate commercially available technology in subsystem contracts on a fixed-price basis.

(2) Certification.—Upon solicitation of any procurement for space hardware, technology, or services that are not commercially available, the Administrator shall certify, by publication of a notice and opportunity to comment in the Commerce Business Daily, for each such procurement action, that no functional equivalent, commercially available space hardware, technology, or service exists and that no commercial method of procurement is available.

SEC. 219. ADDITIONAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FACILITIES.

The Administrator shall not construct or enter into a new lease for facilities to support National Aeronautics and Space Administration programs unless the Administrator has certified to the Congress that the Administrator has reviewed existing National Aeronautics and Space Administration and other federally owned facilities, including military facilities scheduled for closing or reduction, and found no such facilities appropriate for the intended use.

SEC. 220. SPACE STATION ACCOUNTING REPORT.

Within one year after the date of enactment of this Act, and annually thereafter, the Administrator shall transmit to the Congress a report with a complete annual accounting of all costs of the space station, including cash and other payments to Russia.

SEC. 221. PURCHASE OF SPACE SCIENCE DATA.

(a) In General.—To the maximum extent possible, the National Aeronautics and Space Administration shall purchase from the private sector space science data. Examples of such data include scientific data concerning the elemental and mineralogical resources of the moon and the planets, Earth environmental data obtained through remote sensing observations, and solar storm monitoring.

(b) Competitive Bidding.—(1) Contracts for the purchase of space data under this section shall be awarded in a process of full, fair, and open competitive bidding.

(2) Submission of cost data, either for the purposes of supporting the bid or fulfillment of the contract, shall not be required of bidders.

(3) Conformance with military specifications (Milspec) or National Aeronautics and Space Administration specifications systems with respect to the design, construction, or operation of equipment used in obtaining space science data under contracts entered into under this section shall not be a requirement for a commercial provider bidding to provide such services.

(4) Contracts under this section shall not provide for the Federal Government to obtain ownership of data not specifically sought by the Federal Government.

SEC. 222. REMOTE SENSING FOR AGRICULTURAL AND RESOURCE MANAGEMENT.

(a) Findings.—The Congress finds that—

(1) the use of remote sensing data is potentially a valuable resource to anticipate potential food, feed, and fiber shortages or excesses, and provide this information to the agricultural community in time to assist farmers with planting decisions;

(2) remote sensing data can be useful to predict impending famine problems and forest infestations in time to allow remedial action;

(3) remote sensing data can inform the agricultural community as to the condition of crops and the land which sustains those crops;

(4) remote sensing data can be useful to allow farmers to apply pesticides, nutrients, and water, among other inputs, to farmlands in the exact amounts necessary to maximize crop yield, thereby reducing agricultural costs and minimizing potential harm to the environment;

(5) remote sensing data can be valuable, when received on a timely basis, in determining the needs of additional plantings of a particular crop or a substitute crop; and

(6) the National Aeronautics and Space Administration, using the expertise of the Earth Observations Commercialization Applications Program, and the Department of Agriculture should work in tandem to aid farmers to obtain data conducive to sound agricultural management and greater crop yields.

(b) Information Development.—The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration, maximizing private funding and involvement, shall provide farmers and other interested persons with timely information, through remote sensing, on crop conditions, fertilization and irrigation needs, pest infiltration, soil conditions, projected food, feed, and fiber production, and any other information available through remote sensing.

(c) ENHANCED REMOTE SENSING PROGRAM.—(1) The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly evaluate the need for a radar imaging platform that could enhance United States remote sensing capability by providing information and data relating to agricultural resources, and which may have other commercial and research applications.

(2) In the event there is a finding of need for a platform as set forth in paragraph (1), the Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly develop a proposal, which maximizes private funding and involvement in the launch and operation of such platform, and in the management and dissemination of the data from such platform. The Secretary and the Administrator shall jointly submit the proposal, within 30 days of its development, to the Committee on Agriculture and the Committee on Science, Space, and Technology of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Commerce, Science, and Transportation of the Senate.

(d) TRAINING.—The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly develop a proposal to inform farmers and other prospective users concerning the use and availability of remote sensing data.

(e) SUNSET.—The provisions of this section shall expire 5 years after the date of enactment of this Act.

SEC. 223. COORDINATION OF EDUCATION SUPPORT FOR UNDERREPRESENTED GROUPS.

The Administrator shall coordinate with other Federal agencies all National Aeronautics and Space Administration education activities to encourage the participation of women, minorities who are underrepresented in science, engineering, and mathematics, and persons with disabilities.

SEC. 224. SPACE EXPLORATION OPPORTUNITIES ASSESSMENT.

(a) NATIONAL ACADEMY OF SCIENCES CONTRACT.—The Administrator shall, to the extent provided in advance in appropriations Acts, enter into a contract with the National Academy of Sciences for the conduct of the assessment described in subsection (b).

(b) SPACE EXPLORATION OPPORTUNITIES ASSESSMENT.—The contract entered into under subsection (a) shall provide for an assessment of methods for maximizing, based on a variety of prospective funding levels, the quantity and quality of opportunities for space exploration, both human and robotic, using space vehicles and platforms available or expected to be available. Such assessment shall focus on the 5-year period after the date of enactment of this Act, and on each of the two subsequent 5-year periods. Such assessment shall address opportunities in connection with civilian and military domestic, and foreign, space vehicles and platforms, whether publicly or privately funded.

(c) REPORT TO CONGRESS.—The Administrator shall, within one year after the date of enactment of this Act, submit to Congress a report containing the results of the assessment conducted under subsection (b).

SEC. 225. CATALOGUE OF EARTH-THREATENING COMETS AND ASTEROIDS.

(a) REQUIREMENT.—To the extent practicable, the National Aeronautics and Space Administration, in coordination with the Department of Defense and the space agencies of other countries, shall identify and catalogue within 10 years the orbital characteristics of all comets and asteroids that are greater than 1 kilometer in diameter and are in an orbit around the sun that crosses the orbit of the Earth.

(b) PROGRAM PLAN.—By February 1, 1995, the Administrator shall submit to the Congress a program plan, including estimated budgetary requirements for fiscal years 1996 through 2000, to implement subsection (a).

TITLE III—REVISIONS TO LAND REMOTE SENSING POLICY ACT OF 1992

SEC. 301. AMENDMENTS.

The Land Remote Sensing Policy Act of 1992 (15 U.S.C. 5601 et seq.) is amended—

(1) by amending section 2(9) to read as follows:

"(9) Because Landsat data are particularly important for global environmental change research, the program should be managed by an integrated team consisting of the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration and coordinated by the Office of Science and Technology Policy.";

(2) in sections 3(6)(A), 101 (a) and (b), 103(b), and 504, by striking "Secretary of Defense" and inserting in lieu thereof "Secretary";

(3) in section 3(6)(B), by striking "Department of Defense" and inserting in lieu thereof "Department of Commerce";

(4) in section 101(b)(1), by striking ", with the addition of a tracking and data relay satellite communications capability";

(5) in section 101(b)(2), by striking all after "baseline funding profile" and inserting in lieu thereof "for the development and operational life of Landsat 7 that is mutually acceptable to the agencies constituting the Landsat Program Management;";

(6) in section 101(b), by inserting after paragraph (4) the following:

"The Director of the Office of Science and Technology Policy shall, no later than October 1, 1994, transmit the management plan to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.";

(7) in sections 101(c)(3), 202(b)(1), 501(a), and 502(c)(7), by striking "section 506" and inserting in lieu thereof "section 507";

(8) in section 102(b)(1), by striking "by the expected end of the design life of Landsat 6" and inserting in lieu thereof "by the predicted end of life of Landsat 5, or as soon as practicable thereafter";

(9) in section 103(a), by striking "section 105" and inserting in lieu thereof "section 104";

(10) by adding at the end of section 103 the following new subsection:

"(c) IMPLEMENTATION OF AGREEMENT.—If negotiations under subsection (a) result in an agreement that the Landsat Program Management determines generally achieves the goals stated in subsection (a)(1) through (8), the Landsat Program Management shall award an extension, until the practical demise of Landsat 4 or Landsat 5, whichever occurs later, of the existing contract with the Landsat 6 contractor incorporating the terms of such agreement.";

(11) by striking section 104 and redesignating section 105 as section 104;

(12) in section 201(c)—

(A) by striking "120 days" and inserting in lieu thereof "90 days"; and

(B) by amending the second sentence thereof to read as follows: "If the Secretary determines that the license requested by the applicant should not be issued, the Secretary shall inform the applicant within such 90-day period of the reasons for such determination and the specific actions required of the applicant to obtain a license.";

(13) in section 202(b)(6), by inserting ", other than for the sale of data generated by the system in accordance with the license, that" after "of any agreement";

(14) in section 204, by striking "may" and inserting in lieu thereof "shall";

(15) by inserting at the end of title II the following new section:

"SEC. 206. NOTIFICATION.

"(a) LIMITATIONS ON LICENSEE.—Within 30 days after any determination by the Secretary to require a licensee to limit collection or distribution of data from a system licensed pursuant to this title, the Secretary shall report to the Congress the reasons for such determination, the limitations imposed on the licensee, and the period during which such limitations apply.

"(b) TERMINATION, MODIFICATION, OR SUSPENSION.—Within 30 days after any action by the Secretary to seek an order of injunction or other judicial determination pursuant to section 203(a)(2), the Secretary shall notify the Congress of such action and provide the reasons for such action.";

(16) in section 302—

(A) by striking "(a) GENERAL RULE.—"; and

(B) by striking subsection (b); and

(17) in section 507, by striking subsection (a) and subsection (b)(1) and inserting in lieu thereof the following:

"(a) RESPONSIBILITY OF SECRETARY OF DEFENSE.—The Secretary shall consult with the Secretary of Defense on all matters under this Act affecting national security. Within 30 days after receiving a request from the Secretary, the Secretary of Defense shall recommend any conditions for a license issued under title II, consistent with this Act, that the Secretary of Defense determines are needed to protect the national security of the United States. If no such recommendations have been received by the Secretary within such 30-day period, the Secretary may deem activities proposed in the license application to be consistent with the protection of the national security of the United States.

"(b) RESPONSIBILITY OF SECRETARY OF STATE.—(1) The Secretary shall consult with the Secretary of State on all matters under this Act affecting international obligations of the United States. Within 30 days after receiving a request from the Secretary, the Secretary of State shall recommend any conditions for a license issued under title II, consistent with this Act, that the Secretary of State determines are needed to meet existing international obligations of the United States. If no such recommendations have been received by the Secretary within such 30-day period, the Secretary may deem activities proposed in the license application to be consistent with existing international obligations of the United States.".

TITLE IV—AERONAUTICAL RESEARCH AND TECHNOLOGY

SEC. 401. FINDINGS.

The Congress finds that—

(1) the United States aeronautics industry has provided a major contribution to the competitiveness of the United States, and has accounted for over $80,000,000,000 in annual sales and over $20,000,000,000 in positive balance of trade;

(2) the international market share of the United States aeronautics industry has steadily eroded due to competition from foreign consortia that receive substantial direct subsidies from their governments;

(3) the United States aeronautics industry has been severely impacted by the reductions in defense spending, leading to reduced levels of research and development investment by industry;

(4) the foreign policy of the United States has included maintaining United States competitiveness and technology leadership in areas of strategic interest, such as aeronautics, but United States aeronautics has not been addressed in United States foreign policy with the same emphasis as United States international space endeavors;

(5) no effective means have been developed by which the National Aeronautics and Space Administration can accurately measure the contribution of its research toward achieving United States competitiveness and maintaining technological leadership; and

(6) maintaining experimental state-of-the-art facilities has been a key investment to retaining United States competitiveness and technological leadership, and these facilities have been heavily utilized by United States industry in their research and development programs.

SEC. 402. AERONAUTICS POLICY OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

It is the policy of the United States that—

(1) improving the competitive capability of the United States aeronautics industry shall be a fundamental goal of the aeronautical research and development programs of the National Aeronautics and Space Administration;

(2) the investment in aeronautics technology by the National Aeronautics and Space Administration shall be closely coordinated with United States industry;

(3) the establishment of industry-led, precompetitive consortia shall be encouraged to better prioritize and coordinate the industry requirements for advanced technologies and facilities;

(4) revitalizing national aeronautical facilities shall be a major element of Federal investment in aeronautical research and development; and

(5) industry and government cost-sharing for facilities construction and use shall be investigated to achieve aeronautics research and technology goals within a constrained Federal budget.

SEC. 403. AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958.

(a) TECHNICAL CORRECTION AMENDMENT.—(1) Section 214 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1989 is amended by striking "(c)" both places it appears and inserting in lieu thereof "(d)".

(2) The amendment made by paragraph (1) shall be effective as of the date of enactment of the Act referred to in paragraph (1).

(b) OBJECTIVES.—Section 102(d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451(d)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new paragraphs:

"(10) The economic growth, competitiveness, and productivity of the Nation through close coordination with industry in the conduct of innovative aeronautics technology validation and technology transfer programs; and

"(11) The improvement of the safety, capacity, and efficiency of the United States air transportation system through close coordination among the agencies of the Federal Government.".

SEC. 404. AERONAUTICAL BASIC RESEARCH INVESTMENT PLAN.

(a) PLAN.—The Administrator shall develop an aeronautical basic research investment plan which—

(1) describes the aeronautical basic research underway within the United States, including a review of the status of United States basic research in critical aeronautics disciplines including—

(A) aerodynamics;

(B) propulsion;

(C) materials and structures;

(D) controls, guidance, and human factors; and

(E) flight systems;

(2) establishes goals and objectives for United States aeronautical basic research to advance the critical disciplines required by United States industry for such research;

(3) identifies the priorities for aeronautical basic research required by industry to advance United States long-term competitiveness;

(4) describes the anticipated impact of aeronautical basic research on United States long-term competitiveness;

(5) encourages the transfer of Government-developed technologies to the private sector to promote economic strength and competitiveness; and

(6) identifies opportunities for aeronautical basic research to be performed by minority-owned and women-owned businesses within the aeronautical basic research industry.

The Administrator shall annually update the plan, including a report on progress in achieving the goals and objectives identified pursuant to paragraph (2).

(b) INDEPENDENT EVALUATION.—The Administrator shall submit the plan developed under subsection (a), and all subsequent annual updates thereto, along with appropriate programmatic technical, schedule, and financial information, to the National Research Council of the National Academy of Sciences for an independent evaluation of such plan.

(c) TRANSMITTAL TO CONGRESS.—The Administrator shall, along with the first annual budget request of the President occurring more than 1 year after the date of enactment of this Act, transmit to the Congress the plan developed under subsection (a) and the results of the independent review conducted pursuant to subsection (b). Subsequent annual updates to the plan and independent reviews thereof shall be transmitted to the Congress along with subsequent annual budget requests of the President.

SEC. 405. ROLE OF PROCUREMENT IN TECHNOLOGY INVESTMENT.

The Administrator, in carrying out aeronautical research and technology procurement, shall—

(1) promote the advancement of state-of-the-art research and technologies;

(2) assess and procure, where appropriate, commercially available technologies;

(3) where appropriate, use performance specifications in procuring technologies; and

(4) reduce the paperwork requirements associated with procurement.

SEC. 406. AERONAUTICAL TEST FACILITIES INITIATIVE.

(a) STRATEGY.—The President shall establish a strategy to coordinate with domestic aeronautical companies to establish the requirements of such companies and the Federal Government for aeronautical test facilities. The strategy shall—

(1) define the capabilities of aeronautical test facilities required by domestic aeronautical companies and the Federal Government over the next 30 years;

(2) assess the impact to United States competitiveness over the next 30 years resulting from the use of a combination of domestic and foreign aeronautical test facilities by domestic companies; and

(3) identify a funding method for procuring new aeronautical test facilities which includes cost sharing and risk sharing with domestic aeronautical companies, and which uses innovative financing schemes for the construction and operation of such new facilities.

(b) TRANSMITTAL TO CONGRESS.—The strategy established under subsection (a), along with anticipated budget requirements over the next 10 years associated with implementing the strategy, shall be transmitted to the Congress no later than 6 months after the date of enactment of this Act.

SEC. 407. JOINT AERONAUTICAL RESEARCH AND DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT.—The Administrator and the heads of other appropriate Federal agencies shall jointly establish a program for the purpose of conducting research on aeronautical technologies that enhance United States competitiveness. Such program shall include—

(1) research on next-generation wind tunnel and advanced wind tunnel instrumentation technology;

(2) research on advanced engine materials, engine concepts, and testing of propulsion systems or components of the high-speed civil transport research program;

(3) advanced general aviation research;

(4) advanced rotorcraft research; and

(5) advanced hypersonic aeronautical research.

(b) CONTRACTS AND GRANTS.—Contracts and grants entered into under the program established under subsection (a) shall be administered using procedures developed jointly by the Administrator and the heads of the other Federal agencies involved in the program. These procedures should include an integrated acquisition policy for contract and grant requirements and for technical data rights that are not an impediment to joint programs among the National Aeronautics and Space Administration, the other Federal agencies involved in the program, and industry.

(c) ELEMENTS OF PROGRAM.—The program established under subsection (a) shall include—

(1) selected programs that jointly enhance public and private aeronautical technology development;

(2) an opportunity for private contractors to be involved in such technology research and development; and

(3) the transfer of Government-developed technologies to the private sector to promote economic strength and competitiveness.

SEC. 408. HYPERSONIC RESEARCH INITIATIVE.

The Administrator shall conduct a study, through an organization not a part of the National Aeronautics and Space Administration, of strategies that would optimize the Hypersonic System Technology Program by integrating with the rocket-based hypersonic fight test experiments the necessary development program which would achieve a single-stage hypersonic research vehicle capable of Mach 15 or greater, in the shortest possible time frame. The objective of a program developed under the strategies identified through such study would be the development of a single stage to orbit air breathing aircraft. The Administrator shall report the results of the study to Congress no later than 6 months after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California, [Mr. BROWN] will be recognized for 20 minutes, and the gentleman from Pennsylvania, [Mr. WALKER], will be recognized for 20 minutes.

The Chair recognizes the gentleman from California, [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4489 represents the culmination of many hearings and a great deal of hard work by the Committee on Science, Space, and Technology. I want to commend Mr. HALL and Mr. SENSENBRENNER of the Subcommittee on Space, and Mr. VALENTINE and Mr. LEWIS of the Subcommittee on Technology, Environment and Aviation for developing this legislation.

Mr. Speaker, I introduced this bill on May 25 of this year at a time when the funding picture for NASA was highly uncertain. A key issue for the committee and Congress was whether the funding that would eventually be appropriated for NASA would be sufficient to sustain the space station program.

Since that time, a great deal of this uncertainty has been resolved. Both the House and Senate Appropriations Committees have acted to provide NASA with funding levels which, although not as high as I would prefer, are sufficient to maintain balance within the space program. Both the House and Senate have also voted by overwhelming margins to continue funding for the space station.

Notwithstanding these major achievements, there is still much left to be decided in providing program and policy guidance for the space and aeronautics programs. The bill we have brought to the floor today is intended to fulfill this need.

The amendment that the committee is offering today is intended to focus primarily on policy. The bill contains no specific funding levels or spending authority. I would like to mention some notable policy provisions contained in the bill.

The bill contains a provision establishing a limited exemption from Freedom of Information Act for jointly developed technical data having commercial significance. We believe this is essential in encouraging Government/private sector partnerships for technology development.

The bill contains one provision establishing a university-based small business innovative research-type program. We would like to duplicate the success of the SBIR program in the university community.

The bill contains several provisions calling for convergence of the NASA's operational and research satellite systems with other commercial and defense programs. We believe it is essential in the post cold war environment to encourage cost savings and efficiencies through this type of convergence.

The bill requires a plan to provide access to classified data that could have global change significance. This is another area where our investments in defense can have a much broader significance.

The bill contains a provision requiring an accounting of space station funds that are sent to Russia. The provision also conditions transfers to Russia on withdrawal of Russian troops in Baltic States. We view very positively the new cooperative relationship with Russia in the space station program but we need to recognize the financial systems that need to be in place during this transition period.

A revision to the Commercial Space Transportation Act which gives the Secretary of Transportation authority to license reentry operations. This is an emerging area of space commerce which is related to the other authorities we have given the Transportation Secretary.

There are many other provisions contained in the bill and I will include in the record a summary of these sections.

Mr. Speaker, I intend to work with the Senate in achieving final passage of this bill. Last year, despite our best efforts, Congress did not enact an authorization bill for NASA. I believe that the lack of an authorization bill not only undermines the legislative system Congress has put in place, it leaves a vacuum in policy development that is unhealthy for Government agencies such as NASA.

I will be asking my colleagues in the other body to act expeditiously on this bill and I hope we can achieve a speedy compromise.

SUMMARY OF THE COMMITTEE AMENDMENT TO H.R. 4489

SECTION 1.—SHORT TITLE

Section 1 designates this Act as the "National Aeronautics and Space Administration Authorization and Space Policy Act, Fiscal Year 1995."

SECTION 2.—FINDINGS

Section 2 sets forth four findings establishing the general basis for the provisions contained in this Act.

SECTION 3.—DEFINITIONS

Section 3 sets forth definitions of two terms for purposes of this Act.

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SUBTITLE A—AUTHORIZATIONS

SECTION 101.—AUTHORIZATIONS

Section 101 provides a statutory authorization for such sums as may be appropriated for Human Space Flight, Science, Aeronautics, and Technology, Mission Support, and Inspector General for fiscal year 1995. This section also requires the submission of an operating plan outlining specific funding levels.

SECTION 102.—SPECIAL PROVISIONS AND LIMITATIONS

Section 102 includes special limitations for certain NASA programs including:

A requirement for matching funds for the Global Observations to Benefit the Environment (GLOBE program)

A restriction on the extent to which small spacecraft initiatives may compete with the private sector

A provision calling for a plan to integrate U.S. and Russian robotic Mars exploration missions

A provision conferring authority to use past unobligated balance for a Lewis Visitor Center

SUBTITLE B—LIMITATIONS AND SPECIAL AUTHORITY

SECTION 111.—USE OF FUNDS FOR CONSTRUCTION

Section 111 provides authority for use of appropriations authorized for other purposes for construction of facilities.

SECTION 112.—AVAILABILITY OF APPROPRIATED AMOUNTS

Section 112 provides that appropriations authorized under subtitle A may remain available until expended.

SECTION 113.—REPROGRAMMING FOR CONSTRUCTION OF FACILITIES

Section 113 provides for variations in the cost of construction projects above amounts appropriated; and provides authority to use funds appropriated for construction of facilities purposes to support construction projects resulting from new developments in the national aeronautical and space program.

SECTION 114.—CONSIDERATION BY COMMITTEES

Section 114 prohibits expenditures for any program for which the Congress denies or does not provide funding, or for any program not presented to the Congress, unless certain notice and justification is submitted by the Administrator.

SECTION 115.—USE OF FUNDS FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES

Section 115 authorizes up to $35,000 per fiscal year for scientific consultations.

SECTION 116.—VOLUNTARY SEPARATION INCENTIVES

Section 116 provides for voluntary separation incentives, to the maximum extent practicable, pursuant to the Federal Workforce Restructuring Act of 1994.

SECTION 117.—LIMITATION ON TRANSFERS TO RUSSIA

Section 117 conditions transfers of funds authorized under this Act to Russia on certain reporting requirements and Presidential certification that actions by Russia do not violate the sovereignty of any independent state of the former Soviet Union.

SECTION 118.—SPACE STATION SPENDING CAP

Section 118 limits expenditures for the Space Station in fiscal year 1995.

SECTION 119.—CONSORTIUM FOR INTERNATIONAL EARTH SCIENCE INFORMATION NETWORK BUILDING

Section 119 limits obligation of funds for construction of a new facility for the Consortium for International Earth Science Information Network.

SECTION 120.—LIMITATION ON APPROPRIATIONS

Section 120 limits appropriations for programs authorized under this Act for any fiscal year after fiscal year 1995.

TITLE II—MISCELLANEOUS PROVISIONS

SECTION 201.—COMMERCIAL SPACE LAUNCH AMENDMENTS

Section 201(a) amends Chapter 701 of title 49, United States Code, to provide the Secretary of Transportation with authority to license reentry of reentry vehicles. This section also authorizes such sums as may be appropriated for fiscal year 1995 to support the activities of the Office of Commercial Space Transportation (OCST), and requires the Secretary to submit a report on OCST regulatory activities and effectiveness. Section 201(b) amends Chapter 701 of title 49, United States Code, to provide authority for regulations establishing criteria for acceptance of license applications.

SECTION 202.—OFFICE OF SPACE COMMERCE AUTHORIZATION

Section 202 provides such sums as may be appropriated for the Department of Commerce Office of Space Commerce.

SECTION 203.—USE OF DOMESTIC PRODUCTS

Section 203 sets forth requirements for procurement of domestic products, except to the extent the procurement violates an agreement to which the United States is a party.

SECTION 204.—REQUIREMENT FOR INDEPENDENT COST ANALYSIS

Section 204 requires the Chief Financial Officer to provide independent cost analyses for all new projects estimated to cost more than $5,000,000.

SECTION 205.—GLOBAL CHANGE DATA AND INFORMATION SYSTEM

Section 205 amends the Global Change Research Act to provide NASA with the responsibility of developing an interagency Global Change Data and Information System.

SECTION 206.—ACCESS TO CLASSIFIED DATA FOR GLOBAL CHANGE RESEARCH

Section 206 requires the Committee on Earth and Environmental Science to develop a plan for providing access to classified data for global change research.

SECTION 207.—NATIONAL AERONAUTICS AND SPACE ACT OF 1958 AMENDMENTS

Section 207 amends the National Aeronautics and Space Act of 1958 to authorize delay of unrestricted public disclosure of certain technical data generated in the course of developmental programs jointly funded by the Agency and private sector.

SECTION 208.—COMPARATIVE ANALYSIS OF UNITED STATES AND FOREIGN EXPENDABLE SPACE LAUNCH SYSTEMS

Section 208 requires NASA to conduct a study comparing United States and foreign expendable launch systems.

SECTION 209.—UNIVERSITY INNOVATIVE RESEARCH PROGRAM

Section 209 requires NASA to study the feasibility of a University Innovative Research program to promote use of universities to help meet NASA's research and development needs and stimulate technology transfer between universities and industry.

SECTION 210.—GEOGRAPHICAL DISTRIBUTION

Section 210 requires NASA to consider geographical distribution of research and development funds.

SECTION 211.—ADDITIONAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FACILITIES

Section 211 provides for selection of sites in depressed communities for new programs.

SECTION 212.—RECIPROCITY

Section 212 requires reciprocity where NASA contracts with companies organized under foreign law.

SECTION 213.—STUDY ON TDRSS AND COMMERCIAL SATELLITE SYSTEM CONVERGENCE

Section 213 requires NASA to conduct a study on convergence of the Tracking and Data Relay Satellite System with commercial communication satellite systems.

SECTION 214.—STUDY ON CONVERGENCE OF GEOSAT AND EOS ALTIMETRY PROGRAMS

Section 214 requires NASA to conduct a study on convergence of the Earth Observing System Altimetry mission with the Navy's GEOSAT Follow-On program.

SECTION 215.—SPACE SHUTTLE COST REDUCTION INITIATIVES

Section 215 requires NASA to evaluate further cost savings in the Space Shuttle program.

SECTION 216.—ADVANCED LAUNCH TECHNOLOGY PROGRAM

Section 216 requires a report on development of a new Advanced Launch Technology Program, including availability of cost savings in the Space Shuttle program as a funding source.

SECTION 217.—LAND CONVEYANCE

Section 217 authorizes NASA to accept land for a Visitor Center at the Lewis Research Center.

SECTION 218.—PROCUREMENT

Section 218 establishes an expedited technology procurement demonstration program within the Office of Advanced Concepts and Technology, and authorizes 2 percent of funds authorized for this office to be used for the procurement demonstration program.

SECTION 219.—ADDITIONAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FACILITIES

Section 219 provides that, prior to construction of a new facility, the Administrator must determine that no other federal facilities are appropriate for the intended use.

SECTION 220.—SPACE STATION ACCOUNTING REPORT

Section 220 requires an annual report setting forth an accounting of all expenditures for the Space Station program.

SECTION 221.—PURCHASE OF SPACE SCIENCE DATA

Section 221 requires NASA to purchase space science data for the private sector, to the maximum extend possible.

SECTION 222.—REMOTE SENSING FOR AGRICULTURAL AND RESOURCE MANAGEMENT

Section 222 establishes a cooperative initiative between NASA and the Department of Agriculture to make agricultural information obtained through remote sensing available to farmers.

SECTION 223.—COORDINATION OF EDUCATION SUPPORT FOR UNDERREPRESENTED GROUPS

Section 223 directs NASA to coordinate education activities with other Government agencies to maximize participation by underrepresented groups.

SECTION 224.—SPACE EXPLORATION OPPORTUNITIES ASSESSMENT

Section 224 provides for a National Academy of Science study on space exploration opportunities.

SECTION 225.—CATALOGUE OF EARTH-THREATENING COMETS AND ASTEROIDS

Section 225 requires NASA, in coordination with the Department of Defense and space agencies of other nations, at catalogue certain asteroids and comets within the next 10 years.

TITLE III—REVISIONS TO LAND REMOTE SENSING POLICY ACT OF 1992

SECTION 301.—AMENDMENTS

Section 301 amends the Land Remote Sensing Policy Act of 1992 to reflect a new Federal approach to management of the Landsat program, and changes to the licensing regime for commercial remote sensing satellites.

TITLE IV—AERONAUTICS RESEARCH AND TECHNOLOGY

SECTION 401.—FINDINGS

Section 401 contains six findings dealing with NASA aeronautics programs.

SECTION 402.—AERONAUTICS POLICY OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Section 402 contains five policies dealing with the scope, structure, and content of the NASA aeronautics programs.

SECTION 403.—AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

Section 403 amends the National Aeronautics and Space Act of 1958 to emphasize that the goals of NASA shall include the economic growth and competitiveness of the Nation through close coordination with industry, and that NASA shall closely coordinate with other agencies of the government to improve the safety, capacity and efficiency of the U.S. air transportation system.

SECTION 404.—AERONAUTICAL BASIC RESEARCH INVESTMENT PLAN

Section 404 directs the Administrator to develop a plan which assesses the state of U.S. aeronautical basic research, establishes the goals and objectives for U.S. aeronautical basic research, and identifies the impact which aeronautical basic research is anticipated to have on U.S. long term competitiveness. The plan shall be evaluated and updated on a regular basis.

SECTION 405.—ROLE OF PROCUREMENT IN TECHNOLOGY INVESTMENT

Section 405 directs the Administrator to carry our aeronautical research and development procurement with the goal for promoting technology advancement and the use of commercially available technologies where appropriate.

SECTION 406.—AERONAUTICAL TEST FACILITIES INITIATIVE

Section 406 directs that the President establish a strategy which coordinates with the domestic aeronautical companies to determine the federal and commercial requirements for aeronautical test facilities. This strategy includes an assessment of the required test facility capabilities over the next three decades, and an assessment of the impact to U.S. competitiveness if domestic companies utilize a combination of domestic and foreign facilities. This strategy also includes identifying a funding method for new aeronautical test facilities which involves risk sharing and innovative financing.

SECTION 407.—JOINT AERONAUTICAL RESEARCH AND DEVELOPMENT PROGRAM

Section 407 directs the Administrator to work with the heads of other appropriate agencies to establish a joint program for the conduct of research in aeronautical technologies.

SECTION 408.—HYPERSONIC RESEARCH INITIATIVE

Section 408 directs the Administrator to conduct a study which develops strategies that integrate the Hypersonic System Technology Program with the necessary development program that achieves a single stage hypersonic research vehicle in the shortest possible time frame.

Mr. WALKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill that the Science, Space, and Technology Committee brings to the floor today is stripped to the authorization numbers. There was some concern expressed by Members on my side of the aisle about bringing a bill that involves a large authorization to the floor under suspension of the rules. That is the reason why the committee has stripped the authorization numbers, and the funding in here is pursuant to appropriations. So, therefore, this is a policy document, not an authorization document in terms of numbers.

Our intention in moving this bill is to pass some important policy provisions that will give guidance to NASA. We also hope that these provisions will eventually be enacted into law. I have long been involved in promoting commercial use of space. I believe that there is a need for us to find ways to involve the commercial sector in space activities because I believe that we are rapidly losing our ability to increase funding in any way, shape or form for space activities sponsored by the Government. So, therefore, the commercial use of space is the true promise of the future.

We are not at this time only entering the initial stages of realizing the vast commercial potential that awaits space entrepreneurs. With the commercial procurement provisions in this bill, as well as others that were included in H.R. 2731, the Omnibus Space Commercialization Act of 1993, I hope that we can seek to spark some interest in visionaries who will lead us into the 21st century and do so on money that is invested money rather than Government money.

H.R. 4489 contains a procurement provision with two parts. The technology procurement initiative encourages NASA to develop an ongoing pattern of acquiring commercially available off-the-shelf technology. In other words, as we are moving ahead with our space program, what we ought to be doing is using as much off-the-shelf technology as possible to encourage commercial ventures to develop technology that then can be used for that and other applications.

The Procurement Demonstration Program directs NASA to actively seek innovative technology concepts from the private sector that can be rapidly applied to the mission requirements of NASA, once again, also finding ways to get the commercial sector deeply involved in trying to help NASA move ahead. The intent of these provisions is to direct NASA's mindset so that the agency gets away from the idea that if it is not invented here, it is not good enough.

NASA can and should be benefiting from private sector inventiveness.

The bill also encourages NASA to buy space science data from the private sector. For those data sets with both scientific merit and commercial appeal, NASA can stimulate the growth of this market by attaining data faster and cheaper.

Mr. Speaker, I certainly urge my colleagues to support passage of H.R. 4489 in the form that we bring it to the floor.

I would also at this point like, if I could, to enter into a colloquy with the gentleman from California [Mr. BROWN].

During our committee markup of this bill, I offered an amendment to resolve the confusion that existed within the Landsat program management with respect to the meaning of section 103 of the Landsat Remote Sensing Policy Act of 1992. The purpose of the amendment was to merely restate what we presumed to have occurred upon completion of the negotiations envisioned by this section; namely, that operations contracts with commercial operations of Landsats 4 and 5 will be simply extended. Is that the understanding of the chairman?

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. BROWN of California. This gentleman will state that that is his understanding.

Mr. WALKER. I would observe that it is not in the best interest of any of the parties, not the Government, not the user community, not the commercial operator and most assuredly not the taxpayer to add further to the indecision and disruption that has plagued this program for years. The amendment adopted by the committee was specifically intended to provide clear, unambiguous guidance to the administration that if, as we are informed, successful negotiations have been concluded, the administration should extend the existing contract.

Is that the understanding of the chairman?

Mr. BROWN of California. Yes.

Mr. WALKER. Mr. Chairman, I thank the gentleman very much.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WALKER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, in both the subcommittee and full committee, there has been strong bipartisan support for the aeronautics research provisions of the bill before the House. One of the reasons for this support, as I and other Members pointed out, was the positive impact of this research on U.S. competitiveness.

The NASA research program has produced technology which has made U.S. aircraft superior. However, foreign competitors are chipping away at our leadership. Therefore, it is more important now than ever before, that NASA have a strong research program in aeronautics.

H.R. 4489 accomplishes this with: Full support for the next-generation high-speed civil transport; an increasing subsonic research effort that will provide near-term technological solutions for improving existing aircraft; and a joint aeronautical research program with other Federal Agencies, to pull together technologies that could benefit the civilian sector.

I want to thank the subcommittee chairman, Mr. VALENTINE, for working in a bipartisan manner in drafting the aeronautics provisions in H.R. 4489.

I also want to thank Chairman BROWN and the ranking member, Mr. WALKER, for their support of the aeronautics portion in this legislation.

Mr. ROHRABACHER. Mr. Speaker, I want to first note this year's historic anniversary of the first manned Lunar landing. It is an amazing event to contemplate—25 years ago this Nation performed wonders.

But, Mr. Speaker, 25 years after the Lewis and Clark expedition, Conestoga wagons were moving west. And 25 years after the Wright Brothers' first flight, Americans were buying airline tickets. But it's been a generation since Aldrin and Armstrong first set spacecraft *Eagle* safely down on Lunar regolith, and we as a nation still don't seem to have routine access to space.

Access to space—the ability to get to low Earth orbit frequently, reliably, and inexpensively—I maintain is the greatest single issue facing our space program today—just as it has faced our space program from its very inception.

It is long overdue for this country to face up to addressing the problem of obtaining cheap access to space [CATS]. Inexpensive space access would save the Government—and the taxpayer—billions of dollars a year in costs, but more important, it would enable us all to do more in space than we can currently afford to do.

Mr. Speaker, this past year NASA came to the realization, through in-house technical examination, that single stage to orbit [SSTO] is technically feasible, and that SSTO is the preferred method to achieve cheap, reliable, and frequent space access. I agree. This is a position I have been advancing for some time now. So it is with some pride, Mr. Speaker, that I note that the bill we have here under consideration, H.R. 4489, is the first NASA authorization bill the House Science Committee has ever considered that has had a specific mention of SSTO development in it from the moment of the drafting of the bill.

Mr. Speaker, beginnings set directions for years. Beginnings are the time when it is easiest to make changes in the direction and content of programs. This is why it has been very important to me to see that the contents of this bill with respect to NASA's proposed SSTO activities, which NASA is just now beginning to plan, are right from the start.

Mr. Speaker, I disagreed with NASA's emphasis in its SSTO program as originally outlined to the Congress. It was not focused on building and flying an SSTO X-vehicle, but focused instead on general research. To change that I offered an amendment that changed the language of H.R. 4489 to make it clear that we in Congress expect NASA SSTO monies to go to building a machine that will fly, not to just "research a little, review a lot," as one of our witnesses said in a hearing on this subject before the Space Subcommittee. Another witness at that hearing quoted Yoda from the "Star Wars" movies: "Either do or do not." And that is the message of this bill language. NASA should move forward to build and fly X-vehicle demonstrators to demonstrate SSTO technologies—this is not just the inauguration of a job-creating, money-eating research project.

Those Members, Mr. Speaker, who would like to have a more detailed discussion of the course of action NASA should pursue in demonstrating SSTO, should read the "Additional View" in House Report 103–654 that I and several of my colleagues prepared.

Mr. Speaker, my amendment to H.R. 4489 was the result of a compromise worked out between my staff and the Space Subcommittee's staff, and I want to thank both for their fine work. I also want to thank Mr. BROWN of California, chairman of the House Science Committee, for supporting and adopting this amendment, as well as RALPH HALL for his continuing legacy of leadership as chairman of the Space Subcommittee. I would also like to thank the ranking Republican leader on the subcommittee, Mr. SENSENBRENNER, and Mr. WALKER, ranking on the full committee, for their perseverance in fighting for and pursuing a balanced and cogent national civil space effort.

Mr. Speaker, I urge the adoption of this bill by the House.

Mr. HALL of Texas. Mr. Speaker, I rise in support of H.R. 4489, with an amendment. The bill authorizes such sums as may be appropriated for fiscal year 1995 for the National Aeronautics and Space Administration and for the commercial space programs of the Departments of Transportation and Commerce. More importantly, the bill also legislates important policy provisions for the guidance and implementation of these programs.

Mr. Speaker, H.R. 4489 is important legislation for the future of the U.S. civil and commercial space programs. It represents the hard work and thoughtful attention of the Members who serve so ably with me on the Committee on Science, Space, and Technology. In particular, I want to express my thanks to our chairman, Mr. BROWN, and the Ranking Republican member, Mr. WALKER, for their leadership in the true spirit of bipartisanship as we shaped this bill to meet the challenges ahead. And I want to commend my colleagues on the Subcommittee on Space for their cooperation and professionalism in addressing the many very tough choices that had to be made this year.

Over the past 2 years, the Subcommittee on Space conducted numerous hearings and performed extensive analyses on the full range of fiscal, programmatic and policy issues confronting the Nation's civil and commercial space sectors. H.R. 4489 is largely informed by these activities. Moreover, this body has already sanctioned a number of its provisions that were included in H.R. 2200, the NASA authorization bill for fiscal years 1994 and 1995 that the House passed about this time last year.

Some of the major policy provisions contained in the amendment to H.R. 4489 offered today include:

A sense of Congress that NASA should undertake cooperative science missions with Russia and other spacefaring nations, including Mars robotics missions. Greater reliance on an international approach to Mars exploration and other space science missions is critical in order to continue expanding our knowledge of the universe in an era of limited budgets.

A requirement for the NASA chief financial officer to establish an independent cost analysis function. We believe that it is essential to pursue reforms in contract procurement and management activities to realize maximal savings to the taxpayer.

A provision calling for an analysis of initiatives to reduce space shuttle operating costs. While NASA is to be commended for its progress in reducing annual operating costs for the shuttle program, we remain concerned about the impact of cost savings on safety.

Guidance for establishment of an advanced launch technology development and demonstration program. This provision responds to the critical need to begin the important work of developing our Nation's next generation space transportation system.

A requirement for NASA to catalog Earth-threatening comets and asteroids, in cooperation with the Department of Defense and the space agencies of other countries. Existing technology allows for defense of the Earth from an oncoming comet or asteroid, but the key is early detection of an impending impact.

Revisions to the Land Remote Sensing Policy Act to provide for a new management and funding approach, and to facilitate more expedited licensing of commercial remote sensing satellites.

These are only a sampling of the many useful and important policy provisions contained in this bill. I urge my colleagues to support suspension of the rules and passage of H.R. 4489 with an amendment.

Mr. ROEMER. Mr. Speaker, not long ago the House voted to keep the space station alive for another year. That program is contained in this bill we are considering today, and I therefore must oppose this legislation.

In the brief time since that deciding vote, a number of developments on the space station have come to light that I wish to share with my colleagues today.

A recent General Accounting Office report details deep flaws in NASA's assertion that the Russian space station partnership would save $2 billion. In fact, the partnership is instead going to add $2 billion to the station's cost. This is a seriously disturbing development.

Another development that should give us all pause in the financial health of the Russian space program. Few workers are being paid, and other signs of financial trouble are everywhere. Although the Russian space program continues to function, its future is in serious doubt. Few details are available about the exact financial straits of the Russian program, but a financial crisis during the space station construction period could be devastating to the U.S. space program as well.

The Russians have proven already that cooperation between the two nations will not be an easy task. The schedule for scientific research projects has already begun slipping. Such developments, added to already existing doubts about this program, should cause every Member of Congress who supported this program to rethink his or her position.

Mr. Speaker, I do want to credit our chairman, GEORGE BROWN, and the Space Subcommittee Chairman, RALPH HALL, for their hard work and important contributions to this debate.

It is important that we are here today to consider the authorization of the National Aeronautics and Space Administration for the upcoming fiscal years.

Some may wonder if, in light of the recent appropriations debate, whether this is a wise use of our time. I say that it is, and for very important reasons.

While our colleagues on the Appropriations Committee may affect programs by setting spending limits, we on the authorizing committee have a serious responsibility to set policy.

When we consider in particular the very tight budget limitations that we face, setting policy and priorities becomes even more crucial.

Chairman BROWN has exercised commendable leadership in crafting legislation to ensure that this committee's voice is heard in future space and aeronautics policy. I also want to acknowledge the contributions of the ranking members.

Although my focus seems to have been only on the space station, I want to make clear that there are a number of priorities within the NASA mission that I am concerned about. The budget caps have imperiled important programs—such as Cassini and AXAF—that I am not willing to see sacrificed in order to make life easier for the space station.

The space station, in my view, continues to absorb a disproportionate share of NASA funding. Although the station appears to have survived for another year, the funding levels will not.

In the near future, even more tough decisions are going to be required in order to keep the station alive, and I will be working to educate our colleagues and the public about the sacrifices that must be made to keep the space station in existence.

In conclusion, Mr. Speaker, I want to say that this debate in some ways crowns a year of very hard and intense work that we have all participated in producing. Many people's earnest and dedicated efforts have brought us to this day. I especially want to thank the Science Committee and Space Subcommittee staff for their continued expertise, willingness to help, and diligence in following the issues and keeping us all informed.

Although I do not support this legislation because of the space station provisions, I am pleased that this legislation does contain language I offered to limit the space station spending to the amounts promised by NASA and the administration. This project has a far too long history of major cost overruns, and it is my hope that my amendment adopted by the Science Committee will change this habit, at least.

Mr. VALENTINE. Mr. Speaker, I wish to rise in strong support of the provisions within H.R. 4489, the NASA Fiscal Year 1995 Authorization Act, and I commend the chairman of the Science Committee for his leadership in bringing this measure to the Floor.

NASA has always been known for its exploits in space, and its reputation lives and dies on the success or failure of its high profile endeavors outside the earth's atmosphere.

However, NASA is more than a space agency, and I wish to draw attention in my remarks today to NASA's programs in aeronautics. NASA is entering a new phase in its research and development in aeronautics. Aeronautical research that was previously done for the aviation community, in the hopes that some day it might be useful, is now done with the aviation community, in a cooperative fashion that breaks new ground in the way NASA and U.S. industry conduct business. NASA aeronautical research is now keyed to the competitiveness of the aircraft and engine manufacturers, and of the airlines, while at the same time improving the capacity, safety, and efficiency of the airspace used by the flying public. As a consequence, NASA is now working as a partner with industry in new subsonic and high speed research which will result in newer and better U.S. aircraft that are cost competitive, safe, and durable.

This different approach to performing and transferring research to the user is a significant step for a Federal agency, but it is one that the Congress, and the Science Committee in particular, has encouraged for some time. The Science Committee, under the distinguished leadership of my colleague, Mr. BROWN of California, has emphasized the importance of performing science and technology in the national interest. The Technology, Environment, and Aviation Subcommittee, which I chair, has been particularly concerned about the erosion of this Nation's leadership in many of its greatest technological achievements, including aeronautics, and has emphasized the necessity to better orient our research priorities to improve the U.S. standard of living. NASA's aeronautics research will be a key to whether the U.S. civil aviation industry declines over the next decade or prospers.

In this regard, H.R. 4489 makes improvement of U.S. aviation competitiveness a fundamental goal of NASA aeronautical research by amending the NASA Organic Act to add these objectives to NASA's aeronautical programs. It also establishes increased industry involvement as a fundamental practice in the development and coordination of NASA aeronautics programs so the benefits of its research dollars are rapidly delivered to the U.S. aeronautics community.

As an example, NASA and the U.S. airframe industry recently announced a historic partnership in the next phase of the High Speed Research Program. By the year 2000, industry may be in the position to decide to spend upward of $15 billion of its own money to build the next generation supersonic transport aircraft. This would not be possible without NASA. In this effort, we are not alone. European and Asian, as well as U.S. manufacturers, are racing to achieve the breakthroughs necessary for their own aircraft to be marketed first, and we must protect our lead in this area through leadership in cutting edge aeronautics research. Although many technical, environmental, and cost issues remain to be solved before this aircraft ever sees the stratosphere, the possibilities surrounding routine supersonic transportation beg for a NASA-industry partnership in this effort.

H.R. 4489 also highlights the role played by basic aeronautical research in U.S. competitiveness. NASA's research and technology base has been cut for fiscal year 1995, and in addition, experienced personnel are leaving through employee buyouts. This attrition may arguably increase NASA's efficiency, but to do so, it must be carefully managed and executed. These cuts have not been conducted with the same precision which went into defining many of the new industry-led initiatives, and the result may be a loss in our long-term technology base 5 years from now.

Therefore, H.R. 4489 contains a provision requiring NASA to address the Nation's long-term aeronautical research requirements by developing an aeronautical basic research plan. The bill also requires NASA to develop a strategy for upgrading and constructing new aeronautical facilities, and to submit a report to Congress which includes the funding level, funding method, and site selection plans for two new wind tunnels recommended by the National Facilities Study.

I, therefore, urge my colleagues to cast their votes for H.R. 4489, and I thank my colleague from Florida, Mr. LEWIS, for his cooperation in helping to develop this legislation.

Mr. WALKER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of California. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. BROWN] that the House suspend the rules and pass the bill, H.R. 4489, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4489, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BRUCE R. THOMPSON UNITED STATES COURTHOUSE AND FEDERAL BUILDING

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 3110, to designate the United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, NV, as the "Bruce R. Thompson United States Courthouse and Federal Building."

The Clerk read as follows:

H.R. 3110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, is designated as the "Bruce R. Thompson United States Courthouse and Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the courthouse and Federal building referred to in section 1 is deemed to be a reference to the "Bruce R. Thompson United States Courthouse and Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, Judge Bruce R. Thompson of Reno, NV, had a long and distinguished judicial career. He was appointed as U.S. judge for the District of Nevada by President John F. Kennedy in 1963. He assumed senior status in 1978. Judge Thompson was a member of the American Bar Association, the American Law Institute, the American Judicature Society, and the American College of Trial Lawyers.

The Nevada Chapter of the Federal Bar Association, as well as the Washoe County Bar Association, have unanimously endorsed naming this courthouse in honor of Judge Thompson.

In recognition of his rich judicial career it is fitting and proper to acknowledge Judge Thompson in this manner. This bill has my strong support and the bipartisan support of the committee.

I urge adoption of H.R. 3110.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3110, a bill to designate the Federal building under construction in Reno, NV, as the "Bruce R. Thompson U.S. Courthouse."

Bruce Thompson was born in Reno, NV, on July 31, 1911. He attended the University of Nevada, and received a law degree from Stanford Law School in 1936. Following admission to the Nevada bar, he entered the legal profession, and from 1942 to 1952 he served as assistant U.S. attorney for the District of Nevada.

On August 13, 1963, President John F. Kennedy appointed Bruce Thompson as U.S. judge for the District of Nevada. In 1978, Judge Thompson took senior status.

Naming of this building to be built has the endorsement of the Nevada Chapter of the Federal Bar Association and the Washoe County Bar Association. I urge enactment of the legislation.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nevada, [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I thank my friends, the gentleman from Ohio, the gentleman from Pennsylvania, and the gentleman from Tennessee [Mr. DUNCAN]. I also want to thank Chairman MINETA and Mr. SHUSTER for ensuring this legislation's swift movement to the House floor.

Mr. Speaker, I rise in support of H.R. 3110, my legislation to name the new Federal courthouse in Reno, NV, after the late Judge Bruce R. Thompson.

I cannot think of a more deserving Nevadan on which to bestow this honor. Judge Thompson was one of Nevada's most prominent, respected, and beloved men in the Nevada legal community and led a long and highly distinguished career.

After graduating from the University of Nevada and Stanford law school, he practiced law with George Springmeyer and later Mead Dixon for 27 years until 1963. He served as Assistant U.S. attorney for the District of Nevada from 1942 to 1952 and as special master for the U.S. District Court of the District of Nevada from 1952 to 1953.

Judge Thompson was also president of the Nevada State Bar Association from 1955 to 1956. Following a term as regent to the State Planning Board in 1959, he served as its chairman from 1960 to 1961. In 1963, he was appointed U.S. district judge by President John Kennedy.

Judge Thompson was also a member of the American Bar Association, the American Law Institute, the American Judicature Society—of which he was director in 1959, the Institute of Judicial Administration, and the American College of Trial Lawyers. From 1975 to 1977, he was president of the Ninth Circuit district judges.

His outstanding career is coupled by the immense love and respect Judge Thompson earned from his colleagues. In fact, numerous organizations representing nearly the entire legal community of Nevada have endorsed this legislation.

These include, among many others, the Washoe County Bar Association, the State Bar of Nevada, the Nevada Trial Lawyers Association, the Association of Defense Council of Nevada, and the Northern Nevada Women Lawyers Association.

Mr. Speaker, Bruce Thompson's distinguished service has made the State of Nevada proud. I ask my colleagues to join me today in honoring Judge Thompson by designating the new Federal courthouse in Reno, NV, the "Bruce R. Thompson United States Courthouse and Federal Building."

□ 1250

Mr. TRAFICANT. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. FROST].

NOTIFICATION OF CHANGE IN DEADLINE FOR SUBMISSION OF PROPOSALS ON HEALTH CARE LEGISLATION

(Mr. FROST asked and was given permission to speak out of order for 1 minute.)

Mr. FROST. Mr. Speaker, I rise today to notify members regarding a change in the Rules Committee's plans with respect to the health care reform legislation.

In order to give legislative counsel adequate time to draft the various health care proposals, the committee is moving the deadline for submission of those proposals to the House Rules Committee to 6 p.m., Wednesday, August 10.

Mr. MINETA. Mr. Speaker, at the outset, I want to commend the distinguished gentleman from Ohio [Mr. TRAFICANT] as well as the gentleman from Tennessee [Mr. DUNCAN] for their efforts not only on this bill, but on all the public buildings and grounds bills they are bringing to the floor today.

Mr. Speaker, I, too, rise in support of H.R. 3110, a bill to name a U.S. courthouse and Federal building after Bruce R. Thompson.

Bruce Thompson was born in Reno, NV; graduated from the University of Nevada; and earned his law degree from Stanford Law School in California. After being admitted to the Nevada bar in 1936, Thompson was in private practice from 1936 until 1942.

From 1942 until 1952, he served as assistant U.S. attorney for the District of Nevada. He then served as a special master for the U.S. District Court, District of Nevada, for the next year.

In 1963, President Kennedy appointed Thompson as a U.S. district judge where he has served with distinction.

Mr. Speaker, H.R. 3110 is a fitting tribute to a great jurist and I urge support for the bill.

Mr. CLINGER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I urge an aye vote.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 3110.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3110, the legislation just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MATTHEW J. PERRY, JR. UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4543) to designate the U.S. courthouse to be constructed at 907 Richland Street in Columbia, SC, as the "Matthew J. Perry, Jr. United States Courthouse."

The Clerk read as follows:

H.R. 4543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse to be constructed at 907 Richland Street in Columbia, South Carolina, shall be known and designated as the "Matthew J. Perry, Jr. United States Courthouse."

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Matthew J. Perry, Jr. United States Courthouse."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from South Carolina [Mr. CLYBURN], a hardworking member of the subcommittee.

Mr. CLYBURN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, when I was a teenager growing up in Sumter, SC, my mother closed her beauty shop one day and took me with her to the Sumter County Court House because, as she said, she wanted me to see what it was I could be when I grew up. What I saw there that day was Matthew J. Perry, Jr., representing the local chapter of the NAACP, which had been sued by some local citizens in order to stop its efforts to integrate the society in that part of the State.

Mr. Speaker, the next time I saw Judge Perry was a few years later, when I was a student at South Carolina State College. There, as one of the organizers and leaders of the sit-in movement, it fell to my lot to be represented by Judge Perry when around

288 students were arrested, locked up on a cold day in the outside, and Judge Perry selected me to be his chief witness.

Mr. Speaker, Judge Perry, on the day I met him in Sumter, lost that case, but he won the hearts, minds, and souls of hundreds of people. On this day in Orangeburg, with my help, I would like to think, Judge Perry won. He went on to win hundreds of cases on behalf of over 7,000 college students throughout South Carolina.

Mr. Speaker, last week, on August 3, the date that my first grandchild, Walter A. Clyburn Reed, was born, Judge Perry celebrated his 73d birthday. I can think of no better way for this Nation to pay respect and honor to a man who has done so much to help us live out the constitutional guarantees of our Nation than to name this new court house to be built in Columbia, SC, the Matthew J. Perry Court House.

Mr. Speaker, there has been some confusion about this new court house. There have been some references made to it as an annex of the current J. Strom Thurmond Federal Building and Court House. Mr. Speaker, I checked with the General Services Administration and I have been told that this is a separate entity. It is going to be built a block away from the current Federal building and court house, down the street and across from the current building.

Mr. Speaker, I have checked with Senators THURMOND and HOLLINGS, and both of them are in support of this legislation. In fact, it was Senator THURMOND who recommended Matthew Perry to sit on the Military Court of Appeals, and it was Senator HOLLINGS who recommended that Matthew Perry should become a Federal judge. Both of them join me in this legislation.

Mr. Speaker, I am proud, honored, and humbled to come before this body and ask my colleagues to pay respect to an outstanding South Carolinian, a great American, and one who is deserving of this great honor.

I introduced H.R. 4543 to pay honor and tribute to a gentleman who is held in the highest regard and, yes, even reverence, in my home State of South Carolina.

Matthew Perry was born on August 3, 1921, in Columbia, SC, and attended South Carolina State College from 1939 to 1942. His education was interrupted from 1943 to 1946 when he served on active duty in the U.S. Army during World War II.

After the war, Mr. Perry completed his bachelor's degree and law degree from South Carolina State, and he was admitted to the South Carolina bar in 1951.

During the next 24 years, Mr. Perry distinguished himself in the legal community by joining in the successful defense of more than 7,000 black students who were arrested because of their participation in protest activities against segregation in the South.

Mr. Speaker, it was my great honor to have been involved with Mr. Perry as a litigant in the cases of Fields versus South Carolina and Edwards versus South Carolina. In fact, I was Mr. Perry's only witness in the Fields case, and it was during that litigation that a relationship fostered between Mr. Perry and me which continues to blossom even until this day.

Among the other cases Mr. Perry represented were Gantt versus Clemson College, resulting in the admission of Harvey Gantt to Clemson College, which had never admitted a black student prior to this case, and Montieth versus University of South Carolina, which resulted in the admission of the first black student to the University of South Carolina since reconstruction.

In 1975, Matthew Perry was nominated by President Ford and unanimously confirmed by the U.S. Senate, to serve as a judge on the U.S. Court of Military Appeals here in Washington.

Matthew Perry's ability, courage, and tenacity were further recognized on June 28, 1979, when President Carter nominated him for appointment to the U.S. district court for South Carolina. Again, Judge Perry's confirmation by the Senate was unanimous. Upon his confirmation, Judge Perry became the first African-American to sit on the Federal bench in South Carolina.

On the bench, Judge Perry is known far and wide for his superior judicial temperament and excellent demeanor. Lawyers who have appeared before him have commented, "His legal ability is outstanding. He's a progressive judge." "He's eminently fair." "He hears all parties thoroughly and completely." "He's the most courteous judge probably in America."

Mr. Speaker, Matthew Perry was involved in virtually all the litigation which broke racial barriers in South Carolina during this century. I know of no living South Carolinian whom I hold in higher esteem, and it is for his outstanding and exemplary service to his State and Nation that I introduced this legislation to name the new Federal courthouse which will be built in Columbia, SC, the Matthew J. Perry, Jr. United States Courthouse.

Let me also note, there has been some confusion about whether the new courthouse will be a separate entity or an extension of the Strom Thurmond Federal Building and Courthouse. I have checked that point with the General Service Administration. Officials in that agency advise me that although initially referred to as an annex, the new courthouse is a separate building, not an addition to the Strom Thurmond Building. The new courthouse is across the street from the existing courthouse, and is on a wholly separate parcel of land. By naming the new building the Matthew Perry Courthouse, it does not affect the Strom Thurmond Federal Building and Courthouse Complex in any way.

I have also checked with Senators THURMOND and HOLLINGS, and in view of this clarification, they endorse this legislation. It was Senator THURMOND who first promoted Judge Perry for a Federal judgeship in the U.S. Court of Military Appeals. President Ford appointed Judge Perry upon Senator THURMOND's sponsorship. Senator HOLLINGS recommended Judge Perry to President Carter to be a Federal district judge. Judge Perry was appointed to the district court bench upon Senator HOLLINGS' sponsorship. I commend both Senator THURMOND and Senator HOLLINGS and thank them for their support of this legislation.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Mr. Speaker, I rise in strong support of this legislation and want to pay special recognition to the gentleman from South Carolina, the sponsor of the bill, Congressman CLYBURN, for his leadership and perseverance on this measure.

Mr. Speaker, Matthew J. Perry, Jr. was born in 1921 in Columbia, SC. He began attending South Carolina State College, but interrupted his education to serve from 1942 to 1946 in the U.S. Army during World War II. After the war, Perry completed his education, graduating from South Carolina State College in 1948, and then from law school at South Carolina State in 1951.

For the next 24 years, Perry engaged in the private practice of law, courageously defending many African-American students arrested during numerous civil rights demonstrations of the 1960's. Also in the civil rights cause, Perry served on the board of directors of the NAACP and as one of the organization's several vice presidents.

In 1975, Perry was appointed judge on the U.S. Court of Military Appeals in Washington DC. Judge Perry's judicial skill was further recognized in 1979 when he was appointed to the U.S. district court for South Carolina. Upon unanimous confirmation by the U.S. Senate, Judge Perry became the first African-American to serve on the Federal bench in South Carolina. As a result of his great courage and wisdom, it is a fitting and deserving honor to have the U.S. courthouse to be constructed at 907 Richland Street in Columbia, SC, designated as the Matthew J. Perry, Jr. United States Courthouse.

Mr. Speaker, I urge support for the bill.

☐ 1300

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4543, a bill to designate the Federal building to be constructed in Columbia, SC as the "Matthew J. Perry, Jr. United States Courthouse."

Judge Matthew Perry is a native of Columbia, having been born there on August 3, 1921. He attended South Carolina State, where he received a law degree in 1951. For the next 24 years Matthew Perry defended over 7,000 African-American students arrested during civil rights demonstrations.

In 1975, he was nominated to serve as judge on the U.S. Court of Military Appeals in Washington, DC, and in 1979, President Carter appointed him to the U.S. district court for South Carolina, becoming the first African-American to sit on the Federal bench in South Carolina. I urge enactment of the bill.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

The distinguished gentleman from South Carolina is very modest. The gentleman from South Carolina [Mr. CLYBURN] is the sponsor of this legislation and is, in fact, the major moving force of this legislation. I want to commend him for his beautiful statement and for what he had seen firsthand as a young boy, with his mother taking him to see this tremendous individual.

Mr. Speaker, Judge Matthew J. Perry, Jr., of South Carolina, has had a remarkable, distinguished judicial career. He was and is a preeminent leader in the struggle for civil rights. He has been deeply involved in civil rights cases which have become landmark cases. In 1979, Matthew Perry was appointed to serve as a judge on the U.S. District Court for South Carolina. Judge Perry's many contributions to ending segregation in South Carolina reflect his great personal courage and wisdom. Naming this courthouse after him is most appropriate.

The bill has my enthusiastic support, and the bipartisan support of the committee. We are all deeply honored to be associated with Mr. CLYBURN's bill. I urge adoption of H.R. 4543.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 4543.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THOMAS F. EAGLETON UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4790) to designate the United States courthouse under construction in St. Louis, MO, as the "Thomas F. Eagleton United States Courthouse."

The Clerk read as follows:

H.R. 4790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse under construction at 111 South Tenth Street in St. Louis, Missouri, shall be known and designated as the "Thomas F. Eagleton United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Thomas F. Eagleton United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT], will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield whatever time he may consume to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Mr. Speaker, let me first of all express my thanks to the chair of the Subcommittee on Public Buildings and Grounds, the gentleman from Ohio [Mr. TRAFICANT], as well as to the gentleman from Tennessee [Mr. DUNCAN] and in his place the gentleman from Pennsylvania [Mr. CLINGER] for their role in bringing these measures to the floor.

Mr. Speaker, I, too, rise in support of H.R. 4790.

Senator Thomas Eagleton was born in St. Louis, MO, in 1929. Eagleton had an impressive educational background, having graduated from Amherst College in 1950, and Harvard Law School in 1953.

Eagleton chose a career of public service. In 1956, at the age of 27, he was elected circuit attorney of St. Louis. Four years later, he was elected attorney general of Missouri. He was elected Lieutenant Governor of Missouri in 1964, and in 1968, Eagleton was first elected to the U.S. Senate.

In 1972, George McGovern tapped Senator Eagleton to be his running mate on the Democratic presidential ticket. He was reelected to the Senate in 1974 and 1980 and completed his Senate service in 1987.

In recognition of his devotion to public service, not only in Missouri but also in the U.S. Senate, it is fitting and proper to honor Senator Thomas F. Eagleton by designating the United States courthouse under construction in St. Louis, MO, as the "Thomas F. Eagleton United States Courthouse."

Mr. Speaker, I urge adoption of the bill.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4790, a bill to designate the U.S. Courthouse to be constructed in St. Louis, MO as the "Thomas Eagleton United States Courthouse."

Thomas Eagleton is a native of St. Louis, having been born there on September 4, 1929. His education was interrupted by military service in the U.S. Navy from 1948 to 1949, and upon return to civilian life, was graduated from Amherst in 1950. In 1953 he received a law degree from Harvard.

He returned to St. Louis, where he became circuit attorney at the age of 27. Four years later he was elected attorney general of the State of Missouri, and 4 years later, he was elected Lt. Governor of Missouri.

In 1968, he was elected to the U.S. Senate, where he served with distinction until his retirement in 1987. I urge passage of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Senator Thomas F. Eagleton of Missouri was elected to Congress in 1968. He gained a respected reputation in the Senate for progress, reason and justice.

Prior to his re-election in 1974 Senator Eagleton was chosen to be on the Democratic Presidential ticket as the Vice-Presidential candidate in 1972. After the election, he returned to the Senate where he continued to serve his Missouri constituents. He was re-elected in 1974 and 1980 and completed his Senate service in 1987.

The subcommittee joins majority leader GEPHARDT in supporting this bill, and it is fitting and proper to honor Senator Eagleton by designating the courthouse in St. Louis, MO, as the "Thomas F. Eagleton United States Courthouse."

□ 1310

This bill has my strong personal support and the support of the chairman of Public Works, the gentleman from California [Mr. MINETA]. It is bipartisan, with the support of the gentleman from Tennessee [Mr. DUNCAN], the gentleman from Pennsylvania [Mr.

CLINGER], the gentleman from Pennsylvania [Mr. SHUSTER], and others.

Mr. Speaker, I urge adoption of H.R. 4790.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Speaker, I rise in support of H.R. 4790, a bill to designate the U.S. courthouse to be constructed in St. Louis as the Thomas Eagleton United States Courthouse.

Tom Eagleton has been a dedicated public servant throughout his entire career. He entered politics at the age of 27 with election to the position of circuit attorney of St. Louis, and at the age of 31, he became attorney general of Missouri, and at the age of 35, he was elected Lieutenant Governor. In 1968 Tom Eagleton was elected to the U.S. Senate and served there with distinction until his retirement in 1987.

He returned to St. Louis upon his retirement, where he resides today, teaching, writing at least a weekly political commentary for many Missouri newspapers, and engaging in the practice of law.

This is an appropriate honor that we do Tom Eagleton. I am delighted to be a cosponsor of the bill and to urge my colleagues to vote for its passage.

Mr. CLINGER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the sponsor and the mover of this bill, the majority leader, the gentleman from Missouri [Mr. GEPHARDT], and also for the outstanding work of two cosponsors, the gentleman from Missouri [Mr. WHEAT] and the gentleman from Missouri [Mr. CLAY], and I also want to commend the fine gentleman on our subcommittee, the gentleman from Missouri [Mr. EMERSON], for his work on that.

With that, I urge adoption of this bill.

Mr. GEPHARDT. Mr. Speaker, I rise in strong support of H.R. 4790—to name the new Federal courthouse to be constructed in St. Louis in honor of a true friend of the American people, former U.S. Senator Thomas F. Eagleton.

H.R. 4790 is cosponsored by the entire Missouri delegation. I am pleased that Senators JACK DANFORTH and KIT BOND are leading this effort in the U.S. Senate.

Senator Eagleton will probably be embarrassed by this gesture, because he never wanted a monument to his good works. To him, waking up every day and working to improve the lives of the people of Missouri is its own reward. And the people he has helped—the families he has fought for—are the greatest monument he ever hoped to have.

To this day, Tom Eagleton is as unassuming, as understated, as quietly effective as the day he was first elected St. Louis circuit attorney at the age of 27. Even as the youngest prosecutor in the Nation in the mid-1950's, stature and success never got the better of him.

But throughout his career as my State's attorney general, as Lieutenant Governor, and as a respected Member of the Senate, Tom Eagleton's calm and quiet voice was also a voice of passion, and progress—a voice for reason, and justice—a voice that sought to lift up all people, and make our country a better place.

He championed the Older Americans Act, the cornerstone of so many Federal social programs for the elderly. He authored the War Powers Act. He was a leader of his party and a dear friend to his colleagues.

We often say in the House of Representatives that the mark of a good Congressman is that he never forgets where he came from. Well, in the case of Tom Eagleton, not only didn't he forget—in spirit, in concern, and in commitment, he never really left the State of Missouri. That may be why he moved right back to St. Louis after he left the Senate, and remains a pillar of my community back home.

When he first campaigned for the Senate, he acknowledged that "One Senator cannot alone resolve the * * * inconsistencies of our age." But he also knew that "One Senator, believing in our country's dedication to the redress of grievances and inequities of the past, can join * * * a chorus of hope for social and economic improvement."

Each and every day of Senator Eagleton's career here on Capitol Hill, his voice rang through that powerful chorus.

It inspired so many of us to work harder for justice, and fairness, and progress.

That's why I want his name to adorn this new hall of justice, in the State he loves so much and served so well—so that this legacy may continue to inspire, and his calm and quite decency may always endure.

I urge all of my colleagues to support this bill, and help establish the Thomas F. Eagleton U.S. Courthouse. I ask you to do it out of respect for an extraordinary leader, and out of commitment to the causes we share with the distinguished former Senator from the great State of Missouri.

Mr. WHEAT. Mr. Speaker, thank you for the opportunity to express my support for H.R. 4790, a bill to name the new Federal courthouse under construction in St. Louis, MO, after one of the most distinguished public servants I have ever been privileged to know, former Senator Thomas F. Eagleton.

He rose from the wards of south St. Louis powered by a driving intellect, a powerful charisma, and an ambition to see justice done for the people he served. Tom Eagleton was circuit attorney at 27, State attorney general at 31, and Lieutenant Governor at 35. Before he was 40, Tom Eagleton was a U.S. Senator. The 18-year Senate career that followed was marked by a passion for peace, a desire to better the economic condition of his constituents, and a fiery independence.

Tom Eagleton was a master lawmaker, using his unsurpassed political intellect to achieve progressive policy results. Sitting in a committee meeting one day in 1973, troubled by how to further his opposition to the war in Southeast Asia, he scrawled an amendment that banned the horrific bombing in Cambodia. When Turkey invaded the island of Cyprus, Senator Eagleton led the American reaction, sponsoring a cut-off of aid to the aggressor nation.

At home, too, the Senator was driven by courageous dedication to principle. He crafted the Older Americans Act, which extended new services to senior citizens. Also, the Clean Air Act Amendments of 1970, the Water Pollution Control Act of 1972, the District of Columbia Home Rule Act of 1974, the 1978 Inspectors General Act, the 1979 rescue of the Chrysler Corp., and many other pieces of legislation necessary for jobs, an improved quality of life, and a more efficient government had his active support and benefited by the application of his parliamentary acumen.

Tom Eagleton's political career is a study in dedication. It stands as a model of selfless public service. When I arrived in Congress, Senator Eagleton sought me out to offer advice and encouragement. He was one of my earliest and most influential mentors. After giving decades of his life to creative, enthusiastic public service as an elected official, the Senator decided to continue giving, this time as a teacher of Missouri's young people about the important role that an innovative, compassionate Government can play in our lives.

Mr. Speaker, I am proud to honor Thomas Eagleton's legacy, and I ask the committee to join me in supporting H.R. 4790.

Mr. TRAFICANT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 4790.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4790, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THOMAS D. LAMBROS FEDERAL BUILDING

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4727) to designate the Federal building located at 125 Market Street in Youngstown, OH, as the "Thomas D. Lambros Federal Building."

H.R. 4727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 125 Market Street in Youngstown, Ohio, shall be known and designated as the "Thomas D. Lambros Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Thomas D. Lambros Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Judge Thomas D. Lambros of Ohio has had a long and impressive judicial career. His devotion to the concept and ideal of social justice is widely known. He provided legal defense for indigent defendants before the Landmark Gideon versus Wainwright Supreme Court case. Judge Lambros was appointed a U.S. District Judge for the northern district of Ohio by President Lyndon B. Johnson in 1967. He became chief judge in 1990, a position he still holds.

I am personally knowledgeable of Judge Lambros' great intelligence and integrity and am honored to introduce and support this legislation.

This bill has my strong support, and the bipartisan support of the committee. I urge adoption of H.R. 4727.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. I rise in support of H.R. 4727, a bill to designate the Federal building in Youngstown, OH, as the "Thomas D. Lambros Federal Building."

Thomas Lambros was born to immigrant parents on February 4, 1930, attended local schools, was graduated from Fairmount State College, and received a law degree form Cleveland Marshall Law School in 1952. In 1960, he was elected judge of the court of common pleas for the State of Ohio, Ashtabula County.

In 1967, President Johnson appointed Judge Lambros U.S. district judge, northern district of Ohio. In 1990 he became chief judge of the northern district, where he resides today. I urge passage of the legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Judge Thomas D. Lambros is one of the finest men we have ever had in the northern district of Ohio. The people love him. He is fair. He takes the time.

His actions, in fact, have brought more people to understand America, especially immigrants who have come over to this country. He takes great pride in those types of ceremonies to make, and in fact let the new immigrants know, what a citizen of America means and what it stands for.

This is one very beautiful man and a beautiful family. I am very honored to bring this legislation.

I urge the Congress to pass the legislation.

Mr. MINETA. Mr. Speaker, I join in support of H.R. 4727.

Thomas D. Lambros was born in 1930 in Ashtabula, OH. After graduating from Ashtabula High School in 1948, he attended Fairmont State College in West Virginia, and received his law degree from Cleveland Marshall Law School in 1952. Lambros served in the U.S. Army from 1954 to 1956.

In 1960, at the age of 30, Lambros was elected judge of the court of common pleas for the State of Ohio, Ashtabula County. He was reelected to a second term without opposition in 1966.

In 1967, Judge Lambros' substantial judicial contributions were recognized when President Johnson appointed him U.S. district judge for the northern district of Ohio.

Judge Lambros was responsible for many important reforms such as the voluntary public defender program which provided indigent criminal defendants free counsel. His work in this area preceded the landmark U.S. Supreme Court decision, Gideon versus Wainright, which guaranteed free counsel to indigent criminal defendants. In 1990, Judge Lambros became chief judge of his court.

During his tenure as a Federal judge, Chief Judge Lambros has established a reputation as an innovative and committed public servant. He currently resides in Ashtabula, OH, and continues to serve as the chief judge of the U.S. district court.

In recognition of Judge Lambros' outstanding contributions to the judicial system, it is a fitting tribute to designate the Federal building located at 125 Market Street in Youngstown, OH, as the "Thomas D. Lambros Federal Building." Mr. Speaker, I urge support for the bill.

Mr. TRAFICANT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 4727.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4727, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WALTER B. JONES FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4772) to designate the Federal building and United States courthouse located at 215 South Evans Street in Greenville, NC, as the "Walter B. Jones Federal Building and United States Courthouse."

The Clerk read as follows:

H.R. 4772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building and United States courthouse located at 215 South Evans Street in Greenville, North Carolina, shall be known and designated as the "Walter B. Jones Federal Building and United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper,or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the "Walter B. Jones Federal Building and United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from North Carolina [Mr. LANCASTER], one of our fine Members.

Mr. LANCASTER. Mr. Speaker, I am pleased to cosponsor and support H.R. 4772, a bill to honor our late friend and colleague Walter B. Jones by naming the Federal building and U.S. Courthouse in Greenville, NC, for him.

Walter Jones served the people of eastern North Carolina in this House from February 1966 until his death in September 1992. Early in 1992, he had announced his intention to retire from public life at the end of the year; because of his untimely death, his colleagues of the House did not have the normal opportunity to let him know what he meant to them.

During his 26 years in Washington, he demonstrated time and again that he considered his duty to his constituents to be his highest priority. The people of the former First Congressional District sensed his love for them, and they returned that love in many forms and on numerous occasions.

He chaired the Merchant Marine and Fisheries Committee for a dozen years and lead that panel in a quiet but effective way. He was known for his bipartisan fairness in his leadership of the Committee.

Walter Jones had many legislative achievements in this House. They include:

Sponsorship of the landmark Oil Pollution Act, Congress' response to the *Exxon Valdez* oil spill.

Amendments to the Coastal Zone Management Act which overturned a Supreme Court decision which had diminished a State's right to review Federal actions that affected that State's coastal areas;

Successful opposition to Coast Guard user fees on recreational boaters;

Protection of the North Carolina Outer Banks from offshore oil drilling;

Successful resistance to efforts to eliminate the Sea Grant College Program and initiation of a research vessel fleet rebuilding program for the National Oceanic and Atmospheric Administration;

Sponsorship of the Shipping Act of 1984, a major rewrite of the laws regulating the ocean transportation of goods to and from the United States;

Major expansion of the National Marine Sanctuary Program; and

Sponsorship of the Foreign Shipping Practices Act, a statute which enables the U.S. Government to combat discrimination by foreign nations against U.S. vessels.

When I came to the House in 1986, Walter Jones was quick to befriend me and was always ready to offer guidance and advice when I sought it. In 1992, when it became apparent that redistricting would bring many of his constituents into my new congressional district, he diligently helped me become known to his many, many supporters and friends.

It is altogether fitting that this House honor Walter by passing this legislation. I congratulate and thank Mr. TRAFICANT for bringing it to us today.

□ 1320

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4772, a bill to designate the Federal building and U.S. courthouse in Greenville, NC, as the "Walter B. Jones Federal Building and United States Courthouse".

Walter Jones was a native of Fayetteville, NC, where he was born in 1913. He entered politics in 1949, having been elected mayor of Farmville, NC. He spent 6 years in the North Carolina legislature, and was elected to the U.S. Congress in 1966 to fill an unexpired term. He was reelected to succeeding Congresses through the 102d Congress. In 1981 Congressman Jones became chairman of the Committee on Merchant Marine and Fisheries, where he served with distinction until his death in 1992. I urge enactment.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as she consume to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am pleased to come before the House of Representatives to speak on behalf of the constituents of the First Congressional District of North Carolina, which I now represent, in honoring Congressman Walter B. Jones. To name a building after him is a gesture which will be appreciated by all those people served by Congressman Jones during his tenure in the House of Representatives.

Congressman Jones was elected to the House of Representatives in 1966 and served so ably for 26 years. During that time he served as chairman of the House Merchant Marine and Fisheries Committee from 1980 until his death in 1992. This was a post he held with pride because much of his district was coastline and this enabled him to respond to the concerns of much of his constituency.

Walter Jones loved the State of North Carolina—he loved the people of North Carolina. His goal was to be responsive to those people who elected him because they trusted him. He worked for the farmers, the businessmen, the veterans, the elderly, and all other constituents alike. No constituent problem was too large or too small for him to try to try to resolve. He was admired by his constituents for just that reason—that he was responsive to their needs and would go the extra mile to assist anyone who called on him. He knew no boundaries in his efforts to help—he was a willing listener and a friend to all.

I share in this tribute to my predecessor and am proud to be a cosponsor of H.R. 4772 to designate the Federal Building and U.S. Courthouse in Greenville, NC, as the Walter B. Jones Federal Building and Courthouse.

Mr. CLINGER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume, and I want to compliment the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from North Carolina [Mr. LANCASTER] for their efforts in response to this bill.

Mr. Speaker, I loved Mr. Jones. He would advise me on occasion and tell me not to fight so much; but every time I got into a fight he helped me.

I can remember when I passed the first Buy American amendment. If it was not for his help at 1:30 in the morning, it would not have passed. Mr. Speaker, that is the kind of man he was.

Mr. Speaker, Walter B. Jones of North Carolina, had a remarkable career as a public servant. Following election to numerous positions in North Carolina, he was elected to Congress in 1966. He then served until 1992. From the 97th through the 102d Congress, he served as chairman of the Committee on Merchant Marines and Fisheries. Congressman JONES was a dedicated and successful servant of his State and the Nation. He was a friend whom I greatly admired.

It is fitting that Chairman Jones be honored by having this Federal building and U.S. courthouse named after him.

This bill has my strong support, and the bipartisan support of the committee. I urge adoption of H.R. 4772.

Mr. MINETA. Mr. Speaker, I, too, rise in strong support of H.R. 4772, to honor our late friend and colleague, Walter B. Jones, by naming the Federal building and courthouse in Greenville, NC, after him.

Walter Jones was born in Fayetteville, NC, in 1913. He attended Fayetteville public schools and the Elise Academy in North Carolina. After graduating in 1934 from North Carolina State University, he engaged in an office supply business for 15 years.

In 1949, Walter B. Jones entered public office as the mayor of Farmville, NC, and served until 1953. He was elected to the North Carolina general assembly in 1955, 1957, and 1959, and the North Carolina State Senate in 1965. He began his service in the U.S. Congress after winning a 1966 special election, and was reelected to the 11 succeeding Congresses, serving from February 5, 1966, to January 3, 1989. Jones was a member of the powerful Agricultural Committee and served as chair of the Committee on Merchant Marine and Fisheries from the 97th through the 100th Congresses.

A dedicated servant of his State and country, Walter B. Jones resided in Farmville, NC, until his death on September 15, 1992. Congressman Jones was well-respected during his long career in Congress, and was known for his fairness and steadfast leadership. This naming bill is a fitting tribute to his accomplishments, and I urge support for the bill.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 4772.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ACQUISITION OF OLD U.S. MINT

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4812) to direct the Administrator of General Services to acquire by transfer the Old U.S. Mint in San Francisco, CA, and for other purposes.

The Clerk read as follows:

H.R. 4812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OLD U.S. MINT, SAN FRANCISCO, CALIFORNIA.

Not later than 1 year after the date of the enactment of this Act, the Administrator of General Services shall take such actions as may be necessary to acquire by transfer, without consideration, the property referred to as the "Old U.S. Mint", located at Fifth and Mission Streets in San Francisco, California, together with any improvements, structures, and fixtures located on the property.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the primary purpose of H.R. 4812 is to transfer the title of a very special building in San Francisco, CA, the Old U.S. Mint, from the Treasury Department to the General Services Administration, at no cost. This legislation will enable GSA, through the Federal buildings fund, to repair and renovate this historic landmark building.

The impressive granite building, treasured by the residents of San Francisco, and Californians, is on the National Register of Historic Places. The building was damaged during the Loma Prieta earthquake and needs extensive repair and restoration so that the public may once again enjoy it. This bill has my strong support, and the bipartisan support of the committee. I urge adoption of H.R. 4812, and reserve back the balance of my time.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4812, a bill to direct the Administrator of General Services to transfer, without monetary consideration, the Old U.S. Mint in San Francisco, CA, from the Department of the Treasury to the General Services Administration.

The Old U.S. Mint was constructed between 1869 and 1874, and is steeped in historical significance. It was built with granite, and has withstood earthquakes and fires.

In 1937 it ceased operating as a mint, and in 1972 was transferred from the mint to the Department of the Treasury, which operated the building as a museum. In 1993, the building was briefly closed, due to the discovery of damage caused by the 1989 earthquake.

Extensive renovations are needed, and the transfer of this property to GSA is the best way to accomplish repairs. GSA will submit a detailed prospectus to Congress on the proposed renovations. The committee will have an opportunity at that time to review the request, and will also have an opportunity to review future use of the building.

I support this no-cost transfer, and I urge enactment of the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI], who has worked very hard on this initiative.

Ms. PELOSI. Mr. Speaker, I thank the chairman for yielding this time to me.

I commend the gentleman and his committee for bringing this legislation to the floor. I appreciate Representative CLINGER's remarks in support of this legislation and also want to thank our chairman, the gentleman from California [Mr. MINETA], who I see is in the room, the author of this legislation. I want to thank him for making this possible for us to speak to this legislation today.

Mr. Speaker, I rise in support of this legislation.

The Old Mint Building was constructed between 1869 and 1874. Its nickname is "Granite Lady," being one of the first stone buildings completed in San Francisco and now remains as the city's oldest stone structure.

□ 1330

It has stood fast throughout the passage of time. It survived the earthquake and fire that devastated much of San Francisco in 1906. It is now on the National Register of Historic Places and has been designated a National Landmark building. Today, it houses the Old Mint Museum, where thousands of tourists and schoolchildren visit each year, and various administrative operations for the San Francisco Mint.

In December of last year, suddenly, and without warning, the Old Mint Museum was closed by the Treasury Department which cited an engineering report conducted to study the damage caused by the Loma Prieta earthquake of 1989. The study concluded that the "Granite Lady" could no longer adequately protect the basic life safety and health of employees and visitors.

Now, as it approaches its 120th birthday this November, the "Granite Lady," needs our help.

The National Trust for Historic Preservation has designated the Old Mint building as one of the Nation's most endangered landmarks.

The San Francisco community, including its elected officials, historic preservationists, major newspapers, and the school children who have held bake sales and letter-writing campaigns, all have banded together to keep the Old Mint Museum open, but, ultimately, this is a Federal responsibility.

As a national historic landmark, this building will not be torn down. Nor can it remain a potential life safety hazard to the community. Therefore, as Senator BOXER, who has been exceptional in her leadership on this issue, has said in introducing her companion legislation in the Senate, it is our responsibility to find a way to ensure that it will be repaired.

The legislation before my colleagues is a simple transfer of title from Treasury to the General Services Administration, as the gentleman from Pennsylvania [Mr. CLINGER] mentioned, to accomplish the goal of rehabilitating the Old Mint. I urge the swift adoption of this bill, as we are facing deadlines for closure from the Treasury Department.

Mr. Speaker, I would like to quote from a letter from Secretary of the Treasury Lloyd Bentsen. It is a letter to former Congresswoman, now Senator BOXER:

> As you know, I have sent letters to the Senate Committee on the Environment and Public Works and the House Committee on Public Works and Transportation supporting efforts to obtain a special authorization to fund this retrofit. This legislation would transfer ownership of the Old Mint from the Department of the Treasury to the General Services Administration in order to pay for the improvements from the Public Buildings Fund.

Mr. Speaker, I am very pleased to place Secretary Bentsen's request in the RECORD, and, with that, Mr. Speaker, I know I was yielded such time as I may consume, but, if I may, I want to commend the gentleman from Ohio [Mr. TRAFICANT] for his leadership and commend the chairman of the full committee and author of this legislation for moving this bill through so expeditiously.

Mr. TRAFICANT. Mr. Speaker, no one has looked after the interests of California better than the now chairman of the Committee on Public Works and Transportation, and he is doing the same job for all of America.

I yield such time as he may consume to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I thank the gentleman from Ohio [Mr. TRAFICANT] for yielding me this time to me.

Mr. Speaker, I rise in support of H.R. 4812 and would like to command the gentlewoman from California [Ms. PELOSI], my colleague, for joining me in cosponsoring this very, very important piece of legislation.

Mr. Speaker, H.R. 4812 would transfer title to the Old United States Mint located in San Francisco to the General Services Administration at no cost. It will enable GSA, through the Federal buildings fund, to repair and renovate this historic landmark building.

Mr. Speaker, the Old Mint Building was constructed between 1869 and 1874. It is one of the first stone buildings constructed in San Francisco and now remains as the city's oldest stone structure. It is on the National Register of Historic Places and has been designated a national landmark building. Today it houses the Old Mint Museum where thousands of tourists and school children visit each year, as well as various administrative operations for the San Francisco Mint.

Last year, Mr. Speaker, the mint was closed because of damage caused by the Loma Prieta earthquake. Now, as it approaches its 120th birthday in November, the Old Mint needs our help.

Mr. Speaker, the legislation before us is a simple transfer of title from Treasury to the General Services Administration to accomplish the goal of rehabilitating the Old Mint to preserve one of your Nation's most endangered landmarks. I urge adoption of H.R. 4812.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just join in commending the gentleman from California [Mr. MINETA] and the gentlewoman from California [Ms. PELOSI] for this measure which I think is overdue and is obviously moving us in the direction to preserve this vital landmark and important historical building for posterity.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Tennessee [Mr. DUNCAN], the ranking member, for all their work on all this legislation. I commend the chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA].

With that, Mr. Speaker, I would urge an "aye" vote.

Mr. Speaker, I yield back the balance of our time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 4812.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT ON H.R. 2739, FEDERAL AVIATION ADMINISTRATION AUTHORIZATION ACT OF 1994

Mr. MINETA. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 2739) to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1994, 1995, and 1996, and for other purposes.

The Clerk read the title of the bill.

(For conference report, see proceedings of the House of Friday, August 5, 1994, at page 20112).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MINETA] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the conference report on H.R. 2739, the Federal Aviation Administration Authorization Act of 1994.

At the outset, I want to thank my colleagues who have worked long and hard to pass this important piece of legislation. The Chair and ranking member of the Subcommittee on Aviation, Congressmen OBERSTAR and CLINGER, have labored for over a year to pass a bill that adequately meets the needs of the aviation community.

I would also like to recognize the ranking member of the full committee, Congressman SHUSTER, for his support of this legislation. In addition, due to the face that the Senate amendment included a comprehensive trucking provision, I would like to thank the Chair and ranking member of the Subcommittee on Surface Transportation, Congressmen RAHALL and PETRI, for their efforts to resolve an issue with major economic consequences for the motor carrier industry.

Also, I would be remiss if I failed to acknowledge the contributions of the Committees on Ways and Means, Science and Technology, Banking, Education and Labor, and Foreign Affairs, without whose valuable assistance this conference report would not have been possible.

Last, I want to acknowledge the work of my Senate colleagues, the Chair and ranking member of the Senate Committee on Commerce, Senators HOLLINGS and DANFORTH, as well as the Chair and ranking member of the Subcommittee on Aviation, Senators FORD and PRESSLER, who were instrumental in reaching a final agreement.

Mr. Speaker, in a few minutes, Congressman OBERSTAR will describe in detail the conference agreement with respect to the aviation issues. For my part, I want to note two issues which I consider important.

The conference report provides for the establishment of a 5-year term of office for the FAA Administrator. For too long the FAA has not had the experienced leadership it requires because its Administrators rarely stay more than 18 months. No sooner does an Administrator obtain the experience and knowledge necessary to effectively run the complex agency, when he would leave. I believe the term of office provision sends a strong signal that this is unacceptable.

Perhaps most importantly, this legislation would establish funding for the Airport Improvement Program through fiscal year 1996. I think I speak for many individuals and airports when I say that I am glad to see a multiyear authorization in this bill. This will enable airports and the FAA to develop long term planning of airport projects, and it will provide the necessary stability and continuity for doing so.

Mr. Speaker, I would also like to address a very important motor carrier issue which is included in the conference report.

In the interest of saving the American consumer $3 to $8 billion annually, this conference report would preempt State regulation of price, routes and services of motor carriers, as well as air carriers and carriers affiliated with direct air carriers through common controlling ownership when transporting property in intrastate commerce. We are preempting State economic regulation in the trucking industry as we did many years ago in the airline industry.

At the same time, States will continue to be able to regulate other noneconomic aspects of the industry, that is, safety, routing for hazardous cargo, and minimum amounts of insurance as well as certain other regulations that apply to trucks.

In addition, motor carriers are provided with options regarding certain standard transportation practices which they may choose to be regulated in, by States that regulate those practices, as long as that regulation is no more burdensome than Federal regulation of those practices.

The bill sent over from the Senate contained a provision which preempted State regulation of price, routes, and services for only some carriers and retained regulation for others. This would have created considerable inequities within the motor carrier industry.

Our response was to craft a provision which would free all motor carriers and trucking services of air carriers from the constraints of State regulation relating to price, routes, and services; thereby creating a level playing field for all.

I want to emphasize that the trucking provisions in this conference report are part of a major effort by this Congress to reduce economic regulation of the trucking industry, to increase reliance on competitive market areas, and to reduce the size and role of Government bureaucracies.

This first step was the enactment of the Negotiated Rates Act late last year. That bill untangled a major regulatory mess which burdened shippers all over America.

The second step is this conference report, which will eliminate State economic regulation of truck transportation.

And the third step will be adoption of legislation dramatically cutting back the regulatory role of the ICC over interstate trucking—specifically by eliminating the requirement to file rates with the ICC. We hope to have legislation accomplishing this third step on the House floor very soon.

Taken together, these three bills will constitute the largest deregulation initiative in the transportation industry since the Motor Carrier Act of 1980. And while the Negotiated Rates Act has temporarily increased the responsibilities of the ICC, the cutback in ICC's interstate regulatory functions will allow the total size of the agency to be reduced by one-third.

We will have accomplished not just agency reduction, but also regulatory reduction. American industry will benefit both from the lower cost of a reduced regulatory burden and from the increased efficiencies of a more marketplace-driven transportation industry.

Mr. Speaker, in all, the conference agreement on H.R. 2739 strikes a delicate balance on important aviation and motor carrier issues facing our Nation.

□ 1340

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it has taken a long time to get to this point—too long, I think most of us would point out. But I am pleased to join the chairman of the committee, the gentleman from California [Mr. MINETA], and the subcommittee chairman, the gentleman from Minnesota [Mr. OBERSTAR], in bringing the conference report on the airport improvement program to the floor today.

It was just about a year ago that this body passed the multiyear reauthorization of the AIP program. Since then other issues such as product liability and airport fees have held up further action in the other body, but mercifully the logjam was finally broken and the bill was passed in the other body and the differences between the House and the Senate were resolved in a 1-day conference last week.

The conference report makes many important legislative changes. The one that got the most attention as a matter of fact was not even an aviation issue. Rather, it was a surface transportation issue involving the deregulation of trucks. The legislation makes a very significant change in this area, as Chairman MINETA has pointed out, by removing unnecessary and anticompetitive State trucking regulations that impede efficient interstate and intrastate trucking operations. This is going to save businesses and consumers more than $5 billion. The bills on the earlier deregulation initiatives of the Reagan and Bush administrations and the conference substitute modifies the original Senate provision by leveling the playing field among all segments of the industry and including all intrastate trucking firms within its coverage. It is in effect absolute deregulation of the entire industry.

In aviation, the most controversial aspect of this legislation was the provision on airport rates and changes. This provision is designed to give some relief to financially strapped airlines and, more importantly, ensure that airports do not build up surpluses that can then be converted to nonaviation purposes. The threat of revenue diversion was probably the prime motivation for the rates and changes provisions within the regulation.

There is an old saying: "Don't tax you, don't tax me, tax the guy behind the tree." Mr. Speaker, in this case, it is the airline passenger who is the "guy behind the tree." Many cities with significant revenue needs may see the airline passenger as an easy mark, a patsy. The passenger passing through the local airport is in no position to complain if higher airport fees on airlines are passed on to the customer. Yet those fees can raise the cost of air travel and at the same time undermine the national air transportation system. Therefore, it is important that cities not be tempted to view their local airport as a cash cow that can be milked to the detriment of airline passengers. This legislation takes a strong stand against that practice.

At the same time we recognize that procedures established in this bill should not undermine the legitimate efforts of airports to raise funds to improve their facilities. It is important that this legislation not be used by airlines to block airport improvement projects that could and would increase airline competition.

Therefore, the conferees were very careful to modify some of the more onerous provisions. In particular, the escrow provision as modified in a way that was acceptable to the financial community while still insuring that airlines would get paid if they win in a fee dispute case. This was a very delicate negotiation, but I think it was one that left everybody relatively satisfied with the result.

Also with respect to the civil penalty provision, the conferees explained that the ability to compromise a civil penalty includes giving an airport the chance to cure a violation.

Another provision with perhaps far-reaching implications is the section on slots. The slot restrictions at the four high-density airports have become a significant constraint on ensuring competition on international air service and on service to smaller communities. This legislation will ensure that small communities that have lost service to the O'Hare Airport can get it back with flights that are at times of maximum passenger demand. This should save the Government money since in many cases the service to O'Hare can be provided without subsidy, thereby replacing subsidized service that now goes to other airports.

Lost in all the discussion of these legislative provisions, Mr. Speaker, is perhaps the most important aspect of this bill—the release of new funds for airport improvements.

□ 1350

Our airports have important infrastructure needs that this legislation will help to meet. In this connection, I would like to once again draw attention to the disturbing decrease in the obligation ceiling for the airport improvement program. Some have indicated that the importance of AIP funding is diminished by airports' ability to assess passenger facility charges. Nothing could be further from the truth. The PFC is only intended to supplement the AIP program. This was made clear when the PFC was enacted in 1990, and it is just as true today.

Therefore, Mr. Speaker, I would urge full funding in the future for the AIP program. For now, I would urge the FAA to spend the money provided by this bill wisely, fairly considering the needs of all our airports, both large and small.

I want to at this time commend the gentleman from Minnesota [Mr. OBERSTAR], chairman of the subcommittee, for the very hard work that has gone into this legislation, for his always skillful ability to blend together disparate views into a very good bill, and the gentleman from California [Mr. MINETA], the chairman of our full committee, and the gentleman from Pennsylvania [Mr. SHUSTER], the ranking member of the full committee. I think it has been a notable effort on all hands and it is going to benefit the air travelers in our country.

Mr. Speaker, I reserve the balance of my time.

Mr. MINETA. Mr. Speaker, I am pleased to yield such time as he may consume to the very distinguished gentleman from Minnesota [Mr. OBERSTAR] the chairman of our Subcommittee on Aviation who has done such an excellent job in his stewardship of this subcommittee.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman from California [Mr. MINETA] our chairman, for those kind words and for yielding time. I also express my appreciation to the gentleman from Pennsylvania [Mr. CLINGER] for his kind words and extend to him my gratitude and my appreciation for the working relationship we have had throughout these many years, and particularly again on this legislation. The gentleman from Pennsylvania has always been available at any time needed, has always contributed thoughtful suggestions and insights into legislation that we handle, and has been a craftsman of the first order, and I appreciate the working relationship we have had throughout these years.

Mr. Speaker, the conference report will enact the 3-year Federal Aviation Administration programs at a total program authorization level over the 3 years of $28.38 billion. The legislation, of course, includes reauthorization on a multiyear basis of the Airport Improvement Program which we have been trying to pass on a multiyear basis since 1992. Unfortunately, the bill has been held hostage to continuing delays in the other body by other unrelated issues, which under Senate rules make it an easy target when there is legislation that is of a must nature, as the AIP program certainly is.

We do have to act quickly. $800 million hangs in the balance, funding that airports desperately need, as the gentleman from Pennsylvania said just a moment ago, to get underway with capacity enhancement projects.

At the beginning of this decade we in the Subcommittee on Aviation, after extensive hearings and consultation with a wide range of aviation experts, including airport managers, airport executives, airlines, airline labor, the traveling public as represented by various groups, identified a need of $10 billion a year over the balance of this decade to enhance capacity at our airports and at least hold down, if not totally reduce at certain airports, delays.

So this legislation is critically important if we are to keep faith with the traveling public and put to best use the aviation tax dollars that they are contributing every time they board an aircraft to fly throughout this country.

The conference report I believe is an outstanding product that includes almost all the provisions of the House bill. I especially am pleased that the conference report includes a 5-year term for the FAA administrator.

This provision will do more for FAA than practically anything else we could do by giving the continuity of leadership, which is so urgently needed, to reform this agency, to give it stability, to give it a sense of direction, to give the administrator the leadership authority that the administrator needs, to ensure that we stay on schedule and within budget on the $30 billion modernization program for the Air Traffic Control Program.

The conference report made important changes in provisions adopted by the other body. In particular, I am pleased that the conference report does not include the Senate provision that would have allowed the State of Hawaii to regulate intrastate air transportation. That provision could very well have set a precedent that could have spread to other States in similar circumstances and seriously undermined the deregulation of interstate air transportation, which has proven to be so successful in saving passengers billions of dollars in air travel costs.

The conference report also modifies the controversial provision in the Senate bill that requires, or would have required, airports to place proposed increases in airport fees in an escrow account while DOT would review the challenge over fees. The financial community was concerned that the escrow provision could delay payments to bondholders, and that as a result, buyers of bonds would demand higher rates of interest, thereby increasing airport construction costs.

To eliminate this provision, the conferees, after long deliberation, agreed to replace this escrow account concept with a procedure in which airlines would pay disputed fees under protest with the airport being required to post a surety bond guaranteeing that the fee would be repaid if the airport should lose the case.

The bond community has agreed that the payment under protest provision is not likely to lead to higher interest rates, and this compromise has received wide acclaim throughout the aviation community.

The conference report also allows airports to use passenger facility charges to finance compliance with Federal mandates on the air side of the airport, such as the Americans with Disabilities Act, the Clean Air Act, the Federal Water Pollution Control Act.

That eligibility, I want to emphasize, is limited to compliance required, with Federal mandates, to build airfield capacity. It would include environmental mitigation efforts to permit air side development to go forward. We are not extending funding with PFC's to Federal mandates on the land side of the airport.

This PFC authority will give airports an additional means of financing their required compliance with Federal mandates where such requirements are directly related to and part of a capacity enhancement project. I want to make it very clear what we are doing with this language is very limited, applies to the air side only, and I do not want any subsequent expanision of this language to include anything other than what the conferees have very strictly and carefully limited this language to.

The bill outlaws gambling on international flights, including those on foreign airlines. This provision will remove a competitive inequity, that is, that under existing law, U.S. airlines are prohibited from offering gambling on international flights, but foreign airlines are not.

There is not time to discuss all of the 70-some aviation items covered by the conference agreement, but I will include a very brief summary of the main provisions. Especially I want to call attention to the slot language that is so important.

I particularly want to pay tribute to counsel on the Subcommittee on Aviation, Dave Heymsfeld, who has devoted an enormous amount of time, and particularly some very, very creative suggestions as we went along through this process that helped resolve some difficult roadblocks or items that could have been roadblocks between our version and the Senate version of this language.

I would also like to pay tribute to David Shaffer on the Republican side who has participated, as this staff always does, on a totally bipartisan basis and contributed many hours of time and creative ideas to helping to get this legislation through, and also want to mention all the other members of our staff who contributed yeoman work.

Mr. Speaker, I urge the passage of the conference report.

Mr. Speaker, I include for the RECORD the main provisions of the conference report.

MAIN PROVISIONS OF CONFERENCE REPORT—FEDERAL AVIATION ADMINISTRATION AUTHORIZATION ACT OF 1994

(1) AIP Authorization: $2.105 billion for FY 94 ($889 million already authorized by interim act, P.L. 103-260); $2.161 billion for FY 95; $2.214 billion for FY 96.

(2) F&E Program: Authorizes a total of $7.9 billion for FY 94-96.

(3) FAA operations: Authorizes a total of $14 billion for FY 94-96 and limits spending from Trust Fund to 70% of FAA's budget (current law 75%).

(4) Establishes a fixed term of office of 5 years for the FAA Administrator.

(5) Slots:

(a) Requires Secretary to ensure that slots are made available for the Essential Air Service program. Slots are to be provided by exemption unless exemption would significantly increase operational delays. Slot transfers would be required only if an exemption could not be issued.

(b) Authorizes exemption for the creation of additional slots at airports other than Washington National for foreign air transportation and new entrants.

(c) Permits carriers to "slide" slots from one hour to another at Washington National Airport, so long as this does not increase the total number of daily slots, or produce an increase of more than two slots in any single hour.

(6) Requires DOT to complete on going study of the high density rule by January 31, 1995 and to undertake follow up rulemaking.

(7) Airport Fees:

(a) Establishes new expedited procedures for resolving airport fee disputes, with an initial decision by administrative law judge, and a 120 day deadline for DOT's final decision.

(b) During the 120 day period, increased fees may be paid under protest and the airport must post a surety bond or letter of credit to guarantee immediate repayment to the airlines if the fee case is successful.

(8) Revenue Diversion:

(a) Establishes new and enhanced sanctions to enforce the assurance against revenue diversion, including civil penalties (up to a limit of $50,000), and denial of new AIP and PFC applications.

(b) Prohibits the imposition by a state or local government of a new tax or charge imposed exclusively on airport businesses or airport permitees if the tax proceeds are not used for airport purposes.

(c) Adopts House provisions that use of airport revenue off-airport will be a factor militating against AIP discretionary grants (modified to apply only in cases in which the dollar amount of revenue diverted increases above 1994 level).

(9) Allows PFCs to be used to fund compliance with specified federal mandates (ADA, Clean Air Act, Federal Water Pollutions Control Act) in the case of airside construction or environmental mitigation to permit airside construction.

(10) Requires DOT to complete in 6 months the ongoing rulemaking to reduce the rate of random drug testing for aviation personnel.

(11) Prohibits airports from imposing PFCs on frequent flyers.

(12) Provides that before approving a PFC, DOT must find that the application includes adequate justification for each of the projects proposed.

(13) Prohibits the transportation or use of gambling devices on international flights to the U.S. by U.S. carriers or by foreign air carriers. Requires a DOT study of whether gambling should be permitted, including legislative recommendations.

(14) The Conference agreed not to include the controversial provision in the Senate bill allowing the state of Hawaii to regulate intrastate air transportation.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds, just to join with the gentleman from Minnesota [Mr. OBERSTAR], the chairman of the subcommittee in commending the staffs on the hard work that went into this bill, Mr. Heymsfeld, Mr. Shaffer and others, who worked long and diligently to bring this bill to fruition. It was not an easy assignment, and it required a great deal of diligence and fortitude to stick with it. But they did a superb job and I commend them for it.

Mr. Speaker, I yield 5 minutes to a very valued member of the committee, the gentleman from Wisconsin [Mr. PETRI].

□ 1400

Mr. PETRI. Mr. Speaker, I rise in strong support of the conference report to H.R. 2739. With approval of this conference report, we will finally reauthorize the Airport Improvement Program—which has remained unauthorized since October of last year—and allow for the distribution of critical airport construction funds. Several other important aviation reforms will also be accomplished.

As the ranking Republican on the Surface Transportation Subcommittee, I also want to take a moment to highlight section 601 of the conference report. Section 601 preempts State regulation of prices, routes and services of air carriers and all motor carriers when transporting property.

I want to emphasize that all motor carriers are exempted from State economic regulation. One of the concerns regarding the provision as passed by the Senate was that the language was so vague that it was unclear which carriers would be covered by the preemption and which would not. But it was clear that not all carriers would be deregulated. The concern raised by this unequal treatment was evident at a recent hearing on this issue held by the Surface Transportation Subcommittee.

So one of our major purposes in crafting the language included in this conference report was to be sure that all carriers were treated equally and that no type or class of carrier had a competitive advantage over another.

I believe we have accomplished that here.

I also want to be clear that we are preempting prices, routes, and services only—we are not preempting State authorities relating to safety, hazardous materials, truck size and weights, or insurance requirements. Those authorities and others remain unchanged by section 601.

In addition, carriers may elect to come under regulation of certain standard transportation practices if a State chooses to regulate in certain specified areas, but the State regulation must be no more burdensome than Federal regulation on these same matters.

Just as the Motor Carrier Act of 1980 led to dramatic changes in the way of doing business in interstate trucking, so will section 601 lead to important changes in intrastate trucking. Carriers currently face a patchwork of regulation in 41 States, resulting in operational inefficiencies, higher costs, and a paperwork burden. Under section 601, these will be removed, to be replaced with a competitive marketplace that allows for greater efficiencies and innovation on the part of the trucking industry.

Mr. Speaker, I urge the House to adopt the conference report.

Mr. Speaker, in addition to reauthorizing the Airport Improvement Program and allowing for the distribution of critical airport construction funds, the conference report includes another very important provision which will revolutionize our transportation industry.

Section 601 of H.R. 2739 preempts State regulation of prices, routes, and services of air carriers, carriers affiliated with a direct air carrier through common controlling ownership, and all other motor carriers (including motor private carriers) when transporting property. The preemption for air carriers and carriers affiliated with a direct air carrier is found in section 41713(b)(4) of title 49 of the United States Code (the Federal Aviation Act) and is identical to the current intrastate preemption for air carriers in section 41713(b)(1). All other motor carriers are deregulated under the Interstate Commerce Act, section 11501 of title 49.

The preemption applies only to economic regulation of prices, routes and services and does not restrict authorities of the States to regulate safety, insurance requirements, truck size and weights, and hazardous materials. However, no new authority is provided in these areas.

In addition, a State may choose to regulate four specific standard transportation practices—relating to uniform cargo liability rules, uniform bills of lading or receipts, uniform cargo credit rules, and antitrust immunity for interlining, classifications and mileage guides—but may do so only in a manner that is no more burdensome than Federal regulation on the same subject matter. Importantly, it is up to each individual carrier to determine whether it wants to come under State regulation in terms of these four operating practices. Conferees decided to make regulation of these practices optional on the part of carriers since the industry was divided as to its desire to be covered under this regulation.

While the intrastate deregulation provisions originally passed by the Senate in S. 1491 would have applied only to certain carriers, language we have included in this conference report will provide equal treatment to all carriers and no type or class of carrier will have a competitive advantage over another. We believed that this equitable treatment was essential and was our primary goal in modifying the Senate provision.

Just as the Motor Carrier Act of 1980 led to dramatic changes in the way of doing business for interstate trucking, so will section 601 lead to important changes in intrastate trucking. Currently, carriers face a patchwork of State regulation in 41 States relating to intrastate transportation. While some State regulation is minor, other States impose very heavy, restrictive regulations and requirements on carriers which result in operational inefficiencies, higher costs, and a paperwork burden. As officials from the Department of Transportation testified at a July 20, 1994 Surface Transportation Subcommittee hearing on this issue, it is estimated that State regulation costs shippers between $3 billion and $8 billion per year. Obviously, these costs are then passed on to consumers.

State economic deregulation will undoubtedly lead to shifts in the trucking industry as carriers must adjust to the new way of doing business. Some carriers may find it hard to compete in an unregulated market. Nevertheless, it seems apparent that the overall benefits of deregulation are worth it. Many carriers and States have contacted the Surface Transportation Subcommittee warning of dire consequences resulting for the preemption of State regulation. I believe it is important to note that 9 States and the District of Columbia currently do not regulate intrastate prices, routes and services—and some never have. My own State of Wisconsin deregulated over 10 years ago and we are prospering. Customers, both urban and rural, continue to be well served, safety has not been compromised, and trucking rates and services are competitive.

Mr. Speaker, I urge adoption of this conference report in order to reauthorize needed aviation programs and to provide for greater efficiencies and competition in intrastate trucking.

Mr. CLINGER. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON] a very valued member of the committee and one who has been a leader on this issue of track deregulation.

Mr. EMERSON. Mr. Speaker, I wholeheartedly endorse H.R. 2739, the Aviation Infrastructure Investment Act of 1994 and urge its passage. As most of us are aware, this bill contains the necessary provisions that once and for all will bring about a level playing field for the motor carrier industry. I want to thank our distinguished chairman of the Public Works and Transportation Committee, Chairman MINETA and Surface Transportation Subcommittee Chairman RAHALL, as well as our distinguished ranking Republicans, Mr. SHUSTER and Mr. PETRI, for working with a whole host of folks to see this to fruition, and, of course, Aviation Subcommittee Chairman OBERSTAR and ranking member BILL CLINGER for their recognition of the intermodal imperatives of this competitive era.

For several years now, our committee has been attempting to address the issue of economic deregulation of the trucking industry. Over the years, we have heard from small, medium and large trucking companies, consumer groups, highway users, union representatives, and State regulatory interests—just to name a few. The persistence on the part of the Members of the House Public Works and Transportation Committee as well as its dedicated staff has, indeed, paid off. I am particularly pleased to see that the legislative provisions adopted in this bill are almost identical to a bill that I introduced last year, H.R. 2860, the Trucking Regulatory Reform Act of 1993. Those of us who have pushed for the removal of these costly, antiquated barriers are elated to see them finally being removed. The work done by the Congress to reform the trucking industry will create jobs and allow for the more efficient transportation of goods and services thereby saving millions of dollars for the consumer.

The time has come that we act on correcting the costly inefficiencies and waste of the current system of interstate and intrastate trucking regulation. We've all heard the horror stories of it being cheaper to ship something from Dallas to New Orleans in Louisiana than from Dallas to Houston in Texas. Why? Because State regulations have a stranglehold on shipping goods inside the State. These regulations, many of which originally were enacted to insulate intrastate trucking interests from interstate competition, that may have been appropriate at some point in the historic development of our transportation industry, are not in this modern competitive era.

If we look across the Atlantic, there is an excellent example of deregulation. The European Community has recognized the benefits of eliminating its internal barriers; it is imperative that the United States follow suit. Strong evidence and study after study have shown that the Motor Carrier Act of 1980 has resulted in substantial savings for the American consumer. There is no doubt that reduced rates, improved services, and greater inventory flexibility and efficiency have occurred since 1980. Currently, domestic goods require an average of 6 to 10 truck trips before reaching the consumer, whereas imports require only 1 or 2. Removing Federal economic barriers would allow for market expansion, increase competition and lower prices. The inefficiencies of circuitous routing and empty backhauls would be eliminated. It is estimated that it would save billions in shipping, merchandising, and inventory costs. At the same time, leaving these regulations cost American businesses and consumers $5 to $12 billion a year.

The provisions in this bill calling for the economic deregulation of the trucking industry are supported by over 200 small, medium, and large companies, trucking firms, shippers, brokers, and consumer groups. Mr. Speaker, in my mind, it is hard not to recognize the overwhelming arguments for deregulation of the trucking industry, and I think Congress has to come to this realization. I urge the passage of this bill and hope my colleagues will support it. We have a real opportunity here to enhance American productivity, competitiveness, profitability, and most fundamentally, jobs.

Mr. CLINGER. Mr. Speaker, I commend the gentleman on his efforts on intermodal imperatives on which he has been a leader.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, title III, the research, engineering, and development, portion of the legislation before the House, represents a strong bipartisan effort to enhance the Agency's research programs. This is illustrated by the fact that all the House conferees on title III signed the conference report.

The conference report includes the House mandate that FAA establish a long-term research program in cabin air quality.

Airplane cabin air quality has not shown to be harmful. However, that is the heart of the problem. The potential transmission of diseases by bacteria and viruses has never been studied scientifically.

The conference report agreed with the mandates in the House passed provision, that if there is a problem, it should be addressed before major health problems occur.

On the other hand, if the cabin air quality and disease transmission are not problems, then FAA, with assistance from the Centers for Disease Control, will have a scientific data base on which to base future decisions.

The conference report also includes the House provision requiring the Agency to establish a joint dual-use aviation research and development program.

The program calls for the establishment of a joint FAA-Federal agency, including DOD, aviation research and development program, which will be conducted by grants to industry.

The intent is to assist the Defense sector in making the transition to civilian sector. This would preserve both the high technology involved and the jobs. Moreover, the program would provide the civilian aviation sector with expertise developed by the military.

In order to make advancements in aviation safety and to develop future technologies, FAA must have a strong research program.

This conference report before the House, accomplishes that goal.

I want to thank Science Committee Chairman BROWN, and ranking Republican member WALKER for their leadership and support of the FAA research programs.

I also want to thank subcommittee Chairman VALENTINE for his willingness to work in a bipartisan manner throughout the development of the research programs I discussed earlier.

Finally, I want to thank Public Works Chairman MINETA and ranking member SHUSTER, as well as Mr. OBERSTAR and Mr. CLINGER for their cooperation and support.

Mr. MINETA. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR], chairman of the Subcommittee on Aviation.

Mr. OBERSTAR. Mr. Speaker, the bill before us is a truly remarkable bipartisan product. It is legislation which both sides have participated in. The reason it is so and is here on the floor today with virtually no controversy is a tribute to the leadership and demeanor of our chairman, the gentleman from California [Mr. MINETA], who has participated in every aspect of the formulation of the legislation, especially in this case with the complexity of the trucking deregulation provision added on to aviation.

His partnership and participation and, of course, his 8 years of chairmanship of the Subcommittee on Aviation to which he came in the early years of deregulation and masterfully watched over and hovered over the crafting of deregulation in such a way that it really benefited the entire traveling public.

I pay special tribute to our chairman for his partnership and his leadership.

□ 1410

Every year, Mr. Speaker, over a billion people world wide travel by air. Over half of them travel in the United States. Air travel will continue to grow as the world adds the population of New York City every year, and over a billion people by the end of the decade. Air travel will continue to grow, continue to be a point of fascination and of economic stimulus. It is a $6 billion sector of our domestic economy.

Mr. Speaker, the United States is the recognized world leader in aviation. This legislation will help keep us at the forefront of leadership in aviation worldwide.

Mr. MINETA. Mr. Speaker, I wish to commend our colleague, the gentleman from Minnesota [Mr. OBERSTAR], for his gracious comments a little while ago.

Mr. Speaker, I am very, very proud to be chairman of the Committee on Public Works and Transportation. More importantly, I am very, very proud of the members of our committee, who work on a very strong bipartisan basis as a regular way of doing business.

Whether it is the gentlemen from Pennsylvania, Mr. SHUSTER and Mr. CLINGER, or the gentleman from Wisconsin, Mr. PETRI, or any number of our other colleagues on the committee who are Chairs, we do work, both staff and Member-wise, on a bipartisan basis. Again, I wish to thank everybody for their hard work.

Mr. RAHALL. Mr. Speaker, the conference agreement on H.R. 2739 contains a provision that originated in the Senate, but which was substantially modified by the House conferees, relating to the preemption of State economic regulation of intrastate trucking.

The distinguished chairman of the Committee on Public Works and Transportation, NORM MINETA, has explained this provision in detail and the reasons why it is contained in the pending conference report. I applaud him and our staff and our ranking minority for their hard work on this bill.

I would note that in my capacity as chairman of the Subcommittee on Surface Transportation, and a conferee on this bill, it has been my position that if we were to travel down the path of preempting State regulations relating to rates or prices, routes and services, we should only do so by treating all motor carrier operations equally.

Further, there are certain aspects of State regulation which clearly should not be preempted; primarily relating to safety requirements.

The Senate passed provision, however, utilized terminologies and language which created a great deal of confusion as to its ultimate scope and effect, and a level playing field for all.

The House proposal, adopted by the conferees, provides for a much more clear and concise reading.

As such, under the provision pending before us today, regardless of whether you are an air carrier that also happens to own trucks, a motor carrier that also happens to own airplanes, or a motor carrier with no air component whatsoever, you would receive equal treatment with respect to the preemption of State laws pertaining to prices, routes, and services.

In addition, if you are a motor carrier operating in a State which regulates items such as uniform cargo liability rules, uniform bills of lading, uniform cargo credit rules and antitrust immunity for classifications and mileage guides, you could continue to be covered by those regulations at your option.

Mr. Speaker, I am not known as a fan of further motor carrier deregulation.

This preemption provision came to the House floor by means other than being approved by my subcommittee and reported by the Committee on Public Works and Transportation.

However, subsequent to the Senate action, we found ourselves in a position where the majority of the committee members favored taking action on this matter. I have also been contacted by a great many Members of this body who urged our favorable consideration of the Senate provision.

I respect their views and the majority wishes on this matter.

In addition, I can certainly understand the competitive concerns being advanced by companies like UPS and others that gave rise to this legislation in the wake of the 1991 Ninth Circuit Court of Appeals decision in Federal Express versus California Public Utilities Commission.

This is a ruling which found that FedEx was essentially an air carrier and as such immune to State motor carrier regulations.

At the same time, I do not think we can ignore the concerns of the independent, smaller, and often family-run trucking companies who fear the uncertainties this legislation means to their operations.

And we must not forget the working men and women of the motor carrier industry who have already suffered greatly during the deregulatory atmosphere of the 1980's. They, too, will be subjected to further uncertainties under this bill.

With the enactment of this legislation, it will be a brave new world in which many trucking companies and their employees will seek to operate.

Ultimately, though, the conference committee clearly felt that the pending legislation is in the overall public interest: Consumers, shippers, motor carriers, and their employees alike will benefit.

I trust that the judgment of the conferees, and this body, will be upheld over the course of the implementation of this legislation.

Mr. Speaker, with this said, I am compelled to urge the adoption of this conference report on H.R. 2739.

Mr. DEFAZIO. Mr. Speaker, I am strongly opposed to legislation that would deregulate the intrastate trucking industry. It's bad for shippers, bad for highway users, and bad for rural America. If you liked Frank Lorenzo, you're going to love this bill.

Deregulation flies in the face of every lesson we've learned over the past 16 years. Interstate motor carrier bankruptcies—caused in large part by the last round of deregulation—topped 1,600 in 1990, and the list is growing. Along the way, thousands of family wage jobs have been lost, lives have been ruined, and small businesses have been squeezed out of existence.

I don't think it's appropriate for Federal law to substitute its judgment for that of States when it comes to regulating motor carrier use. Oregon, for example, is one of eight States that rely on a weight-distance tax to help finance highway repairs necessitated by tractor trailer use. Most everyone in the State agrees that its a fair and efficient way to allocate costs. Yet this legislation will make the tax extremely difficult to collect and the State will have to find other ways to supplement repair costs. It's a safe bet that ordinary citizens and commuters will now have to shoulder this extra burden.

I also don't believe this legislation is neutral toward safety. Common sense tells us that a carrier facing bankruptcy will cut costs wherever it can, usually starting with equipment maintenance and hours-of-service limits. After all, safety costs money. Cutthroat competition can spread like a cancer. Before you know it, a lowest common denominator syndrome will grip the industry and everyone will hedge on safety to stay competitive. That's what happened in commercial aviation after deregulation. That's exactly what will happen here.

And finally, I'm not convinced that deregulation will improve service. Two-thirds of the population in my State live in rural areas. Many of these communities are isolated by mountains or the Pacific coastline, and are far from population centers. Without regulation of rates and service, most carriers in the State will probably bypass these routes altogether.

This legislation is a disaster waiting to happen. Rushing headstrong into the biggest regulatory change in a decade will surely produce unintended effects, many of which could be ruinous for States like Oregon. I urge my colleagues to join me in opposing this short-sighted proposal.

Mrs. MORELLA. Mr. Speaker, as a conferee, I am pleased to rise in support of H.R. 2739, the Aviation Infrastructure Investment Act conference report. I am especially pleased that my amendment to combat aircraft noise, which was accepted by the House last October, has been included in the conference report.

Mr. Speaker, aircraft noise is a serious problem. It is an invisible pollutant that causes stress, hearing loss, and impaired health. The residents of my district, and the districts of many of our colleagues, are experiencing the harm of adverse effects resulting from aircraft noise first-hand, having to endure constant, daily, and nightly overflights of their homes and their neighborhoods.

In testimony before the Science Committee's Technology, Environment, and Aviation Subcommittee, a number of witnesses have advocated the need for greater technological efforts to reduce aircraft noise. In addition, the airline industry supports adding more research for aircraft noise. Not only will quieter aircraft meet standards within the United States and provide our constituents with quieter airspace, it will also enhance our international competitiveness. The need to develop quieter aircraft technologies will permit U.S. manufactured aircraft to meet noise standards in other countries and remain competitive.

To address all of these concerns, in the Aviation Safety and Capacity Interim Amendments Act of 1992, Public Law 102–581, Congress directed the Federal Aviation Administration [FAA] to conduct more research on aircraft noise abatement for existing aircraft, and for new aircraft. The FAA was directed to conduct a research program, jointly with the National Aeronautics and Space Administration [NASA], to develop new technologies for quieter subsonic jet aircraft engines and airframes.

Yet, in recent years, the FAA has not been able to meet this directive as a result of inadequate funding. For example, the President's budget for fiscal year 1994 requested only $4.361 million for research and development in efforts such as airport noise abatement. This figure represented an 8-percent reduction below the fiscal year 1993 appropriation level.

My House-passed amendment reprogrammed the bill's funding to provide for adequate funds to perform aircraft noise abatement research and development, without creating the need for new additional Federal spending. The conferees retained the intent of the amendment by agreeing to an authorization of $8.124 million for aircraft noise reduction research in fiscal year 1995. The authorization represented an increase of $2.695 million from the President's budget request of $5.429 million, with the increase in the research offset by reprogramming funds from other accounts in the bill.

The reprogramming would have the same effect for fiscal year 1996. The conferees agreed to an authorization of $8.532 million for aircraft noise reduction research in fiscal year 1996.

Mr. Speaker, I urge all my colleagues to support the conference report to H.R. 2739. Passage of the conference report is important for both our constituents discomforted by aircraft noise and for our international competitiveness.

Mr. BROWN of California. Mr. Speaker, I wish to rise in support of H.R. 2739, the FAA Airport Improvement Program Authorization Act of 1994, and I would like to commend my colleagues in both the House and the Senate for their cooperative approach in bringing this conference report to the floor today. I am always happy to have the opportunity to work alongside my good friend and colleague from California, Mr. MINETA, and it brings me particular satisfaction when it involves legislation authorizing funding for aviation programs which, as we all know, are a significant contributor on the U.S. economy.

Mr. Speaker, the conferees are reauthorizing the FAA research and development programs for fiscal years 1995 and 1996. These programs form the base for the improvements that are made by the FAA in the national airspace system to increase system capacity, reduce the number and length of delays, and automate the outdated hardware and software used by our air traffic control system. In this regard, H.R. 2739 authorizes a relatively modest amount of funds for research and development at the FAA, and it is arguable that this funding should be significantly higher given the large number of technological and operational issues these programs are meant to address.

Overall, I believe aviation research and development as conducted by FAA and other agencies under the jurisdiction of the Science, Space, and Technology Committee, such as NASA, are critical to the technological advances which must be made in order to increase safety, capacity, and security of the U.S. airspace. But I also believe Congress at some point needs to rationalize FAA, NASA, and perhaps Defense Department R&D programs across the breadth and depth of the Government and determine a better method of investing the Federal dollar in this crucial area. Too often, important areas of research can be neglected or given low priority in the scramble to keep programs on schedule, and someone eventually pays in the long run—usually the Government through more funding, but unfortunately, occasionally the flying public through accidents and delays.

I urge my colleagues to recognize the important contributions made by aviation to our Nation's preeminence, and to support the conference report to H.R. 2739. I yield back the balance of my time.

Mr. CLEMENT. Mr. Speaker, I rise in very strong support of H.R. 2739, the Aviation Infrastructure Investment Act of 1993. I urge all my colleagues to support this legislation.

When the House passed this legislation last October, the bill's title was the Aviation Infrastructure Investment Act. Today, the conference report should be more aptly titled, the Aviation Infrastructure and Surface Transportation Competitiveness Act of 1994. Like ISTEA, this bill is truly an intermodal transportation bill.

Most importantly, this legislation will continue our strong Federal commitment to fund the development and improve the capacity of our Nation's aviation system. And, as Secretary Peña stated in his letter of August 1 to me and the other House conferees, quick enactment of this bill will allow the FAA to make the needed apportionments of funds in time to take advantage of the remaining construction season. Our airports deserve nothing less and I think considerable credit goes to our respective chairmen and the House and Senate staffs who whittled the list of unresolved issues for the conferees to resolve to less than a dozen.

Equally important, the Senate added language to provide intermodal, all-cargo carriers relief from intrastate rate, route, and service regulation.

As many of my colleagues know, I have a long track record on this issue. First, as a member of the Tennessee Public Service Commission, I learned, first-hand, how the trucking business operates. Last Congress, I introduced H.R. 3221, the Intermodal Carriers Competitiveness Act, which provided the legislative underpinnings for the trucking deregulation provision now contained in H.R. 2739. Both my bill and H.R. 2739 accomplish the same important goal—and that is to allow the small package express industry to compete—fair and square—with each other and their foreign competitors.

Since our hearings before the Public Works and Transportation Subcommittee on surface transportation last June, I have come to the conclusion that the Senate trucking deregulation provision was a good starting point, but that we now need to go further in leveling the playing field for trucking firms of all sizes. Under the Senate's original language, large- and medium-sized trucking firms, as well as the small package express industry, would be deregulated at the State level. However, since many small trucking firms do not utilize an air carrier 15,000 times a year, they would remain regulated under the Senate provision. I now believe that all economic regulation should be ended.

Thus, when the conferees met last week, I supported the trucking deregulation language offered by the Committee on Public Works and Transportation because it will treat all truckers alike when it comes to State regulation or prices, routes, and services.

This provision will not only benefit new business startups but also save shippers and consumers between $4.5 and $8 billion per year in transportation costs.

Mr. Speaker, This is a good transportation bill. And, as a member of the House Committee on Public Works and Transportation, I am proud to join my chairman in bringing this legislation to the House floor. I urge all of my colleagues to vote yes on final passage.

Mr. VALENTINE. Mr. Speaker, I wish to rise in support of H.R. 2739, the FAA Airport Improvement Program Authorization Act of 1994, and in particular, the research and development provisions it contains.

The conferees are reauthorizing the FAA research and development programs at a very unsettling time within the Agency. The FAA is confronted with an unprecedented technological leap in an enormous number of areas, including global positioning systems, advanced automation systems, and the en route and oceanic air traffic control systems. The FAA is betting billions of taxpayer dollars that these systems will work and work well. Too often recently, FAA has been losing these bets, thereby aggravating the delays and inefficiencies that are faced every day by the flying public. This explosion of technology is all the more painful because in many cases, the technology has been under development for years; a little foresight on the part of the FAA to better fund its R&D programs to explore these technologies could have saved a lot of the pain and trouble which is presently dogging the FAA.

The FAA's current R&D programs are the cornerstone of many of the improvements which will be made in the next two decades. Therefore, we want the FFA to think strategically so that the technological base will be available and proven when these changes begin to take place. To encourage the strengthening of these programs, the conferees have fully funded the administration's FAA R&D request for fiscal year 1995 and authorized a 5-percent increase for fiscal year 1996. This increase is consistent with the recommendations made by the Commission chaired by Norman Augustine which, after an independent review of the FAA's R&D programs, recommended that these programs receive significant increased in funding to achieve the objectives laid out for them.

The funding for these programs already exists in the airport and airways trust fund. Full funding of this authorization will require only a fraction of the current trust fund balance of over $4 billion. The FAA research and development program is a very modest investment which can potentially offer enormous savings and huge returns in the future.

I thank the conferees for their cooperation in achieving this significant legislation and I yield back the balance of my time.

Ms. FURSE. Mr. Speaker, I rise today to express my concerns with the trucking deregulation provision of the Conference Report on H.R. 2739. While I do support legislation to level the playing field between United Parcel Service and Federal Express, I am concerned that blanket intrastate trucking deregulation would have a serious, long-term negative affect on the quantity and quality of service provided to citizens I represent, particularly those in rural areas.

I have heard from numerous groups in my community who do not feel that they have had adequate time to provide input on the implications of such a dramatic shift in policy, particularly regarding the link between route and safety regulation. Congress must be certain that any policy regarding intrastate trucking be in the best interest of citizens and our communities.

Mr. MINETA. Mr. Speaker, there being no further requests for time, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from California [Mr. MINETA] that the House suspend the rules and agree to the conference report on the bill, H.R. 2739.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXPRESSING THE SENSE OF CONGRESS CONCERNING ELECTIONS IN MEXICO

Mr. TORRICELLI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 250) expressing the sense of the Congress in support of efforts by the Government of Mexico, and the major political parties and concerned members of civic society in Mexico, to reform Mexico's political and electoral processes and ensure free and fair elections, as amended.

The Clerk read as follows:

H. CON. RES. 250

Whereas the United States and Mexico share a common border;

Whereas the people of the United States and the people of Mexico have extensive cultural and historical ties that bind together families and communities across national boundaries;

Whereas a close relationship between the United States and Mexico, based on mutual respect and understanding, is important to the people of both nations;

Whereas the North American Free Trade Agreement, which is designed to increase trade, promote expanded economic activity, and enhance cooperation on issues of mutual interest among the United States, Canada, and Mexico, entered into force on January 1, 1994;

Whereas the implementation of the North American Free Trade Agreement presents new opportunities for an even closer relationship among the United States, Canada, and Mexico;

Whereas this relationship will be furthered by free and fair elections in Mexico on August 21, 1994;

Whereas Mexican leaders from across the political spectrum and representatives of civic society recognized the need for political and electoral reform and have taken steps to achieve these goals;

Whereas recent reforms being implemented in Mexico seek to overcome previous assertions of electoral irregularities which have been highlighted by civil demonstrations and political unrest;

Whereas in January 1994, Mexico's major political parties joined together in an agreement, known as the Agreement for Peace, Democracy, and Justice, designed to reform Mexico's electoral system and to establish procedures for free and fair elections;

Whereas the Federal Electoral Institute has invited representatives of the United Nations to provide technical assistance and financing to domestic Mexican election observers who request this support to help foster their independence, nonpartisanship, and objectivity; and

Whereas the spirit of the North American Free Trade Agreement facilitates cooperation in achieving high standards of democracy: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) expresses its support for efforts undertaken by the Government of Mexico, the major political parties, and civic groups to reform Mexico's political and electoral processes and for their ongoing efforts to ensure free and fair elections;

(2) welcomes steps taken in recent months by the Mexican Government and the nation's political parties to increase the impartiality of the Federal electoral authorities, review the accuracy of the voter registry list, ensure fair media access, and reform campaign finance practices, in accordance with the commitments enumerated in the January 1994 Agreement for Peace, Democracy, and Justice, and encourages continued progress on electoral reform;

(3) applauds the invitation extended by the Government of Mexico, with the concurrence of the major political parties and concerned members of civic society, to representatives of the United Nations to provide technical assistance and financing to domestic Mexican election observers, and encourages representatives of the United Nations to work closely and directly with Mexican observers during the electoral process;

(4) takes note of the efforts of the Mexican domestic observer groups to encourage citizen participation throughout the electoral process and to contribute to the success of this process by serving as monitors during the August 21, 1994, presidential and congressional elections;

(5) welcomes the opportunity made available by the Mexican Congress for international visitors to be present during and to witness such elections; and

(6) expresses the hope that the efforts of the Government of Mexico, the major political parties, and concerned members of civic society to reform the electoral process will be successful, and lead to elections that are accepted by all parties as fair and valid.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. TORRICELLI] will be recognized for 20 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would first like to congratulate the distinguished majority whip, the gentleman from Michigan [Mr. BONIOR], for offering this resolution, and for all of his work through the years in working for human rights around the globe, and in this case, in particular, for the people of Mexico.

Mr. Speaker, I would also like to congratulate and thank the gentleman from New Jersey [Mr. SMITH] for his cooperation, without which bringing this resolution to the floor would not have been possible; and, Mr. Speaker, indeed, each and every member of the subcommittee and the full Committee on Foreign Affairs who, on unanimous basis, bring this resolution before the House on this day.

Mr. Speaker, only a year ago the eyes of the world were on Mexico as the United States, Canada, and Mexico embraced a NAFTA treaty. The judgment was that Mexico would enter into the world economy and would raise its economic standards to compete and be part of the rising standards of the international community.

Mr. Speaker, in only 2 weeks Mexico will reach another point of judgment in its history. In every respect, the August 21 elections will have all the importance politically and for social and political justice in Mexico that the NAFTA judgment held for its economic future.

Mr. Speaker, the preparations for those elections have, indeed, been impressive. Extensive registrations have been conducted. Lists have been prepared with the best technology available to ensure the fairness of the process. Voter identification cards have been issued. In every technological sense possible, these promise to be free and fair elections.

Yet, Mr. Speaker, to be fair, there is the unmistakable shadow of Mexico's political history that looms just on the horizon: 65 years of political domination by a single political party; election results that have ensured 68 to 98 percent and better of the vote for a single party; elections that have been blatantly manipulated, at best, or fraudulently stolen by dominant political forces; a public which has become skeptical of the truthfulness of election results and their own rights within that process; gubernatorial elections, indeed, only a year ago which needed to be canceled and reversed because of widespread public skepticism.

Therefore, despite the promise of honest elections, Mr. Speaker, and extraordinary preparations for better elections, the public remains dubious about what they are about to engage in. Indeed, there are current reasons, why they continue to question the electoral process: wide-scale use of Government resources for the dominant political party and unequal access to electronic media to try to manipulate public sentiments.

Against this backdrop, of course, there is the tragic Colosio assassination of only months ago, and the unmistakable concern because of the uprising in Chiapas by a rebel group which has taken to violence because of its belief that peaceful change was not possible.

Mr. Speaker, Robert Kennedy said, at another time of uprising in Latin America and upheaval in our own Nation, that "Those who make peaceful evolution impossible make violent revolution inevitable." There is no better example of this tragic potential of a violent future for Mexico than these elections which are now before us.

Mr. Speaker, we join in the hope that Mexico's elections are honest, the promise of her constitution and her previous revolution is kept, that faith is kept with the poor and the struggling people of Mexico, who want as good and great a political future for their country as NAFTA and the economic reforms of the Salinas administration hold for her economic future.

Mexico deserves not only a prosperous economic future, Mr. Speaker. She deserves a political future that gives power based on the consent of the governed.

Mr. Speaker, Americans would always have an interest in Mexico's political future because of our common history, the things that bind us in culture, the presence of so many Mexican-Americans in our country, but NAFTA gives us another reason. This Government of the United States has encouraged Americans to invest in Mexico, and promised Americans that there will be a better economic future because of a common economic future with Mexico.

Indeed, Mr. Speaker, that is what NAFTA was all about, but we all recognize that there is just so far economic reforms can go, just so much we can promise our own people for investing in Mexico if violent revolution continues, if there is not a confidence in Mexican society about the elections that are being held.

Therefore, Mr. Speaker, this resolution is offered, with the hope that a stable democracy can be achieved, and that the promise of these elections, that so many have labored so much to produce, can be kept.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

□ 1420

Mr. Speaker, I believe House Concurrent Resolution 250 advances our relations with Mexico in that it conveys our keen and conscientious interest in and support for democratic reforms underway in that country.

Since 1990, a semiautonomous body, staffed by nonpartisan workers, has been responsible for Mexico's Federal elections. An electoral tribunal was established to address any irregularities. The Senate was expanded, and the law ensures minority representation in both the upper and lower Chamber of the Congress.

Photo ID's have been distributed to eligible voters. Voter lists have been updated and corrected. Campaign finance reforms—including spending limits—have been adopted.

On election day, hundreds of thousands of political party representatives will monitor the balloting and counting. Hundreds of international visitors—including a 60-member U.S. delegation under the auspices of the International Republican and Democratic Institutes—will also be on hand.

Mr. Speaker, this planning has laid the groundwork for free and fair elections, but the hardest part is ahead. We hope that the spirit of honest reform will prevail on election day, that the process will be transparent, and that the peoples' choice will be respected. Above all, we urge all parties to commit themselves to a peaceful transition.

Mr. Speaker, I will include for the RECORD a summary of cooperation between United States and Mexican companies to help produce and distribute 45 million photo identification cards for voters in the far-reaches of that country. This project illustrates the complex preparation for the upcoming elections.

Mr. Speaker, the summary of cooperation follows:

POLAROID ID SYSTEMS CASE HISTORY

THE MEXICAN VOTER ID PROGRAM—THE REGISTERED VOTERS OF AN ENTIRE NATION PHOTOGRAPHED FOR THE FIRST TIME

Location: Republic of Mexico.

Number of photo cards issued: 45,000,000.

Number of photo receipts issued: 45,000,000.

Introduction: From August 1991 to December 1994, in conjunction with Mexico's Federal Electoral Institute (IFE), Polaroid designed and implemented the largest voter identification program ever attempted. Prior to the 1994 national elections, using Polaroid's high-security integrated system, the IFE captured photographs and demographic data for every Mexican voter for the first time in history. The program continues as a means of registering and identifying citizens who change status or who reach voting age each year.

Background: Mexico is the seventh largest country in the world, roughly two-thirds the size of Western Europe, with a population of more than 90,000,000. The nation is a democracy comprising 31 states and a Federal District. In 1990, IFE awarded Polaroid a contract to jointly design and implement this program.

Program design: The contract allowed eight months for completion of the first 40,000,000 cards. To meet this goal, the combined IFE and Polaroid design team efficiently engineered a solution that involved the following components:

Production facilities: Polaroid established a printing facility in Mexico City capable of producing .5 million records per day. Simultaneously, Polaroid engineered card production facilities, first in the United States and later in Mexico, to produce up to .5 million cards per day. Within six months, Polaroid had transferred all card production to its Queretaro, Mexico, manufacturing facility.

In addition, the customized security film needed for this program was produced at Polaroid's Queretaro facility.

Image capture and issuance: For each of the 6,900 issuing stations, Polaroid designed a high security issuance process including: An instant camera, customized to endure both high volumes and extreme climates and topographical conditions; a virtually impenetrable security cabinet that provided secure overnight storage of the camera, cards, receipts, film, and other materials; customized modular flow processes.

Cooperation with the IFE: Success of the program demanded continued communication and cooperation between the highest levels of Polaroid and the IFE. Cooperative efforts included:

Personnel: Polaroid and IFE profiled and trained 26,000 government operators at 6,900 card issuing locations.

Nationwide public awareness: The phrase "Come and have your photo taken!" appeared on billboards, trees, public walls, and along major highways throughout the country. The promotion of the photo voter card—along with the Mexican Voter ID Program and other Polaroid identification elements acquired for the card—generated a positive aura around the Voter Identification Program. This campaign led to excellent participation of registered voters and achievement of the national goal ahead of schedule.

Security Issues: *Card security:* The IFE Voter Identification Card includes the following security features: Color portrait; thumb print; visible hologram bridging the photo and data portions of the card; invisible UV coating; bar code; a unique optical character recognition (OCR) serial number of each recipient.

In addition to these criteria, IFE required customized film with built-in security features. Polaroid designed the film to specification, and serialized each film pack to meet high-security logistic requirements.

Production security: At the data center in Mexico City, a specially designed computerized control system assured that data for each citizen properly matched the voting district and other voter data. Storage facilities throughout Mexico City remained unidentified to prevent document theft. Facility team leaders established systems for high-volume inventory and materials management, production, process engineering, and process control. Security measures include scrap control for all waste produced and "Zero Gap" issuance to prevent missing or duplicate cards.

Mr. TORRICELLI. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. HAMILTON], the distinguished chairman of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I support this resolution and I want to express my appreciation to the gentleman from New Jersey [Mr. TORRICELLI], the chairman of the Subcommittee on Western Hemisphere Affairs, for his leadership, energy, and dedication in bringing this resolution forward. He indeed deserves the credit for the fact that this resolution is on the floor today.

I want to also commend the gentleman from Michigan [Mr. BONIOR], the distinguished majority whip, for his support of this resolution and his contributions to it.

House Concurrent Resolution 250, as amended, clearly states the support of the U.S. Congress for democracy in Mexico and for the efforts of the Mexican Government, political parties, and people to enhance and strengthen their democratic process.

Mexico is a very important friend and a neighbor of the United States. We have extensive ties that bind our two nations and a relationship based on respect and understanding. The unprecedented partnership of NAFTA is one important symbol of this deepening relationship. It is in this spirit of friendship and deepening ties that this resolution welcomes important reforms that Mexico is undertaking in its democratic institutions.

On January 27, a broad spectrum of Mexico's political parties, including opposition parties, signed an historic agreement to strengthen democracy and effect significant electoral reforms. We applaud these efforts and trust that these accords will be fully and fairly implemented.

This resolution does not seek to impose a judgment on Mexico or the Mexican people. Rather, the resolution demonstrates support for shared values which transcend national boundaries.

House Concurrent Resolution 250, as amended, looks forward to a productive relationship with the new Mexican Congress and the new Mexican President.

Mr. Speaker, I urge my colleagues to support this resolution.

Mr. GILMAN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. SMITH], the distinguished ranking member of the Subcommittee on Western Hemisphere Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friend, the gentleman from New York, for yielding me the time. First let me commend my good friend and colleague, the gentleman from New Jersey [Mr. TORRICELLI], for crafting a very thoughtful resolution that I think expresses and embodies our hopes as well as our concerns about the upcoming election in Mexico.

Mr. Speaker, when Mexicans go to the polls in what is expected to be record numbers on August 21, the electoral process will reflect a confluence of political will, presidential vision for reform, compromise by the major political parties, and insistence on integrity in the electoral process by Mexican voters. Significantly more than 90 percent of the eligible population is included in the new electoral registry, and an estimated 22 to 27 million voters are expected to go to the polls on the 21st of this month. Mr. Speaker, all signs indicate that this election will likely result in the largest voter turnout in Mexican history.

Mr. Speaker, the reform and modernization of Mexico's political process is of particular importance to the United States because of our geographic proximity, our strong ethnic and cultural ties, our economic bonds, and a common aspiration for democracy.

I believe House Concurrent Resolution 250, as amended, reflects our respect for the breadth of electoral reforms already undertaken by the Salinas government, and our expectations of an honest, fair, and transparent process. House Concurrent Resolution 250 recognizes the significant reforms which have been made, such as broadening the impartiality of the Federal Electoral Institute's General Council, screening for accuracy in the voter registry list, protecting the right of fair media access, and reforming the criminal code to add teeth to anticorruption initiatives. President Salinas should be applauded for the commitment he has made during his term to these historic changes which promise to change the face of the electoral process in Mexico.

Mr. Speaker, the Mexicans have faced many challenges throughout this electoral reform era and campaign season, not the least of which is the trauma caused by the assassination on March 23 of Presidential candidate Luis Donaldo Colosio. Undeterred, however, in pushing reform, the Mexican election will be marked by a plethora of firsts: The universal use of transparent ballot boxes; the most accurate and meticulously prepared registry list; the most candidates who are seeking the Presidency; the largest number of election officials; television debate among the Presidential candidates; and extensive press coverage of the elections. Mr. Speaker, the Mexican electorate has understandably raised its expectations of a transparent and fair electoral process with transparency at all levels, and they must determine whether or not the outcome reflects the voters' will.

Mr. Speaker, on July 12, the presidential candidates from eight of the nine political parties signed a historic Agreement for Civility, Harmony, and Justice. Only the Democratic Revolutionary Party decided it would not sign this accord. The agreement recognizes that "democracy is a system that guarantees our unity as a nation, without undermining regional diversities or the ethnic, religious, political, and cultural pluralities that identify and enrich us." The political parties committed themselves to proceed with strict adherence to the law; to ensure greater access, opening, objectivity, and impartiality from the media coverage of the election; and to encourage open and pressure-free participation by the electorate. The document recognizes that "it is not through violence that democratic progress will be accomplished: the establishment of democracy can only nurture itself through the improvement of institutions in the republic and as a result of broad participation by society."

The election is likely to be one of the—if not the most—important in Mexican history as our neighbors south of the border elect a new President; 500 members of the Chamber of Deputies; 96 Senate seats; as well as political leaders in 6 States and the Federal district of Mexico City. Because of the sweeping electoral reforms pushed by President Salinas, the United Nations is now on the ground, providing training and technical assistance for domestic election observers. Additionally, international visitors have been invited, and adjustments have been adopted in recent months to accommodate the concerns of the various political parties.

Mr. Speaker, I believe the resolution introduced by my friend, BOB TORRICELLI, reflects both our hopes and concerns about the upcoming national elections in Mexico. As ranking member of the Western Hemisphere Subcommittee, I rise in support of the resolution, as reported by the Foreign Affairs Committee, and urge my colleagues to join us in this show of support and encouragement to the Mexicans and their Government.

In closing, Mr. Speaker, I wholeheartedly concur with one of the conclusions of the July 12 agreement, that "reaffirmation to the state of law and peace [does] not end with the 21 August election process. * * * A climate of peace and harmony, as well as adherence to the state of law, will contribute to encouraging the economic environment, promoting greater investments as well as more employment opportunities—[and] a better quality of life, especially for those who are less privileged." Mr. Speaker, our passage of this resolution today is a reflection of our commitment to seek closer ties with our neighbor south of the border, and major trading partner, and our hope that, indeed, a climate of peace and harmony will be the outcome of this electoral process.

Mr. BONIOR. Mr. Speaker, passage of this resolution today will put Congress in firm support of the important electoral reforms that have taken place in Mexico in recent months.

With the passage of NAFTA, the United States has a new relationship with Mexico. Our economies are now linked as never before. Our futures are intertwined. And as such, I believe we have both the opportunity and the responsibility to do what we can to encourage and support free and fair elections in Mexico on August 21.

Today, there are many people in Mexico, from across the political spectrum, both inside and outside the government, who are working hard to make Mexico a more democratic nation.

And let's be frank. They have their work cut out for them. The people of Mexico today are struggling to overcome decades of rigged elections and entrenched political corruption.

It wasn't that long ago—in 1988, during the last presidential election—when the computers broke down in the middle of counting the votes. When they were restored, the vote had dramatically changed and the ruling party candidate was once again declared the winner.

Also fresh in the minds of many in Mexico are last December's elections in the State of Yucatan, where voter turnout rates neared or exceeded 100 percent in over 20 precincts. One local official commented that Yucatan seemed to have an excess of democracy.

The case was similar last March in the State of Morelos, where widespread voting fraud was witnessed and widely reported.

On the eve of the August 21 election, Mexico is struggling with a rebel uprising in the State of Chiapas. It's still reeling from the assassination of Donaldo Colosio, the ruling party's original presidential candidate. It's still witnessing massive demonstrations throughout the country calling for greater democracy and a more open electoral process.

Perhaps most troubling is the lack of trust the Mexican people themselves have in the electoral process. According to recent polling, less than 40 percent of the Mexican electorate expects the balloting to be clean.

So, those are some of the hurdles Mexico has to clear. But while there are hurdles, there are also great opportunities.

In the wake of last fall's NAFTA debate, Mexican leaders from across the political spectrum have recognized the need for political reform and have begun to work together.

Last January, Mexico's major political parties joined together in an historic agreement—known as the Agreement for Peace, Democracy, and Justice—to reform the electoral system. Among other things, the agreement called for the establishment of an independent election monitoring authority, strict campaign spending limits, and equal access by all parties to the mass media.

Since then, the Mexican Congress has met several times to make the statutory changes needed to turn that agreement into law. In an unprecedented development, in May, Mexico witnessed its first nationally televised presidential campaign debate. The debate was seen by almost half the population.

And this spring, for the first time in Mexico's history, the Government of Mexico together with the major political parties invited the United Nations to provide technical assistance to domestic Mexican election observers.

These are good signs that Mexico is moving in the right direction. I believe we should be applauding this progress and encouraging Mexico to continue down the road to democratic reform.

During the 2 weeks remaining until the election, Mexican officials can make that happen by proactively ensuring the impartiality of electoral authorities at all levels, providing equal television time to the two major opposition parties, and by vigorously enforcing electoral laws.

And finally, though it is now too late for the sort of United Nations and Organization of American States observer missions that have contributed to the credibility of elections elsewhere in our hemisphere, the Mexican Government should also relax restrictions on foreign observers and allow them direct access to polling places and to the vote count.

That's exactly what this resolution is about today. It offers our support to Mexico for the courageous steps they have already taken. And it expresses our best hopes that the genuine legal reforms that have taken place, and the spirit of cooperation that seems to have taken root, will, indeed, result in free and fair elections on August 21.

I hope my colleagues will join me in sending that message of hope, support, and encouragement to the people of Mexico.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TORRICELLI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from New Jersey [Mr. TORRICELLI] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 250, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

RECOGNIZING THE AMERICAN ACADEMY IN ROME ON ITS 100TH ANNIVERSARY

Mr. TORRICELLI. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution, (S.J. Res. 204) recognizing the American Academy in Rome, an American overseas center for independent study and advanced research, on the occasion of the 100th anniversary of its founding.

The Clerk read as follows:

S.J. RES. 204

Whereas the American Academy in Rome was established 100 years ago in Italy as the foremost American overseas center for independent study and advanced research on the fine arts and the humanities;

Whereas the American Academy in Rome has been a constant, active force for the enrichment of American culture, as year after year its Fellows and Residents have returned to the United States, enriched by the cultural heritage of Italy, and have conveyed their enrichment to their compatriots;

Whereas the American Academy in Rome has maintained and expanded upon the basis of its founding, and currently serves more than 3,000 people annually with its fellowship and residency programs, its unique research library, a series of summer programs, and projects in archaeology and publishing, and serves thousands of other people who participate in Academy concerts, lectures, symposia, exhibitions, and other special events in Rome and the United States;

Whereas the central purpose of the American Academy in Rome is its fellowship program, the Academy being committed to identifying and nurturing the most promising American talent available through the annual Rome Prize Fellowships competition and related programs;

Whereas since its founding, the American Academy in Rome has awarded more than 2,500 fellowships and residencies in the fields of architecture, design arts, landscape architecture, conservation and historic preservation, literature, musical composition, visual arts, classical studies archaeology, art history, modern Italian studies, and post-classical humanistic studies;

Whereas the American Academy in Rome provides its gifted Fellows and Residents with the opportunity to develop and refine their professional, artistic, and scholarly potential through working on their own projects, interaction with their colleagues, and association with members of the Italian and European scholarly and artistic communities;

Whereas Fellows and Residents of the American Academy in Rome have included 2 Nobel Prize winners, 4 United States Poets Laureate, 7 National Medal of Arts winners, 9 MacArthur Fellows, and 30 Pulitzer Prize winners, and have won numerous other honors and awards;

Whereas the American Academy in Rome's library contains 111,000 volumes and ranks among the world's richest in its holdings in the fields of Roman topography and archaeology, and is further distinguished for its collection of rare books, periodicals, and works on Italian art and architecture;

Whereas the American Academy in Rome has always represented and fostered excellence in scholarship, having a distinguished scholarly faculty, having many of its Fellows and Residents go on to occupy chairs and posts of high responsibility in the final colleges and universities in the United States, having publications which rival in quality the best that Europe produces, and having alumni who are the recipients of many academic degrees, honors, and awards;

Whereas the American Academy in Rome can be proud of its reputation in Roman archaeology, having been committed to this lofty and exacting pursuit from its very inception, having revolutionized the history of Roman republican architecture and town planning by it's excavations at Cosa in Etruria, and by continuing to further the development of the field through its perennial engagement in the training of excavators and the work of excavation;

Whereas the American Academy in Rome relies entirely on the income from its endowment, and the financial support of philanthropic individuals, foundations, corporations, colleges and universities across the United States, and the National Endowments for the Arts and for the Humanities; and

Whereas the American Academy in Rome is committed to ensuring the availability of the Rome Prize Fellowships to future generations of Americans as the United States approaches the 21st century: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the American Academy in Rome, an American overseas center for independent study and advanced research based in Rome, Italy, which has played a pivotal role in the transference of culture between the United States and Italy, fostering international cultural relations between the two countries, be recognized for its contributions to America's cultural and intellectual life on the occasion of the 100th anniversary of its founding.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. TORRICELLI] will be recognized for 20 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution was adopted by the Senate by voice vote on July 15 and agreed to by the Committee on Foreign Affairs last Wednesday. Senate Joint Resolution 204 is straightforward. It commemorates the 100th anniversary of the founding of the American Academy in Rome. The academy currently serve thousands of people in a variety of programs, ranging from fellowships and residency programs to concerts, lectures, symposia, and other exhibits. The academy is also the site of one of the most extensive collections of literature on Roman topography and archaeology, as well as rare books, periodicals, and works on Italian art and architecture. The American Academy is an enduring symbol of the long and productive relationship between our Government and the Government of Italy, as well as between the American and the Italian people.

The academy has also played an important role in promoting international cultural relations for the last century, and this resolution rightfully recognizes the importance of its contributions.

Mr. Speaker, I urge members to support the Senate joint resolution.

Mr. Speaker I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill recognizes the many achievements of the American Academy in Rome which, for 100 years, has provided a valuable center for scholarship in the fine arts and humanities. I would like to give special thanks to our colleague, the gentleman from New York [Mr. ENGEL], who has taken the initiative in seeing that this resolution is enacted. Although we are working on the version adopted by the Senate, Mr. ENGEL has been circulating a similar measure in the House which I had been pleased to cosponsor.

The American Academy in Rome has acquired a distinguished reputation over the century of its existence. It has been a center for learning which has furthered our appreciation of our Western cultural heritage. Since its founding, the Academy has provided its facilities to over 2,500 residents and fellows who have in turn shared their learning with students throughout the world.

The Academy has included among its fellows and residents two Nobel Prize winners, four U.S. Poets Laureate, seven National Medal of Arts winners, nine MacArthur Fellows, and 30 Pulitzer Prize winners. These accomplishments attest to the Academy's role in nurturing the arts and humanities which enrich us all. It also has served as an American link with the rich culture of Italy.

I hope all that House Members will now join in adopting this resolution which provides for Congress' befitting recognition of the achievements of the American Academy in Rome.

Mr. ENGEL. Mr. Speaker, I rise to offer my strong support to the resolution recognizing the American Academy in Rome on the occasion of its 100th anniversary.

One hundred years ago, the American Academy in Rome was established to encourage the transference of culture between the United States and Italy. Founded in 1894, the academy was chartered as a private institution by an act of Congress in 1905 in recognition of its contribution to America's intellectual and cultural life.

It rapidly took its place as the foremost American overseas center for independent study and advanced research on the fine arts and the humanities. The academy has consistently proven itself as an active focal point for the enrichment of the American cultural experience. Each year, more of its fellows and residents, who have included two Nobel Prize winners and four United States poets Laureate, return to the United States with a deep understanding and feeling for Italian cultural heritage to share with family, friends, and colleagues.

Since its founding, the American Academy in Rome has awarded more than 2,500 fellowships and residences in various fields of fine arts. As the cradle of the Renaissance, Italy offers these students of Western cultural history a location unmatched for its importance in areas ranging from musical competition to architecture to visual arts.

Today, the American Academy in Rome serves more than 3,000 people annually. Its unique research library, summer programs, and numerous projects play a pivotal role in the exchange of culture the United States and Italy, fostering the sharing of traditions by our two countries.

Mr. Speaker, I believe that this effort to recognize the 100th anniversary of the founding of the American Academy in Rome represents a fitting tribute to the superior work of this fine institution and a reiteration of the friendship between Italy and the United States. I urge my colleagues to support passage of this resolution.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TORRICELLI. Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from New Jersey [Mr. TORRICELLI] that the House suspend the rules and pass the Senate joint resolution, Senate Joint Resolution 204.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TORRICELLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 250 and Senate Joint Resolution 204, the resolutions just agreed to and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AUTHORIZING PROGRAMS FOR PREVENTION AND TREATMENT OF TRAUMATIC BRAIN INJURY

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 725) to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes, as amended.

The Clerk read as follows:

S. 725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROGRAMS OF CENTERS FOR DISEASE CONTROL AND PREVENTION.

Part B of title III of the Public Health Service Act (42 U.S.C. 241 et seq.), as amended by section 703 of Public Law 103-183 (107 Stat. 2240), is amended by inserting after section 317F the following section:

"PREVENTION OF TRAUMATIC BRAIN INJURY

"SEC. 317G. The Secretary, acting through the Director of the Centers for Disease Control and Prevention, may carry out projects to reduce the incidence of traumatic brain injury. Such projects may be carried out by the Secretary directly or through awards of grants or contracts to public or nonprofit private entities. The Secretary may directly or through such awards provide technical assistance with respect to the planning, development, and operation of such projects.

"(b) CERTAIN ACTIVITIES.—Activities under subsection (a) may include—

"(1) the conduct of research into identifying effective strategies for the prevention of traumatic brain injury; and

"(2) the implementation of public information and education programs for the prevention of such injury and for broadening the awareness of the public concerning the public health consequences of such injury.

"(c) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(d) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.".

SEC. 2. PROGRAMS OF NATIONAL INSTITUTES OF HEALTH.

Section 1261 of the Public Health Service Act (42 U.S.C. 300d-61) is amended—

(1) in subsection (d)—

(A) in paragraph (2), by striking "and" after the semicolon at the end;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following paragraph:

"(4) the authority to make awards of grants or contracts to public or nonprofit private entities for the conduct of basic and applied research regarding traumatic brain injury, which research may include—

"(A) the development of new methods and modalities for the more effective diagnosis, measurement of degree of injury, post-injury monitoring and prognostic assessment of head injury for acute, subacute and later phases of care;

"(B) the development, modification and evaluation of therapies that retard, prevent or reverse brain damage after acute head injury, that arrest further deterioration following injury and that provide the restitution of function for individuals with long-term injuries;

"(C) the development of research on a continuum of care from acute care through rehabilitation, designed, to the extent practicable, to integrate rehabilitation and long-term outcome evaluation with acute care research; and

"(D) the development of programs that increase the participation of academic centers of excellence in head injury treatment and rehabilitation research and training."; and

(2) in subsection (h), by adding at the end the following paragraph:

"(4) The term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.".

SEC. 3. PROGRAMS OF HEALTH RESOURCES AND SERVICES ADMINISTRATION.

Part E of title XII of the Public Health Service Act (42 U.S.C. 300d-51 et seq.) is amended by adding at the end the following section:

"SEC. 1252. STATE GRANTS FOR DEMONSTRATION PROJECTS REGARDING TRAUMATIC BRAIN INJURY.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States for the purpose of carrying out demonstration projects to improve access to health and other services regarding traumatic brain injury.

"(b) STATE ADVISORY BOARD.—

"(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State involved agrees to establish an advisory board within the appropriate health department of the State or within another department as designated by the chief executive officer of the State.

"(2) FUNCTIONS.—An advisory board established under paragraph (1) shall advise and make recommendations to the State on ways to improve services coordination regarding traumatic brain injury. Such advisory boards shall encourage citizen participation through the establishment of public hearings and other types of community outreach programs.

"(3) COMPOSITION.—An advisory board established under paragraph (1) shall be composed of—

"(A) representatives of—

"(i) the corresponding State agencies involved;

"(ii) public and nonprofit private health related organizations;

"(iii) other disability advisory or planning groups within the State;

"(iv) members of an organization or foundation representing traumatic brain injury survivors in that State; and

"(v) injury control programs at the State or local level if such programs exist; and

"(B) a substantial number of individuals who are survivors of traumatic brain injury, or the family members of such individuals.

"(c) MATCHING FUNDS.—

"(1) IN GENERAL.—With respect to the costs to be incurred by a State in carrying out the purpose described in subsection (a), the Secretary may make a grant under such subsection only if the State agrees to make available, in cash, non-Federal contributions toward such costs in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—In determining the amount of non-Federal contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(d) APPLICATION FOR GRANT.—The Secretary may make a grant under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(e) COORDINATION OF ACTIVITIES.—The Secretary shall ensure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service that carry out activities regarding traumatic brain injury.

"(f) REPORT.—Not later than 2 years after the date of the enactment of this section, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings and results of the programs established under this section, including measures of outcomes and consumer and surrogate satisfaction.

"(g) DEFINITION.—For purposes of this section, the term 'traumatic brain injury' means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1995 through 1997.".

SEC. 4. STUDY; CONSENSUS CONFERENCE.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary"), acting through the appropriate agencies of the Public Health Service, shall conduct a study for the purpose of carrying out the following with respect to traumatic brain injury:

(1) In collaboration with appropriate State and local health-related agencies—

(A) determine the incidence and prevalence of traumatic brain injury; and

(B) develop a uniform reporting system under which States report incidences of traumatic brain injury, if the Secretary determines that such a system is appropriate.

(2) Identify common therapeutic interventions which are used for the rehabilitation of individuals with such injuries, and shall, subject to the availability of information, include an analysis of—

(A) the effectiveness of each such intervention in improving the functioning of individuals with brain injuries;

(B) the comparative effectiveness of interventions employed in the course of rehabilitation of individuals with brain injuries to achieve the same or similar clinical outcome; and

(C) the adequacy of existing measures of outcomes and knowledge of factors influencing differential outcomes.

(3) Develop practice guidelines for the rehabilitation of traumatic brain injury at such time as appropriate scientific research becomes available.

(2) DATES CERTAIN FOR REPORTS.—

(A) Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made as a result of carrying out paragraph (1)(A).

(B) Not later than 3 years after the date of the enactment of this Act, the Secretary shall submit to the Committees specified in subparagraph (A) a report describing the findings made as a result of carrying out subparagraphs (B) and (C) of paragraph (1).

(b) CONSENSUS CONFERENCE.—The Secretary, acting through the Director of the National Center for Medical Rehabilitation Research within the National Institute for Child Health and Human Development, shall conduct a national consensus conference on managing traumatic brain injury and related rehabilitation concerns.

(c) DEFINITION.—For purposes of this section, the term "traumatic brain injury" means an acquired injury to the brain. Such term does not include brain dysfunction caused by congenital or degenerative disorders, nor birth trauma, but may include brain injuries caused by anoxia due to near drowning. The Secretary may revise the definition of such term as the Secretary determines necessary.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1995 through 1997.

SEC. 5. STATE STANDARDS.

Section 403A(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343-1(a)) is amended—

(1) in paragraph (1), by inserting at the end the following: "except that this paragraph does not apply to a standard of identity of—

"(A) a State or political subdivision of a State for maple syrup which is of the type required by sections 401 and 403(g), or

"(B) of a State for fluid milk which is of the type required by sections 401 and 403(g) and which specifies a higher minimum level of milk components than is provided for in the corresponding standard of identity promulgated under section 401,", and

(2) by adding at the end the following: "For purposes of paragraph (1)(B), the term 'fluid milk' means liquid milk in final packaged form for beverage use and does not include dry milk, manufactured milk products, or tanker bulk milk.".

SEC. 6. SELENIUM.

The stay (published at 58 Fed. Reg. 47962) of the 1987 food additive regulation relating to selenium (21 Code of Federal Regulations 573.920) is suspended until December 31, 1995.

The SPEAKER pro tempore (Mrs. COLLINS of Illinois). Pursuant to the rule, the gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes, and the gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 725, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Madam Speaker, I yield myself such time as I may consume.

DESCRIPTION OF BILL

The purpose of S. 725 is to establish programs within the Public Health Service for the prevention and treatment of traumatic brain injury. Traumatic brain injury [TBI] has become a leading cause of death and disability of young people. It is estimated that 90,000 Americans suffer severe brain injury each year which result in a debilitating loss of function. TBI is most often the result of motor vehicle accidents, sporting accidents and falls. TBI is a distinct disorder and does not include brain dysfunction caused by congenital or degenerative disorders.

The provisions of S. 725 are virtually identical to sections 701–704 of H.R. 3869 which passed the House May 23. Like H.R. 3869, S. 725 establishes Traumatic Brain Injury programs within the Centers for Disease Control and Prevention, the Health Resources and Services Administration and the National Institutes of Health.

I want to note the leadership and tireless efforts of the gentleman from Pennsylvania [Mr. GREENWOOD] who not only persuaded the committee to include these provisions in H.R. 3869 but worked closely with our Senate colleagues to secure passage of a freestanding bill. House passage of S. 725 will clear the legislation for the President's signature.

Madam Speaker, I also want to note that this Senate bill also contains an amendment which would exempt maple syrup subject to State standards of identity, from Federal standards of identity prescribed by the Food and Drug Administration. This is a minor, noncontroversial amendment which makes permanent the temporary exemption Congress has previously afforded this product. We support the amendment and know of no objection.

The House amendment also allows the States to maintain their own standards of identity for fluid milk even if those standards are different from the Federal standard of identity. It also allows the Food and Drug Administration's 1987 food additive regulation relating to selenium to remain in place until December 31, 1995, while a legal issue concerning the regulation is resolved. The 1987 regulation is important to the health of certain animals.

Madam Speaker, passage of S. 725 will allow the new Traumatic Brain Injury initiatives to be considered by the appropriations committee for funding in fiscal year 1995.

I urge support for the legislation.

Madam Speaker, I reserve the balance of my time.

Mr. BLILEY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of S. 725.

The provisions of S. 725 that deal with traumatic brain injury are identical to those included in H.R. 3869, the Minority Health Improvement Act which passed the House on the suspension calendar by voice vote.

These provisions were negotiated by the gentleman from Pennsylvania during the energy and commerce consideration of H.R. 3869. This language was then adopted by the other body on the Senate floor. I wish to commend the gentleman for his efforts on this legislation.

The traumatic brain injury provisions: First, authorize the Centers for Disease Control and Prevention [CDC] to carry out projects to prevent traumatic brain injury; second, authorize the National Institutes of Health [NIH] to conduct research into the prevention and treatment of traumatic brain injury; and third, authorize grants to States and public and nonprofit private entities for the establishment of projects to improve the availability of health services regarding traumatic brain injury. The grant program is authorized at $5 million for fiscal year 1995 and at such sums in fiscal year 1996 and fiscal year 1997.

S. 725 also includes 2 provisions providing for an exception to the Federal standards of identity for maple syrup sold in the State of Vermont and for milk sold in the State of California. These State standards are higher than the Federal standards.

Under the Nutrition Labeling Act of 1990 State laws regarding a host of requirements on food manufacturers, were preempted. A petition process was established for States for seek exemptions from the Federal standards from the Food and Drug Administration. While both States have filed petitions with FDA, the agency has yet to act. As of now, FDA for a variety of reasons has not stopped the two States from enforcing their laws and their laws have not yet been affected by the preemption requirements. These provisions would allow these two States to continue to require that milk and maple syrup meet their respective State standards.

In addition, the bill includes a provision which waives, for 1 year, the required environmental impact statement for an additive to animal feed known as selenium. Selenium is considered to be an essential nutrient for some animals, particularly pork and dairy cattle.

Madam Speaker, I support S. 725 and urge my colleagues to join me.

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Madam Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this week the Congress will begin a momentous and controversial debate about health care. What will not be of controversy is the excellent progress that has been made by our emergency medical service system.

We now have enhanced abilities to rapidly respond to the scene of vehicle accidents and other mishaps with highly trained personnel to airlift victims to state-of-the-art trauma centers and provide them with miraculous life-saving procedures during the postinjury golden hour.

Ironically, we now have thousands of our sons and daughters, and fathers and mothers who have survived serious brain injury and who must be cared for humanely.

We must continue to develop in-home residential and long-term care facilities where those recovering from head injury can receive physical therapy, occupational therapy and cognitive rehabilitation so that, whenever possible, they may resume their places at home with their loved ones.

I rise in strong support of S. 725, the Traumatic Brain Injury Act. I am pleased to report that this legislation is the result of a strong bipartisan effort in both Chambers. I want to especially thank Chairmen KENNEDY and WAXMAN, as well as Senator HATCH and Representatives SLATTERY and PALLONE for their willingness to work with me to secure enactment of this important bill. The beneficiaries of this cooperation are the millions of individuals who sustain a severe brain injury each year.

Traumatic brain injury has become the No. 1 killer and cause of disability of young people in this country. Millions of individuals, in every age bracket, suffer serious head injuries resulting from automobile and bicycle accidents, assaults, abuse, falls or other tragic circumstances. According to the National Head Injury Foundation [NHIF], a survivor of a severe brain injury typically faces 5–10 years of intensive medical and related services at an annual cost of approximately $86,000. Estimated lifetime costs to care for a traumatic brain injury survivor can exceed $4,000,000.

Through enactment of this legislation, the Congress has recognized the need to coordinate traumatic brain injury services at the Federal and State level. This bipartisan compromise will: First, expand efforts to identify methods to prevent traumatic brain injury; second, expand biomedical research efforts to prevent or minimize the extent, severity and progression of dysfunction as a result of traumatic brain injury; and third, develop initiatives to improve the quality of care of individuals who have suffered traumatic brain injuries. The Secretary of Health and Human Services, in collaboration with appropriate State and local health-related agencies, is directed to conduct a study to determine the incidence and prevalence of traumatic brain injury and establish a unified reporting system under which hospitals, State and local health-related agencies would report the occurrence of traumatic brain injury.

That study will: First, assess the effectiveness of therapeutic interventions; second, identify preventive efforts at the State and local level; third, identify treatment and long-term rehabilitation service needs of individuals with traumatic brain injuries; and fourth, recommend practice guidelines for the treatment of traumatic brain injury.

Enactment of this legislation is an important step toward preventing, understanding, and effectively beating these devastating brain injuries. I urge my colleagues to support this important legislation.

Mr. WAXMAN. Madam Speaker, I yield myself such time as I may consume.

Before yielding back our time, I want to commend the gentleman from Pennsylvania [Mr. GREENWOOD] for this important legislation.

The House has already passed this provision as part of another bill. The gentleman from Pennsylvania [Mr. GREENWOOD] worked with the Senate to get a freestanding bill on this very subject. It is an important one. I think he is due a great deal of credit for his leadership on this.

I am pleased to join with him in supporting it.

I want to thank the gentleman from Virginia [Mr. BLILEY], the other members of the subcommittee, and the leadership of our full committee for moving this bill to the time now where it can be passed by the House.

Mr. GILMAN. Mr. Speaker, I rise today to support S. 725, Traumatic Brain Injury Act. I would like to commend the gentleman from Pennsylvania [Mr. GREENWOOD] and the chairman of the House Subcommittee on Health and the Environment, the gentleman from California [Mr. WAXMAN] for all of their efforts on behalf of those who have suffered with a traumatic brain injury.

S. 725 authorizes grants to States, public agencies, and private nonprofit organizations to study the occurrence, prevention and treatment of traumatic grain injuries. This important measure also defines traumatic brain injury as an acquired injury to the brain not including brain dysfunction caused by congenital or degenerative disorders.

Mr. Speaker, each year, over 90,000 people become disabled as a result of brain injury. Many sufferers and their families want these kinds of injuries to be distinguished from other disabilities because of the serious consequences of, and the lack of education programs and treatment for, the injury.

Accordingly, I urge all of my colleagues to vote in favor of this important measure.

Mr. PALLONE. Mr. Speaker, it is with great pleasure that I stand up here today in support of the Traumatic Brain Injury Act. As a sponsor of this legislation in the House of Representatives, I have been working to bring more awareness and understanding to the courageous individuals who live every day with head injuries. Each year, 2 million persons suffer serious head injuries and nearly 10,000 die. These are individuals who want to be productive members of society—and with a little help, they can do just that.

Passage of the TBI Act will not only promote research into new therapies and modalities of care for TBI patients, but it will also provide needed dollars to actually rehabilitate and treat head injured patients. The cost of medical treatment, rehabilitative efforts, and disability payments for head injuries totals as high as $25 billion a year. This cost imposes an enormous financial burden on society. But, more draining than the financial cost, is the emotional burden that serious head injuries cause survivors, friends, and family. With this legislation we will begin to make the inroads necessary to more compassionately and effectively threat TBI patients.

The bill also provides Federal dollars for innovative education programs to help prevent TBI. Serious head injuries are the leading cause of death and disability in young Americans age 15 to 24. The real tragedy of these injuries is that many are preventable. With better public education campaigns we can give people the knowledge to make more informed and better safety decisions. We owe it to our children to arm them with the knowledge that can help them lead safer lives.

But perhaps most important of all, this legislation lets all survivors of traumatic brain injury know that they are not alone in their struggle to lead normal lives and there are efforts to help them achieve their goals.

In this period of partisan wrangling over health care reform, this bill is an example of how both parties can work together to pass legislation that helps real people.

I want to thank Chairman DINGELL for his help in moving this piece of legislation, as well as all the head injury survivors who made the trip down to Washington earlier this year and have kept up the pressure to pass the TBI Act. This legislation is a great step forward and I hope we can have it on the President's desk before the end of the year.

Mr. MOORHEAD. Mr. Speaker, I rise in support of S. 725.

The provisions of S. 725 that deal with traumatic brain injury are identical to those included in H.R. 3869, the Minority Health Improvement Act which passed the House on the suspension calendar by voice vote.

These provisions were neogitiated by the gentleman from Pennsylvania during the Energy and Commerce consideration of H.R. 3869. This language was then adopted by the other body on the Senate floor. I wish to commend the gentleman for his efforts on this legislation.

S. 725 also includes two provisions providing for an exception to the Federal standards of identify for maple syrup sold in the State of Vermont and for milk sold in the State of California. These State standards are higher than the Federal standards.

Under the Nutrition Labeling Act of 1990, State laws concerning a variety of requirements on food manufacturers, were preempted. A petition process was established for States to seek exemptions from the Federal standards from the Food and Drug Administration. While both States have filed petitions with FDA, the Agency has yet to act. As of now, FDA for a variety of reasons has not stopped the 2 States from enforcing their laws and their laws have not yet been affected by the preemption requirements.

The practical effect of these provisions is that California can continue to require that all milk sold in the State must meet the California standard of identify for milk in order to be marketed as whole milk; and in Vermont all maple syrup sold in the State must continue to meet the Vermont maple syrup standard of identify in order to be marketed as maple syrup.

I am especially pleased that the legislation includes the exemption for California milk. The

California milk standards which have been in place since 1961 require more solids-not-fat than the Federal standard. This standard results in milk that tastes better and adds a significant percentage of calcium, protein, and other nutrients. Medical research has demonstrated the important role of calcium in the diet, especially of children, teenagers, and women.

I would also like to point out that this exemption will have no adverse impact on interstate commerce. Fluid milk is a local product, not a product that is packaged in one place and marketed across the country. Only 2 percent of the milk packaged in California moves outside the State. And less than 1 percent of the milk sold in California comes from out of State, and it meets the State's standard.

Mr. Speaker, for all these reasons I support S. 725 and urge my colleagues to join me.

Mr. WAXMAN. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BLILEY. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. COLLINS of Illinois). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the Senate bill, S. 725, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

"MADE IN AMERICA" TOLL-FREE NUMBER

Mrs. COLLINS of Illinois. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3342) to establish a toll-free number in the Department of Commerce to assist consumers in determining if products are American-made, as amended.

The Clerk read as follows:

H.R. 3342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF TOLL FREE NUMBER PILOT PROGRAM.

(a) ESTABLISHMENT.—If the Secretary of Commerce determines, on the basis of comments submitted in rulemaking under section 2, that—

(1) interest among manufacturers is sufficient to warrant the establishment of a 3-year toll free number pilot program, and

(2) manufacturers will provide fees under section 2(c) so that the program will operate without cost to the Federal Government,

the Secretary shall establish such program solely to help inform consumers whether a product is made in America or the equivalent thereof. The Secretary shall publish the toll-free number by notice in the Federal Register.

(b) CONTRACT.—The Secretary of Commerce shall enter into a contract for—

(1) the establishment and operation of the toll free number pilot program provided for in subsection (a), and

(2) the registration of products pursuant to regulations issued under section 2, which shall be funded entirely from fees collected under section 2(c).

(c) USE.—The toll free number shall be used solely to inform consumers as to whether products are registered under section 2 as made in America or the equivalent thereof. Consumers shall also be informed that registration of a product does not mean—

(1) that the product is endorsed or approved by the Government,

(2) that the Secretary has conducted any investigation to confirm that the product is a product which meets the definition of made in America or the equivalent thereof, or

(3) that the product contains 100 percent United States content.

SEC. 2. REGISTRATION.

(a) PROPOSED REGULATION.—The Secretary of Commerce shall propose a regulation—

(1) to establish a procedure under which the manufacturer of a product may voluntarily register such product as complying with the definition of a product made in America or the equivalent thereof and have such product included in the information available through the toll free number established under section 1(a);

(2) to establish, assess, and collect a fee to cover all the costs (including start-up costs) of registering products and including registered products in information provided under the toll-free number;

(3) for the establishment under section 1(a) of the toll-free number pilot program; and

(4) to solicit views from the private sector concerning the level of interest of manufacturers in registering products under the terms and conditions of paragraph (1).

(b) PROMULGATION.—If the Secretary determines based on the comments on the regulation proposed under subsection (a) that the toll-free number pilot program and the registration of products is warranted, the Secretary shall promulgate such regulations

(c) REGISTRATION FEE.—

(1) IN GENERAL.—Manufacturers of products included in information provided under section 1 shall be subject to a fee imposed by the Secretary of Commerce to pay the cost of registering products and including them in information provided under subsection (a).

(2) AMOUNT.—The amount of fees imposed under paragraph (1) shall—

(A) in the case of a manufacturer, not be greater than the cost of registering the manufacturer's product and providing product information directly attributable to such manufacturer, and

(B) in the case of the total amount of fees, not be greater than the total amount appropriated to the Secretary of Commerce for salaries and expenses directly attributable to registration of manufacturers and having products included in the information provided under section 1(a).

(3) CREDITING AND AVAILABILITY OF FEES.—

(A) IN GENERAL.—Fees collected for a fiscal year pursuant to paragraph (1) shall be credited to the appropriation account for salaries and expenses of the Secretary of Commerce and shall be available in accordance with appropriation Acts until expended without fiscal year limitation.

(B) COLLECTIONS AND APPROPRIATION ACTS.—The fees imposed under paragraph (1)—

(i) shall be collected in each fiscal year in an amount equal to the amount specified in appropriation Acts for such fiscal year, and

(ii) shall only be collected and available for the costs described in paragraph (2).

SEC. 3. PENALTY.

Any manufacturer of a product who knowingly registers a product under section 2 which is not made in America or the equivalent thereof—

(1) shall be subject to a civil penalty of not more than $7500 which the Secretary of Commerce may assess and collect, and

(2) shall not offer such product for purchase by the Federal Government.

SEC. 4. DEFINITION.

For purposes of this Act:

(1) The term "made in America or the equivalent thereof" means—

(A) an unmanufactured end product mined or produced in the United States; or

(B) an end product manufactured in the United States if the value of its components mined, produced, or manufactured in the United States equals 90 percent or more of the total value of all of its components.

(2) The term "product" means a product with a retail value of at least $250.

SEC. 5. RULE OF CONSTRUCTION.

Nothing in this Act or in any regulation promulgated under section 2 shall be construed to alter, amend, modify, or otherwise affect in any way, the Federal Trade Commission Act or the opinions, decisions, and rules of the Federal Trade Commission under such Act regarding the use of the term "made in America or the equivalent thereof" in labels on products introduced, delivered for introduction, sold, advertised, or offered for sale in commerce.

The SPEAKER pro tempore (Ms. SCHENK). Pursuant to the rule, the gentlewoman from Illinois [Mrs. COLLINS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GREENWOOD] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the American public is confused, and understandably so, about what the claim that a product is "Made in America" actually means. Their confusion is not only leading them to make consumer choices they may otherwise not make, it is costing American workers badly needed manufacturing jobs.

We have all heard reports of products being imported and then repackaged in boxes that say "Made in America", with virtually no work being done here. Manufacturers have used emblems and slogans to give the impression that products are made in our country, by American workers, when, in fact, nearly as many parts are imported from abroad as produced here.

Foreign car manufacturers operating in the United States would have the American public believe that the cars they make are American products; yet, the U.S. content is not sufficiently high for a single one of their cars to qualify as a domestically produced U.S. automobile.

The Federal Trade Commission says that a 100 percent of a product should be made in America, if the product is to be labeled "Made in America." The problem is that the Commission does not rigorously enforce this standard. In effect, manufacturers face little restriction is using "Made in America" labels and slogans, even when a large part of the product is foreign, not U.S. content.

The American consumer clearly has a different view than many manufacturers about what "Made in America" means. According to surveys done by the Federal Trade Commission, consumers believe that products which are labeled "Made in America" should be mostly, if not entirely, made from U.S. materials and components. In addition to materials and components, I would personally like to also believe that such products were manufactured by American workers.

The bill we are considering today will give U.S. consumers the ability to actually find out if, what should be true about claims that products are "Made in America," is, in fact, TRUE.

The Congressional Reference Division of the Library of Congress says that it receives, and I quote,

> Many request for lists of American-made products or for assistance in determining whether specific products are American made. We know of no Government agency which collects and publishes this information.

The bill we are considering would provide consumers with information about American-made products that the Library of Congress says does not now exist. Under the provisions of this bill, consumers will be able to get information about products that are made in America through the operation of a 1-800 telephone service that will be entirely funded by fees collected from manufacturers.

No Federal funds would be needed to establish and operate this program; it would be entirely funded by fees collected from manufactures who register their products. The bill also provides that the operation of this program be contracted out so that federal employees will not be needed to administer this program.

All products having a retail value of at least $250 and a U.S. content of 90 percent or more would be eligible to be registered under this program.

Madam Speaker, this legislation has broad bipartisan support. The compromise we have before us today has been agreed to by both the majority and minority members of our committee. I want to thank Mr. DINGELL, chairman of the Committee on Energy and Commerce for his help; as well, I would like to thank my colleague on the committee, Mr. SHERROD BROWN, for his assistance in getting the bill through the committee.

I also want to thank the ranking minority member of the committee, Mr. MOORHEAD, and in particular, the ranking minority member of the Subcommittee on Commerce, Consumer Protection and Competitiveness, Mr. STEARNS and Mr. GREENWOOD for their significant help and support. Without the cooperation and willingness of the bill's sponsor, Mr. TRAFICANT, to make needed changes, the broad consensus of support we now have for this legislation would not have been possible.

Madam Speaker, in conclusion I believe there is a real need for the program this legislation would establish. Consumers want and should have better information about products that are labeled "Made in America." At the same time, the bill would require no direct Federal spending. I urge my colleagues to support this legislation.

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Madam Speaker, I reserve the balance of my time.

Mr. GREENWOOD. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 3342. This legislation, which was introduced by the gentleman from Ohio [Mr. TRAFICANT], would authorize the Commerce Department, working with U.S. manufacturers, to establish a toll-free telephone number to provide consumers with information on American-made products.

In an effort to limit the cost to U.S. taxpayers and unnecessary Government involvement, the Subcommittee on Commerce, Consumer Protection, and Competitiveness unanimously approved an amendment in the nature of a substitute that made several important changes to this legislation.

This bill, as amended, provides a joint private-Federal partnership to promote products made in the United States. It does so without cost to American taxpayers or creation of additional Government bureaucracy. The establishment of this toll-free number will be a useful tool for consumers who truly want to buy American-made products, and will assist our domestic manufacturing industry in marketing their goods.

Under the legislation reported by the subcommittee and the full Energy and Commerce Committee, the Secretary of Commerce would determine whether there is sufficient interest in establishing a 1-800 number for consumers to call to find where they may purchase American-made products. If sufficient interest is found, the manufacturers who wish to have their products registered with the toll-free number would bear the cost of running the program.

Madam Speaker, I commend Mr. TRAFICANT for his tireless efforts to promote American-made products. Given the chance, I believe most Americans prefer to purchase American-made goods.

I also would like to commend Mrs. COLLINS, Mr. STEARNS and Mr. MOORHEAD for their leadership in securing the unanimous support of the Committee on Energy and Commerce for this bill.

I urge my colleagues to support this legislation.

Madam Speaker, I reserve the balance of my time.

Mrs. COLLINS of Illinois. Madam Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. TRAFICANT], the author of this legislation.

Mr. TRAFICANT. Madam Speaker, I thank the gentlewoman from Illinois [Mrs. COLLINS] for yielding this time to me.

I want to start out by commending the chairwoman, the gentlewoman from Illinois [Mrs. COLLINS]. Without her help, it would not have happened. Without her help, the amendment on fraudulent labeling in the crime bill, which is now in conference, would not have happened. I want to thank her very much.

I want to thank the gentleman from Florida [Mr. STEARNS], the gentleman from Pennsylvania [Mr. GREENWOOD], for the tremendous job they have done in helping to fashion some of the compromises necessary, from the original intent of the bill.

The gentleman from California [Mr. MOORHEAD] and the gentleman from Michigan [Mr. DINGELL]—I think everybody knows nothing comes out of that committee without their close review.

I think that is good.

I thank the gentleman from Ohio [Mr. BROWN], for taking an interest in this legislation as well.

Very simply, this legislation says, "Look, we can't tell people what to buy, but I think the American people should be able to find out what is made in our country."

Now, I believe the Department of Commerce stands for the promotion of commerce, not for a lot of other technicalities that we are embroiled in. I think the American people will buy, as the gentleman from Pennsylvania [Mr. GREENWOOD] said, will buy American. They do not know at times what is made in America.

So as you can see, I have tried to address those issues, and the amendment in the crime bill, as I understand it, is still in there; it says, "Look, if it is made by some Chinese laborer in a prison camp, don't put a 'made in America' label on it." But if an American citizen is going to buy a refrigerator, they should be able to find out what is made in America, what models.

Now, we cannot mandate that that happens, but this legislation would create a mechanism whereby a consumer in Peoria, IL, could call and find out what models of refrigerators are still made in this country.

And with the tailoring and help of the committee, the committee has said, "Look, I think maybe there is another way to go about it and do it that is even more effective." There is now a cost factor that is not on the Federal Government list but if those manufacturers want to have their products listed and if they are made in America, they should be proud to list their products. I think there is a growing awareness in America where people want to buy American products and they are willing to buy American-made products.

But they have been deceived. We have not enforced that. More so than that, I think we cannot force people what to buy, but we can make sure and insure they know what is available for them to purchase.

Madam Speaker, it is a very simple piece of legislation. I think it has an awful lot of common sense in it. I think we can have the same type of common sense that has taken place in the House occur in the other body, if that is completely possible, I don't know if that is completely possible. I do not know.

Then, again, I want to thank the fine gentlewoman from Illinois, Mrs. COLLINS, for her efforts, Mr. GREENWOOD, Mr. STEARNS, and everybody associated with this legislation. I think it is a good bill. I need your help now to try to get it on some vehicle if the other body does not deal with it. I appreciate the fact that it has been passed and has given us this opportunity.

I think it is good for the country and I want to thank you again.

Madam Speaker, as the author of H.R. 3342, on behalf of the bill's 234 cosponsors, I rise in strong support of the bill.

I want to thank and commend the distinguished gentleman from Michigan, the chairman of the Energy and Commerce Committee, JOHN DINGELL, for acting so expeditiously on this legislation.

I also want to thank the gentleman from California, the ranking minority member of the committee, Mr. MOORHEAD, for his cooperation and support.

I especially want to thank the hard working and distinguished gentlelady from Illinois, the chairperson of the Subcommittee on Commerce, Consumer Protection and Competitiveness, CARDISS COLLINS.

I want to thank Chair COLLINS and her excellent staff, and the gentleman from Florida, the ranking minority member of the subcommittee, Mr. STEARNS, for working closely with me and my staff on improving the bill and moving it forward.

I support the changes in the bill that Mrs. COLLINS made in the form of a substitute amendment approved during subcommittee markup. In fact, I recommended most of these changes in my testimony before her subcommittee earlier this year.

I think it is important to note that the Department of Commerce did not support my original bill. Shortly after introducing the bill I wrote to the Commerce Department to solicit their comments and suggestions to improve the bill.

The Commerce Department never even gave me the courtesy of the response, despite the fact that the bill had 234 cosponsors.

Nevertheless, after listening to the Commerce Department's concerns, I worked with the subcommittee and we addressed all of their concerns. The bill before us today is an excellent piece of legislation.

As originally introduced, H.R. 3342 directed the Commerce Department to establish a toll-free number consumers could call to get information on products made in this country.

The bill also directs the Commerce Department to publicize the number and to develop a registration system for American companies to have their products included in the program.

The bill would subject any companies providing false information to Federal penalties.

In response to recommendations I made during my testimony before the subcommittee and in response to concerns raised by the Commerce Department, the subcommittee made several changes to the bill.

The major change is to have the Commerce Department contract the program out and have the program be self-financed through the imposition of a modest annual registration fee.

Another change in the bill directs the Commerce Department to canvass American companies to determine the level of interest in the program and to determine what the annual registration fee would be.

I want to emphasize that the bill before us today will not require the Commerce Department to hire more people or create a new unit.

The only expense to the department would be to prepare language for the Federal Register and to prepare bid documents.

The program will be contracted out and run by a private company.

All the program would do is provide American consumers with information on what products are made in America.

When making a big purchase, most Americans want to buy American. This program will help them make an informed—and hopefully patriotic—decision.

Once again, I thank the gentlelady from Illinois and the gentleman from Florida for their cooperation and support.

I urge my colleagues to support the bill.

Mr. GREENWOOD. Madam Speaker, we have no further requests for time, and I yield back the balance of my time.

Mrs. COLLINS of Illinois. Madam Speaker, we have no further requests for time, and I yield back the balance of our time.

The SPEAKER pro tempore (Ms. SCHENK). The question is on the motion offered by the gentlewoman from Illinois [Mrs. COLLINS] that the House suspend the rules and pass the bill, H.R. 3342, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ENERGY POLICY AND CONSERVATION ACT AMENDMENTS OF 1994

Mr. SHARP. Madam Speaker, I move to suspend the rules and pass the bill, (H.R. 4752) to amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4752

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Policy and Conservation Act Amendments of 1994".

SEC. 2. TABLE OF CONTENTS AND STATEMENT OF PURPOSES.

(a)(1) In the table of contents of the Energy Policy and Conservation Act, strike the items relating to sections 102, 153, 155, 158, and 164, and strike the items relating to parts A and C of title II.

(2) The item in the table of contents of the Energy Policy and Conservation Act relating to section 159 is amended to read as follows:

"Sec. 159. Development, operations, and maintenance of the Reserve.".

(3) The item in the table of contents of the Energy Policy and Conservation Act relating to section 165 is amended to read as follows:

"Sec. 165. Reports.".

(b) Section 2 of the Energy Policy and Conservation Act (42 U.S.C. 6201) is amended—

(1) in paragraph (1) by striking "standby authority to the President, subject to congressional review, to impose rationing, to reduce demand for energy through the implementation of energy conservation plans, and" and inserting in lieu thereof "authority to the President"; and

(2) by striking paragraphs (3) and (6) and redesignating paragraphs (4), (5), (7), and (8) as paragraphs (3), (4), (5), and (6), respectively.

SEC. 3. TITLE I AMENDMENTS.

Title I of the Energy Policy and Conservation Act is amended—

(1) by striking section 102 (42 U.S.C. 6211);

(2) in section 151 (42 U.S.C. 6231)—

(A) in subsection (a) by striking "limited" and by striking "short-term"; and

(B) by amending subsection (b) to read as follows:

"(b) It is the policy of the United States to provide for the creation of a Strategic Petroleum Reserve for the storage of up to 1,000,000,000 barrels of petroleum products to reduce the impact of disruptions in supplies of petroleum products or to carry out obligations of the United States under the international energy program.";

(3) in section 152 (42 U.S.C. 6232)—

(A) by striking paragraph (1) and redesignating paragraphs (2) through (11) as paragraphs (1) through (10), respectively; and

(B) in paragraph (10) (as so redesignated by subparagraph (A) of this paragraph) by striking ", the Early Storage Reserve";

(4) by striking section 153 (42 U.S.C 6233);

(5) in section 154 (42 U.S.C. 6234)—

(A) by amending subsection (a)(1) to read as follows:

"(a)(1) A Strategic Petroleum Reserve for the storage of up to 1,000,000,000 barrels of petroleum products shall be created pursuant to this part.";

(B) in subsection (a)(2)(D), by striking "160(h)" and inserting in lieu thereof "160(e)";

(C) by amending subsection (b) to read as follows:

"(b) The Secretary, acting through the Strategic Petroleum Reserve Office and in accordance with this part, shall exercise authority over the development, operation, and maintenance of the Reserve.";

(D) by amending subsection (c) to read as follows:

"(c) The Secretary, not later than 6 months after the date of enactment of this subsection, and every two years thereafter, shall prepare and transmit to the Congress a Strategic Petroleum Reserve Operating and Readiness Plan. Such plan shall describe the long-range operational, maintenance, refurbishment, product replacement, testing, withdrawal and distribution, and readiness requirements to enable the implementation of the policy declared in section 151."; and

(E) by striking subsections (d) and (e).

(6) by striking section 155 (42 U.S.C. 6235);

(7) in section 156(b) (42 U.S.C. 6236(b)) by striking "To implement the Early Storage Reserve Plan or the Strategic Petroleum Reserve Plan which has taken effect pursuant to section 159(a), the" and inserting in lieu thereof "The";

(8) by amending section 157 (42 U.S.C 6237)—

(A) in subsection (a), by striking "The Strategic Petroleum Reserve Plan shall provide for the establishment and maintenance of" and inserting in lieu thereof "The Secretary shall establish and maintain as part of the Strategic Petroleum Reserve"; and

(B) in subsection (b), by striking "To implement the Strategic Petroleum Reserve Plan, the Secretary shall accumulate and maintain" and inserting in lieu thereof "The Secretary shall establish and maintain as part of the Strategic Petroleum Reserve";

(9) by striking section 158 (42 U.S.C 6238);

(10) in section 159 (42 U.S.C. 6239)—

(A) by amending the section head to read as follows:

"DEVELOPMENT, OPERATIONS, AND MAINTENANCE OF THE RESERVE";

(B) by striking subsections (a), (b), (c), (d), (e), (h), and (i), and redesignating subsections (f), (g), (j), (k), and (l) as subsections (a), (b), (c), (d), and (e), respectively;

(C) by amending subsection (a) (as so redesignated by subparagraph (B) of this paragraph) to read as follows:

"(a) In order to develop, operate, or maintain the Strategic Petroleum Reserve, the Secretary may—

"(1) issue rules, regulations, or orders;

"(2) acquire by purchase, condemnation, or otherwise, land or interests in land for the location of storage and related facilities;

"(3) construct, purchase, lease, or otherwise acquire storage and related facilities;

"(4) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired under this part, under such terms and conditions as the Secretary considers necessary and appropriate;

"(5) acquire, subject to the provisions of section 160, by purchase, exchange, or otherwise, petroleum products for storage in the Strategic Petroleum Reserve, including the Regional Petroleum Reserve;

"(6) store petroleum products in storage facilities owned and controlled by the United States or in storage facilities owned by others if those facilities are subject to audit by the United States;

"(7) execute any contracts necessary to develop, operate, or maintain the Strategic Petroleum Reserve;

"(8) require an importer of petroleum products or refiner to acquire and to store and maintain, in readily available inventories, petroleum products in the Industrial Petroleum Reserve, under section 156;

"(9) require the storage of petroleum products in the Industrial Petroleum Reserve, under section 156, on such reasonable terms as the Secretary may specify, in storage facilities owned and controlled by the United States or in storage facilities other than those owned by the United States if those facilities are subject to audit by the United States;

"(10) require the maintenance of the Industrial Petroleum Reserve; and

"(11) bring an action, when the Secretary considers it necessary, in any court having jurisdiction over the proceedings, to acquire by condemnation any real or personal property, including facilities, temporary use of facilities, or other interests in land, together with any personal property located on or used with the land.";

(D) in subsection (b) (as so redesignated by subparagraph (B) of this paragraph)—

(i) by striking "implementation" and inserting in lieu thereof "development"; and

(ii) by striking "Plan";

(E) by amending subsection (c) (as so redesignated by subparagraph (B) of this paragraph) to read as follows:

"(c) When the Secretary determines that a 750,000,000 barrel inventory can reasonably be expected to be reached in the Reserve within 5 years, the Secretary shall submit to the Congress a plan for expansion of the Strategic Petroleum Reserve to a capacity of 1,000,000,000 barrels."; and

(F) by amending subsection (e) (as so redesignated by subparagraph (B) of this paragraph) to read as follows:

"(e) During any period in which drawdown and distribution are being implemented, the Secretary may issue rules, regulations, or orders to implement the drawdown and distribution of the Strategic Petroleum Reserve, without regard to the requirements of section 553 of title 5, United States Code, and section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).";

(11) in section 160 (42 U.S.C. 6240)—

(A) in subsection (a), by striking "The Secretary" and all that follows through "transport, or exchange" and inserting in lieu thereof "For the purpose of implementing the Strategic Petroleum Reserve, the Secretary may acquire, place in storage, transport, or exchange";

(B) in subsection (b)—

(i) by striking ", including the Early Storage Reserve"; and

(ii) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(C) by striking subsections (c), (d), and (e) and redesignating subsections (f), (g), and (h) as subsections (c), (d), and (e), respectively;

(12) in section 161 (42 U.S.C. 6241)—

(A) by striking subsections (b) and (c) and redesignating subsections (d) through (i) as subsections (b) through (g), respectively;

(B) by amending subsection (b)(1) (as so redesignated by subparagraph (A) of this paragraph) to read as follows:

"(b)(1) No drawdown and distribution of the Strategic Petroleum Reserve may be made unless the President has found drawdown and distribution is required by a severe energy supply interruption or by obligations of the United States under the international energy program.";

(C) by amending subsection (c) (as so redesignated by subparagraph (A) of this paragraph) to read as follows:

"(c)(1) The Secretary shall sell any petroleum product withdrawn from the Strategic Petroleum Reserve at public sale to the highest qualified bidder in the amounts and for the period the Secretary considers appropriate, and after a notice of sale the Secretary considers appropriate.

"(2) The Secretary may cancel in whole or in part any offer to sell petroleum products as part of any drawdown and distribution under this section."; and

(D) in subsection (e) (as so redesignated by subparagraph (A) of this paragraph)—

(i) in paragraph (1), by striking "Distribution Plan" and inserting in lieu thereof "distribution procedures";

(ii) by striking paragraphs (2) and (6) and redesignating paragraphs (3), (4), (5), (7), and (8) as paragraphs (2), (3), (4), (5), and (6), respectively; and

(iii) in subsection (f)(1)(A) (as so redesignated by subparagraph (A) of this paragraph) by striking "subsection (d)" and inserting in lieu thereof "subsection (b)";

(13) by striking section 164 (42 U.S.C. 6244);

(14) by amending section 165 (42 U.S.C. 6245) to read as follows:

"REPORTS

"SEC. 165. The Secretary shall, not later than 6 months after the date of enactment of the Energy Policy and Conservation Act Amendments of 1994, and every 6 months thereafter, transmit a report to the President and the Congress on—

"(1) the status of the physical capacity of the Reserve and the type and quantity of petroleum in the Reserve;

"(2) an estimate of the schedule and cost to complete planned equipment upgrade or capital investment in the Reserve, including those carried out as part of operational maintenance or extension of life activities;

"(3) an identification of any life-limiting conditions or operational problems at any Reserve facility, and proposed remedial actions including an estimate of the schedule and cost of implementing such remedial actions;

"(4) a description of current withdrawal and distribution rates and capabilities, and an identification of any operational or other limitations on such rates and capabilities;

"(5) an identification of purchases of petroleum made in the preceding 6 months and planned in the following 6 months, including quantity, price, and type of petroleum;

"(6) a summary of the actions taken to develop, operate, and maintain the Reserve;

"(7) a summary of the financial status and financial transactions of the Strategic Petroleum Reserve and Strategic Petroleum Reserve Petroleum Accounts for the preceding 6 months;

"(8) a summary of operating and capital expenses for the preceding 6 months, and the number of Federal and contractor employees;

"(9) the status of contracts for development, operation, maintenance, distribution, and other activities related to the implementation of this part; and

"(10) any recommendations for supplemental legislation or policy or operational changes the Secretary considers necessary and appropriate to implement this part.";

(15) by amending section 166 (42 U.S.C. 6246) to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 166. There are authorized to be appropriated such sums as may be necessary to implement this part.";

(16) in section 167 (42 U.S.C. 6247)—

(A) in subsection (b)—

(i) by inserting "test sales of petroleum products from the Reserve," after "Strategic Petroleum Reserve,";

(ii) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(iii) in paragraph (1) (as so redesignated by clause (ii) of this subsection) by striking "after fiscal year 1982"; and

(iv) in paragraph (2) (as so redesignated by clause (ii) of this subsection) by striking "160(f)" and inserting in lieu thereof "160(c)";

(B) in subsection (d), by striking "160(f)" and inserting in lieu thereof "160(c)"; and

(C) by amending subsection (e) to read as follows:

"(e) The Impoundment Control Act of 1974 (2 U.S.C. 681–688) shall apply to funds made available under subsection (b).";

(17) in section 171(b)(2)(B) (42 U.S.C. 6249(b)(2)(B)) by inserting ", as such section

was in effect before the date of enactment of the Energy Policy and Conservation Act Amendments of 1994," after "section 154(e)";

(18) in section 172 (42 U.S.C. 6249a) by striking subsections (a) and (b) and redesignating subsections (c) and (d) as subsections (a) and (b), respectively; and

(19) in section 181 (42 U.S.C. 6251) by striking "1994" both places it appears and inserting in lieu thereof "1999".

SEC. 4. TITLE II AMENDMENTS.

Title II of the Energy Policy and Conservation Act is amended—

(1) by striking part A (42 U.S.C. 6261 through 6264);

(2) in section 251(e)(1) (42 U.S.C. 6271(e)(1)) by striking "252(l)(1)" and inserting in lieu thereof "252(k)(1)";

(3) in section 252 (42 U.S.C. 6272)—

(A) in subsections (a)(1) and (b), by striking "allocation and information provisions of the international energy program" and inserting in lieu thereof "international emergency response provisions";

(B) in subsection (d)(3), by striking "known circumstances" and inserting in lieu thereof "circumstances known at the time of approval";

(C) in subsection (f)(2) by inserting "voluntary agreement or" after "approved";

(D) in subsection (i) by inserting "annually, and at least" after "least" and by inserting "during an international energy supply emergency" after "months";

(E) in subsection (k) by amending paragraph (2) to read as follows:

"(2) The term 'international emergency response provisions' means—

"(A) the provisions of the international energy program which relate to international allocation of petroleum products and to the information system provided in the program; and

"(B) the emergency response measures adopted by the Governing Board of the International Energy Agency (including the July 11, 1984, decision by the Governing Board on 'Stocks and Supply Disruptions') for—

"(i) the coordinated drawdown of stocks of petroleum products held or controlled by governments; and

"(ii) complementary actions taken by governments,

during an existing or impending international oil supply disruption."; and

(F) by amending subsection (l) to read as follows:

"(l) The antitrust defense under subsection (f) shall not extend to the international allocation of petroleum products unless allocation is required by chapters III and IV of the international energy program during an international energy supply emergency.";

(4) by adding at the end of section 256(h) (42 U.S.C. 6276(h)) "There are authorized to be appropriated for fiscal years 1996 through 1999 such sums as may be necessary to carry out this part.";

(5) by striking part C (42 U.S.C. 6281 through 6282); and

(6) in section 281 (42 U.S.C. 6285), by striking "1994" each place it appears and inserting in lieu thereof "1999".

SEC. 5. MISCELLANEOUS ADDITIONAL AMENDMENTS.

(a) Title III of the Energy Policy and Conservation Act is amended—

(1) in section 365(f) (42 U.S.C. 6325(f)) by amending paragraph (1) to read as follows:

"(1) Except as provided in paragraph (2), for the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1995 through 1999 such sums as may be necessary."; and

(2) by amending section 397 (42 U.S.C. 6371f) to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1995 through 1999 such sums as may be necessary.".

(b) Section 507 of the Energy Policy and Conservation Act (42 U.S.C. 6385) is amended by striking ", which was collected" and all that follows through "Information Administration".

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

Section 6(d) of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12005(d)) is amended by striking "fiscal year 1994" and inserting in lieu thereof "the period encompassing fiscal years 1996, 1997, and 1998".

SEC. 7. ELWHA RIVER ECOSYSTEM AND FISHERIES RESTORATION EXPENDITURES.

Section 9 of the Elwha River Ecosystem and Fisheries Restoration Act (Public Law 102–495; 106 Stat. 3178) is amended by striking "for expenditure through the Assistant Secretary for Fish, Wildlife, and Parks".

SEC. 8. SIZE LIMITATIONS OF ELIGIBLE FACILITIES UNDER PURPA.

(a) EXTENSION.—Section 3(17)(E) of the Federal Power Act (16 U.S.C. 791a and following) is amended as follows:

(1) By striking "1994" and inserting "1996".

(2) By striking "1999" and inserting "2001".

(b) STUDY.—Before January 1, 1996, the Secretary of Energy, in consultation with the Federal Energy Regulatory Commission, shall conduct a study to review the current implementation of the Public Utility Regulatory Policies Act of 1978 and submit a report to Congress containing the results of such study. Such report shall include an examination of the mandatory purchase requirements under such Act, the implementation of avoided cost requirements by various State public service commissions and ownership restrictions imposed under such Act. In conducting the study, the Secretary shall consult with State public service commissions and other State regulatory authorities with jurisdiction over electric power sales.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana [Mr. SHARP] will be recognized for 20 minutes, and the gentleman from Florida [Mr. BILIRAKIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 4752 is bipartisan, consensus legislation that extends key energy security programs needed for a possible future oil crisis, continues important energy conservation programs, and maintains renewable domestic energy to our citizens.

The bill's two energy security programs—

Extend through 1999 the President's authority to use our 590 million barrel Strategic Petroleum Reserve, the SPR, in a future oil crisis;

Extend through 1999 laws backing up U.S. participation in the International Energy Agency, a group of over 20 mostly western nations formed after the 1973 oil embargo to seek joint solutions to their energy security problems.

The bill's conservation provisions reauthorize appropriations for the Council on Energy Efficiency, Commerce, and Trade [COEECT]; the State Energy Conservation Program under EPCA; and the Institutional Conservation Program under EPCA.

The bill's renewable energy provisions:

Reauthorize appropriations for the Council on Renewable Energy, Commerce, and Trade [CORECT];

Reauthorize appropriations for renewable energy demonstration and commercial application projects under REEETCA, the Renewable Energy and Energy Efficiency Techonolgy Competitiveness Act of 1989; and

Extend for 2 years the incentives under PURPA, the Public Utility Regulatory Policies Act of 1978, for solar, wind, waste, and geothermal powerplants of any size.

Mr. Speaker, the administration supports this legislation. Our minority has worked closedly with us on it, and supports it.

If you're worried about rising oil imports and an unstable Persian Gulf, vote for this bill. If you want to expand U.S. exports of renewable energy technologies and more energy efficient equipment, vote for this bill.

If you agree that energy conservation is one of our biggest domestic supply sources, vote for this bill. Finally, if you want to maintain incentives for the clean, renewable electric power techonogies of the future, vote for this bill.

Madam Speaker, I commend my colleagues for their wisdom and cooperation on these matters, especially Messrs. MOORHEAD, SYNAR, BILIRAKIS, TAUZIN, and LEHMAN. I urge an "aye" vote.

Madam Speaker, let me detail the provisions of this legislation, which amends the Energy Policy and Conservation Act [EPCA] to reflect both global changes in the oil market and budget realities here in Congress.

The strategic petroleum reserve [SPR] serves as our Nation's only insurance policy against the disastrous consequences of oil supply and price disruptions. Lack of money has limited our original goal of building and filling a 1 billion barrel SPR. The SPR now holds 590 million barrels, which is a considerable tool in the event of a disruption, but we simply don't have the $10 billion needed to get to 1 billion barrel goal. Many of us in Congress, on a bipartisan basis, understand the importance of a large and usable SPR, but the will has simply not been there—given our deficit and other, more pressing spending priorities—to find the money to continue the SPR fill.

I regret that too few have recognized the importance of a larger SPR—especially after we failed to use SPR early in the 1990 Iraqi crisis, and especially in view of our ever rising dependence on oil imports.

But we also face costly difficulties in keeping our existing SPR in working order. These difficulties, such as wornout pumps and hot and gassy oil, are limiting the availability of the

590 million barrels of oil we do have. At a minimum, we should keep the SPR in good shape with the limited funds we have. And the Department of Energy has said it intends to do just that.

The bill keeps several critical SPR policies in place: The goal of a 1 billion barrel reserve is maintained, and the President's authority to use the SPR in a crisis is unchanged.

The bill also moves the International Energy Agency [IEA] away from its focus on the outdated oil sharing program, to the more effective crisis strategy of joint use of IEA nations' strategic oil stocks. These stocks—our SPR and similar stocks of other countries—hardly existed in 1974, and that's why the IEA was forced to draw up an emergency oil allocation plan as a second best solution. But now we can replace a shortage, instead of merely sharing it. Accordingly, the bill updates the IEA provisions of EPCA.

State energy conservation programs are also in EPCA. The bill reauthorizes appropriations for two very successful State programs, the State Energy Conservation Program [SECP] and the Institutional Conservation Program [ICP]. The SECP funds State energy offices which develop State energy plans and assist in directing State efforts to conserve energy. The ICP provides funds on a matching basis for energy efficiency investments at hospitals and schools.

The bill authorizes appropriations for two EPCA programs which help our domestic industries promote energy efficient equipment and renewable technologies exports overseas, the Council on Renewable Energy, Commerce and Trade [CORECT] and the Council on Energy Efficiency, Commerce and Trade [COEECT]. The global energy efficiency market is estimated at $60 to $90 billion annually. We have an edge in this area. Exploiting it means more U.S. jobs and less energy pollution worldwide. The programs leverage very small expenditures into very large purchases of U.S. technologies. In a recent case, a $30,000 expenditure resulted in $20 million in contracts with Thai utilities and equipment manufacturers. These programs stand to bring a dramatic return on the investment of Federal dollars.

H.R. 4752 reauthorizes appropriations for renewable energy projects under the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 [REEETC]. REEETC authorizes Federal assistance to selected demonstration and commercial application projects for renewable energy power plants, such as biomass energy, photovoltaics, fuel cells, wind and geothermal power.

Projects must undergo a merit selection process under the direction of the Secretary of Energy, and must meet 50 percent cost sharing requirements to leverage taxpayer funds.

The bill makes no changes to this program. It simply reauthorizes appropriations in the same amount—$50 million—which Congress approved for these projects in 1992. This amount can be spent over the 3-year period starting in fiscal year 1996 and ending in fiscal year 1998.

Elwha: Section 7 of this bill is a technical amendment to the Elha River Ecosystem and Fish Restoration Act [EREFRA]. The amendment strikes the reference in section 9 of EREFRA to the Assistant Interior Secretary for Fish and Wildlife and Parks. With this change, the Secretary of the Interior would administer the EREFRA funds, as is usually the case. The amendment makes no other changes to the program. The program will continue to be operated through the Assistant Secretary of the Interior.

Finally, H.R. 4752 extends incentives for renewable energy powerplants set by PURPA, the Public Utility Regulatory Policies Act of 1978. For several years, these incentives—hook-up requirements, wheeling rights, and power purchases at avoided cost rates—have been available to solar, wind, waste, and geothermal powerplants of any size. Unless we act now, that will stop at year's end, and only small generators under 80 megawatts will get these incentives.

My colleagues on the Energy and Commerce Committee, who unanimously reported this measure last week, agree that we want more clean renewable energy, not less. A size restriction at years's end will give us less economical electricity, because small powerplants lose some economies of scale, and will discourage the cleanest of electricity generation technologies.

Accordingly, the bill retains the status quo, and maintains the PURPA incentives for small and large renewable powerplants for 2 more years.

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Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this bill to reauthorize the programs under the Energy Policy and Conservation Act. The conservation and efficiency programs of EPCA help us to use less energy, which results in decreased dependence on imported energy sources. Without this reauthorization, these programs will expire this year.

EPCA contains a number of programs which play an important role in assuring U.S. energy security and helping to reduce U.S. vulnerability to potential shut-offs of our imported oil supply. First, the Strategic Petroleum Reserve Program is vital in protecting us from world petroleum supply shortages. In addition, our participation in the international energy program provides us with important foreign cooperation when oil supplies are short.

Second, EPCA programs provide money to States to assist in funding energy efficiency and conservation programs at schools and hospitals. It also funds State energy conservation programs which promote energy efficiency, the adoption of renewable energy measures, and increased use of alternative fuels.

Third, this bill reauthorizes the councils on Renewable Energy Commerce and Trade and Energy Efficiency Commerce and Trade. These programs provide domestic energy efficiency and renewable energy industries with marketing information and financing opportunities overseas; increasing their ability to expand exports of these types of technologies to foreign countries.

Finally, Mr. Speaker, we support the measures contained in the chairman's amendment to EPCA. These amendments would reauthorize the Renewable Energy and Efficiency Technology Competitiveness Act of 1989 for another 3 years, make a technical change to the Elwah River Ecosystem and Fish Restoration Act, and maintain, for another 2 years, the existing exemption from the size limitation on renewable powerplants to qualify under the Public Utility Regulatory Policies Act.

Again, Mr. Speaker, I think each of the programs which we reauthorize today make important contributions in guaranteeing our energy security and I urge my fellow Members to support this bill.

Mr. SHARP. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Speaker, I rise in very strong support of the legislation.

Mr. Speaker, I rise in strong support of the bill under suspension, H.R. 4752, the Energy Policy and Conservation Act Amendments. H.R. 4752 contains a small provision which will amend Public Law 102–495, the Elwha River Ecosystem and Fisheries Restoration Act, to allow the Secretary of the Interior flexibility in determining where funding will be dispersed for purposes of implementing the Elwha project.

Let me express my great appreciation to Chairman DINGELL and his staff for working with myself and others in the Washington State congressional delegation on this important issue. I would also like to express my appreciation to the chairman of the Natural Resources Committee, Mr. MILLER, the chairman of the Merchant Marine and Fisheries Committee, Mr. STUDDS, the ranking minority on the full Natural Resources Committee, Mr. YOUNG, and the ranking minority on the Natural Resources Subcommittee on Oversight and Investigations, Mr. SMITH of Oregon, all of which have been supportive of having the Elwha provision included in this bill, H.R. 4752.

We are at a critical stage in the implementation of activities associated with the restoration of the Elwha River. An Environmental Impact Statement [EIS] has been initiated by the Interior Department, which should be completed in a year, and as early as the next fiscal budgetary cycle the Secretary will be ready to initiate the acquisition of the two dams involved, the Elwha and Glines Canyon.

The Elwha dams project is an extremely high priority for Secretary Babbitt and the administration, and it is important that the Secretary has the full range of flexibility in funding the implementation of the Elwha legislation.

The Elwha provision included in the Energy Policy and Conservation Act amendments, will help provide more predictability and certainty as the Elwha project moves forward. The greater certainty will help interested parties such as the Daishowa Co., which has a mill employing 600 workers in the city of Port Angeles.

The provision will also be welcomed by the city of Port Angeles, whose water supply will be affected by the project, and the Lower

Elwha Tribe, which has much at stake for its future in the outcome of this process. Finally, this provision is strongly supported by the administration, which welcomes the opportunity to proceed with the implementation of the Elwha statute.

Again, let me thank the chairman and those who helped craft this legislation. I urge my colleagues to support the passage of H.R. 4752.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I, too, have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from Indiana [Mr. SHARP] that the House suspend the rules and pass the bill, H.R. 4752, as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENTS OF 1994

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4751) to reauthorize appropriations for the weatherization program under section 422 of the Energy Conservation and Production Act, as amended.

The Clerk read as follows:

H.R. 4751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 422. For the purposes of carrying out the weatherization program under this part, there are authorized to be appropriated for fiscal years 1995 and 1996 such sums as may be necessary.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana [Mr. SHARP] will be recognized for 20 minutes, and the gentleman from Florida [Mr. BILIRAKIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4751 is bipartisan, consensus legislation that authorizes appropriations for the Weatherization Assistance Program for fiscal years 1995 and 1996.

The Weatherization Program is a State block grant program administered by the States through community action agencies, State energy offices, and other appropriate agencies. It provides funding for insulation, home energy efficiency repairs, and other programs for low-income residents.

An evaluation done by DOE in 1990 found that the program saves energy, lowers fuel bills for low-income citizens, and improves the health and safety of dwellings occupied by low-income people. In other words, the program works.

There has been a longstanding dispute between regions of the country over the weatherization allocation formula. Southerners have thought that too much of the funding goes to northern States. Northern States disagree.

There is no specific statutory formula in this law, and our bill makes no change to any of the statutory factors DOE uses to arrive at its allocation formula.

However, DOE, since the beginning of the Clinton administration, has been trying to resolve this dispute and issue a new regulation—under their broad administrative discretion—containing a more equitable formula. We continue to urge DOE to conclude this process.

DOE believes that it could achieve consensus on a formula change if funding for the program were increased enough—about $20 million—to give more to the southern States, while protecting northern States from any funding cuts. We have urged, and will continue to urge the Appropriations Committee to provide at least this level of funding.

I commend all my colleagues for working so well together to try to resolve this regional dispute. Blessed indeed are the peacemakers, and accordingly I want to especially single out Messrs. SYNAR, MOORHEAD, TAUZIN, and BILIRAKIS. They have shown great cooperation and wisdom. I urge an "aye" vote.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we often hear talk about using taxpayer dollars to make investments that will alleviate the need for future spending. While many of the spending programs that are sold as investments are of suspect long-term benefit, the Department of Energy's weatherization assistance program is one investment that provides measurable returns.

In many areas of our country, heating or cooling is a necessity, not a luxury. While we have programs that provide direct payments to low-income persons in these areas, the weatherization assistance program makes improvements to the homes of low-income families, permanently reducing their energy costs and their reliance on those other Government assistance programs.

Because this is a valuable program, I, along with many other Members from southern and urban States, am frustrated with the fact that our constituents continue to be denied the full benefits of the weatherization program. The current formula used by DOE to distribute funds heavily favors northern and rural States.

Extreme heat is just as dangerous to a person's health as extreme cold. This is especially true in the low-income population of my home State of Florida, which includes a higher than average proportion of children and seniors who are vulnerable to extreme temperatures.

In 1990, Congress amended the Energy Conservation and Production Act, requiring DOE to promulgate a new formula that would provide for a more equitable allocation of funds to warm-weather and urban States. Four years later, DOE has not yet done so.

DOE has assured Congress that it is working to derive a new formula that will provide more funding to citizens in southern and urban areas. Based upon these assurances, members of the Energy and Commerce Committee adopted an amendment that would limit the reauthorization period to 2 years. DOE will have 2 years to come up with a fair allocation formula before it must return for reauthorization of the program.

While I urge my fellow members to support the reauthorization of the weatherization assistance program, I would also strongly encourage DOE to comply with the terms of the 1990 amendments as quickly as possible, so that this valuable program can be easily reauthorized in 1996.

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Mr. Speaker, I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from Indiana [Mr. SHARP] that the House suspend the rules and pass the bill, H.R. 4751.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1994

Ms. SCHENK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4545) to amend the Federal Railroad Safety Act of 1970, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4545

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Railroad Safety Authorization Act of 1994".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 20117(a)(1) of title 49, United States Code, is amended by adding after subparagraph (B) the following new subparagraphs:

“(C) $68,289,000 for fiscal year 1995.

“(D) $75,112,000 for fiscal year 1996.

“(E) $82,563,000 for fiscal year 1997.

“(F) $90,739,000 for fiscal year 1998.’.

SEC. 3. HOURS OF SERVICE PILOT PROJECTS.

(a) AMENDMENT.—Chapter 211 of title 49, United States Code, is amended by adding at the end the following new section:

“SEC. 21108. PILOT PROJECTS.

“(a) WAIVER.—A railroad or railroads and all labor organizations representing any class or craft of directly affected covered service employees of the railroad or railroads, may jointly petition the Secretary of Transportation for approval of a waiver, in whole or in part, of compliance with this chapter, to enable the establishment of one or more pilot projects to demonstrate the possible benefits of implementing alternatives to the strict application of the requirements of this chapter to such class or craft of employees, including requirements concerning maximum on-duty and minimum off-duty periods. Based on such a joint petition, the Secretary may, after notice and opportunity for comment, waive in whole or in part compliance with this chapter for a period of no more than two years, if the Secretary determines that such waiver of compliance is in the public interest and in consistent with railroad safety. Any such waiver may, based on a new petition, be extended for additional periods of up to two years, after notice and opportunity for comment. An explanation of any waiver granted under this section shall be published in the Federal Register.

“(b) REPORT.—The Secretary of Transportation shall submit to Congress, no later than January 1, 1997, a report that—

“(1) explains and analyzes the effectiveness of all pilot projects established pursuant to a waiver granted under subsection (a);

“(2) describes the status of all other waivers granted under subsection (a) and their related pilot projects, if any; and

“(3) recommends appropriate legislative changes to this chapter.

“(c) DEFINITION.—For purposes of this section, the term ‘directly affected covered service employees’ means covered service employees to whose hours of service the terms of the waiver petitioned for specifically apply.”.

(b) TABLE OF SECTIONS AMENDMENT.—The table of sections for chapter 211 of title 49, United States Code, is amended by adding at the end the following new item:

“21108. Pilot projects.”.

SEC. 4. CONFORMING AMENDMENT REGARDING HOURS OF SERVICE VIOLATIONS.

Section 21303(a)(1) of title 49, United States Code, is amended by inserting “or violating any provision of a waiver applicable to that person that has been granted under section 21108 of this title,” after “chapter 211 of this title”.

SEC. 5. TECHNICAL AMENDMENT REGARDING FEDERAL RAILROAD SAFETY.

Section 20111(c) of title 49, United States Code, is amended by inserting “this chapter or any of the laws transferred to the jurisdiction of the Secretary of Transportation by subsection (e) (1), (2), and (6)(A) of section 6 of the Department of Transportation Act, as in effect on June 1, 1994, or” after “individual's violation of”.

SEC. 6. BIENNIAL FEDERAL RAILROAD SAFETY REPORTING.

(a) Section 20116 of title 49, United States Code, is amended—

(1) by striking in its heading “**Annual**” and inserting in lieu thereof “**Biennial**”;

(2) by striking “not later than July 1 of each year a report on carrying out this chapter for the prior calendar year. The report shall include the following information about the prior year” and inserting in lieu thereof “every two years, on or before July 1 of the year due, a comprehensive report on the administration of this chapter for the preceding two calendar years. The report shall include the following information about such calendar years”; and

(3) in paragraph (1), by inserting “, by calendar year” after “casualties by cause”.

(b) The item relating to section 20116 in the table of sections for chapter 201 of title 49, United States Code, is amended to read as follows:

“20116. Biennial report.”.

SEC. 7. REPORT ON BRIDGE DISPLACEMENT DETECTION SYSTEMS.

Not later than 18 months after the date of enactment of this Act, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives a report concerning any action that has been taken by the Secretary on railroad bridge displacement detection systems.

SEC. 8. TRACK SAFETY.

Section 20142 of title 49, United States Code, is amended—

(1) in subsection (b), by striking “September 3, 1994” and inserting in lieu thereof “September 1, 1995”;

(2) in subsection (a)(1), by inserting “, including cold weather installation procedures” after “attendant structure”; and

(3) by adding at the end the following new subsection:

“(d) IDENTIFICATION OF INTERNAL RAIL DEFECTS.—In carrying out subsections (a) and (b), the Secretary shall consider whether or not to prescribe regulations and issue orders concerning—

“(1) inspection procedures to identify internal rail defects, before they reach imminent failure size, in rail that has significant shelling; and

“(2) any specific actions that should be taken when a rail surface condition, such as shelling, prevents the identification of internal defects.”.

SEC. 9. RESIDENCE OF EMPLOYEES.

The amendments made by section 7 of the Amtrak Reauthorization and Improvement Act of 1990 shall apply to all periods before and after the date of their enactment.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California [Ms. SCHENK] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. OXLEY] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from California [Ms. SCHENK].

GENERAL LEAVE

Ms. SCHENK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on H.R. 4545.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. SCHENK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the subcommittee chairman, the gentleman from Washington [Mr. SWIFT] for his fine work and for his expeditious handling of this matter. I also would like to commend the ranking member, the gentleman from Ohio [Mr. OXLEY], for his efforts and his cooperation.

Mr. Speaker, the Federal Railroad Administration has the enormous responsibility of ensuring that our Nation's freight and passenger trains travel safely throughout our rail system. This is no small task when you consider that there are over 297,000 miles of track and more than 1.2 million cars and locomotives. The legislation before us today, H.R. 4545, the Federal Railroad Safety Authorization Act of 1994, provides the Federal Railroad Administration with the necessary tools to continue fulfilling its safety mission.

The overall safety record of the Nation's railroads has improved dramatically since the late 1970's. For example, in 1978, there were nearly 11,000 train accidents. In 1993, there were just over 2,600 accidents. Despite the fact that last year was the second safest year ever for the Nation's railroads, there were still a number of serious train accidents which resulted in loss of human life and significant damage to railroad equipment and freight. There probably is not a Member of this body who cannot immediately call to mind a vivid image of a train accident that has happened sometime in the last year or two.

We should all be pleased that the FRA is pursuing a very aggressive safety agenda. The agency currently is working on over 40 safety regulation projects and reports to Congress, some of which were mandated by the Congress in previous authorizations and some of which the agency has initiated on its own.

The legislation before the House today allows FRA to continue its safety agenda while addressing two additional areas which were raised in hearings before the Subcommittee on Transportation and Hazardous Materials. First, it requires FRA to report on any action it has taken with regard to railroad bridge displacement detection systems. And second, it requires FRA to look into some of the issues of concern related to track structure and integrity.

Safety is of paramount concern to the FRA and the Department of Transportation as evidenced by Secretary Pena's recent announcement of his plans to convene a rail passenger safety summit. The Congress expects FRA to do a thorough and comprehensive job on each of its safety initiatives. H.R. 4545 allows the agency to do just that. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this safety legislation. I want to commend Subcommittee Chairman SWIFT and our entire committee, including Chairman DINGELL and our ranking Republican, Mr. MOORHEAD, for the expeditious handling of this reauthorization. Rail safety is an area that affects every American, whether as a traveler, a neighbor of rail facilities, or as a user of the many products that depend upon rail transportation. Many Americans probably are unaware of it, but the rail transportation system is a vital and necessary part of their lives, even if they never ride a train as passengers.

The safety programs of the Federal Railroad Administration are going forward on a steady course. This legislation recognizes that FRA already has a substantial agenda with the rulemakings and other tasks that were mandated in prior authorizations. Consequently, the provisions are mostly in the category of midcourse corrections.

One notable exception is a provision that could revolutionize shiftwork in the railroad industry. That is the permission in this bill for labor and management to obtain waivers from the Hours of Service Act to conduct experiments with new approaches to work shifts for rail workers. This is a great opportunity to bring safety regulation into tune with current scientific knowledge about human physiology and circadian rhythm. It could well revolutionize the practices of the railroad industry concerning unpredictable or irregular work hours.

One topic that I want to emphasize is the views expressed in the committee report on H.R. 4545 on a bipartisan basis concerning FRA's responsibilities as they interact with the jurisdiction of the Occupational Safety and Health Administration [OSHA]. The committee has made it quite clear that the railroad industry—both labor and management—are entitled to clear delineation of the respective authorities of the two agencies. We, therefore, expect FRA to act expeditiously to pursue a new memorandum of understanding or similar arrangement to spell out a clear boundary between those matters that are properly the province of FRA, and those that should be handled by OSHA. Labor deserves clear guidance on where to take its complaints, and management should be free of ambiguous, conflicting, or overlapping regulatory requirements.

At our hearing, I raised the example of confusion and ambiguity between FRA and OSHA over the handling of silica dust hazards to maintenance-of-way personnel, even after FRA indicated that it was going to pursue this matter in its own regulatory proceeding. This is the type of situation which illustrates the urgent need for a prompt and clear demarcation of authority between the two agencies. In my view, it is quite obvious that only FRA has the expertise to deal with safety issues in uniquely rail-related situations, such as rights-of-way and railroad operations. Moreover, FRA's regulatory requirements are by nature uniform across the Nation, in all States. On the other hand, OSHA's expertise lies in traditional shop or factory-type settings, such as repair facilities and shops. In addition, as I understand OSHA's statute, it allows considerable latitude for State participation and even State-by-State variation in regulatory requirements. As applied to the railroad industry, this would appear acceptable for fixed facilities, but not for right-of-way and operating safety issues.

I strongly support H.R. 4545, Mr. Speaker, and I urge its prompt approval by the House.

Mr. DINGELL. Mr. Speaker, I commend the distinguished chairman of the Subcommittee on Transportation and Hazardous Materials, Mr. SWIFT, for his hard work in crafting this legislation. I am sorry that he is leaving and will miss his guidance and counsel. I also want to thank the ranking Republican member of the committee, Mr. MOORHEAD, and the ranking member on the subcommittee, Mr. OXLEY, for their help and support.

Although the overall safety record of the Nation's railroads has improved dramatically since the late 1970's and traveling by train is still one of the safest ways to travel, recent rail accidents have underscored the need to remain focused on rail safety. Congress and the Federal Railroad Administration need to carry on our efforts to improve the safety of our Nation's railroads.

The Committee on Energy and Commerce passed comprehensive railroad safety legislation in 1988 and 1992. These bills mandated significant rulemaking and reporting actions by FRA as part of its safety enforcement responsibilities. The legislation we are considering today, H.R. 4545, does not seek extensive new enforcement powers or duties, recognizing the need for the FRA to complete its current list of regulatory responsibilities as soon as possible.

FRA has a challenging safety agenda. At no time in its history that I can recall has the agency's task of overseeing the safety of our Nation's railroads been more important. FRA currently is working on over 40 safety regulatory projects and reports to Congress. The current funding authorization for FRA's safety program expires on September 30, 1994.

What will this legislation do? First, it allows FRA to approve pilot projects and grant waivers related to the hours of service requirements in current law. By determining how these consensual pilot projects may affect railroad safety, FRA can then decide whether or not some of these rigid requirements could be changed for the better. I would like to mention as well that representatives of rail labor and rail management have been engaged in a task force to examine many of these safety issues. I commend them for their efforts and urge their continued work in this regard.

H.R. 4545 contains an important new section relating to track safety. The National Transportation Safety Board, in testimony before the Subcommittee on Transportation and Hazardous Materials, noted that a closer examination is needed of track installation and maintenance as well as detection of internal rail defects. This bill calls for DOT and FRA to examine these issues thoroughly.

Another section in this legislation requires the Secretary of Transportation to report on action taken by the Department with regard to bridge detection systems. FRA currently is studying this matter as a result of the tragic train accident that occurred in Saraland, AL on September 22, 1993.

This is an important piece of legislation which I strongly support. I believe it promotes the railroad safety goals established by the Committee on Energy and Commerce.

I want to conclude by thanking Secretary Peña and Administrator Molitoris for their efforts to improve railroad safety.

I urge my colleagues to support this legislation.

Mr. MOORHEAD. Mr. Speaker, I rise in strong support of this rail safety reauthorization. I commend our committee's leadership on both sides of the aisle—Chairman DINGELL, subcommittee ranking member OXLEY, and subcommittee Chairman SWIFT—for their diligent work to move this legislation forward on a timely basis.

Rail safety is critically important not only on its own merits, but as a key ingredient in public confidence in our rail transportation system. It often takes only a single accident to undermine public confidence in a system that functions flawlessly in thousands of other operations. This is particularly true of passenger rail service, which is becoming an increasingly important element of our transportation system.

One important change in the law allowed by the bill is permission for railroad labor and management to obtain joint waivers of the usual requirements of the Hours of Service Act in order to conduct test programs to improve the safety practices bearing on wake-sleep cycles and rest periods for train crews. This is an area where medical and scientific knowledge is advancing rapidly, and we need to give the Federal Railroad Administration and the industry the flexibility to keep up with this improved understanding of human physiology.

I also want to commend the committee for focusing this legislation on giving basic, general directives to the Federal Railroad Administration, without micromanaging its regulatory activities. We have given FRA a full plate of rulemakings and other projects in the two previous authorizations, and the agency needs to be allowed to bring its regulations into conformity with that legislation.

I strongly support this legislation, and I urge its prompt approval by the House.

Mr. SWIFT. Mr. Speaker, I rise in strong support of H.R. 4545, the Federal Railroad Safety Authorization Act of 1994. I introduced this legislation on June 8, 1994 at the request of the administration. H.R. 4545 reauthorizes the safety programs of the Federal Railroad Administration [FRA] through fiscal year 1998.

The importance of FRA's safety efforts is underscored every time we turn on the television or open the newspaper to see sobering photographs of a recent train accident. Tragically, there have been a number of train accidents in recent months which have resulted in the loss of human life and severe damage to railroad equipment and freight. The causes of these accidents are sometimes bizarre—whether its a barge hitting a railroad bridge as in the case of the accident near Saraland, AL or the apparent shifting of cargo on a passing train. In some cases, there are measures the FRA, railroad industry, and its employees could have taken which may have helped prevent the accident from occurring.

The safety portions of title 49 of the United States Code—formerly known as the Federal Railroad Safety Act—set the framework for FRA's safety mission. The agency is currently pursuing a very aggressive safety agenda—many of the safety projects underway at FRA were required by the Congress in previous authorizations. However, the agency, under the leadership of Administrator Jolene Molitoris, has commenced other critical safety initiatives.

H.R. 4545 builds on the FRA's current safety program without overburdening the agency. Specifically, the legislation allows rail management and rail labor to petition the Secretary of Transportation for waivers from the hours of service requirements so that the industry can try some alternative work/rest arrangements. In addition, the legislation addresses two safety areas which were highlighted during the oversight and legislative hearing process of the Subcommittee on Transportation and Hazardous Materials. First, H.R. 4545 requires the Secretary to report on any action which has been taken with regard to railroad bridge displacement detection systerns. And secondly, the bill requires FRA to specifically address track shelling and cold weather installation of continuous welded rail.

Mr. Speaker, H.R. 4545 received unanimous approval by the Subcommittee on Transportation and Hazardous Materials and the Committee on Energy and Commerce. I urge my colleagues to adopt H.R. 4545.

Mr. QUINN. Mr. Speaker, I rise today in strong support of H.R. 4545, the Federal Railroad Safety Authorization Act of 1994. I would like to complement my colleagues, the distinguished chairman from Michigan, Mr. DINGELL and the distinguished ranking Member from California, Mr. MOORHEAD for bringing this much needed legislation before the House today.

Mr. Speaker H.R. 4545 authorizes railroad safety programs by the Federal Railroad Administration for four years. This legislation will help make our railroads safer across the country. Just last week, in western New York, a terrible accident occurred when an Amtrak train derailed 30 miles outside of Buffalo, NY. The cause of that accident is not yet known, but I hope that the passage of this legislation will help us gain greater understanding of how these accidents happen, and how to avoid future incidents from occurring.

I strongly urge my colleagues to support H.R. 4545, the Federal Railroad Safety Act of 1994, and urge its immediate passage.

Mr. OXLEY. Mr. Speaker, I yield back the balance of my time.

Ms. SCHENK. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California [Ms. SCHENK] that the House suspend the rules and pass the bill, H.R. 4545, as amended.

The question was taken.

Ms. SCHENK. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1520

EXPORT-IMPORT BANK AUTHORIZATION

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4455) to authorize the Export-Import Bank of the United States to provide financing for the export of nonlethal defense articles and defense services the primary end use of which will be for civilian purposes, as amended.

The Clerk read as follows:

H.R. 4455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO PROVIDE FINANCING FOR THE EXPORT OF NONLETHAL DEFENSE ARTICLES OR SERVICES THE PRIMARY END USE OF WHICH WILL BE FOR CIVILIAN PURPOSES.

Section 2(b)(6) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(6)) is amended by adding at the end the following:

"(I)(i) Subparagraph (A) shall not apply to a transaction involving defense articles or services if—

"(I) the Bank determines that—

"(aa) the defense articles or services are nonlethal; and

"(bb) the primary end use of the defense articles or services will be for civilian purposes; and

"(II) at least 15 calendar days before the date the Board of Directors of the Bank gives final approval to Bank participation in the transaction, the Bank provides notice of the transaction to the Committees on Banking, Finance and Urban Affairs and on Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and on Appropriations of the Senate.

The preceding sentence shall not apply after September 30, 1997.

"(ii) Not more than 10 percent of the loan, guarantee, and insurance authority available to the Bank for a fiscal year may be used by the Bank to support the sale of defense articles or services to which subparagraph (A) does not apply by reason of clause (i) of this subparagraph.

"(iii) Not later than September 1 of each fiscal year, the Comptroller General of the United States, in consultation with the Bank, shall submit to the Committees on Banking, Finance and Urban Affairs and on Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and on Appropriations of the Senate a report on the end uses of any defense articles or services described in clause (i) with respect to which the Bank provided support during the 2nd preceding fiscal year.".

SEC. 2. REPORT TO THE CONGRESS.

Section 2(b)(6)(H) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(6)(H)) is amended by inserting "or described in subparagraph (I)(i)" before the period at the end of the 1st sentence.

SEC. 3. PROMOTION OF EXPORTS OF ENVIRONMENTALLY BENEFICIAL GOODS AND SERVICES.

(a) IN GENERAL.—The 1st section 11(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-5(b)) is amended—

(1) by inserting before "The Bank shall" the following:

"(1) IN GENERAL.—";

(2) by inserting "(such as by encouraging environmentally sustainable development, promoting efficient use of resources, and promoting energy efficiency)" before the period at the end of the 1st sentence; and

(3) by adding after and below the end the following:

"(2) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—In addition to other funds available to support the export of goods and services described in paragraph (1), there are authorized to be appropriated to the Bank not more than $35,000,000 for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of supporting such exports.".

(b) TECHNICAL CORRECTION.—Such Act is amended by redesignating the 2nd section 11 (12 U.S.C. 635i-8) as section 14.

The SPEAKER pro tempore (Mr. KOPETSKI). Pursuant to the rule, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BEREUTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, this bill is the amalgam of two very good ideas put forward by members of the subcommittee that has jurisdiction over the Export-Import Bank.

I would note, Mr. Speaker, I did this last week, this is a bill that comes forward from the House Committee on Banking, Finance and Urban Affairs with bipartisan support. It joins a couple other bills that passed the House last week with bipartisan support of members of the Committee on Banking, Finance and Urban Affairs.

I just want to stress that while we on the Committee on Banking, Finance and Urban Affairs have disagreed about some issues recently, that has not in any way interfered with our ability to move forward constructively on some very important matters that will advance the economic well-being of the country.

This one makes two changes in the Export-Import Bank operation. First, and the sponsor of this was the ranking minority member, the gentleman from Nebraska, who has been an ardent and thoughtful advocate of sensible export policies for this country, we clarify that nonlethal uses are what will govern when we decide what to export and not potential uses.

That is especially important now when we are dealing with the question of conversion. We have many Americans who have worked very hard at their country's request to produce various items that have been used for the national defense. Fortunately, because of benign developments in the world, we do not need as much of that as we used to. This leaves us with hard-working people who face economic problems.

It is a universally agreed-upon principle that we have an obligation at the Federal Government to help people make the transition from producing these defense items into other economic activity.

To the extent that we can use some of the same people and the same skills and the same manufacturing products and the same processes for nonmilitary purposes, that is obviously a great advantage. But there has been language in the Export-Import statute that called into question the ability of that entity to provide financing for what are called dual-use products, products which are intended by the recipient for nondefense use but which might theoretically have a military purpose. Radar is an example.

This is especially relevant in several areas, transportation, surveillance of various sorts. What the gentleman from Nebraska has very sensibly done is to draft language which makes it clear that the American Government can offer Export-Import Bank financing to American companies that are seeking to export material that is intended for nonlethal purposes, that is intended for civilian uses, even if it might theoretically have some military use. I believe the legislation also includes various safeguards that will guarantee that this is the case.

I think the gentleman from Nebraska deserves a great deal of credit for this. And I also want to pay tribute to the Export-Import Bank, Mr. Brody and his staff, for working with us and helping to reassure people that we will be using this for material of a purely non-lethal purpose.

In addition, the gentleman from Massachusetts [Mr. KENNEDY] is the author of another part of this bill which deals with an explicit encouragement to the Export-Import Bank to focus on environmental control equipment. This is an obvious area for the United States. We are among the leaders in the world in environmental controls. It benefits our country when others do environmental controlling in their countries, both from the standpoint of cleaning up the environmental but also from the standpoint of economic competitiveness. The language of the gentleman from Massachusetts [Mr. KENNEDY] will direct that a certain percentage of the Export-Import Bank funds be used to make sure that we maximize our ability to export environmental services.

Taken together, these two provisions sponsored by my two colleagues will enhance our Nation's economic position in very sensible ways. I am very pleased to present them for passage on behalf of the Committee on Banking, Finance and Urban Affairs.

EXPLANATION OF H.R. 4455 (AS AMENDED)

EXPORT OF NONLETHAL DEFENSE ARTICLES AND SERVICES THE PRIMARY END USE OF WHICH WILL BE FOR CIVILIAN PURPOSES.

The bill allows the Export-Import Bank of the United States to provide financing, subject to certain conditions, for the export of nonlethal defense articles and services when their primary end use will be for civilian purposes.

The bill explicitly restricts the exception to those articles and services which are nonlethal and primarily for civilian use, such as radar for air traffic control systems when the primary use will be civilian. The Committee is opposed to having the Export-Import Bank provide financing for any exports of defense goods and services that are lethal, offensive, or primarily or solely for military use. The Committee's understanding of the term "end use" is the intended application or use of an item or service as represented by an applicant for Export-Import Bank financing, and confirmed at the point of application by the Export-Import Bank, according to the best evidence then available to it.

The bill sets a ceiling for such financing at ten percent of the loan, guarantee, and insurance authority available to the Bank in a fiscal year, to avoid funding distortions or a crowding out of financing of other desirable non-defense exports.

The bill requires 15-day advance notification of the intention to provide such financing to the Banking Committee and the Appropriations Committee in the House of Representatives and in the Senate, respectively.

The provision will expire on September 30, 1997 and therefore in effect requires an assessment of experience under the provision prior to the next reauthorization of Export-Import Bank programs.

By September 1 of each fiscal year, the GAO, in consultation with the Bank, must submit a report to certain Congressional committees on the end uses of any defense articles or services financed under this section during the second preceding fiscal year in order to monitor actual end uses.

The Committee expects the Export-Import Bank to develop a policy requiring that it work with other appropriate U.S. government agencies to review transactions with military sales potential to determine whether such transactions meet the standards established in this legislation regarding nonlethal nature and the condition that the primary end use of such sales be for civilian purposes. The Bank is expected to develop a formal written policy requiring that it will, with reasonable regard for the resources at its disposal, take at least the following steps: investigate the prospective use of dual-use items and those sold to military buyers; require that the buyer or user provide a certificate affirming that the use of the article or service satisfies the intent of the legislation by stating that civilian use is primary according to a standard requiring unquestionable and predominant civilian use; monitor the actual use of the items with the help of other appropriate U.S. Government agencies. Such policy should enumerate at least these possible consequences if the buyer misrepresented the intended use: accelerated repayment of loans where feasible; administrative actions or sanctions as determined by the Export-Import Bank according to the nature of the loan; suspension or debarment from access to future Export-Import Bank credits, and that of other U.S. Government agencies, for those buyers, users, or sellers who have violated agreed limitations on the nature or the use of the defense articles or services financed by the Bank.

Section 2 of the bill adds such transactions to an existing reporting requirement. The Committee recommends review of the reporting requirement on an annual basis.

FINANCING EXPORTS OF ENVIRONMENTALLY BENEFICIAL GOODS AND SERVICES

Section 3 of the bill encourages the export of goods and services that would promote environmentally sustainable development, energy efficiency, and effective use of resources. The Export-Import Bank is given an additional authorization of $35 million dollars in credit subsidy in an effort to help American firms capture as large a portion of the new environmental market as possible, a market that is expected to reach $600 billion by the end of the decade.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member would like to rise in support of H.R. 4455 which was introduced by this Member, and to thank his distinguished colleague from Massachusetts, the chairman of the Subcommittee on International Development, Finance, Trade and Monetary Policy, Mr. FRANK, and the chairman and the ranking member of the full Banking Committee, Mr. GONZALEZ and Mr. LEACH, for their support and assistance in moving this legislation to the floor today with the unanimous, bipartisan support of the Committee on Banking, Finance and Urban Affairs.

The principal purpose of the bill, which will be explained at greater length in a minute, is to permit the Export-Import Bank, which now cannot finance any defense good and service unless it is used solely for civilian purposes or is used primarily for antinarcotics purposes, to consider financing for defense goods and services that are nonlethal but only in the narrow set of circumstances when the unquestionably primary use will be for civilian purposes. Without this legislation, we do not have a U.S. Government export finance program that can accommodate dual-use items that are used primarily for civilian purposes.

Mr. Speaker, H.R. 4455, as amended, was passed by the Committee on Banking, Finance and Urban Affairs on June 29, 1994 by voice vote. It was reported by the Subcommittee on International Development, Finance, Trade and Monetary Policy on June 24 by a vote of 17 to 0. The amended version includes the provisions of my original bill, H.R. 4455 and other provisions added to respond to concerns raised by Members in the course of the hearing and other consideration of H.R. 4455. In section 3 the amended bill also includes a separate provision added by Representative KENNEDY relating to Eximbank promotion of exports of environmental goods and services.

The original bill, corresponding to the first fourteen lines of the amended bill, provides an exception to the current prohibition on Eximbank financing of exports of defense articles and services, but only in cases where the article to be exported is both nonlethal and the primary end use is for civilian purposes. Thus, the bill provides a narrow exception to the current law, and it is this Member's intention to keep the exception narrow. This Member does not consider the Eximbank to be an appropriate agency for financing defense sales for primarily military purposes nor for sales of lethal items. Many other Members share this view.

An example of an item which cannot now be financed by Eximbank, but which would be permitted if this bill is passed, is radar for air traffic control systems, if the radar feeds into both civilian and military air traffic control systems. The bill would allow such export sales to be considered for Eximbank financing as long as the primary use is for civil air traffic control. It does not make sense to cede to our trade competitors the whole field of high-technology dual-use electronics when the military use or involvement is clearly secondary and subsidiary to the civilian use. This step is consistent with the direction of conversion that many defense industries are seeking and being encouraged to pursue, and the current inflexible policy impedes export sales of such nonlethal dual-use items that are destined primarily for civilian purposes.

The bill is supported by the Aerospace Industries Association and the Electronic Industries Association, among others.

Six items have been added to the original bill in an abundance of caution. First, there is a requirement that each transaction proposed for financing under this exception must be reported to the House and Senate Committees on Banking and on Appropriations at least 15 calendar days in advance of final approval by the Eximbank Board of Directors. This is similar to the reporting requirement of the Appropriations Committees. This provision has been included to respond to the desire of Members that close, ongoing congressional oversight of the implementation of this provision is needed in order to ensure that this discretion is properly and narrowly construed.

Second, as an additional safeguard, the provisions of this legislation will sunset on September 30, 1997. At that time, after about 3 years of experience, it will be timely to assess whether this provision should continue in law in the context of the next full reauthorization of the Export-Import Bank.

Third, as a further safeguard against crowding out of other commercial sales, the bill limits the amount of Eximbank's funding that can be devoted to funding the sales made possible by this bill. The cap is set at 10 percent of Eximbank's available subsidy appropriation under credit reform.

Fourth, the GAO will be consulting with Eximbank annually and reporting on the end use of articles financed under this provision to provide a followup assessment of the actual use of articles financed.

Fifth, section 2 of the amended bill requires a quarterly report on any transactions financed under the authority provided in the earlier part of the bill. Eximbank already files a quarterly report with the two Banking Committees on any transaction involving a defense sale which will be used solely for civilian purposes. The transactions financed under section 1 of the bill would be added to this quarterly report.

Lastly, in section 3, there is a provision on Eximbank promotion of exports of environmental goods and services added by Representative KENNEDY's amendment during committee consideration. This provision was also the subject of a separate hearing by the subcommittee earlier this year.

In response to questions raised by Members at the hearing about the necessity of guarding against fraudulent representation of the primary end use of a sale, our staff had lengthy discussions with Eximbank personnel about the current Eximbank practice in assessing sales with military potential. The committee expects the Export-Import Bank to continue its present policy of working with other appropriate U.S. Government agencies to review transactions with military sales potential to determine whether they meet the standards established in this legislation regarding nonlethal nature and the primary end use being for civilian purposes. The Bank is expected to continue its present practices of: investigating the prospective use of dual-use items and those sold to military buyers; requiring the buyer or user to provide a certificate that the use of the article or service satisfies the requirements of the legislation; assessing whether civilian use is primary according to a standard requiring unquestionably and strongly predominant civilian use; monitoring the actual use of the items, especially if there is any reason to suspect that the actual use does not conform to the agreed use; requiring accelerated repayment of loans if the buyer has misrepresented the intended use, and using other available sanctions such as debarring from access to future Export-Import Bank credit any buyer or user that violates agreed limitations on the nature or use of the defense articles or defense services financed by the Bank. The Banking Committee expects that the Eximbank will continue these procedures with respect to transactions financed under H.R. 4455 in order to guard against and deter any fraud and misrepresentation.

The committee's understanding of the term "end use" is the intended application or use of an item or service as represented by an applicant for financing from the Export-Import Bank.

It is worth noting that H.R. 4455 only addresses the question of export finance. Any sale of controlled items requiring export licensing still must have whatever licenses are required before being eligible for export, with or without Eximbank financing.

It is further worth noting that while the bill slightly widens the universe of goods and services that Eximbank is allowed to finance, Eximbank would not have to provide financing in any particular situation. It would still be using its normal financial standards to assess the merits of a particular export deal.

□ 1530

Mr. Speaker, again, this Member would like to thank the Chairman, the gentleman from Massachusetts [Mr. FRANK], and a number of other Members, including Appropriation Chairman OBEY and Representatives KENNEDY and WATT, for their assistance and that of their staff in crafting amendments to the original bill in a form that apparently satisfies their concerns about oversight, concerns about crowding-out of other lending, and concerns about guarding against abuse. Adoption of this bill will help bolster U.S. exports of dual-use goods for primarily civilian purposes and create and sustain good, high skill jobs in the United States.

Mr. Speaker, as I prepare to yield my time, I cannot help mentioning the fact that a very valuable staff aide to the Congress, and specifically to the Committee on Banking, Finance and Urban Affairs, working with me and other Members in the minority, but also with the majority, Nelle Temple Brown, will be leaving our committee for an assignment, a high level assignment in Washington with the World Health Organization.

She has had an outstanding and positive effect on hunger legislation, on development legislation, and on a variety of banking legislation, and most especially, the Multilateral Development Banks and the Export-Import Bank. We will miss her greatly, and wish her well in her new duties with the World Health Organization, where she will continue to pursue some of the objectives that we have pursued on the committee.

Mr. Speaker, I urge my colleagues to give their strong support to H.R. 4455, as amended.

Mr. KENNEDY. Mr. Speaker, I rise in support of this bill, the Export-Import Bank Authorization Act. First, I want to recognize the efforts of Representative BEREUTER, who authored the first two sections of this bill, and the subcommittee chairman, BARNEY FRANK, who worked with Mr. BEREUTER and me to come to the finished product. I also thank Chairman GONZALEZ for his expeditious consideration of the legislation.

H.R. 4455 includes a bill I authored called the Environmental Exports Promotion Act. It authorizes an additional $35 million in credit subsidy for the U.S. Export-Import Bank to support exports of about $500 million in environmental exports.

Mr. Speaker, every week we read about another corporate giant laying off American workers. Since January 1993, for example, just 6 companies laid off 250,000 workers. At the same time, America's entrepreneurs—small business men and women—are creating millions of new jobs.

One of the greatest concentrations of successful entrepreneurs is in the field of environmental technologies. The United States has between 45,000 and 60,000 small environmental firms that have produced the most advanced technologies in the field. These firms create high value-added goods and services; they are creating high-paying jobs; and they are helping solve some of the most difficult environmental issues facing our planet.

Moreover, the world market is gigantic. Today's market is about $200 to $300 billion, and it will grow to $600 billion by the end of the decade. Mexico alone is a huge market, and we have not yet begun to take adequate advantage.

In fact, we export less as a percentage of our environmental production than the Japanese, the French, or the British. We must do better, and I believe the Federal Government can play a constructive role in making this happen.

This bill will help create an atmosphere that helps tens of thousands of small businesses find the environmental markets abroad and, then, makes sure they have the access to capital and financing necessary to win those markets against our industrial competitors.

The Eximbank, under the leadership of President Ken Brody, is working hard to reach out to small businesses and other new exporters. The Bank is pursuing new markets aggressively, and it is working with the other agencies of Government—Department of Commerce, U.S. Trade Development Agency, and OPIC—to make sure U.S. envirotechnology companies are prepared to do battle for these new markets. This legislation will give the Bank a new and important tool to achieve this goal.

H.R. 4455 also opens up the Export-Import Bank for use to promote exports of nonlethal defense goods for primarily civilian purposes. This raises several important issues that need some discussion.

The U.S. Congress has worked carefully for many years to keep the Export-Import Bank of the United States out of the business of the export of military goods. There have been several efforts to use the Eximbank in this way as U.S. defense spending has dropped; proponents have wanted Eximbank to start financing the export of defense goods as a way to maintain production and reduce the painful effects of defense cuts. Each of these efforts has been defeated.

While sympathizing with the employment and economic effects defense cuts entail, I have always opposed the use of the Eximbank to encourage exports of defense goods. I have two primary concerns: first, the United States has already become the primary arms exporter in the post cold war era in the world by far. I fear that this will promote widespread instability in several regions around the world. Our soldiers often face foreign troops with American-made arms.

However, putting aside this important argument, the main reason for opposing Eximbank's involvement has been economic; American economic growth will depend in the near future on exports of civilian goods. There is no shortage of markets. However, there is a shortage of financing. Military deals tend to be very big deals, costing a lot of money, that are relatively easy to put together. Eximbank's limited funds could be quickly depleted after a small number of these sales, thereby crowding out the civilian sector.

The goal of this legislation is to open up a number of lucrative markets to U.S. exporters where a good is designed to be used for civilian purposes, though there might be a military use as well. An example frequently cited is the sale of air traffic control equipment for a civilian airport to a government where the military is in charge of both civilian and military air traffic. This good is nonlethal. Its use is primarily civilian, though it is controlled by the military.

Clearly, this is a case where U.S. manufacturers should be able to compete on the same basis as companies from other nations. Therefore, I supported this bill. However, I raised several concerns about the bill in committee, and I offered two important amendments to address these concerns.

The first amendment caps the amount of credit subsidy the Eximbank can use to support nonlethal defense exports at 10 percent of its total. This will prevent these exports from crowding out the other business of the Eximbank. At the same time, it will allow the Bank to support at least $1.5 billion of these new exports, a figure that should allow for plenty of the new business.

The second amendment addresses the difficulty of ensuring that the end use of a product really is "nonlethal and primarily civilian." The amendment requires the General Accounting Office [GAO] to work with the Eximbank to investigate the previous year's loans to make sure they are being used for the purposes stated. The amendment requires an annual report of the findings of this investigation to the committee. This look back provision will go a long way towards preventing the misuse of these exports. With these two important additions, I support this new legislation and urge my colleagues to pass it.

Mr. WALSH. Mr. Speaker, today, the House of Representatives approved the Export-Import Bank Authorization Act with unanimous, bipartisan support. H.R. 4455 permits the Export-Import Bank to finance dual-use exports of defense articles and services when the items are nonlethal and the primary end-use is for civilian purposes.

Current policy impedes export sales of high-technology, dual-use electronics when military use or involvement is secondary to the civilian use. With American companies moving forward with defense conversion and major opportunities opening up for dual-use satellites, communications equipment, and data processing products, it would be senseless to cede these markets to our trade competitors.

This legislation will provide financing necessary to enable the sale of millions of dollars of American goods and technologies to developing countries. We must do all we can to promote these exports. They are the driving force behind the creation of highly skilled jobs and the good salaries that accompany them.

Mr. BEREUTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KOPETSKI). The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and pass the bill, H.R. 4455, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CHACOAN OUTLIERS PROTECTION ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1562) to amend title V of Public Law 96-550, designating the Chaco Culture Archeological Protection Sites, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chacoan Outliers Protection Act of 1994".

SEC. 2. CONFORMING AMENDMENT.

Section 501(b) of Public Law 96–550 (16 U.S.C. 410ii(b)) is amended by striking "San Juan Basin;" and inserting in lieu thereof, "San Juan Basin and surrounding areas;".

SEC. 3. ADDITIONS TO CHACO CULTURE ARCHEOLOGICAL PROTECTION SITES.

Subsection 502(b) of Public Law 96–550 (16 U.S.C. 410ii–1(b)) is amended to read as follows:

"(b)(1) Thirty-nine outlying sites as generally depicted on a map entitled 'Chaco Culture Archeological Protection Sites', numbered 310/80,033–B and dated September 1991, are hereby designated as 'Chaco Culture Archeological Protection Sites'. The thirty-nine archeological protection sites totaling approximately 14,273 acres identified as follows:

Name:	*Acres*
Allentown	*380*
Andrews Ranch	*950*
Bee Burrow	*480*
Bisa'ani	*131*
Casa del Rio	*40*

	Acres
Casamero	*160*
Chimney Rock	*3,160*
Coolidge	*450*
Dalton Pass	*135*
Dittert	*480*
Great Bend	*26*
Greenlee Ruin	*60*
Grey Hill Spring	*23*
Guadalupe	*115*
Halfway House	*40*
Haystack	*565*
Hogback	*453*
Indian Creek	*100*
Jacques	*66*
Kin Nizhoni	*726*
Lake Valley	*30*
Manuelito-Atsee Nitsaa	*60*
Manuelito-Kin Hochoi	*116*
Morris 41	*85*
Muddy Water	*1,090*
Navajo Springs	*260*
Newcomb	*50*
Peach Springs	*1,046*
Pierre's Site	*440*
Raton Well	*23*
Salmon Ruin	*5*
San Mateo	*61*
Sanostee	*1,565*
Section 8	*10*
Skunk Springs/Crumbled House	*533*
Standing Rock	*348*
Toh-la-kai	*10*
Twin Angeles	*40*
Upper Kin Klizhin	*60.*

"(2) The map referred to in paragraph (1) shall be kept on file and available for public inspection in the appropriate offices of the National Park Service, the office of the State Director of the Bureau of Land Management located in Santa Fe, New Mexico, the office of the Area Director of the Bureau of Indian Affairs located in Window Rock, Arizona, and the offices of the Arizona and New Mexico State Historic Preservation Officers.".

SEC. 4. ACQUISITIONS.

Section 504(c)(2) of Public Law 96–550 (16 U.S.C. 410ii–3(c)(2)) is amended to read as follows:

"(2) The Secretary shall seek to use a combination of land acquisition authority under this section and cooperative agreements (pursuant to section 505) to accomplish the purposes of archeological resource protection at those sites described in section 502(b) that remain in private ownership.".

SEC. 5. ASSISTANCE TO THE NAVAJO NATION.

Section 506 of Public Law 96–550 (16 U.S.C. 410ii–5) is amended by adding the following new subsection at the end thereof:

"(f) The Secretary, acting through the Director of the National Park Service, shall assist the Navajo Nation in the protection and management of those Chaco Culture Archeological Protection Sites located on lands under the jurisdiction of the Navajo Nation through a grant, contract, or cooperative agreement entered into pursuant to the Indian Self-Determination and Education Act (Public Law 93–638), as amended, to assist the Navajo Nation in site planning, resource protection, interpretation, resource management actions, and such other purposes as may be identified in such grant, contract, or cooperative agreement. This cooperative assistance shall include assistance with the development of a Navajo facility to serve those who seek to appreciate the Chacoan Outlier Sites.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1562, as amended, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1562, which was introduced by my colleague on the Natural Resources Committee, Mr. RICHARDSON, makes several changes in the act designating the Chaco cultural archeological protection sites. The Subcommittee on Natural Parks, Forests and Public Lands held a hearing on this legislation on May 24, 1994, and the Committee on Natural Resources reported H.R. 1562 favorably to the House on July 27, 1994.

Chaco Canyon, located in the San Juan basin in northwestern New Mexico, was the center of the Anasazi civilization, which emerged and then mysteriously disappeared within a brief 400-year period from A.D. 900 to A.D. 1300. The canyon, which contains the archeological remains the Chacoan Anasazi Indian culture, was designated a national monument in 1907.

After the establishment of the monument, a number of outlying sites were discovered, and the monument was expanded to include some of these in the late 1920's. Further discoveries provided the impetus for Public Law 96–550 enacted in 1980, which renamed the monument as the Chaco Culture National Historical Park, and designated 33 outlying sites as Chaco culture archeological protection sites. These archeological protection sites are managed primarily by the Bureau of Land Management, the Bureau of Indian Affairs, and the Navajo Nation.

The legislation, as amended by the Committee on Natural Resources, deletes two sites from the current list of protection sites and adds eight. One of the deleted sites has been incorporated into El Malpais National Monument, and the other is owned and protected by the Ute Mountain Tribe which prefers to manage this site. The additions are all publicly owned. The bill further modifies the boundaries of sites remaining on the list and authorizes the Secretary to assist the Navajo Nation in the protection and management of protection sites located on Navajo land. Finally, the legislation includes land acquisition language which should provide clear direction to the affected agencies to undertake acquisition of threatened sites before the sites are looted or destroyed beyond salvage.

Mr. Speaker, these are valuable cultural and natural resources which have suffered significant damage. The 1980 Chaco legislation began the process of recognizing, preserving, and protecting these sites without requiring Federal ownership of the properties. The legislation before us continues those efforts and I urge my colleagues' support.

Mr. Speaker, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1562 provides for the expansion of the Chaco Culture National Historical Park. I commend Mr. RICHARDSON for bringing before this committee a park expansion bill that will cost the taxpayer very little. There are no visitor centers and there is no acquisition of expensive private lands. This legislation will insure the preservation of these unique archeological sites and will complete the mission of the park.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON]. He has long worked on this project for the last 10 years, and it has been difficult to finally come up with a policy that has won the type of acclaim and support that this has. I commend the gentleman for his work.

□ 1540

Mr. RICHARDSON. Mr. Speaker, I am pleased to rise today in strong support of H.R. 1562, legislation I introduce last year to protect outlying sites at the Chaco Culture Archaeological Protection Site in my congressional district in northwestern New Mexico.

I would like to thank both Chairman MILLER and Chairman VENTO for their leadership and decisive action in scheduling this bill for consideration today. The New Mexico congressional delegation has spent the better part of 10 years working to correct several inequities resulting from passage of the last Chaco-related legislation in 1980. The cooperative attitude of their staffs and the speed with which both Chairman MILLER and Chairman VENTO have moved this legislation from hearing to full committee markup is to be commended.

The Chaco Culture site in New Mexico contains spectacular archaeological remains of the Native American past, which have long been recognized as representing an archaeological peak in Anasazi Indian prehistory. The name Chaco Canyon comes from the Chaco culture, the single most prehistoric culture in the Western United States, which is known to have lived in the area.

During consideration of H.R. 1562 by the Natural Resources Committee this year, several changes were made to the bill as originally introduced in March of 1993. The changes include the addition of the Morris 41 site to the list of what will now be 39 outlying sites, the addition of clarifying language regarding the role of the National Park Service in working fully with the Navajo Nation to ensure that the sites are managed responsibly, and the addition of new language authorizing the acquisition of lands for the purpose of completing the inclusion of the new outlying sites.

In conclusion, I would like to recognize the hard work and dedication to the issue of additional protection for Chaco exhibited by Senator PETE DOMENICI and his staff. New Mexico's senior Senator has worked with me every step of the way to secure passage of this important legislation and I would like to take this opportunity to thank him for his assistance.

I am confident that the changes we have made to the legislation are reflective of the unique needs of this culturally significant site and I look forward to this legislation's swift passage today and its enactment into law in the very near future.

Mr. VENTO. Mr. Speaker, I thank the gentleman for his kind comments and for his support so that I can work on these measures, and that of the staff and subcommittee members who have obviously been working very hard these past years.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KOPETSKI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 1562, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill H.R. 1562, as amended was passed.

A motion to reconsider was laid on the table.

SANTA FE NATIONAL FOREST BOUNDARY ADJUSTMENT ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3964) to expand the boundary of the Santa Fe National Forest, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Santa Fe National Forest Boundary Adjustment Act of 1994".

SEC. 2. BOUNDARY MODIFICATION.

The boundary of the Santa Fe National Forest is hereby modified and expanded as generally depicted on a map entitled "Santa Fe National Forest Boundary Expansion 1994", dated July 19, 1994. The map shall be on file and available for public inspection in the office of the Chief, Forest Service, Washington, DC.

SEC. 3. ATALAYA PEAK EXCHANGES.

(a) IN GENERAL.—The Secretary of the Interior is authorized to exchange public lands and interests in lands managed by the Bureau of Land Management for private lands and interests therein depicted on the map referenced in section 2.

(b) WITHDRAWAL.—Upon the acquisition of lands under subsection (a) by the Secretary of the Interior, and subject to valid existing rights, such lands are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws; from location, entry, and patent under the mining laws; and from disposition under all laws pertaining to mineral and geothermal leasing.

SEC. 4. INTERCHANGE OF FEDERAL LANDS IN NEW MEXICO.

(a) IDENTIFICATION OF LANDS.—In conjunction with the land exchange under section 3, the Secretary of Agriculture and the Secretary of the Interior shall identify federally-owned lands and interests in lands currently situated within the Santa Fe National Forest which are suitable for transfer to and administration by the Bureau of Land Management. The identification of National Forest lands available for such transfer shall utilize criteria which are mutually agreeable to both of the Secretaries.

(b) LANDS ACQUIRED FOR THE BUREAU OF LAND MANAGEMENT.—

(1) TRANSFER BY SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall transfer, to the Bureau of Land Management, those lands and interests in lands identified pursuant to sub section (a). The transfer shall be effective upon publication in the Federal Register of notice of such transfer that identifies such lands and interests.

(2) BOUNDARY MODIFICATION.—The boundary of the Santa Fe National Forest shall be modified as of the date of notice under paragraph (1) to exclude such lands transferred to the Secretary of the Interior.

(3) MANAGEMENT.—Lands transferred under paragraph (1) shall be added to and administered by the Bureau of Land Management as part of the public lands (as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e)).

(c) LANDS ACQUIRED FOR THE FOREST SERVICE.—

(1) ADDITION TO SANTE FE NATIONAL FOREST.—Lands or interests in lands—

(A) acquired by the Secretary of the Interior pursuant to section 3, or

(B) acquired by the Secretary of Agriculture within the areas identified as "potential acquisition" on the map referenced in section 2,

shall, upon acquisition, be added to and administered as part of the Santa Fe National Forest in accordance with the laws relating to the National Forests.

(2) MANAGEMENT PRESCRIPTION.—The Secretary of Agriculture shall manage the lands and interests in lands referred to in paragraph (1) primarily to preserve open space and scenic values and to preclude development.

(3) AVAILABILITY OF CERTAIN FUNDS.—For purposes of section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9(a)(1)), the boundary of the Santa Fe National Forest, as modified pursuant to this Act, shall be treated as if it were the boundary as of January 1, 1965.

SEC. 5. SAVINGS PROVISION.

Nothing in this Act shall affect the authorities of the Secretary of Agriculture to acquire lands in New Mexico by purchase or exchange and, notwithstanding the Act of June 15, 1926 (16 U.S.C. 471a), all such lands heretofore or hereafter acquired by the exchange of National Forest lands shall be managed as a part of the National Forest System.

SEC. 6. IMPLEMENTATION.

The procedures used in carrying out the land transfers by this Act shall be those procedures agreed to between the Secretary of the Interior and the Secretary of Agriculture.

SEC. 7. SEARCH AND RESCUE.

As provided in section 4(c) of the Wilderness Act, mechanical transport, including motor vehicles, motorized equipment, and the landing of fixed-wing and rotary aircraft, shall be permitted anywhere within the boundaries of the Santa Fe National Forest with respect to any emergency involving the health or safety to an individual within the national forest.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3964, as amended, the bill before us now.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3964, introduced by Representative RICHARDSON, expands the boundary of the Santa Fe National Forest in New Mexico. It authorizes the Secretary of Agriculture to acquire the lands within the modified boundary by exchange with the Bureau of Land Management.

The purpose of the bill, is to preserve sections of Atalaya Mountain, which serves as a scenic backdrop to the city of Santa Fe and as public open space. There are several proposals to develop parts of the mountain for homes and this legislation is needed to prevent this. The bill would add 1,000 acres of the mountain to the Santa Fe National Forest.

There is broad public support for preserving this area from development. Many of the private landowners who own property on the mountain are willing to exchange their lands with the Federal Government to preserve the mountain's scenic beauty. The rapid growth of Santa Fe with the accompanying problems of overcrowding, pollution, and lessening quality of life have alarmed many of Santa Fe's citizens. This legislation is part of an effort to protect the scenic beauty of Santa Fe and its quality of life.

H.R. 3964 is noncontroversial, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation has been fully explained by Chairman VENTO. I am concerned that H.R. 3964 is basically intended to control growth patterns in the Santa Fe area. Since land use planning is properly a function of local governments, I do not believe the Federal Government should be used to usurp their power. This legislation will only encourage other localities to have Congress solve their land use planning disputes.

However, I am strongly supportive of section 7, dealing with search and rescue, that was inserted by the gentleman from Utah [Mr. HANSEN]. This amendment permits motor vehicles, motorized equipment and the landing of fixed-wing and rotary aircraft within the Santa Fe National Forest to deal with search and rescue emergencies.

This amendment is intended to prevent the Forest Service from repeating its recent actions which forced a 14-year-old Boy Scout, who was lost in the Pecos Wilderness Area, to spend 2 nights in the wilderness. This situation occurred because the Forest Service did not consider this emergency sufficient to allow him to be rescued by helicopter until there was a public uproar. Hopefully, this amendment can be attached to bills dealing with other national forests throughout the Nation.

Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I want to first commend my colleague, the gentleman from New Mexico [Mr. RICHARDSON], for his strong work on the Santa Fe National Forest as represented in this bill. I particularly want to echo what my colleague just stated as a reason for supporting this bill in the provision that deals with search and rescue.

I believe that the amendment of the gentleman from Utah [Mr. HANSEN], which has been accepted by the committee, was based upon a bill that I introduced, H.R. 4826, dealing with search and rescues. The bill itself deals with an incident that occurred in a wilderness area, but I believe that it could be equally applicable in a national forest area that is set aside to be open space and nondeveloped. Apparently the Committee on Natural Resources felt that way because they did on a unanimous vote put the provision into the bill.

Specifically this provision and my bill are intended to address a problem that occurred in New Mexico several weeks ago. This situation was a 14-year-old became separated from his party in a national forest in New Mexico. He was located by the New Mexico State Police helicopter but when the helicopter asked for permission to land and rescue the young man, permission was denied by the Forest Service. The reason that the Forest Service denied the right to land is they believed that the young man was going to be rescued in the next couple of hours by a ground-based search and rescue crew that was already looking for him.

The ground-based search and rescue crew did not locate the boy. He spent another night in the national forest in which he was lost, and the next day the State Police helicopter was again called out and this time was allowed to pick up the young man.

Why did the Forest Service deny the helicopter the right to land and pick up this lost youth the first time around? The answer to that, Mr. Speaker, is that the Forest Service interprets the law on wilderness areas to mean that they must decide how much of an emergency really is enough of an emergency to allow a motorized vehicle, in this case, a helicopter, to be used to make a landing.

It is my view, and I believe the view of many others as represented by the inclusion of this provision in this bill, that when there is a lost individual, the Forest Service, or any other agency of government, should not be charged with the responsibility of trying to figure out how much of a threat to health and safety warrants an immediate rescue if that rescue can be done by a motorized vehicle.

□ 1550

It is the intent of this provision not to put Federal employees in that kind of bind through their present interpretation of this law, and to directly state in an emergency situation if a motorized vehicle can effect a rescue, that rescue should take place. This is not intended to violate the intent of the Wilderness Act or of open space or any other goal of the U.S. Congress, but to make sure that the protection of human life and safety is of paramount concern when there is a threat to that life and safety.

I thank the gentleman for yielding the time.

Mr. DOOLITTLE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON], and I thank him for his work on this legislation.

Mr. RICHARDSON. Mr. Speaker, to my colleague the gentleman from New Mexico [Mr. SCHIFF], again my thanks for his support on this legislation and for the very constructive issue he has raised. As the gentleman knows, Chairman VENTO accepted an amendment which in my judgment does deal with the issue the gentleman raised. I do again want to thank him for his support on this legislation and many other public lands issues that he has shown leadership on throughout our State.

Mr. Speaker, I rise this afternoon to express my strong support for H.R. 3964, legislation I introduced earlier this year to protect an environmentally sensitive, and visually important mountain east of Santa Fe, NM by expanding the boundaries of the Santa Fe National Forest.

As many of our colleagues may know, Santa Fe, which is nestled in the mountains about 60 miles from Albuquerque, is one of the most beautiful State capitals in the United States. Santa Fe is known all over the world for its arts and crafts, Native American and Hispanic cultural links, and scenic beauty. However, many of my constituents fear that Santa Fe is also becoming a concrete example of the perils of commercialism. With its rapid growth, expansion of tourist services and new home and business construction, the historic nature of Santa Fe is in jeopardy.

Nowhere has this threat been more apparent than on Atalaya Mountain, with its scenic vista to the east of town. A recent controversy about development of housing and other new construction on the mountainside has driven much of the community to work together to protect the area from further development.

Just last week, the Santa Fe Conservation Trust reached oral agreement with all of the individuals owning land in the areas on Atalaya which are affected by H.R. 3964 and immediately threatened by development. These multiparty agreements involve a complex mix of donation and land exchange. However, none of these agreements will move forward without passage of this legislation. As Bill deBuys of the conservation fund in Santa Fe has written to me, "Consummation of these transactions are entirely contingent upon passage of this bill."

Mr. Speaker, I am very grateful to Chairman VENTO and Chairman MILLER for the speed with which this legislation has been considered. Their appreciation of the delicate balance of growth and development now in place in Santa Fe, and the threat further development places on that balance is indicative of their willingness to move forward with this legislation. I would like to thank them both for their leadership and assistance.

The American West is increasingly being threatened by battles between development and preservation. It is my hope that other situations similar to the one we are experiencing in Santa Fe can also be resolved in the forthright, positive way in which we have all attempted to deal with Atalaya. The exemplary leadership of community leaders and elected officials has been the key to getting this legislation to the floor.

In addition, the important role of Senators JEFF BINGAMAN and PETE DOMENICI in moving this legislation through the Senate is to be commended. With their cooperation and the swift passage of this legislation today, I am confident that H.R. 3964 can be enacted into law promptly.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from New Mexico for his comments and commend this bill to the Members. We did reaffirm the wilderness policy in terms of motorized, fixed wing or helicopters for search and rescue operations. Of course, there was a mistake made in this particular instance, so I think this is an important point to be made insofar as the importance of safety and health purposes here for wilderness, and we need to provide that opportunity. I think the bill adequately addresses that as well as the major theme, of course, and that is the protection of Atalaya Mountain and the expansion of the boundary against this backdrop which Santa Fe finds very important for its community.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KOPETSKI). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3964, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PISCATAWAY PARK EXPANSION ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1703) to expand the boundaries of the Piscataway National Park, and for other purposes, as amended.

The Clerk read as follows:

S. 1703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Piscataway Park Expansion Act of 1994".

SEC. 2. EXPANSION OF PARK.

(a) The boundaries of Piscataway Park in Maryland are hereby revised to reflect the addition of approximately 163 acres of lands as generally depicted on the map entitled "Proposed Boundary Map—Piscataway Park", numbered 838-80137, and dated November 17, 1993.

(b) The Secretary of the Interior is authorized to acquire lands and interests therein within the areas added to the park pursuant to subsection (a) by donation, purchase with donated or appropriated funds, or exchange.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as are necessary to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1703, the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. I yield myself such time as I may consume.

Mr. Speaker, S. 1703, which passed the Senate on June 16, 1994, is legislation introduced by Senator PAUL SARBANES to expand the boundaries of Piscataway Park in Charles County, MD. A companion bill, H.R. 3973, was introduced by Representative STENY HOYER.

Piscataway Park was authorized in 1961 to preserve the natural and scenic resources of the Potomac River and preserve the historic overview of the Maryland shore from Mount Vernon, home to the United States' first President, George Washington. It consists of 4,260 acres, of which some 2,700 acres are protected through scenic easements.

Due in large part to the establishment of Piscataway Park, the historic view of the Maryland shore from Mount Vernon has changed little since George Washington's Presidency. In response to increasing development pressures in the area, the Mount Vernon Ladies Association hired a consulting firm in 1991 to conduct a study of the viewshed from Mount Vernon. The analysis showed that 98 percent of the viewshed outside of Piscataway Park can be protected by local low density zoning which controls building heights. This study also revealed that the viewshed would be diminished if development occurred on certain parcels.

S. 1703 would expand the boundary of Piscataway Park to include approximately 163 acres to protect the historic viewshed from Mount Vernon. The land is located between Fort Washington Historical Park and the existing Piscataway Park, both managed by the National Park Service. Because of the steep slopes of the three parcels and their location directly across open water from Mount Vernon, any development of these parcels would significantly detract from the historic view. The parcels also support a variety of wildlife including bald eagles, herons, and deer and include some prehistoric archeological sites. This legislation has broad public support in the area and is also supported by the administration.

The Committee on Natural Resources made minor amendments to the legislation to delete the word "National" from the bill title and the short title. The original statute and subsequent statutes as well as all National Park Service informational brochures and indexes list this area as Piscataway Park. The national park designation is reserved for only those areas which contain a variety of significant resources and encompass large land or water areas. Piscataway Park is not such an area and should not be referred to as such in law.

Mr. Speaker, this is a worthy measure to protect an important historical and natural resource and I urge its passage today.

Mr. Speaker, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman of the subcommittee, Mr. VENTO, has described the substance of the bill, a proposal to spend $3 million of taxpayer funds to protect the viewshed from the privately owned Mount Vernon.

Mr. Speaker, Congress should be spending the scarce NPS dollars which would be diverted to this proposal on some of the real needs facing the agency. NPS is facing a shortfall of $1–2 billion in land acquisition funding, a shortfall of 25 years at the existing funding rate. Instead of spending money to buy lands to protect the Everglades, or complete the Appalachian Trail, or purchase land at Gettysburg, or even to buy out some poor inholder who has been waiting for years to be acquired, we will be protecting the viewshed of Mount Vernon from houses 4 miles away.

Mr. Speaker, there is something very wrong with the priorities Congress establishes for our limited Federal funds, and this bill is one more good example of it.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wanted to commend the gentleman from Maryland [Mr. HOYER], who has worked very diligently on this measure. As I said, this particular parcel lies between Piscataway Park in Maryland and the George Washington Park on the Virginia side.

They have been very interested, and the fact is that they have now an option on a willing seller-willing buyer basis on the 163 acres. This will really tie together along the banks of the Potomac a green corridor, continued corridor in which, when you view it, as I said, from the Virginia side, you see this wonderful site that has been really virtually unchanged in nearly 200 years.

The gentleman from Maryland has arrived, and I want to, as I say, commend him again.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER] concerning the Piscataway Park addition.

Mr. HOYER. Mr. Speaker, I thank the chairman for his courtesy and for yielding this time to me.

Mr. Speaker, I rise in strong support of S. 1703, the Piscataway Park expansion. As the sponsor of the House legislation, H.R. 3973, I am thankful to Chairman VENTO and his staff for their hard work.

Piscataway Park was created in 1961 to protect the historic viewshed of Mt. Vernon, the home of our Founding Father George Washington, after it was threatened by intense commercial development in the late 1950's.

This effort was so successful that pictures taken today of the Maryland shoreline differ little when compared to colonial era paintings of the land.

This is truly an extraordinary sight, and I encourage my colleagues to visit Mt. Vernon to truly appreciate its significant impact on one of our country's most important historical attractions.

Since 1961 though, Piscataway National Park has gained an important identity apart from Mt. Vernon. With a functioning colonial farm, nature trails, an environmental educational farm for schoolchildren, and Indian burial grounds, Piscataway not only offers citizens a view of the tremendous biological diversity which exists along the Potomac, But it reaches back nearly 5,000 years to document the first inhabitants of this area.

Lying only 15 miles from Washington, Piscataway Park offers excellent recreational and historic opportunities to a large and diverse group of people.

However, much of the effort during the last 30 years is at risk. Three years ago, the Mt. Vernon Ladies Association identified a section of the viewshed which was not protected from development and which is adjacent to Piscataway Park.

With the concern over development of this property—which includes two bald eagle nesting sites—the owner of the property willingly agreed to sell the property to someone who would protect it. Right now, the trust for public land has an option to buy this property, giving the Federal Government the time to purchase the land and add it to Piscataway Park.

With cosponsors from 11 different States, H.R. 3973 attracted broad support, as did S. 1703, which was passed unanimously be the Senate.

I appreciate the opportunity to have this legislation on the floor of the House today, and I encourage the House to follow the Senate's actions and pass S. 1703.

Mr. Speaker, I greatly appreciate the time that the subcommittee chairman and the ranking member, Congressman HANSEN, have given me, and I would like very much to work with both of them to protect the Mt. Vernon viewshed and the other important treasures Piscataway National Park offers.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RICHARDSON). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1703, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to expand the boundaries of Piscataway Park, and for other purposes.".

A motion to reconsider was laid on the table.

EXPANDING BOUNDARIES OF RED ROCK CANYON NATIONAL CONSERVATION AREA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3050) to expand the boundaries of the Red Rock Canyon National Conservation Area as amended.

The Clerk read as follows:

H.R. 3050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BOUNDARY EXPANSION.

Section 3(a)(2) of the Red Rock Canyon National Conservation Area Establishment Act of 1990 (16 U.S.C. 460ccc-1(a)(2)) is amended to read as follows:

"(2) The conservation area shall consist of approximately 195,610 acres as generally depicted on a map entitled 'Red Rock Canyon National Conservation Area—Proposed Expansion', numbered NV-RRCNCA-002, and dated July 1994.".

SEC. 2. OTHER AMENDMENTS TO THE RED ROCK CANYON NATIONAL CONSERVATION AREA ESTABLISHMENT ACT OF 1990.

(a) DEADLINE FOR MANAGEMENT PLAN.—Section 5(a)(1) of the Red Rock Canyon National Conservation Area Establishment Act of 1990 (16 U.S.C. 460ccc-3(a)(1)) is amended by striking "Within 3 full fiscal years following the fiscal year in which the date of enactment of this Act occurs," and inserting in lieu thereof "No later than January 1, 1997,".

(b) EXCHANGE AUTHORITY.—Section 7 of the Red Rock Canyon National Conservation Area Establishment Act of 1990 (16 U.S.C. 460ccc-5) is amended—

(1) by striking "Except as specifically authorized" and inserting in lieu thereof "(a) Except as specifically authorized"; and

(2) by adding at the end thereof a new subsection, as follows:

"(b) The Secretary may transfer to the owner of the Old Nevada recreation facility the approximately 20 acres of Federal lands within the conservation area which, on March 1, 1994, were used to provide parking for visitors to such facility, in exchange for lands of equal or greater value within the conservation area acceptable to the Secretary.".

(c) PRIORITY DATES.—Section 10(b) of the Red Rock Canyon National Conservation Area Establishment Act of 1990 (16 U.S.C. 460ccc-8(b)) is amended by striking "Act." and by inserting in lieu thereof "Act, except that as related to rights associated with lands added to the conservation area after such date, the priority date shall be the date of enactment of the Act adding such lands to the conservation area.".

SEC. 3. POTENTIAL CONSERVATION LANDS.

(a) WITHDRAWAL.—Subject to valid existing rights, the lands identified in subsection (b) are hereby withdrawn from all forms of entry under the public land laws, including the mining laws, and from operation of the mineral and geothermal leasing laws: *Provided*, That nothing in this subsection shall limit the issuance of any necessary licenses or public land rights-of-way for any hydroelectric project involving such lands.

(b) LANDS.—The lands referred to in subsection (a) are the approximately 1,280 acres of public lands as generally depicted on the map entitled "Potential Conservation Lands: Possible Hydroelectric Project" dated July, 1994.

(c) FUTURE STATUS.—(1) Effective on the date 5 years after the date of enactment of this Act, the lands described in subsection (b) shall be added to the Red Rock Canyon National Conservation Area unless before such effective date all necessary licenses and public land rights-of-way have been issued for a hydroelectric project involving some or all of such lands.

(2) For purposes of section 10(b) of the Red Rock Canyon National Conservation Area Establishment Act of 1990, as amended by this Act, the date on which the lands identified in subsection (b) of this section are added to the Red Rock Canyon National Conservation Area shall be deemed to be the date of enactment of an Act adding such lands to the conservation area.

SEC. 4. AUSTIN, NEVADA MUSEUM.

(a) LANDS.—The Austin Historic Mining District Historical Society (hereafter referred to as "the Historical Society") shall be permitted to use the lands located in Austin, Nevada, identified as township 19 North, range 44 East, section 19, block 38, lots 1 through 16, assessor's parcel number 01-147-01, amounting to approximately 0.59 acres, in accordance with the requirements of this section.

(b) USES.—The Historical Society's use of the lands identified in subsection (a) shall be subject to the requirements of this section and shall be limited to use for a museum or other facility to illustrate the history of the Austin Historic Mining District.

(c) TERMS AND CONDITIONS.—(1) The Secretary of Agriculture shall permit the Historical Society to use the lands identified in subsection (a) for a period of 20 years after the date of enactment of this Act. After such period, the Historical Society may continue to use such lands, at the discretion of the Secretary of Agriculture.

(2) During the period of 20 years after the date of the enactment of this Act, the Historical Society, if it elects to use the lands identified in subsection (a), shall pay to the Secretary of Agriculture, on behalf of the United States, an annual rental of $100.

(3) If the Secretary of Agriculture permits continued use of the lands identified in subsection (a) after the end of the period of 20

years after the date of enactment of this Act, the Secretary of Agriculture shall require payment of such annual rental as the Secretary determines reasonable.

(4) At all times that the lands identified in subsection (a) are used by the Historical Society, the Historical Society shall be solely responsible for all necessary maintenance and repairs of all structures and improvements on such lands and for all necessary payments for utilities or other services.

(5) All rentals received by the Secretary of Agriculture under this section shall be deemed to have been deposited with such Secretary pursuant to the Act of December 4, 1967 (16 U.S.C. 484a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3050, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3050, a bill by the gentleman from Nevada [Mr. BILBRAY], would amend the law designating the Red Rock Canyon National Conservation Area, so as to add additional BLM-managed public lands to that area.

This national conservation area, which is managed by the Bureau of Land Management, lies immediately west of Las Vegas, and has very important natural, scenic, recreational, and other resources and values.

Together with the immediately adjacent Spring Mountain National Recreation Area managed by the Forest Service, the Red Rock Canyon National Conservation Area is one of Nevada's most-visited natural attractions, and its proposed expansion enjoys very strong support in Nevada and elsewhere.

During the Natural Resource's Committee's consideration of the legislation, some concerns were expressed about how the bill would affect BLM's planning activities and management of other public lands in the Las Vegas Area. I myself have a number of concerns about BLM's policies as they affect the larger landownership patterns in that part of Nevada.

However, the committee was able to resolve those concerns sufficiently so that the bill was reported without controversy, and I do not believe any controversy should exist with the measure today on the floor of the House.

The committee made a number of changes that are reflected in the bill now before the House. As introduced, the bill would have added about 93,100 acres of BLM-managed lands to the conservation area; as we bring it to the floor, it instead would add about 112,200 acres, a significant increase. This total reflects addition to the NCA of lands with significant occurrences of the blue-diamond cholla and other cactus species, as well as other BLM-managed lands that would be added to the northern and eastern parts of the conservation area.

At the same time, the new conservation boundary has been revised to exclude some lands affected by a flood control project and also lands adjacent to an existing highway and powerline near the northeastern boundary of the conservation area.

In addition, about 1,280 acres that the bill would have put into the conservation area would instead be put into a holding pattern because of the possibility that a hydroelectric project might be built nearby. Under the bill, these lands would be withdrawn, so as to maintain their suitability for possible future management as part of the conservation area, and would be automatically added to the conservation area 5 years after enactment of the bill, unless prior to that date the hydroelectric project has received all necessary licenses and public-land rights-of-way.

The bill also includes several revisions of the existing law designating the conservation area. These would extend the deadline for completion of the management plan for the conservation area, so that the plan can deal with the additional lands that the bill would add to the conservation area; would also provide the BLM authority to deal with an existing trespass situation through an exchange; and would clarify the water-rights priority date with respect to the lands the bill adds to the conservation area.

Finally, the committee adopted an amendment by the gentlewoman from Nevada [Mrs. VUCANOVICH] to allow a local historical society to lease a half-acre tract of land in the town of Austin, NV, for at least 20 years for purposes of a museum. This tract was formerly a Forest Service ranger station, but now is vacant.

Mr. Speaker, this is a good bill, which makes a significant contribution to the protection and sound management of the Red Rock Canyon National Conservation Area, a very special place that provides important recreational, educational, and other opportunities in close proximity to one of the fastest-growing metropolitan areas in the Nation.

The gentleman from Nevada [Mr. BILBRAY] deserves commendation for his leadership and persistence in introducing this bill and enabling us to bring it before the House today. The other Member from Nevada, our committee colleague, Mrs. VUCANOVICH, has also played a valuable role and earned our thanks.

Mr. Speaker, I urge approval of the bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3050, a bill to expand the Red Rocks National Conservation Area. Red Rock Canyon lies within my congressional district just west of Las Vegas, NV. My colleague in the delegation, JIM BILBRAY, sponsored this bill to expand the boundary of the recently established conservation area with which is managed by the Bureau of Land Management. Together with the Spring Mountains National Recreation Area, managed by the U.S. Forest Service, an area of public land approaching one-half million acres in size will be set aside for recreation, hunting, fishing, and other outdoor activities.

Mr. Speaker, Red Rock Canyon is receiving visitors in unprecedented numbers as the population of the Las Vegas Valley increases and as the many families visiting Las Vegas choose to add a nearby nature experience to their vacation plans as well. Red Canyon is an international rock-climbing destination and it is an important habitat for desert tortoise, desert bighorn sheep, and other species residing in the transition zone between the Mojave Desert and Mount Charleston's high coniferous forests to the north.

Mr. Speaker, I wish to thank the subcommittee chairman, BRUCE VENTO, and ranking member, JIM HANSEN, for their efforts to ensure the boundaries of the proposed expansion meet the needs of the visitors and Clark County residents alike. Several adjustments were made so that proposed flood control projects would remain outside the national conservation area. Similarly, the Blue Diamond proposed pump storage project, undergoing Federal Energy Regulatory Commission licensing procedures, was granted a window of opportunity to achieve permitting. If at the end of 5 years the necessary approval is not forthcoming, the area will revert to NCA status.

On the other hand, the subcommittee added acreage to protect the rare blue diamond cholla—a cactus that grows only on gypsum-bearing soils, and otherwise adjusted boundaries in consultation with the Nevada delegation. Furthermore, the subcommittee resisted efforts to delete some 2,900 acres from the expansion area northwest of Las Vegas that was being sought for high density residential development. The fact remains that there simply is no water to serve homes that would be built in that remote area far from current water mains. The water district, the county planning commission, and local elected officials all opposed removing this acreage from the bill, as did JIM BILBRAY and I. Again, I thank Messrs. VENTO and HANSEN for agreeing with Nevadans' wishes despite an intense lobbying effort to do otherwise.

Lastly, Mr. Speaker, the final section of the bill would provide for a 20-year lease by the Forest Service of an unused small parcel which formerly housed a ranger station in Austin, NV. The local historical society will use it for a museum portraying the mining history of Austin. I thank Chairman VENTO for his assistance in seeing this amendment through as well.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commented on the work of the gentleman from Nevada [Mr. BILBRAY] on this matter which was outstanding. As I said, it became quite a topic of debate and discussion before it was all done.

This was not one of the easy ones to do, Mr. Speaker. I want to commend the gentleman from Nevada [Mr. BILBRAY] and the gentlewoman from Nevada [Mrs. VUCANOVICH], and the delegations who were involved, from the various States of interest.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nevada [Mr. BILBRAY].

Mr. BILBRAY. Mr. Speaker, I rise today in strong support of H.R. 3050, legislation I introduced to expand the boundaries of the Red Rock Canyon National Conservation Area [NCA]. At the outset, I would like to thank Chairman VENTO and the subcommittee staff for all of their hard work in bringing this bill to the floor today. I would also like to thank Chairman MILLER for expediting his committee's consideration of this legislation and Congresswoman VUCANOVICH for her strong leadership among the minority members of the Natural Resources Committee.

Mr. Speaker, H.R. 3050 would add approximately 112,000 acres to the existing 83,400 acre Red Rock Canyon National Conservation Area. As you will recall, Mr. Speaker, the Red Rock NCA was established several years ago by legislation sponsored by myself and Senator REID. The primary purpose of the expanded NCA embodied in the legislation before us today is to provide for the protection of additional lands and resources from the pressure of urban growth and to allow for additional recreational opportunities for the rapidly growing Las Vegas community. It is estimated that next year over 1 million visitors will come to Red Rock Canyon to enjoy a variety of experiences, such as hiking, biking, rock climbing, archaeological exploration, and solitude. Expansion of the NCA will hopefully disperse some of these activities and relieve pressure from the scenic loop and canyon area that are heavily burdened by visitor traffic.

The largest addition envisioned by H.R. 3050, which includes roughly 100,000 acres to the north of the current NCA, would provide for increased protection of a magnificent Joshua tree forest, as well as important habitat for the threatened desert tortoise. Heightened protection for this area will also put the BLM in a better position to crack down on illegal dumping that threatens the natural beauty of this desert ecosystem. Another new area to be added to the NCA by this legislation will provide for the protection of the blue diamond desert cholla, an endemic species of cactus threatened with extinction. It is my hope that the inclusion of the approximately 900 acres of cholla habitat in the NCA will provide the necessary impetus for the recovery of this species without triggering the procedures required under the Endangered Species Act. Other areas to be included in the NCA would protect important watersheds for the Las Vegas valley, thereby preserving the valley's natural groundwater recharge process and minimizing flood control problems.

It is also important to view these additional areas as component parts of a much larger ecosystem in need of protection from sprawling urban encroachment. Combined with the recently established Spring Mountains National Recreational Area, the expanded Red Rock NCA will provide protection for nearly one-half million acres of public land on the outskirts of Las Vegas. As is well known to many long-time visitors to the area, the Spring Mountain Range is a unique desert ecosystem teeming with endemic species of plants and animals. H.R. 3050 would benefit the Spring Mountains NRA by protecting the low-lying desert areas that serve as the gateways to the Spring Mountains.

I would like to speak briefly about what many would consider a minor, technical amendment that was adopted in committee. This amendment gives the BLM an additional 2 years to complete its general management plan for the Red Rock NCA. I want to state for the record that I have received numerous complaints regarding the perceived direction of the management plan. Many people feel that the plan has focused too much on accommodating the recreational needs and desires of visitors at the expense of the need to protect the various biological and natural resources in the NCA. It is my belief, as the sponsor of this legislation, that the original Red Rock Canyon National Conservation Area Establishment Act was intended to provide for recreational opportunities for visitors, but only if those activities did not diminish or harm the fragile environment of the NCA. Conservation is the paramount goal of this legislation. Recreational pursuits should only be conducted in the context of an overall policy of conservation. I trust that the BLM understands this, and will develop their management plan accordingly.

Mr. Speaker, in addition to the goal of expanding the Red Rock NCA, H.R. 3050 has had the unintended, albeit welcomed, consequence of raising other public land issues in southern Nevada, which I would like to touch briefly. Most notably, H.R. 3050 became the catalyst for widespread discussions among southern Nevadans of the BLM's land disposal policy in the Las Vegas valley. As Chairman VENTO mentioned during the subcommittee markup of this legislation, the BLM's disposal and exchange practices in southern Nevada are in need of further scrutiny by the Subcommittee on Public Lands. I welcome the subcommittee's involvement in this arena, and in anticipation of oversight hearings next year, I have assembled a community-wide public lands task force to discuss and to integrate the current planning processes of the BLM and local governments.

Finally Mr. Speaker, I would like to urge my colleagues to join me in supporting this important public lands bill.

Mr. Speaker, I include for the RECORD sundry letters and resolutions, as follows:

NEVADA WILDLIFE FEDERATION, INC.,
Reno, NV, July 16, 1994.
Hon. JAMES BILBRAY,
Cannon Office Building,
Washington, DC.

HON. JAMES BILBRAY, I am writing you to let you know that the Nevada Wildlife Federation supports your bill to expand the boundaries of the Red Rock Canyon National Recreation Area.

The Nevada Wildlife Federation is the oldest and largest conservation organization in Nevada. We represent over 20 affiliate clubs statewide with a combined membership of over 10,000 folks that are interested in the use of our public lands.

If we can be of assistance to you, please do not hesitate to contact us. Bob Maichle in Las Vegas is our point of contact. He can be reached at (702) 361-3060.

Sincerely,

GALE DUPREE,
President.

CITY OF NORTH LAS VEGAS,
North Las Vegas, NV, July 1, 1994.
Congressman JAMES BILBRAY,
U.S. House of Representatives, Cannon Office Building, Washington, DC.

DEAR CONGRESSMAN BILBRAY: We fully support your efforts to protect the Red Rock Canyon National Conservative Area (NCA). Your legislation to expand the boundaries of the Red Rock Canyon NCA to include the transition between the Mojave Desert and the Mount Charleston coniferous forests is a great service to the residents of Southern Nevada.

Red Rock Canyon NCA provides recreational opportunities close to the metropolitan area that are appreciated by the residents of the Las Vegas Valley. We hope your efforts to preserve some of Nevada's treasured public lands will indeed prove successful. We appreciate your efforts on our behalf.

Sincerely,

JAMES K. SEASTRAND,
Mayor.
MARY J. KINCAID,
Councilwoman.
JOHN K. RHODES,
Councilman.
THERON H. GOYNES,
Councilman.
WILLIAM E. ROBINSON,
Councilman.

MARCH 3, 1994.

Hon. JAMES BILBRAY,
House Office Building,
Washington, DC.

DEAR CONGRESSMAN BILBRAY: This letter is in support of your efforts and H.R. 3050 to expand the boundaries of the Red Rock National Conservation Area. A number of groups and individuals are represented by this letter. We may be described as bicyclists, hikers, photographers, wildlife and nature enthusiasts, and "just plain city folk". We are extremely proud in the leadership that you have exhibited on this issue. Some of us remember your pledge, on the day of the dedication for the National Conservation Area, to expand the boundaries. You were able to recognize then that it would not be long before the rapidly expanding Las Vegas metropolitan area would be at the doorstep of this unique area. The time is at hand to ensure that your vision of an expanded Red Rock National Conservation Area becomes a reality before it becomes too late to protect the core values of this natural area.

We are concerned that the core areas of the Bureau of Land Management's Red Rock National Conservation Area and U.S. Forest Service's Spring Mountain National Recreation Area would become increasingly impacted by greater numbers of visitors and by development that will eventually lie on the present perimeter of these areas. It would be sad to stand at key vantage points in these areas and witness development right up to the section lines that designate these areas. It would be sad to witness street lights, block walls, and commercial and residential development where the eye and mind are left today to imagine the old West, the old Nevada. Legal access to many areas could be restricted, or inhibited by private property on the border of the areas. Unpermitted activities within these national areas, such as illegal dumping, shooting, and motor vehicle use, would increase as development closes in on the areas. Additional problems would be created for the agencies that are charged with the protection of these areas if development is allowed to the edge of the present boundaries. Additional recreational opportunities for an expanding metropolitan area would be lost. Natural areas, where desert tortoises, desert wildflowers, and other desert species presently inhabit, would be lost to development. We are not opposed to development within the Las Vegas valley, but the development must be carefully restricted and regulated as it approaches those core areas that we have tried to preserve over the years.

Let us examine, briefly, a few of the increased opportunities that would be provided to the public if H.R. 3050 were enacted into law. Recreational use of lands within the present Spring Mountain and Red Rock areas could be spread out. A growing population in southern Nevada is bringing increased pressures for areas where families can go mountain biking. Some of the lands in H.R. 3050 would be suitable for this sport. Where people used to ride horses in the Las Vegas valley, there are now houses and shopping centers. Some of the lands in H.R. 3050 would be well suited for horseback riding. The lands along the Kyle Canyon road have been proposed as an area of critical environmental concern (ACEC) because of the joshua tree forest. Some of this habitat would be protected in H.R. 3050. Areas where sand and gravel operations have been a nuisance and eyesore to local residents would come into the National Conservation Area, and these areas would be off limits to this type of activity. Local flora, fauna, and scenic vistas would be protected.

We support the boundaries on the map that you submitted with your bill. We recognize that there are some who wish to obtain those public lands for their own benefit and profit. There are developers who would like to build homes on the high ground so that their inhabitants can look down on the city. Consider, however, all of those people in the city that look up to Red Rock and the Spring Mountain range for their beauty and as a source of inspiration. We believe their views should be considered. We believe that a greater good would be served by retaining those lands in Federal ownership and providing greater protection to those lands. Some of the land in your bill can serve as gateways to the Spring Mountain and Red Rock backcountry. Much of the area can be described as alluvial plains. If those areas were developed, recharge of our groundwater aquifer in the valley would be further inhibited and floodwaters coming off the developed land would pose additional problems for down-slope residents and citizens. If those areas were developed, there would be pressures for major highways and water reservoirs to be placed along the edge of these national, natural resource areas. We urge that you do not allow the present boundaries in your map to be significantly altered as this legislation moves forward.

We cannot rest on our laurels and say that the recent enactment of the Red Rock National Conservation Area and the Spring Mountain National Recreation Area will be all that is ever necessary to protect these areas as we know them today. We have made mistakes in protecting many natural areas in this country by designating, at the time, areas that were too small and boundaries that were inappropriate for the task of protecting the areas and the core values. We must not let that happen again, here. We urge you to hold fast and work as hard as you can to see that H.R. 3050 becomes law this year.

The Spring Mountains Association; Red Rock Audubon Society; League of Women Voters of Nevada; Raven of Citizen Alert; Las Vegas Valley Bicycle Club; Las Vegas Valley League of Women Voters; Toiyabe Chapter of the Sierra Club; Howard Booth, activist for Red Rock; and Jim Rathbone, Friends of Red Rock Canyon.

RESOLUTION OF THE CLARK COUNTY BOARD OF COUNTY COMMISSIONERS TO SUPPORT THE EXPANSION OF THE RED ROCK CANYON NATIONAL CONSERVATION AREA

Whereas, the Red Rock Canyon National Conservation Area is a unique and diverse natural environment of national importance; and

Whereas, land within Red Rock Canyon National Conservation Area have unique scenic, cultural, biological, geological and archaeological features; and

Whereas, the Red Rock Canyon National Conservation Area is an important natural, historical and recreational resource which provides recreational opportunities for tourists as well as residents; and

Whereas, the growing southern Nevada population places a growing demand for recreational, educational and scientific use of this resource; and

Whereas, expansion of the boundaries of Red Rock Canyon National Conservation Area would preserve the foothills of the Spring Mountain range and provide greater protection to this valuable national resource.

Now, therefore, be it resolved, That the Clark County Board of County Commissioners does support the expansion of the boundaries of the Red Rock Canyon National Conservation Area as shown on the attached map, dated August 1993;

And be it further resolved, That the Clark County Board of County Commissioners supports only those exchanges of lands from within the Conservation Area which will not create a significant need for new water resources or for delivery of new urban services by local governments;

And be it further resolved, That the Clark County Board of County Commissioners forwards its recommendation to the Nevada delegation of the United States Congress to initiate and support legislation to expand the boundaries of the Red Rock Canyon National Conservation Area during the 1994 Congressional Session.

SR CONSULTING,
Las Vegas, NV, March 7, 1994.

Hon. JIM BILBRAY,
House Office Building,
Washington, DC.

DEAR CONGRESSMAN BILBRAY: This letter is in support of H.R. 3050 and your efforts to expand the boundaries of the Red Rock Conservation Area.

As you are aware, The Las Vegas Valley is the fastest growing area in America. This incredible development, while welcome to our economy, is placing unbelievable stress on the very quality of life that attracts such growth . . . Our scenic view and watersheds. Development can and should occur within the Las Vegas Valley, but only within local government's ability to provide infrastructure without breaking the backs of local taxpayers. Developers are looking further afield to find large blocks of inexpensive land where they can speculate without providing necessary infrastructure.

This is why it is so important to provide a level of protection for all those who live or visit here, the protection of those foothills and mountains which surround our unique valley. In addition to protection from development, your bill will also provide protection for wildlife and rare or endangered species.

Additional recreational opportunities are urgently needed, particularly for youth and seniors. The Red Rock Conservation as well as the Spring Mountains National Recreation Areas suffer from gridlock as almost 1 million residents and 20 million visitors rush to enjoy these unique areas year-around. H.R. 3050 will provide the opportunity to expand long-term recreational opportunities for our growing population.

Thank you again Congressman Bilbray for taking the lead in preserving the beauty of Southern Nevada for our pleasure and for our grandchildren. I'm sure you'll look back with great pleasure and know that your accomplishments have benefitted untold future generations.

H.R. 3050 is a good bill. I urge you to hold fast and work hard to see that H.R. 3050 becomes law this year.

Sincerely,

LOIS SAGEL.

LEAGUE OF WOMEN VOTERS OF
LAS VEGAS VALLEY,
Las Vegas, NV, March 1, 1994.

Congressman James Bilbray,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN BILBRAY: The League of Women Voters of Las Vegas Valley would like to let you know of our support for your bill for the expansion of the Red Rock Canyon National Conservation Area. We congratulate you for recognizing the need to protect the State's natural resources. So many have concentrated on the tremendous growth in Southern Nevada without taking the time to assess the impact on areas such as Red Rock and the Spring Mountain National Recreation Area. It is important that we take steps to protect these valuable resources before it is too late.

The expansion of Red Rock will offer the following:

1. Protection of wildlife habitat for both areas.

2. Minimize viewshed damage to users of the two areas. They will be able to quietly enjoy the beauties of the natural environment without the intrusion of lights and noise from nearby developments.

3. Protection of the watershed for both areas. The State Engineer has targeted Kyle Canyon, Tule Springs, Calico Basin and all of the Spring Mt. Range area as having inadequate ground water and is not permitting parcelling of private properties in these areas. The draw down of ground water, if not reversed, will impact wildlife habitat and vegetation in natural areas.

Sincerely yours,

DOT GATON,
President.

In conclusion, Mr. Speaker, I have one of my staffers here, Brent Heberlee, who has worked continuously on this bill, and I would like to thank him for the work he has done on it, and also all of my staff who have worked so hard, as well as the committee, and my colleague, the gentlewoman from Nevada, Mrs. VUCANOVICH, and the two Senators from Nevada, Mr. REID and Mr. BRYAN, who have supported us vigorously in pursuit of this matter.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RICHARDSON). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill (H.R. 3050), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OPAL CREEK FOREST PRESERVE ACT OF 1994

Mr. VENTO. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 3905) to provide for the establishment and management of the Opal Creek Forest Preserve in the State of Oregon, as amended.

The Clerk read as follows:

H.R. 3905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Opal Creek Forest Preserve Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Opal Creek Forest Preserve.
Sec. 5. Administration of the Preserve.
Sec. 6. Prohibitions regarding the management of the Preserve.
Sec. 7. Access to and acquisition of non-Federal land.
Sec. 8. Authority of the Secretary and responsible parties to conduct environmental response actions or pursue liability.
Sec. 9. Grandfather clause.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Old-growth forests are unique ecosystems that serve as critical habitat for hundreds of vertebrate and invertebrate animals, plants, and fungi.

(2) Old-growth forests provide clean and plentiful water and support streams and rivers containing runs of anadromous and resident cold water fish, which are wholly dependent on high quantity and quality water for migration, spawning, rearing, and cover.

(3) The high quantity and quality of water in streams and rivers in old-growth forests can only be maintained by protecting the watersheds of these streams and rivers.

(4) Old-growth forests provide unique and outstanding opportunities for educational study, scientific research, and recreation.

(5) The establishment of a watershed and forest preserve to protect areas of old-growth forests and surface waters can contribute significantly to the quality of life for the residents of the State of Oregon through education, recreation, and a protected water supply.

(6) The area known as the Opal Creek Forest, located on the upper Little North Fork of the Santiam River in the State of Oregon, contains one of the largest remaining intact old-growth forest ecosystems in the Western Oregon Cascades. Although the landscape mosaic in the Opal Creek Forest may reflect some past logging, young stands of trees in the area mainly owe their existence to natural disturbances, chiefly wildfire.

(7) The Opal Creek Forest contains outstanding geological and botanical features and contains attributes of historic and prehistoric importance.

(8) The recreational use of the Opal Creek Forest, typically in the form of hiking, sightseeing, and the general enjoyment of the outdoor environment, is significant and likely to increase.

(9) It is desirable to limit the human-related disturbances and development of the Opal Creek Forest in order to protect fully the special features of the forest and maintain the full potential of its watershed for scientific, educational, and research purposes.

(10) Preservation of the Opal Creek Forest provides outstanding opportunities for scientists to conduct research regarding old-growth forests and for educators to provide scientifically credible information to the public.

(b) PURPOSES.—The purposes of this Act are—

(1) to protect and preserve the forests and watersheds contained in the Opal Creek Forest Preserve;

(2) consistent with paragraph (1), to promote and conduct—

(A) research in the Preserve regarding old-growth forests in a manner that does not include the harvesting of timber or otherwise damage the ecosystem; and

(B) educational programs in the Preserve on old-growth forests and cultural and historic resources in the Preserve; and

(3) consistent with paragraphs (1) and (2), to permit and regulate recreation in the Preserve.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) PRESERVE.—The term "Preserve" means the Opal Creek Forest Preserve established in section 4(a).

(2) MANAGEMENT PLAN.—The term "management plan" means the management plan for the Preserve developed pursuant to section 5(b).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 4. OPAL CREEK FOREST PRESERVE.

(a) ESTABLISHMENT OF PRESERVE.—There is hereby established the Opal Creek Forest Preserve in order to protect and preserve the forests and watersheds in the Preserve and to promote the research, educational, and recreational purposes of this Act.

(b) DESCRIPTION OF PRESERVE.—The Preserve shall consist of those Federal lands located in the Willamette and Mt. Hood National Forests in the State of Oregon that are generally depicted on the map dated August 1994, and entitled the "Opal Creek Preserve Area". The Preserve shall also include such lands as may be added under section 7 of this Act. The map referred to in this subsection shall be kept on file and made available for public inspection in the Office of the Chief of the Forest Service, United States Department of Agriculture.

SEC. 5. ADMINISTRATION OF THE PRESERVE.

(a) IN GENERAL.—The Secretary shall administer the Preserve in accordance with this Act and with the laws, rules, and regulations applicable to National Forest System lands in a manner that will further the purposes of this Act.

(b) MANAGEMENT PLAN.—The Secretary shall prepare a comprehensive management plan for the Preserve to achieve the purposes of this Act. The management plan shall be considered to be a nonsignificant amendment to the Willamette and Mt. Hood Forest Land and Resource Management Plans. The management plan shall be prepared with public involvement which shall include consultation with interested individuals and organizations. The Secretary may enter into memoranda of understanding with interested parties to accomplish the purposes of this Act. The management plan shall include analysis and direction on the use of campfires within the Preserve.

(c) PROTECTION OF CULTURAL AND HISTORIC RESOURCES.—Not later than one year after the date of the enactment of this Act, the Secretary shall review and revise the inventory of the cultural and historic resources in the area covered by the Preserve, which was originally developed pursuant to the Oregon Wilderness Act of 1984 (Public Law 98–328; 16 U.S.C. 1131 note). The Secretary shall submit a report to Congress describing the results of the review of such inventory.

(d) APPLICABILITY OF MINING, MINERAL LEASING, AND DISPOSAL LAWS.—

(1) RESTRICTION.—After the date of the enactment of this Act—

(A) lands within the Preserve shall not be open to the location of mining claims and mill and tunnel sites under the general mining laws of the United States;

(B) the Secretary shall not issue any lease under the Mineral Leasing Act (30 U.S.C. 181 and following) or the Geothermal Steam Act of 1970 (30 U.S.C. 100 and following) for lands within the Preserve; and

(C) lands within the Preserve shall not be available for disposal of mineral materials under the Act of July 31, 1947, commonly known as the Materials Act of 1947 (30 U.S.C. 601 and following).

(2) ACQUIRED LANDS.—The restriction provided by paragraph (1) shall also apply to any Federal lands added to the Preserve after the date of the enactment of this Act, except that the restriction shall apply to such lands only upon addition to the Preserve.

(e) PRIVATE INHOLDINGS.—The Secretary may cooperate with, and provide technical assistance to, private landowners, organizations, and other entities holding private lands within the boundaries of the Preserve to promote the use and management of such lands in a manner consistent with the purposes of this Act.

SEC. 6. PROHIBITIONS REGARDING THE MANAGEMENT OF THE PRESERVE.

(a) PROHIBITION ON LOGGING OR OTHER TIMBER HARVESTING.—

(1) PROHIBITION.—Except as provided in paragraph (2), the cutting of trees in the Preserve is prohibited.

(2) EXCEPTIONS.—The prohibition contained in paragraph (1) shall not apply to the extent that the Secretary determines that the cutting of specific trees in the Preserve is necessary—

(A) for public safety, such as to control the spread of a forest fire in the Preserve or on lands adjacent to the Preserve; or

(B) for administrative use related to activities permitted in the Preserve.

(3) LIMITATION ON EXCEPTION.—The cutting of trees authorized under paragraph (2) may not include salvage sales or harvests of commercial quantities of timber in the Preserve.

(4) COLLECTION OF DOWNED WOOD.—The collection of downed wood for firewood by permit may be allowed in a manner consistent with the purposes of this Act.

(b) PROHIBITION ON OFF ROAD MOTORIZED TRAVEL.—

(1) PROHIBITION.—Except as provided in paragraph (2) and subject to valid existing rights, the use of motor vehicles off or outside of the established roadbed of roads in the Preserve is prohibited.

(2) EXCEPTION.—The prohibition contained in paragraph (1) shall not apply to the extent that the Secretary determines that the use of a motor vehicle off or outside of the established roadbed of a road in the Preserve is necessary for administrative purposes or to respond to an emergency.

(c) PROHIBITION ON USE OF CERTAIN ROADS.—

(1) PROHIBITION.—Except as provided in paragraph (2) and subject to valid existing rights, the use of motor vehicles is prohibited on the following roads located in the Preserve:

(A) Forest road 2209 from the gate in existence on the date of the enactment of this Act eastward to the intersection of the road with the wilderness boundary.

(B) Forest roads 290 and 330, which are spur roads to the road described in subparagraph (A).

(2) EXCEPTIONS.—The prohibition contained in paragraph (1) shall not apply to the extent that the Secretary determines that the use of the roads described in such paragraph is necessary for administrative purposes or to respond to an emergency.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit inholders and claim holders of valid mining claims from using the roads described in paragraph (1) for ingress and egress to their inholdings or valid mining claims, subject to such reasonable terms and conditions, consistent with the purposes of this Act, as the Secretary may prescribe. Nothing in this subsection shall be construed to prohibit motor vehicle traffic on other roads established in the Preserve, in particular those forest roads providing access for claim holders of valid mining claims for the use of lands in the Preserve or within the Cedar Creek watershed within two miles outside of the boundaries of the Preserve.

(d) PROHIBITION ON ROAD CONSTRUCTION.—

(1) PROHIBITION.—Except as provided in paragraph (2) and subsection (e), and subject to valid existing rights, the construction of new roads is prohibited in the Preserve.

(2) EXCEPTIONS.—The prohibition contained in paragraph (1) shall not apply to the extent that the Secretary determines that the construction of new roads, or the improvement of existing roads, in the Preserve is necessary to accomplish the purposes of this Act or to provide access to inholdings or for claim holders of valid mining claims for the use of lands in the Preserve or within the Cedar Creek watershed within two miles outside of the boundaries of the Preserve. The Secretary may maintain or improve roads in the Preserve to the extent the Secretary determines that such maintenance or improvements are necessary to accomplish the purposes of this Act, to provide for the protection of the natural resources of the Preserve, to provide for public safety, or to ensure access for inholders and claims holders of valid mining claims for the use of lands in the Preserve or within the Cedar Creek watershed within two miles outside of the boundaries of the Preserve.

(3) LIMITATION ON EXCEPTION.—The construction or improvement of roads in the Preserve pursuant to paragraph (2) or subsection (e) may not include paving or any work beyond 50 feet on either side of the centerline of the road bed.

(e) UTILITIES AND ACCOMPANYING ROAD.—In compliance with applicable laws and the Willamette National Forest Land and Resource Management Plan, the Secretary may allow the installation and maintenance of power lines and water lines (and an accompanying service road) through the Preserve to serve authorized activities conducted on land within the Cedar Creek watershed within two miles outside of the boundaries of the Preserve.

SEC. 7. ACCESS TO AND ACQUISITION OF NON-FEDERAL LAND.

(a) INVENTORY AND ACQUISITION OF NON-FEDERAL LANDS.—The Secretary shall conduct an inventory of all non-Federal lands and interests in lands within the boundaries of the Preserve. The Secretary may acquire such inventoried lands (or interests in such lands) for inclusion in the Preserve. The Secretary may not acquire, for inclusion in the Preserve, any lands or interests in lands within the boundaries of the Preserve without the consent of the owner, unless the Secretary determines that the land is being developed or managed (or is proposed to be developed or managed) in a manner inconsistent with the purposes of this Act. Nothing in this Act may be construed to prevent the Secretary from increasing the size of the Preserve.

(b) SPECIAL RULE FOR SANTIAM NO. 1 LODE MINING CLAIM.—Notwithstanding subsection (a), the parcel of real property located within the boundaries of the Preserve that is known as the Santiam No. 1 lode mining claim and identified in section 8140 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1213), may be acquired by the Secretary only—

(1) by purchase for an amount equal to not more than the sum of—

(A) the amount that the original patentee of the parcel paid for the parcel; and

(B) the cost of any improvements made to the parcel by the patentee; or

(2) by donation.

(c) RIGHTS-OF-WAY.—Nothing in this section shall be construed to affect the authority of the Secretary to acquire road and trail rights-of-way on lands in the Preserve under existing authorities.

(d) ACCESS AND UTILITIES TO INHOLDINGS.—

(1) IN GENERAL.—In the case of private inholdings located within the boundaries of the Preserve, the Secretary shall authorize the use of Federal land in the Preserve by the holder of the inholding to assure adequate access to the inholding under applicable law.

(2) JAWBONE FLATS.—With respect to the inholding known as the Jawbone Flats area, the Secretary shall authorize the use of Federal land in the Preserve by the owners of the inholding to provide for access and utilities for a facility in the inholding if the Secretary determines that the facility (and use of the facility) is consistent with the purposes of this Act.

(3) TERMS AND CONDITIONS.—The use of Federal land in the Preserve under this subsection shall be subject to such reasonable terms and conditions, consistent with the purposes of this Act, as the Secretary may prescribe.

SEC. 8. AUTHORITY OF THE SECRETARY AND RESPONSIBLE PARTIES TO CONDUCT ENVIRONMENTAL RESPONSE ACTIONS OR PURSUE LIABILITY.

(a) REMEDIATION ACTIVITIES.—Nothing in this Act shall be construed to limit the authority of the Secretary or a responsible party to conduct environmental remediation activities in the Preserve in connection with the release, threatened release, or clean up of any hazardous substance or pollutant or contaminant, including response actions conducted pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) LIABILITY.—Nothing in this Act shall be construed to limit the authority of the Secretary or a responsible party to address questions of liability related to the release, threatened release, or clean up of any hazardous substance or pollutant or contaminant in the Preserve.

SEC. 9. GRANDFATHER CLAUSE.

Nothing in this Act shall be construed to affect the operation of any timber sale contract entered into, or interfere with any activity for which a special use permit has been issued (and not revoked), before the date of the enactment of this Act, subject to the terms of the contract or permit.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure presently being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3905, introduced by Mr. KOPETSKI of Oregon, would protect 22,000 acres of the Opal Creek Watershed in the Willamette and Mt. Hood National Forests. This area contains one of the largest blocks of low elevation old growth forests in the Cascade range. It is a Douglas fir-hemlock ecosystem with trees up to 1,000 years old, waterfalls and lakes. It is popular with recreationists who come there to hike, swim and enjoy an old growth forest setting.

The area also contains several threatened and endangered species. These include the northern spotted owl, the Townsends' big eared bat, the California wolverine, the tailed frog, and Gorman's aster. The stream which gives the area its name contains native steelhead trout and salmon runs.

The President's final plan for the management of habitat for late successional and old growth forest related species recognizes the importance of Opal Creek and protects it as a late successional reserve in a tier one watershed.

The bill would designate the Opal Creek Forest Preserve. Subject to valid existing rights, the area would be withdrawn from mineral entry and geothermal and mineral leasing laws. Also prohibited are commercial and salvage logging, off-road motorized travel, and the construction of new roads.

Opal Creek is one of the great cathedral forests for which the Pacific Northwest is famous. It deserves protection and I urge my colleagues to support this bill.

☐ 1620

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am intrigued why this legislation is being rushed through the House so quickly. Less than a week ago, and at very short notice, the Subcommittee on National Parks, Forests and Public Lands held a hearing on H.R. 3905. Because of this extremely short notice, witnesses did not even have written statements prepared.

Four days later, the full Natural Resources Committee discharged the subcommittee from further consideration of H.R. 3905—a very unusual situation. Since the House will be in session all of next week, I wonder why there is such a sense of urgency with this legislation.

I still have several concerns about the substance of this bill. I am pleased the preserve's size has been reduced from 33,000 to 22,000 acres. However, I am concerned that the legislation prohibits the cutting of trees for forest health reasons such as insect and disease infestation—a situation if left unchecked could contribute to an epidemic on adjacent forests.

Finally, I am concerned about the restrictions placed on off-road motorized travel contained in the bill. We appear to be putting so many restrictions on activities permitted in this area that we may not be able to protect it from natural catastrophes and certainly are limiting the public's opportunity for access.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am going to yield to the gentleman from Oregon [Mr. KOPETSKI], but, before I do, I want to commend him. He has been working on this diligently for a long time, and, but for the fact that there have been, obviously, great interest and concern surrounding the FEMAT program, the President's various plans with regard to the Pacific Northwest forests, I suggest that perhaps this would have been an easier task for him. But in the end he has convinced all concerned from the various portions of that spectrum to support the measure that he has now before us, and I commend him for his diligence, and patience, and all his hard work in this, and I hope indeed it does see enactment this year as he concludes his service to this body. He has been an able legislator and a good conservationist.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Speaker, I thank the distinguished subcommittee chairman for his kind words and also for the effort that he had to put into this important piece of legislation to Oregon and to the Nation.

Mr. Speaker, today we consider legislation to establish the Opal Creek Forest Preserve in the Willamette and Mt. Hood National Forests in Oregon. The 22,000 acres that constitute the Opal Creek Forest are, plain and simple, among the crown jewels of Northwest old growth forest. Opal Creek is a unique ecosystem serving as critical habitat for hundreds of plants and animals including several threatened and endangered species. Opal Creek also provides unique and outstanding opportunities for educational study, scientific research and recreational activities. The enactment of this bill will contribute significantly to the quality of life for Oregonians and our many State visitors.

In its current form, Mr. Speaker, this bill represents the dedicated work of many people, and they have my heartfelt thanks. In particular I want to express my gratitude toward the gentleman from Texas [Mr. DE LA GARZA], the gentleman from Kansas [Mr. ROBERTS], the gentleman from North Carolina [Mr. ROSE], the gentleman from Florida [Mr. LEWIS], the gentleman from Missouri [Mr. VOLKMER] and the staff, and the gentleman from Virginia [Mr. GOODLATTE], as well as the chairman, the gentleman from California [Mr. MILLER], the gentleman from Alaska [Mr. YOUNG], the subcommittee chairman, the gentleman from Minnesota [Mr. VENTO], the gentleman from Colorado [Mr. MCINNIS] and the staff of the Committee on Natural Resources. I am grateful to Secretary Lyons at the Department and to Ms. McGinty and Mr. Stelle at the White House Office of Environmental Policy. Finally I would like to express my appreciation for the important insights of the U.S. Forest Service including those of Chief Jack Ward Thomas, Forest Supervisor Darrel Kenops, Larry Hudson, Ralph Bowman, and Laurie Monfort. There is one Oregonian I thank in particular, Mr. George Atiyoh who has been fighting for this for the past years, and of course to my former staff person, Ms. Alex Buell, and my current staff member, Ms. Jennifer Pitt.

Mr. Speaker, the gentleman from California [Mr. DOOLITTLE] raised a couple of points. One is: Why so quickly?

Actually this is a long time in coming. As I noted, we in Oregon have been battling over this particular piece of planet for about 20 years. It was almost included in wilderness area about that time ago, and 3½ years ago I did introduce legislation when I came to Congress to set up this preserve. Unfortunately it has been a part of the Northwest controversy over the spotted owl forests and the future of our forests.

Mr. Speaker, it is a unique and special area. Scientists have said that it is the most significant old growth reserve in the Northwest, and that includes wilderness areas as well. So, this is a significant area. We ought to treat it differently.

We have had full hearings and discussions in the Committee on Agriculture, and, because of the rules of the House, there is joint jurisdiction with the Committee on Natural Resources, and, as I said, the chairman was very gracious in giving us a quick hearing so that we could finish this work before the August break and give time to pass it in the Senate.

Second, I do want to mention the road access issue, that in the bill we do give full authority to the Forest Service to respond to fires and other emergency situations as well.

In terms of managing the timberlands in the reserve, they will be treated the same as the Bull of the Woods wilderness areas which it lies adjacent to, and so we will have that continuity of forest management in adjacent lands between the wilderness area and what we establish as this reserve.

We tried to strike a balance. This bill is a compromise, and I hope that the House will look favorably to this important piece of legislation.

Mr. VENTO. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Speaker, I want to congratulate the gentleman from Oregon [Mr. KOPETSKI], my colleague, for this wonderful piece of legislation.

Mr. Speaker, Oregon is known for its beauty, its natural beauty. But Opal Creek is a jewel within the natural beauty, and I want to congratulate the gentleman for making sure that future generations will be able to enjoy the beauty, the serenity, of Opal Creek.

I thank the gentleman also for allowing me to be a cosponsor of this. I think this is a wonderful piece of legislation, and the gentleman from Oregon [Mr. KOPETSKI] is to be congratulated, and I hope all my colleagues will vote for this piece of legislation to ensure Opal Creek is to be preserved for all time. That is a very wonderful thing.

Mr. VENTO. Mr. Speaker, I have no further requests for time. I commend the bill to my colleagues, and again I commend the gentleman from Oregon [Mr. KOPETSKI] for this work on his important proposal.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RICHARDSON). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3905, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was held on the table.

GEORGE WASHINGTON NATIONAL FOREST MOUNT PLEASANT SCENIC AREA ACT

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2942) to designate certain lands in the Commonwealth of Virginia as a national scenic area for protection of the watershed and scenic values, recreation use, protection of wildlife and their habitat, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "George Washington National Forest Mount Pleasant Scenic Area Act".

SEC. 2. PURPOSES.

The purposes of this Act with respect to the George Washington National Forest Mount Pleasant Scenic Area are to—

(1) ensure appropriate protection and preservation of the scenic quality, water quality, natural characteristics, and water resources;

(2) protect and manage vegetation to provide wildlife and fish habitat, consistent with paragraph (1);

(3) provide areas that may develop characteristics of old-growth forests; and

(4) provide a variety of recreation opportunities that are not inconsistent with the preceding purposes.

SEC. 3. ESTABLISHMENT OF MOUNT PLEASANT NATIONAL SCENIC AREA.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—There is hereby established in the George Washington National Forest, Virginia, the George Washington National Forest Mount Pleasant Scenic Area (in this section referred to as the "scenic area").

(2) LANDS INCLUDED IN SCENIC AREA.—The scenic area shall consist of certain lands in the George Washington National Forest, Virginia, which comprise approximately seven thousand five hundred and eighty acres, as generally depicted on a map entitled "Mount Pleasant National Scenic Area—Proposed", dated June 21, 1993.

(3) MAPS AND DESCRIPTIONS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall file a map and boundary description of the scenic area with the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The map and description shall have the same force and effect as if included in this Act, except that the Secretary is authorized to correct clerical and typographical errors in such boundary description and map. Such map and boundary description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture. In the case of any discrepancy between the acreage and the map described in paragraph (2), the map shall control.

(b) ADMINISTRATION.—

(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the "Secretary") shall administer the scenic area in accordance with this Act and the laws and regulations generally applicable to the National Forest System. In the event of conflict between this Act and other laws and regulations, this Act shall take precedence.

(2) MANAGEMENT PLAN.—Within three years after the date of the enactment of this Act, the Secretary shall develop a management plan for the scenic area as an amendment to the Land and Resource Management Plan for the George Washington National Forest. Such an amendment shall conform to the provisions of this Act. Nothing in this Act shall require the Secretary to revise the Land and Resource Management Plan for the George Washington National Forest pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(c) ROADS.—After the date of the enactment of this Act, no new permanent roads shall be constructed within the scenic area, except that this prohibition shall not be construed to deny access to private lands or interests therein in the scenic area.

(d) VEGETATION MANAGEMENT.—No timber harvest shall be allowed within the scenic area, except as may be necessary in the control of fire, insects, and diseases and to provide for public safety and trail access. Notwithstanding the foregoing, the Secretary may engage in vegetation manipulation practices for maintenance of existing wildlife clearings and visual quality. Firewood may be harvested for personal use along perimeter roads under such conditions as the Secretary may impose.

(e) MOTORIZED TRAVEL.—

(1) AUTHORIZED ROUTES.—Motorized travel in the scenic area shall be allowed on State Route 635. Subject to such conditions as the Secretary may impose, motorized travel in the scenic area shall also be allowed on Forest Development Road 51.

(2) OTHER AREAS.—Other than as provided in paragraph (1), motorized travel shall not be permitted within the scenic area, except that the Secretary may authorize motorized travel within the scenic area as necessary for administrative use in furtherance of the purposes of this Act and on temporary routes in support of wildlife management projects.

(f) FIRE.—Wildfires shall be suppressed in a manner consistent with the purposes of this Act, using such means as the Secretary considers appropriate.

(g) INSECTS AND DISEASE.—Insect and disease outbreaks may be controlled in the scenic area to maintain scenic quality, prevent tree mortality, reduce hazards to visitors, or protect private lands.

(h) WATER.—The scenic area shall be administered so as to maintain or enhance existing water quality.

(i) MINING WITHDRAWAL.—Subject to valid existing rights, all federally owned lands in the scenic area are hereby withdrawn from location, entry, and patent under the mining laws of the United States and from claims under the mineral and geothermal leasing laws of the United States, including amendments to such laws.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes, and the gentleman from Florida [Mr. LEWIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

□ 1630

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2942, as amended, would establish the George Washington National Forest Mount Pleasant Scenic Area out of a 7,580-acre tract within the George Washington National Forest in the State of Virginia.

The legislation, introduced by the gentleman from Virginia [Mr. GOODLATTE], would provide permanent protection for the Mt. Pleasant area.

Although the forest plan for the George Washington National Forest provides protection of many of the values within the area, that plan is subject to amendment or revision. The specific management requirements contained in H.R. 2942 would provide for permanent protection and were developed in consultation with the Forest Service, the Amherst County board of supervisors, and local citizens, environmental, and timber representatives.

The scenic area designation would provide protection for the headwaters of the North Fork of the Buffalo River, which is a high-quality source of drinking water for the town of Amherst, VA. The scenic area designation would also protect groves of old growth oak, yellow poplar and ash, fish, and wildlife that are found in the Mount Pleasant area.

The Committee on Agriculture modified the bill to include a new section 3(i), which is a provision relating to mining. The Committee recognizes the jurisdiction of the Committee on Natural Resources in regard to matters relating to mining interests generally, according to House rule X. The bill is not intended to alter the jurisdiction of the Committee on Agriculture or the

Committee on Natural Resources in any way. In addition, we recognize the right of the Committee on Natural Resources to be represented in any conference proceeding that may be held with respect to section 3(i).

The Committee on Agriculture appreciates the cooperation of the Committee on Natural Resources in allowing the bill to the floor.

Mr. Speaker, the bill received bipartisan support in the Committee on Agriculture, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 2942, a bill to designate certain lands within the George Washington National Forest in Virginia as the Mount Pleasant Scenic Area.

I would like to take this opportunity to commend the sponsor of this legislation, Mr. GOODLATTE, for his diligent work in carefully crafting this legislation. This bill enjoys overwhelming support of the entire Virginia delegation, the local county board of supervisors, local environmental groups, and private businesses in the area.

As the ranking minority member of the Speciality Crops and Natural Resources Subcommittee of the Agriculture Committee, I urge my colleagues to support this legislation to ensure a more permanent level of protection for the unique scenic qualities of the Mount Pleasant Area.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, on behalf of the citizens of Amherst County, VA, I am pleased to see H.R. 2942, The George Washington National Forest, Mt. Pleasant Scenic Area Act come before the House today.

I want to thank Chairman DE LA GARZA, ranking member PAT ROBERTS, and all the members of the Agriculture Committee and the Agriculture Committee staff for their assistance in the hearing and markup process necessary to bring the bill to the floor. I would also like to thank Chairman ROSE and ranking member LEWIS of the Subcommittee on Specialty Crops and Natural Resources for their assistance in this effort.

Last year, the Amherst County Board of Supervisors, local sportsmen, business leaders, hikers, and families have expressed their desire to permanently protect an area surrounding Mt. Pleasant in Amherst County, VA. This area features some of the highest peaks on the Blue Ridge Mountain chain in Virginia, and that afford some of the most spectacular views of the Blue Ridge. This area includes valuable resources such as the Buffalo River's watershed, native wild trout streams, waterfalls, a portion of the historic Appalachian Trail, and many other notable features.

This legislation draws together recommendations from the Forest Service with the specific concern voiced to me by the local board of supervisors and concerned citizens from the area. This bill designates approximately 7,580 acres in this region as a scenic area. It will protect Mt. Pleasant from environmental damage, allow fish and other wildlife to flourish and preserve old forest stands within the area.

In the development of this plan, I considered a broad array of options and listened to my constituents' opinions about how best to manage this area and its vital natural resources. Most importantly, as the local board of supervisors pointed out, the solution needed to provide a full range permanent protection of the areas resources.

I came to the belief that to effectively protect all of the special attributes of Mt. Pleasant, a tailored approach was necessary. One which would not leave this area vulnerable to severe damage from wildfire, pests like the gypsy moth and southern pine beetle, floods, and pollution. Furthermore, many senior citizens and handicapped people voiced their desire to maintain their ability to enjoy Mt. Pleasant.

This legislation will provide a permanent framework for sound management with the flexibility needed to manage the area locally. It will also ensure that this beautiful region of Virginia will be available for everyone to enjoy for years to come.

I am grateful to all of the concerned citizens across the sixth district who contacted me to provide their opinions and am pleased with the support from groups such as the Sierra Club, the Wilderness Society, the National Audubon Society, and I also appreciate the support of some of the business groups in the area, paper mills that manufacture nearby as well as the Appalachian Forest Management Group, as well as the unanimous consent of the Amherst County Board of Supervisors.

I also appreciate the unanimous support of the Virginia congressional delegation and the strong bipartisan support this bill has received in the House. I encourage my colleagues to support this legislation.

Mr. VENTO. Mr. Speaker, H.R. 2942 includes matters within the jurisdiction of the Committee on Natural Resources. It is being brought to the floor today with certain understandings between the Committee on Agriculture and the Committee on Natural Resources. These include the recognition by the Committee on Agriculture of the jurisdictional interest of the Committee on Natural Resources as to the mining language contained in the bill. Further, and more importantly, the name of the area has been changed to delete the designation of a "national scenic area" and instead identify the area as a "scenic area."

The Committee on Natural Resources has had a longstanding and active legislative interest in the designation of "national scenic areas" and related "national recreation areas" on national forest lands regardless of whether these lands are located in eastern or western national forests. I was concerned about H.R. 2942 because of potential questions as to the need and nature of the designation. The Committee on Agriculture agreed to delete the word "national" from the designation to avoid potential conflict with the Committee on Natural Resources jurisdiction over various national conservation system units. The Forest Service does have the administrative authority to designate "scenic areas" and the designation in H.R. 2942 is consistent with that administrative authority. However, the designation of an area as "national" implies an importance and significance that transcends an individual area and as such should be considered to a higher standard. The Committee on Natural Resources has legislated extensively on such national designations and I believe if the bill were to retain such a designation the committee would have a jurisdictional claim. The Agriculture Committee has agreed to delete such a "national" designation, but I want to make it clear that I believe it should not and does not prejudice any claim the Committee on Natural Resources may have to this bill and similar legislation.

Mr. ROBERTS. Mr. Speaker, I rise in support of the H.R. 2942. The gentleman from Virginia [Mr. GOODLATTE] is to be commended for his efforts and leadership for bringing this bill to the floor. More important is the balanced approach Mr. GOODLATTE has taken with the George Washington National Forest Mount Pleasant Scenic Area Act. I understand the bill has the support of the entire Virginia delegation.

H.R. 2942 would designate approximately 7,580 acres in the George Washington National Forest in Virginia as a national scenic area under the management of U.S. Department of Agriculture Forest Service. The purpose of the legislation is to ensure appropriate protection and preservation in the beautiful Shenandoah Mountains in western Virginia.

Less than 2 weeks ago I had the privilege of visiting this region of Virginia, represented by Mr. GOODLATTE. While certainly not as beautiful as the golden plains of Kansas, I was indeed struck by the beauty of the region and it is worthy of preservation and the gentleman's bill strikes a good balance between preservation and recreational uses.

The Agriculture Committee reported the bill without dissent and I urge my colleagues to support H.R. 2942.

Mr. LEWIS of Florida. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. RICHARDSON). The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and pass the bill, H.R. 2942, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to designate certain lands in the Commonwealth of Virginia as the George Washington National Forest Mount Pleasant Scenic Area."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2942, as amended, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMERICAN INDIAN RELIGIOUS FREEDOM ACT AMENDMENTS OF 1994

Mr. RICHARDSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4230) to amend the American Indian Religious Freedom Act to provide for the traditional use of peyote by Indians for religious purposes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Indian Religious Freedom Act Amendments of 1994".

SEC. 2. TRADITIONAL INDIAN RELIGIOUS USE OF THE PEYOTE SACRAMENT.

The Act of August 11, 1978 (42 U.S.C. 1996), commonly referred to as the "American Indian Religious Freedom Act", is amended by adding at the end thereof the following new section:

"SEC. 3. (a) The Congress finds and declares that—

"(1) for many Indian people, the traditional ceremonial use of the peyote cactus as a religious sacrament has for centuries been integral to a way of life, and significant in perpetuating Indian tribes and cultures;

"(2) since 1965, this ceremonial use of peyote by Indians has been protected by Federal regulation;

"(3) while at least 28 States have enacted laws which are similar to, or are in conformance with, the Federal regulation which protects the ceremonial use of peyote by Indian religious practitioners, 22 States have not done so, and this lack of uniformity has created hardship for Indian people who participate in such religious ceremonies;

"(4) the Supreme Court of the United States, in the case of Employment Division v. Smith, 494 U.S. 872 (1990), held that the First Amendment does not protect Indian practitioners who use peyote in Indian religious ceremonies, and also raised uncertainty whether this religious practice would be protected under the compelling State interest standard; and

"(5) the lack of adequate and clear legal protection for the religious use of peyote by Indians may serve to stigmatize and marginalize Indian tribes and cultures, and increase the risk that they will be exposed to discriminatory treatment.

"(b)(1) Notwithstanding any other provision of law, the use, possession, or transportation of peyote by an Indian for bona fide traditional ceremonial purposes in connection with the practice of a traditional Indian religion is lawful, and shall not be prohibited by the United States or any State. No Indian shall be penalized or discriminated against on the basis of such use, possession or transportation, including, but not limited to, denial of otherwise applicable benefits under public assistance programs.

"(2) This section does not prohibit such reasonable regulation and registration by the Drug Enforcement Administration of those persons who cultivate, harvest, or distribute peyote as may be consistent with the purposes of this Act.

"(3) This section does not prohibit application of the provisions of section 481.111(a) of Vernon's Texas Health and Safety Code Annotated, in effect on the date of enactment of this section, insofar as those provisions pertain to the cultivation, harvest, and distribution of peyote.

"(4) Nothing in this section shall prohibit any Federal department or agency, in carrying out its statutory responsibilities and functions, from promulgating regulations establishing reasonable limitations on the use or ingestion of peyote prior to or during the performance of duties by sworn law enforcement officers or personnel directly involved in public transportation or any other safety-sensitive positions where the performance of such duties may be adversely affected by such use or ingestion. Such regulations shall be adopted only after consultation with representatives of traditional Indian religions for which the sacramental use of peyote is integral to their practice. Any regulation promulgated pursuant to this section shall be subject to the balancing test set forth in section 3 of the Religious Freedom Restoration Act (Public Law 103-141; 42 U.S.C. 2000bb–1).

"(5) This section shall not be construed as requiring prison authorities to permit, nor shall it be construed to prohibit prison authorities from permitting access to peyote by Indians while incarcerated within Federal or State prison facilities.

"(6) Subject to the provisions of the Religious Freedom Restoration Act (Public Law 103–141; 42 U.S.C. 2000bb–1), this section shall not be construed to prohibit States from enacting or enforcing reasonable traffic safety laws or regulations.

"(7) Subject to the provisions of the Religious Freedom Restoration Act (Public Law 103–141; 42 U.S.C. 2000bb–1), this section does not prohibit the Secretary of Defense from promulgating regulations establishing reasonable limitations on the use, possession, transportation, or distribution of peyote to promote military readiness, safety, or compliance with international law or laws of other countries. Such regulations shall be adopted only after consultation with representatives of traditional Indian religions for which the sacramental use of peyote is integral to their practice.

"(c) For purposes of this section—

"(1) the term 'Indian' means a member of an Indian tribe;

"(2) the term 'Indian tribe' means any tribe, band, nation, pueblo, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;

"(3) the term 'Indian religion' means any religion—

"(A) which is practiced by Indians, and

"(B) the origin and interpretation of which is from within a traditional Indian culture or community; and

"(4) the term 'State' means any State of the United States, and any political subdivision thereof.

"(d) Nothing in this section shall be construed as abrogating, diminishing, or otherwise affecting—

"(1) the inherent rights of any Indian tribe;

"(2) the rights, express or implicit, of any Indian tribe which exist under treaties, executive orders, and laws of the United States;

"(3) the inherent right of Indians to practice their religions; and

"(4) the right of Indians to practice their religions under any Federal or State law.".

The SPEAKER pro tempore (Mr. DE LA GARZA). Pursuant to the rule, the gentleman from New Mexico [Mr. RICHARDSON] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4230 is an amendment to the American Indian Religious Freedom Act of 1978. The amendment protects certain ceremonial, sacramental practices used primarily by the Native American Church. The amendment is strongly supported by native Americans, the administration, and it has bipartisan support.

H.R. 4230 makes statutory the protection now provided by Federal regulation and the laws of 28 States for the religious use of peyote by Indian practitioners. This legislation to protect the first amendment right of Indians to use peyote as a sacrament is made necessary by the ruling of the Supreme Court of the United States in the case of *Employment Division v. Smith,* 494 U.S. 872 (1990).

Peyote, the scientific name of which is *Lophophora willaimsii,* is a small, spineless cactus that grows only in the Rio Grande valley of Texas and northern Mexico. Native American religious use of peyote was discovered by Spanish explorers in the 1600's and has continued to the present. Such use exists today, largely through the Native American Church of North America [NAC], among about 50 Indian tribes in the United States. The NAC is the present-day embodiment of one of the oldest religious traditions in the Western Hemisphere. Anthropologists date the sacramental use of the peyote cactus among indigenous peoples back 10,000 years. The contemporary NAC was first incorporated in Oklahoma in 1918, and now has chapters in 20 States. About 250,000 American Indians are affiliated with the NAC.

The Federal District Court in New Mexico, in the 1986 case of Toledo versus Nobel-Sysco, Inc., held that the religious use of peyote was not illegal. The court found that:

> Church peyote users believe that peyote is a sacred and powerful plant. Peyote is seen as a medicine, a protector, and a teacher. In terms used by other religions, peyote can be called a sacrament, something which when

eaten gives awareness of God. The use of peyote is central to the Native American peyote religion. The religion teaches that those who use peyote must not use alcohol. It encourages love of parents and obedience to parents, fidelity to a spouse, and charity towards others. The peyote religion does not prohibit members from also practicing other religions.

While the first amendment right of Indian practitioners of the peyote religion is endangered by the Smith decision, its religious use is basically noncontroversial. Attempts by the Congress to recognize and protect this right have a long history. When the House of Representatives passed H.R. 2, which became the Drug Abuse Control Amendments of 1965, it protected the right of Indians to use peyote in connection with the ceremonies of a ceritified religious organization. The Senate omitted that specific protection, preferring that substances be included on such a list on a case-by-case basis. Congressman Harris assured House Members that such omissions would not prevent bona fide religious use because courts had already upheld peyote use as a first amendment right. The administration then added peyote to schedule I by administrative regulation in 1966, but provided an exemption for nondrug use of peyote in religious ceremonies of the Native American Church.

Mr. Speaker, when Congress passed the Controlled Substance Act of 1970, it enacted schedule I into law. During hearings on the legislation, Congressman Satterfield expressed concern that the religious use of peyote by Indian practitioners be protected. The administration assured him that this would be taken care of by regulation. The regulations adopted in 1971 to implement the act included such an exemption and provides, at 21 CFR 1307.31, that:

> The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the Native American Church.

Since that time, Native American Church use of peyote as a religious sacrament has had the limited protection of that Federal regulation. Also, 28 States have included some degree of protection of the religious use of peyote by Indians in their laws. Unfortunately, neither the Federal regulation nor the State laws provide the full range of protection needed for the unhindered religious use of peyote by Indians, and 22 of the States still have no laws protecting that right.

Officials of the Drug Enforcement Administration of the Department of Justice testified at a House hearing in 1993 that the religious use of peyote by Indians has nothing to do with the vast and violent traffic in illegal narcotics that plagues this country. The NAC enjoys a good, cooperative relationship with DEA in ensuring that peyote is lawfully harvested and distributed solely for American Indian religious use. The distribution of peyote is strictly controlled by Federal regulations, and by the laws and regulations of the State of Texas, the only State in which the sacrament grows in significant quantities.

Mr. Speaker, this bill was amended with the assistance of the White House staff. The amendments address the concerns of the Departments of Transportation, Defense, Justice, and the Interior. I have attached statements of the Drug Enforcement Administration and the Office of Management and Budget which support the bill.

I urge my colleagues to support its passage.

U.S. DEPARTMENT OF JUSTICE,
DRUG ENFORCEMENT ADMINISTRATION,
August 8, 1994.

Mr. TADD JOHNSON,
Chief Counsel, Subcommittee on Native American Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. JOHNSON: It is my understanding that H.R. 4230, "American Indian Religious Freedom Act of 1994", is nearing floor consideration in the House. You will recall that while the Drug Enforcement Administration (DEA) was unable to have a witness at your hearing regarding this matter on June 10, 1994, that we did submit a statement for the record. That statement succinctly puts forth the history of DEA's regulation of peyote and the exemption for its use in traditional Native American ceremonies. DEA has encountered no problems with the use of peyote in these traditional ceremonies nor has diversion of peyote been a problem.

DEA has had a long and cooperative association with the Native American Church, working with them since the early 1970's to assure that our mutual concerns relating to peyote are met. We have worked with its representatives to assure that the bill language effectively addresses these matters. DEA supports the passage of H.R. 4230 as it was reported by the Committee on Natural Resources with the amendments that address public safety concerns.

If I can provide you with any other information pertaining to DEA's experience regarding peyote, please let me know.

Sincerely,
DAVID A. MELOCIK,
DEA, Congressional Affairs.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 8, 1994.

STATEMENT OF ADMINISTRATION POLICY

Re H.R. 4230—American Indian Religious Freedom Act Amendments (Richardson (D) NM).

The Administration strongly supports H.R. 4230.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 3, 1994.

Hon. GEORGE MILLER,
Chairman, Committee on Natural Resources, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 4230, the Ameican Indian Religious Freedom Act Amendments of 1994, as ordered reported by the House Committee on Natural Resources on July 27, 1994. We estimate the implementation of the bill would have no effect on the federal budget or on the budgets of state or local governments. Enactment of H.R. 4230 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to this bill.

H.R. 4230 would amend the American Indian Religious Freedom Act of 1978 by adding a new section that would permit the use, possession, or transportation of peyote by Indians for sacramental purposes. However, the bill would not prohibit the Drug Enforcement Administration from regulating peyote cultivation or distribution, nor would it prohibit federal agencies from regulating peyote use by certain types of federal personnel prior to performing their official duties.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Rachel A. Robertson, who can be reached at 226-2860.

Sincerely,
JAMES L. BLUM
(For Robert D. Reischauer).

Mr. Speaker, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is fully supported by both the committee's ranking Republican member, DON YOUNG, and the ranking Republican member of the Subcommittee on Native American Affairs; it was supported by the Bush administration; it is supported by the DEA, and the Departments of Defense, the Interior, Justice, and Transportation. I urge my colleagues to support it as well.

Mr. Speaker, I yield back the balance of my time.

Mr. RICHARDSON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Mexico [Mr. RICHARDSON] that the House suspend the rules and pass the bill, H.R. 4230, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MOHEGAN NATION OF CONNECTICUT LAND CLAIMS SETTLEMENT ACT OF 1994

Mr. RICHARDSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4653) to settle Indian land claims within the State of Connecticut, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mohegan Nation of Connecticut Land Claims Settlement Act of 1994".

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY.

Congress finds and declares that—

(1) the Mohegan Tribe of Indians of Connecticut has been recognized by the United States through the administrative process pursuant to part 83 of title 25 of the Code of Federal Regulations;

(2) the Mohegan Tribe of Indians of Connecticut is a successor in interest to the aboriginal entity known as the Mohegan Indian Tribe which has existed in what is now the State of Connecticut from time immemorial and for which certain lands were sequestered as tribal lands by the Colony and State of Connecticut;

(3) there is pending before the United States District Court for the Southern District of Connecticut a lawsuit by the Mohegan Indian Tribe which involves certain lands within the State of Connecticut;

(4) the pendency of the lawsuit may result in economic hardships for residents of the State of Connecticut by clouding the titles to lands in the State, including lands not now involved in the lawsuit;

(5) the State of Connecticut and the Mohegan Tribe have executed agreements for the purposes of resolving all disputes between them and settling the lawsuit, which agreements require implementing legislation by the Congress of the United States;

(6) in the agreements described above, the parties provide for the assumption by the State of Connecticut of jurisdiction over offenses by and against members of the Mohegan Tribe and other Indians on Indian country and to the submission of all gaming-related development to the jurisdiction of the State of Connecticut State Traffic Commission;

(7) the Town of Montville, Connecticut, will be affected by the loss of tax base from, and jurisdiction over, lands taken into trust on behalf of the Tribe and will serve as the host community for the Tribe's gaming operations;

(8) the Town of Montville and the Mohegan Tribe have entered into an agreement to resolve issues extant between them and to establish the basis for a cooperative government-to-government relationship; and

(9) Congress shares with the parties to such agreements a desire to settle all Mohegan Indian claims in the State of Connecticut and to remove all clouds on titles resulting from such lawsuits.

SEC. 3. DEFINITIONS.

For purposes of this Act, the term—

(1) "Mohegan Tribe" means the Mohegan Tribe of Indians of Connecticut, a tribe of American Indians recognized by the United States pursuant to part 83 of title 25, Code of Federal Regulations, and by the State of Connecticut pursuant to Connecticut General Statutes sections 47-59a(b);

(2) "State of Connecticut" means the State of Connecticut, its agencies, political subdivisions, constitutional officers, officials of its agencies and subdivisions;

(3) "Secretary" means the Secretary of the Interior;

(4) "Lands or natural resources" means any real property or natural resources, or any interest in or right involving any real property or natural resources including, but not limited to, minerals and mineral rights, timber and timber rights, water and water rights, and rights to hunt and fish;

(5) "Lawsuit" means the action in the United States District Court for the District of Connecticut, entitled "Mohegan Tribe of Indians of Connecticut v. State of Connecticut, et al.", Case No. H77-434;

(6) "State Agreement" means that document entitled "Agreement between the Mohegan Tribe and the State of Connecticut" executed on May 17, 1994, by the Governor acting on behalf of the State of Connecticut and the Chief of the Mohegan Tribe acting on behalf of the Mohegan Tribe and filed with the Secretary of State of the State of Connecticut;

(7) "Town Agreement" means that document executed on June 16, 1994, by the Mayor of the Town of Montville and the Chief of the Mohegan Tribe;

(8) "Transfer" includes, but is not limited to, any sale, grant, lease, allotment, partition, or conveyance, any transaction the purpose of which was to effect a sale, grant, lease, allotment, partition, or conveyance, or any event or events that resulted in a change of possession or control of lands or natural resources.

SEC. 4. FINDINGS BY THE SECRETARY.

Section 5 of this Act shall not take effect until the following events have occurred and the Secretary so finds—

(1) the State of Connecticut has entered into a binding compact with the Mohegan Tribe providing for Class III tribal gaming operations, in accordance with the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.), and the compact has received all the Federal approvals required to be fully effective; and

(2) title to lands described in Exhibit B to the Agreement has vested in the United States in trust for the Mohegan Tribe to be used as the Mohegan Tribe's initial Indian reservation.

SEC. 5. APPROVAL OF PRIOR TRANSFERS AND EXTINGUISHMENT OF CLAIMS AND ABORIGINAL TITLE INVOLVING THE MOHEGAN TRIBE.

(a) If the Secretary finds that the conditions set forth in section 4 of this Act have been satisfied, he shall publish such findings and the State Agreement in the Federal Register, and upon such publication:

(1) The transfers, waivers, releases, relinquishments, and other commitments made by the Mohegan Tribe in paragraph (1) of its Agreement with the State of Connecticut shall be of full force and effect on the terms and conditions therein stated.

(2) The transfers, waivers, releases, relinquishments, and other commitments validated by paragraph (1) of the Agreement and of this section and the transfers and extinguishments approved and validated by subsection (b)(1) and (2) shall be deemed to have been made in accordance with the United States Constitution and all laws of the United States that are specifically applicable to transfers of lands or natural resources from, by, or on behalf of any Indian, Indian nation, or tribe of Indians (including but not limited to the Trade and Intercourse Act of 1790, Act of July 22, 1790, ch. 33, sec. 4, 1 Stat. 137, and any amendments thereto and all subsequent versions thereof), and Congress does hereby approve any such transfers effective as of the date of said transfers.

(b)(1) All claims to lands within the State of Connecticut based upon aboriginal title by the Mohegan Tribe are hereby extinguished, as are any and all other claims the Mohegan Tribe might have to any public or private lands or natural resources in Connecticut, such as claims or rights based on recognized title, including but not limited to—

(A) any claim the Mohegan Tribe might have to the tribal sequestered lands bounded out to the Tribe in 1684, consisting of some 20,480 acres lying between the Thames River, New London bounds, Norwich bounds, and Colchester bounds;

(B) any claim the Mohegan Tribe might have based on a survey under the authority of the Connecticut General Assembly in 1736 of lands reserved and sequestered by the General Assembly for the sole use and improvement of the Mohegan Indian Tribe; and

(C) any claim the Mohegan Tribe might have based on any action by the State in 1860, 1861, or otherwise to allot, reallot, and/or confirm any lands of the Mohegan Tribe to individual Indians or other persons. Any transfer of lands or natural resources located anywhere within the State of Connecticut including, but not limited to, transfers pursuant to the statute or treaty of or with any State or the United States, by, from, or on behalf of the Mohegan Tribe, or any predecessor or successor in interest, shall be deemed to be in full force and effect, as provided in subsection (a)(2): *Provided, however*, That nothing herein shall be construed as extinguishing any aboriginal right, title, interest, or claim to lands or natural resources solely to the extent of the rights or interests defined as "excepted interests" in paragraph 1a of the Agreement between the Mohegan Tribe and the State of Connecticut.

(2) By virtue of the approval of a transfer of lands or natural resources effected by this section, or an extinguishment of aboriginal title effected thereby, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the Mohegan Tribe, arising subsequent to the transfer and based upon any interest in or right involving the claims described in paragraph (1) above in lands or natural resources, including, but not limited to, claims for trespass damages or claims for use and occupancy, shall be regarded as extinguished as of the date of the transfer, provided that this limitation shall not apply to any interest in lands or natural resources subsequently and lawfully acquired by the Mohegan Tribe or its members.

(c) No provision of this section shall be construed to offset or eliminate the personal claim of any individual Indian which is pursued under any law of general applicability that protects Indians as well as non-Indians.

SEC. 6. CONVEYANCE OF LANDS TO THE UNITED STATES IN TRUST FOR THE MOHEGAN TRIBE.

(a) The Secretary of the Interior is authorized and directed, subject to the satisfaction of environmental requirements otherwise applicable to actions under part 151 of title 25, Code of Federal Regulations, to accept the conveyance of title to lands described in Exhibits A and B of the State Agreement to be taken in the name of the United States of America in trust for the use and benefit of the Mohegan Tribe of Indians of Connecticut. The lands shall be the Mohegan Tribe's Initial Indian reservation.

(b) With regard to any tracts of land subject to Exhibit B of the State Agreement but not specifically identified therein, the Secretary shall consult with the Town of Montville with respect to the impact on the Town resulting from the removal of the land from the tax rolls and jurisdictional problems and potential conflicts of land use which may arise. With respect to all lands not subject to Exhibits A and B of the State Agreement, nothing in this Act shall diminish or otherwise affect the Town's rights under applicable law to participate in the decisionmaking process on trust acquisition requests involving these lands.

SEC. 7. ASSUMPTION BY STATE OF JURISDICTION OVER CRIMES.

The consent of the United States is hereby given to the State of Connecticut to assume by affirmative legislation jurisdiction over offenses committed by or against Indians on the Mohegan Indian reservation or Indian country owned by the Mohegan tribe or its members. Such jurisdiction shall be to the same extent that the State has over such offenses committed elsewhere within the State, and the criminal laws of the State shall have the same force within such reservation and Indian country as they have elsewhere in the State. Such exercise of criminal jurisdiction by the State shall not affect the Tribe's concurrent jurisdiction over such matters.

SEC. 8. GENERAL DISCHARGE AND RELEASE OF STATE OF CONNECTICUT.

Except as expressly provided herein and in the State Agreement and the Town Agreement, this Act shall constitute a general discharge and release of all obligations of the State of Connecticut and all of its political subdivisions, agencies, departments, and all of the officers or employees thereof arising from any treaty or agreement with, or on behalf of the Tribe of the United Sates as trustee therefor.

SEC. 9. REVOCATION OF STATE AGREEMENT.

In the event that, within 15 years of the date of the publication of the notice required by section 5(a), the Agreement between the Mohegan Tribe and the State of Connecticut is invalidated, or if the gaming compact provided in section 4(1) of this Act, or any implementing agreements between the parties thereto, is invalidated by a court of competent jurisdiction, the transfers, waivers, releases, relinquishments and other commitments made by the Mohegan Tribe in paragraph 1a of the State Agreement shall no longer be of any force or effect, section 5 of this Act shall be inapplicable to the lands, interests in lands or natural resources of the Mohegan Tribe and its members as if never enacted, and the approvals of prior transfers and the extinguishment of claims and aboriginal title of the Mohegan Tribe otherwise effected by section 5 shall be void ab initio. In any such event, the Mohegan Tribe shall have the right to reinstate its land claim within a reasonable time, which period shall be defined as the later of 6 months after the Mohegan Tribe receives written notice of such determination, or if appealed, 6 months after entry of judgment by the court of last resort, and, if the suit is reinstated within that time, no defense, such as laches, statute of limitations, law of the case, res judicata, or prior disposition shall be asserted based on the withdrawal of the lawsuit and commencement of the resumed litigation, nor shall the substance of discussions leading to the State Agreement be admissible in any subsequent litigation: *Provided, however*, That if any such suit is reinstated, any defense which would have been available to the State of Connecticut at the time the lawsuit was withdrawn may be asserted, and is not waived by anything in the State Agreement or by subsequent events occurring between the withdrawal of the lawsuit and commencement of the resumed litigation. In the event that any suit challenging the validity of the State Agreement, the gaming compact provided in section 4 of this Act, or any implementing agreements between the parties thereto, is pending in any court of competent jurisdiction on the date that the Mohegan Tribe's rights under this section would otherwise expire, such rights will be extended for a period not to exceed 6 months from the date the Mohegan Tribe receives notice of a final determination in such suit or, if an appeal is filed, 6 months after entry of judgment by the court of last resort.

SEC. 10. JUDICIAL REVIEW.

Notwithstanding any other provision of law, any action to contest the constitutionality of this Act or the validity of any agreement entered into under the authority of this Act or approved by this Act shall be barred unless the complaint is filed within 180 days after the date of enactment of this Act. Exclusive jurisdiction over any such action is hereby vested in the United States District Court for the District of Connecticut.

SEC. 11. RATIFICATION OF TOWN AGREEMENT.

(a) Notwithstanding any other provision of law, the Town agreement entered into by the Mohegan Indian tribe and the Town of Montville is hereby ratified and given full force and effect.

(b) The Secretary is authorized and directed to approve future modifications to the Town Agreement mutually agreed to by the parties and consistent with applicable law.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Mexico [Mr. RICHARDSON] will be recognized for 20 minutes, and the gentleman from California [Mr. DOOLITTLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4653 would settle the pending land claims of the Mohegan Indian Nation to lands within the State of Connecticut. The bill would ratify the agreements between the Mohegan Indian Nation, the State of Connecticut, and the town of Montville. It extinguishes the aboriginal land claims of the Mohegan Indian Nation to any public or private lands in the State of Connecticut. The bill validates any prior land transfers or conveyances whether or not they were made in accordance with the Indian Trade and Intercourse Act.

H.R. 4653 authorizes the Secretary to accept land in trust for the benefit of the Mohegan Indian Nation. It extends State criminal jurisdiction over the Mohegan Indian Reservation. In addition, the bill discharges the State of Connecticut from all obligations and duties arising from any treaty or agreement with the Mohegan Indian Nation. Lastly, the bill provides that the Mohegan Indian Nation shall have the right to reinstate their land claim if any of the agreements between the tribe and the State are invalidated by a court of competent jurisdiction within 15 years from the date of the Secretarial notice.

Finally, I would like to congratulate the parties to this important settlement on resolving some very difficult issues and reaching this historic agreement. I would also like to commend my colleague from Connecticut, Mr. GEJDENSON for all his hard work on this legislation and his fine work in the subcommittee on behalf of native Americans.

Mr. Speaker, this bill is supported by the Mohegan Indian Tribe, the State of Connecticut, and the administration. It also enjoys bipartisan support. I urge my colleagues to support it.

□ 1640

Mr. Speaker, I reserve the balance of my time.

Mr. DOOLITTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4653, the Mohegan Land Claims Settlement Act.

This bill settles what could have been a protracted lawsuit between the State and the tribe, and involves no Federal funds. It is supported by both the committee's ranking Republican member, DON YOUNG, and the ranking Republican member of the Subcommittee on Native American Affairs. I urge my colleagues to support it as well.

Mr. Speaker, I yield back the balance of my time.

Mr. RICHARDSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut [Mr. GEJDENSON], the author of this legislation.

Mr. GEJDENSON. Mr. Speaker, I would like to first obviously thank the gentleman from New Mexico [Mr. RICHARDSON], Steve Heeley of his staff, the gentleman from Wyoming [Mr. THOMAS], and Richard Houghton of his staff for all the support and work they have done on this legislation, particularly Mr. Houghton who has ancestral roots back to eastern Connecticut.

And I just want to say that this is a model for other tribes and States and communities. The cooperation at every level of government really made this agreement work, with recognition by the BIA. But following that, the community pulled together rather than divided itself in battle.

I just want to commend the tribe and its leadership and the local political leadership and the State leadership as well.

I thank the subcommittee chairman, and particularly the gentleman from Wyoming [Mr. THOMAS], and their staffs.

Mr. Speaker, I rise in support of H.R. 4653, legislation I introduced to settle the land claims of the Mohegan Tribe of Connecticut. I want to thank Chairman RICHARDSON for his assistance in moving this bill through the Natural Resources Committee. I also want to thank Steve Heeley of his staff for his expert advice and assistance.

First and foremost, I would like to tell my colleagues what this bill does not do. It does not provide Federal recognition to the Mohegans. They endured a very long wait to go through the administrative process at the Bureau of Indian Affairs [BIA] and received Federal recognition in March of this year. This legislation does not provide for Federal payments or the transfer of Federal lands to the Mohegan Tribe. Instead, this legislation is the cap stone of a set of cooperative and mutually beneficial agreements negotiated by the Mohegans, State of Connecticut and the town of Montville. I applaud the willingness of the parties to work together and address issues important to them. I believe that this relationship could serve as a model for others across the country.

H.R. 4653 as reported by the Natural Resources Committee is a consensus document supported by all the parties. It provides for the extinguishment of land claims made by the tribe in 1977. In an effort to address concerns of the American Land Title Association, the tribe agreed to amend the bill to make the extinguishment final 15 years after enactment. It authorizes the State to assume concurrent criminal jurisdiction over offenses committed by or against native Americans on Mohegan lands. The bill authorizes the Secretary of the Interior to take certain lands into trust for the benefit of the tribe. Finally, this legislation approves a cooperative agreement negotiated between the tribe and the town of Montville.

The substitute offered by Chairman RICHARDSON today is necessary because the Department of the Interior failed to provide the committee with its comments in a timely manner. The substitute makes largely technical changes to address the Department's concerns. It deletes a section authorizing the State traffic commission to have a role in planning how traffic around the reservation would be routed. We also deleted a reference to any predecessor or successor in interest to the Mohegan Tribe in section 5(b)(1). The Department was concerned that using these words in conjunction with language extinguishing land claims would adversely affect another group of Indians in my State. We added language to make it absolutely clear that the Mohegan Tribe retains concurrent jurisdiction over criminal offenses on its reservation. While the original bill did not preclude this, we have included a new sentence to accommodate the Department. Finally, we added language to address concerns that the United States not take any land into trust which could include some form of hazardous contamination. I believe these changes address the substantive concerns of the Department.

Mr. Speaker, this legislation represents the culmination of a long journey for the Mohegan Tribe. It will allow it to proceed with economic development plans which will benefit its members and southeastern Connecticut as a whole. At the same time, by extinguishing land claims, this bill will remove a cloud which has hovered over property owners in Montville for many years. This bill is strongly supported by the tribe, the town, and the State. This legislation and agreements reached between the parties represent a win-win situation for all involved. I urge my colleagues to support it.

Mr. RICHARDSON. Mr. Speaker, I would like to correct a few misstatements which were part of the committee's report on this legislation. First, the committee report incorrectly cites a May 15 agreement between the State and the Mohegan Indian Nation. The correct date of the agreement between the State and the tribe is May 17. In addition, the report incorrectly cites the class III gaming compact as the document in which the Mohegan Indian Nation agreed to pay a share of the gross gaming revenues to the State of Connecticut. The arrangement between the State and the Mohegan Indian Nation is part of a separate memorandum of understanding which was executed on May 17. Finally, I would like to clarify one final point. As part of the gaming compact, the Mohegan Indian Nation has agreed to limit all gaming to a single site not to exceed 700 acres.

Finally, I would like to congratulate the parties to this important settlement on resolving some very difficult issues and reaching this historic agreement. I would also like to commend my colleague from Connecticut, Mr. GEJDENSON, for all his hard work on this legislation and his fine work in the subcommittee on behalf of native Americans.

Mr. Speaker, this bill is supported by the Mohegan Indian Tribe, the State of Connecticut, and the administration. It also enjoys bipartisan support.

Mr. Speaker, my accolades to the gentleman from Connecticut [Mr. GEJDENSON] for putting together a very, very difficult compromise between the State, the Federal Government, and the community leaders. He is to be commended for his outstanding leadership.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DE LA GARZA). The question is on the motion offered by the gentleman from New Mexico [Mr. RICHARDSON], that the House suspend the rules and pass the bill, H.R. 4653, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA JUSTICE REFORM ACT OF 1993

Ms. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1631) to amend title 11, District of Columbia Code, to increase the maximum amount in controversy permitted for cases under the jurisdiction of the Small Claims and Conciliation Branch of the Superior Court of the District of Columbia with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Page 1, line 5, strike out "1993" and insert: "1994".

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

Mr. BLILEY. Mr. Speaker, reserving the right to object, I yield to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, H.R. 1631 is a noncontroversial measure. It raises from $2,000 to $5,000 the limit on cases which can be brought in small claims court in the District of Columbia. The House passed the bill on July 19, 1993. The Senate approved the measure on May 25, 1994. The Senate approved the measure on May 25, 1994. The only modification made by the Senate was technical, changing the date in the short title from 1993 to 1994.

My request is to concur in that amendment.

Mr. BLILEY. Mr. Speaker, further reserving the right to object, once again I am happy to support H.R. 1631, the amended District of Columbia Justice Reform Act. We passed this Act originally at the conclusion of the 102d Congress, but the Senate never had time or opportunity to act on it. The House unanimously passed H.R. 1631 on July 19, 1993. On May 15, it was passed by voice vote in the Senate after being amended to change the date from 1993 to 1994.

As amended, this bill will increase the jurisdictional maximum amount in controversy in small claims proceedings from $2,000 to $5,000. By increasing this amount, the number of cases on the D.C. Superior Court's civil docket will dramatically decrease. In fact, H.R. 1631 would move approximately 5,000 to 15,000 cases on the superior court's civil docket to the small claims court—resulting in a 35-percent reduction in the superior court's civil docket. This reduction would free up valuable judicial resources, which are extremely important at this time, when the District of Columbia is financially strapped.

I urge my colleagues to join me and make up lost time by passing this important legislation for the District's local judiciary.

Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, I want to thank the chairman of the committee, the gentleman from California [Mr. STARK] and associate myself with the remarks of the ranking member.

Mr. BLILEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks concerning the measure just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 5 p.m. today.

Accordingly (at 4 o'clock and 46 minutes p.m.) the House stood in recess until 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. MFUME] at 5 o'clock p.m.

CONFERENCE REPORT ON H.R. 4649, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1995 AND DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1994

Mr. DIXON. Mr. Speaker, pursuant to the order of the House of Friday, August 5, 1994, I call up the conference report on the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1995, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, August 5, 1994, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of August 4, 1994, at page 19676.)

The SPEAKER pro tempore. The gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New York [Mr. WALSH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 4649 and on the amendments in disagreement, and that I be permitted to include tabulations summarizing the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to present to the House this afternoon the conference agreement on the fiscal year 1995 D.C. Appropriations Act.

I plan to be very brief.

First, let me thank the staff, both the House staff and the Senate staff, for working so hard on what appeared to be a very difficult conference. I am pleased to say that the only way we were able to reach agreement was with the cooperation of the gentlewoman from the District of Columbia [Ms. NORTON], my ranking member, the gentleman from New York [Mr. WALSH], the ranking member of the Committee on the District of Columbia, the gentleman from Virginia [Mr. BLILEY]; and, of course, the chairman and my very good friend and colleague, the gentleman from California [Mr. STARK].

You may recall that the bill left this House with two important items. One was a cut in the District's spending of $150 million in 1995; and the second was a Federal payment of $668 million. There were 26 Senate amendments and they were all resolved in our conference.

In summary, the conference agreement will provide the District government with Federal funds totaling $712 million which is $8 million below both the House allowance and our 602(b) allocation, and $10 million below the President's budget request. However, it is $12 million above last year's Federal payment.

In District funds, the conference agreement provides $3.5 billion which is $204 million below last year and $154 million below the city's request.

Mr. Speaker, there were what I would consider five major changes made by the Senate to the House bill and I will explain each of the five briefly.

First, the first one deals with the Federal payment. The conferees agreed to a Federal payment of $660 million which is $8 million below the House bill and $12 million above the Senate bill.

There was some concern about the method used by the District in coming up with their Federal payment request—it was based on 5 quarters of real property tax revenue rather than the normal 4 quarters—and while what they did is legal, in my opinion and the opinion of others it was not within the spirit of the formula Federal payment legislation.

Second is the spending cuts. The conferees agreed to $140 million in cuts which is $10 million below the House bill and $65 million above the Senate mark.

Let me make clear at this point that this cut does not affect revenues or income to the District—it applies solely to spending.

GAO says the District's fiscal year 1995 budget is out of balance by anywhere from $100 million to $200 million.

Mr. Speaker, in the spirit of home rule, the conferees do not specify where the $140 million in cuts are to be made—that is left to the discretion of the elected Mayor and council.

Third is the enforcement mechanism. To encourage District officials to make the $140 million in cuts and not overspend, language is included under section 138 of the bill requiring that 20 percent of the fiscal year 1996 Federal payment be escrowed until two reports are submitted by independent public accountants certifying that the District has indeed reduced its fiscal year 1995 budget by $140 million and has not overspent its cash collections.

Otherwise, the amount by which the $140 million reduction is not made plus the overspending must be paid to the Federal Treasury from the Federal payment escrowed and any other amounts available to the District.

Escrowing the Federal payment should not create any undue hardship on the District. Prior to fiscal year 1988, the Federal payment was apportioned to the District in equal quarterly installments by the President's Office of Management and Budget. That was changed by the Congress in fiscal year 1988 to give the District the full Federal payment within 15 days of the enactment of the Appropriations Act.

The fourth major issue was the law school. The conferees agreed to restore the $5 million to the D.C. School of Law so that District officials may decide whether or not it should be closed. The Mayor's plan which was submitted last Monday calls for eliminating the law school but the final decision requires the concurrence of the council.

The fifth major difference between the House and Senate bills involves reducing the District's work force. The conferees agreed to reduce the number of full-time equivalent positions by 2,000 in fiscal year 1995—from 35,558 to 33,558—instead of by 712 in each of the next 5 years.

In her package the Mayor has proposed incentive retirement programs that are expected to attract the participation of 2,500 employees. The conferees support the Mayor in this effort which was approved by the city council through emergency legislation last Friday.

Mr. Speaker, there are two other items that Members of the House are very much interested in.

One is the abortion language. The Senate agreed to the same language that is in section 134 of the House bill—and that language is the Hyde language as it relates to Federal funds.

The second is domestic partners. The Senate accepted the House language in section 140 of the bill that prohibits the use of any funds in the bill to implement the District's domestic partners ordinance.

At this point in the RECORD, I will insert a tabulation summarizing the conference action.

(The table referred to follows:)

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FY 1995, INCLUDING FY 1994 SUPPLEMENTAL (H.R. 4649)

	FY 1994	FY 1995				Conference compared with			
	Enacted	Estimate	House	Senate	Conference	Enacted	Estimate	House	Senate
TITLE I									
FISCAL YEAR 1995 APPROPRIATIONS									
FEDERAL FUNDS									
Federal payment to the District of Columbia	630,603,000	669,930,000	667,930,000	647,930,000	660,000,000	+29,397,000	-9,930,000	-7,930,000	+12,070,000
Federal contribution to retirement funds	52,070,000	52,070,000	52,070,000	52,070,000	52,070,000				
Federal contribution for crime and youth initiatives	17,327,000					-17,327,000			
Total, Federal funds to the District of Columbia	700,000,000	722,000,000	720,000,000	700,000,000	712,070,000	+12,070,000	-9,930,000	-7,930,000	+12,070,000
DISTRICT OF COLUMBIA FUNDS									
Operating Expenses									
Governmental direction and support	(115,888,000)	(81,159,000)	(81,159,000)	(81,159,000)	(81,159,000)	(-34,729,000)			
Economic development and regulation	(87,293,000)	(56,343,000)	(56,343,000)	(56,343,000)	(56,343,000)	(-30,950,000)			
Human resources development		(41,046,000)	(41,046,000)	(41,046,000)	(41,046,000)	(+41,046,000)			
Public safety and justice	(892,156,000)	(884,926,000)	(884,926,000)	(884,926,000)	(884,926,000)	(-7,230,000)			
(By transfer)	(1,025,000)					(-1,025,000)			
Public education system	(711,742,000)	(720,258,000)	(720,258,000)	(715,330,000)	(720,258,000)	(+8,516,000)			(+4,928,000)
Human support services	(882,359,000)	(898,034,000)	(898,034,000)	(898,034,000)	(898,034,000)	(+15,675,000)			
Public works	(206,191,000)	(195,002,000)	(195,002,000)	(195,002,000)	(195,002,000)	(-11,189,000)			
Washington Convention Center Fund	(12,850,000)	(12,850,000)	(12,850,000)	(12,850,000)	(12,850,000)				
Repayment of loans and interest	(306,264,000)	(306,768,000)	(306,768,000)	(306,768,000)	(306,768,000)	(+504,000)			
Repayment of general fund recovery debt	(38,337,000)	(38,678,000)	(38,678,000)	(38,678,000)	(38,678,000)	(+341,000)			
Short-term borrowing		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(+5,000,000)			
Optical and dental benefits	(3,323,000)	(3,312,000)	(3,312,000)	(3,312,000)	(3,312,000)	(-11,000)			
Pay adjustment	(81,680,000)	(106,095,000)	(106,095,000)	(106,095,000)	(106,095,000)	(+24,415,000)			
Severance pay	(2,202,000)					(-2,202,000)			
D.C. General Hospital deficit payment	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)				
Rainy day fund		(22,508,000)	(22,508,000)	(22,508,000)	(22,508,000)	(+22,508,000)			
Job-producing economic development incentives		(22,600,000)	(22,600,000)	(22,600,000)	(22,600,000)	(+22,600,000)			
Energy adjustment	(-482,000)					(+482,000)			
Communications adjustment	(-156,000)					(+156,000)			
Contractual services adjustment	(-1,500,000)					(+1,500,000)			
Cash reserve fund	(3,957,000)	(3,957,000)	(3,957,000)	(3,957,000)	(3,957,000)				
Personal and nonpersonal services adjustments			(-5,702,000)	(-20,774,000)	(-13,632,000)	(-13,632,000)	(-13,632,000)	(-7,930,000)	(+7,142,000)
Sec. 138(a) reduction in FY 1995 expenses			(-150,000,000)	(-75,000,000)	(-140,000,000)	(-140,000,000)	(-140,000,000)	(+10,000,000)	(-65,000,000)
Total, operating expenses, general fund	(3,352,102,000)	(3,408,536,000)	(3,252,834,000)	(3,307,834,000)	(3,254,904,000)	(-97,198,000)	(-153,632,000)	(+2,070,000)	(-52,930,000)
Capital Outlay									
General fund	(108,743,000)	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)	(-103,143,000)			
Enterprise Funds									
Water and Sewer Enterprise Fund:									
Operating expenses	(240,929,000)	(265,653,000)	(265,653,000)	(265,653,000)	(265,653,000)	(+24,724,000)			
Capital outlay	(29,087,000)					(-29,087,000)			
Rescission		(-21,365)	(-21,365)	(-21,365)	(-21,365)	(-21,365)			
Total, Water and Sewer Enterprise Fund	(270,016,000)	(265,631,635)	(265,631,635)	(265,631,635)	(265,631,635)	(-4,384,365)			
Lottery and Charitable Games Enterprise Fund	(7,168,000)	(8,318,000)	(8,318,000)	(8,318,000)	(8,318,000)	(+1,150,000)			
Cable Television Enterprise Fund	(2,353,000)	(2,353,000)	(2,353,000)	(2,353,000)	(2,353,000)				
Total, Enterprise Funds	(279,537,000)	(276,324,000)	(276,324,000)	(276,324,000)	(276,324,000)	(-3,213,000)			
Total, District of Columbia funds	(3,740,382,000)	(3,690,438,635)	(3,534,736,635)	(3,589,736,635)	(3,536,806,635)	(-203,575,365)	(-153,632,000)	(+2,070,000)	(-52,930,000)

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FY 1995, INCLUDING FY 1994 SUPPLEMENTAL (H.R. 4649), continued

	FY 1994	FY 1995				Conference compared with			
	Enacted	Estimate	House	Senate	Conference	Enacted	Estimate	House	Senate
Total, title I, fiscal year 1995 appropriations:									
Federal Funds to the District of Columbia	700,000,000	722,000,000	720,000,000	700,000,000	712,070,000	+12,070,000	-9,930,000	-7,930,000	+12,070,000
District of Columbia funds (net)	(3,740,382,000)	(3,890,438,635)	(3,534,736,635)	(3,589,736,635)	(3,536,806,635)	(-203,575,365)	(-153,632,000)	(+2,070,000)	(-52,930,000)
Appropriations	(3,740,382,000)	(3,890,460,000)	(3,534,758,000)	(3,589,758,000)	(3,536,828,000)	(-203,554,000)	(-153,632,000)	(+2,070,000)	(-52,930,000)
Rescissions		(-21,365)	(-21,365)	(-21,365)	(-21,365)	(-21,365)			
(By transfer)	(1,025,000)					(-1,025,000)			
TITLE II									
FISCAL YEAR 1994 SUPPLEMENTAL									
DISTRICT OF COLUMBIA FUNDS									
Operating Expenses									
Governmental direction and support		(-18,633,000)	(-18,633,000)	(-18,633,000)	(-18,633,000)	(-18,633,000)			
Economic development and regulation		(-30,386,000)	(-30,386,000)	(-30,386,000)	(-30,386,000)	(-30,386,000)			
Human resources development		(42,801,000)	(42,801,000)	(42,801,000)	(42,801,000)	(+42,801,000)			
Public safety and justice		(11,656,000)	(11,656,000)	(11,656,000)	(11,656,000)	(+11,656,000)			
Public education system		(17,125,000)	(17,125,000)	(17,125,000)	(17,125,000)	(+17,125,000)			
Human support services		(38,130,000)	(31,630,000)	(38,130,000)	(38,130,000)	(+38,130,000)		(+6,500,000)	
Public works		(-6,592,000)	(-9,092,000)	(-6,592,000)	(-6,592,000)	(-6,592,000)		(+2,500,000)	
Washington Convention Center Fund		(-338,000)	(-338,000)	(-338,000)	(-338,000)	(-338,000)			
Repayment of loans and interest		(-15,161,000)	(-15,161,000)	(-15,161,000)	(-15,161,000)	(-15,161,000)			
Repayment of general fund recovery debt		(312,000)	(312,000)	(312,000)	(312,000)	(+312,000)			
Optical and dental benefits		(-11,000)	(-11,000)	(-11,000)	(-11,000)	(-11,000)			
Severance pay		(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(+6,000,000)			
D.C. General Hospital deficit payment		(-5,500,000)	(-5,500,000)	(-5,500,000)	(-5,500,000)	(-5,500,000)			
Cash reserve fund		(-3,957,000)	(-3,957,000)	(-3,957,000)	(-3,957,000)	(-3,957,000)			
Short-term borrowing		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(+3,500,000)			
Total, operating expenses, general fund (net)		(38,946,000)	(29,946,000)	(38,946,000)	(38,946,000)	(+38,946,000)		(+9,000,000)	
Enterprise Funds									
Water and Sewer Enterprise Fund:									
Operating expenses		(-9,411,000)	(-9,411,000)	(-9,411,000)	(-9,411,000)	(-9,411,000)			
Lottery and Charitable Games Enterprise Fund		(1,235,000)	(1,235,000)	(1,235,000)	(1,235,000)	(+1,235,000)			
Total, Enterprise Funds (net)		(-8,176,000)	(-8,176,000)	(-8,176,000)	(-8,176,000)	(-8,176,000)			
Total, title II, fiscal year 1994 supplemental:									
District of Columbia funds (net)		(30,770,000)	(21,770,000)	(30,770,000)	(30,770,000)	(+30,770,000)		(+9,000,000)	

Mr. DIXON. Mr. Speaker, I want to commend the conferees on both sides of the aisle and in both bodies for their hard work and for the manner in which this conference agreement was worked out.

The gentleman from New York [Mr. WALSH] was very attentive to the issues and brought to the table his considerable skills and knowledge of municipal affairs.

I also want to thank the gentleman from Virginia [Mr. BLILEY], as well as my colleague from California [Mr. STARK], for their counsel and support.

Mr. Speaker, this is a good conference agreement that reflects a fair and equitable resolution of the Senate amendments.

I ask for an "aye" vote on the adoption of the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. WALSH. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of the House-Senate conference report on DC Appropriations. This report was signed by all conferees in the Senate and House, majority and minority. The House instructed the conferees to stay with the House position and, in fact, we did.

We, the House, asked for $150 million in cuts; the final number was $140 million. We asked that the formula fund be $668 million; the final number was $660 million. The net is $2 million from the House position, or roughly 99 percent of what we wanted.

In addition, the District will have to eliminate 2,000 filled and funded positions to arrive at these cuts in 1995.

We also included House language that will require quarterly reports on spending and revenue for the District in 1995. And we stipulated that if the District of Columbia deficit spends through fiscal year 1995, they will lose $1 for every $1 they overspend in the fiscal year 1996 Federal appropriation.

Mr. Speaker, the House clearly has shown bipartisan leadership in regard to this bill. Chairmen DIXON and STARK requested the GAO report that provided me and the other members of the subcommittee with the data we needed to accomplish this significant spending reduction. And we did something dangerous—we read it. I would like to publicly thank the General Accounting Office for their fine work.

Finally, I would like to thank Congressman TOM BLILEY and Delegate ELEANOR HOLMES NORTON for working through this agreement with us. Everyone was constructive and supportive. The District of Columbia can lay claim to the title of the "Greatest City on Earth," but they have to clean their own backyard. This agreement should help with the short-term problems, and the same type of cooperation will be needed for the long-term problems.

Chairman DIXON, I look forward to continuing the fine working relationship we have developed, and I join you in urging a strong bipartisan vote in support of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield 11 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, I thank the chairman of the Subcommittee on Appropriations for the District of Columbia for yielding me the time. Mr. Speaker, I want to also thank him for the extraordinary way in which he has handled this appropriation, managing to be at once fair and deferential to home rule. It has been an extraordinary demonstration of tough love. I want also to thank the gentleman from New York [Mr. WALSH], the ranking member, who worked throughout in good faith. Even when there were differences between him and us, he always worked for what he believed to be the good of the District of Columbia and its residents. And, of course, my good and old friend, the gentleman from Virginia [Mr. BLILEY], who was central in shaping the compromise that was necessary to get the votes for this appropriation at all. I have gone into the District to tell my constituents how important bipartisanship is, something that this very democratic city has learned to understand. Of course, I want to thank the chairman of the full committee, the gentleman from California [Mr. STARK], for all of his efforts to help us fashion a bipartisan compromise.

Mr. Speaker, this is a tough, bipartisan agreement that came out of very difficult negotiations. It was so difficult that I cannot imagine why anybody would want to vote against it, certainly not those who voted against us in the first place, and those who were with us understand that the compromise was necessary to get the appropriation at all. The motion to instruct essentially kept us mostly to the House terms. The result, Mr. Speaker, is very harsh on the District. The amount is $140 million in cuts, which is not even close to the $75 million that the Senate proposed because of the motion to instruct from this House. The only thing, Mr. Speaker, that can be said for the larger number is that the chairman and the GAO think that there will be a need for even greater cuts. In any case, the cuts that have to be made simply with be made or else the money will be taken from next year's Federal payment, so I think there is nowhere to go on this one except where the House has said.

There are two very important and positive elements of the House version that were retained and I hope that the residents of the District will appreciate that those were difficult, as well. We have come in at only $8 million below what the House requested for a cash-strapped District where every dollar now counts, to keep the city from heading toward insolvency as it makes cuts. This is much appreciated.

□ 1710

Cutting the Federal payment much more would be a lot like the 17th century practice of bleeding the patient to cure the disease. The gentleman from Virginia [Mr. BLILEY] insisted all along that the purpose was not to give less money to the District, and we have given less, but to ensure that the District made cuts to keep from going bankrupt.

We have no home rule violations, Mr. Speaker, and that is very important to note, because although there was a violation in one matter in the Senate we were able to get the Senate to agree that Congress should not say where to cut, that this is a matter of self-rule for every people in a democracy.

Of course, the cuts had to be accepted, even by me. There was no way to get the votes to get this appropriation out at all without these cuts. Here, Mr. Speaker, I am talking about the votes to get out even the $3 billion that is tax money raised exclusively in the District of Columbia because it all comes over there before it can be authorized for release to the District. I recognize and have told the residents of the District of Columbia that whatever their home rule prerogative are, the Congress does have a responsibility to keep the Capital of the United States from becoming bankrupt.

But the responsibility of the Congress stops there. Programmatic cuts go beyond our core duty in this House not only as a violation of the letter and the spirit of the Home Rule Act, but because to go into programmatic cuts does what Congress does worst, micromanage a large, complex city. That is up to the District to do.

Mr. Speaker, I do want to take some time to clear up some matters that have appeared in the press so that the Members can know precisely how the District is moving, because I think Members ought to be very pleased with how the District is moving. The District has clearly heard all of the appropriate messages, both the Council and the Mayor. The Mayor kept her August first deadline. Before we had even gone to conference she submitted a plan. Last Friday, the day after the Mayor's legislation was transmitted to the Council, it held an emergency session. It has already approved buyouts that must occur by October 1, and they have approved more buyouts than the Mayor requested.

There has been some talk that the Council has only done the easy part. It is only fair to the Council to lay on the RECORD what the Council has done and what the Mayor has done, and I ask for a few minutes to do that.

Not only has the Council authorized buyouts, it has authorized, in addition, a voluntary severance incentive program which means that, in effect, the Council has authorized significantly more buyouts than the Mayor requested.

The Council has also approved the D.C. General Hospital operations and financial viability plan. The D.C. General Hospital is hemorrhaging. It needs an emergency room operation. I am pleased that the Council has approved the plan requested by the Mayor now.

The Council has asked authority from us to place the courts on the same budgetary basis as other Council agencies. Only we can do this. It has asked permission from us to allow the Mayor to enter into multiyear, multiappropriation contracts, which can save the District considerable money.

Over 70 percent of what the Mayor wants to do she can achieve without further Council action. There needs to be further Council action in order to be responsible at all on some measures, however. For example, privatization and the cuts in entitlements. The cut in entitlements will require hearings. Privatization is very important for the Council to consider, but it is obviously a matter that takes hearings, and I might add, according to the Mayor's own plan, privatization will not yield $1 for this fiscal year. The dollars only come in the coming fiscal years.

I have urged the Council to move forward early with quick savings. The Council needs to look at what can get the District the money, the $140 million in the first quarter of the fiscal year or else they will be off into overspending and will not be able to do it. They do not need to do the hard things first, the things that are most difficult to get through the Council. They need to do the easy things first.

I have urged the Council to be fully cooperative. But the fact is that D.C. needs more, not less Council oversight, more not less Council initiative. We do not need the 1980's back where the Council simply rubberstamped what the Mayor did. They need to do as much of what the Mayor says do as quickly as she has indicated it should be done. They may need to do more, they may need to do different things. They must come forward in the next couple of months and indicate what they want to substitute if they want to substitute. But they need not rubberstamp anything.

The final thing the District needs is more shared responsibility. I have indicated that I myself will become more involved in order to share in that responsibility as well without going into matters that are reserved entirely by the charter to the Mayor and the City Council. When I see where the Council and the Mayor are going, I will not do as I did last March, and say, do it yourself quickly with a multiyear plan. I will not simply ride forward, as Paul Revere did, saying that the British are coming or in this case that the Congress is coming. I will say that the problems are coming or are here and together we can solve them. Let's all sit down and do it.

Mr. Speaker, the Congress has been very directed and thorough in going at D.C.'s problems that are of D.C.'s making. I would simply like to leave my colleagues with the question: What is the Congress going to do, about its part of this problem? There is $5 billion in pension liability that only needs congressional action at this time. It was debt, almost all of it passed along from the Congress to the Council. It is wrong to put the heavy requirements we have put on the District this year without at the same time, this year, dealing with the bill that would dispose of this federally imposed burden. There have been sacrifices made by employees and retirees. All we need is now for this body to act.

There are two bond authorizations over here that would bring revenue to the District. The District has a right to say to the Congress: "Will you act on this matter as well?"

After the matter before us today, the shoe is on the other foot because the burden will be then on the Congress.

Mr. Speaker, finally may I say that there are hundreds of thousands of innocent bystanders here who had nothing to do with overspending or with not holding hearings or with not putting on controls, and those are my constituents, the only clients I have. No elected officials will experience the pain that comes from this bill.

I ask my colleagues now that they have worked their will to uphold what the conference committee has done.

Mr. WALSH. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BLILEY], the distinguished ranking member of the Committee on the District of Columbia.

Mr. BLILEY. Mr. Speaker, I rise today to support the conference report for the D.C. appropriations bill for fiscal year 1995. And I would like to commend the exceptional efforts of the chairman of the Appropriations Subcommittee on the District, Mr. DIXON; the ranking Republican on that subcommittee, Mr. WALSH; and the Delegate from the District of Columbia, Ms. NORTON. Without their steadfast efforts, reaching agreement on this conference report would not have been possible. After months of negotiations and deliberation, I believe that we have before us a bill we can all support. We have met our obligations under the Constitution, to the citizens of the District of Columbia, and to the Nation. While a great amount of time and effort has gone into reaching this agreement, the real work has just begun. This bill calls for $140 million in spending cuts. Clearly, the magnitude of these cuts requires that the Mayor sit down with the council and make some very tough decisions.

Obviously, the concerns of Members of Congress have not fallen on deaf ears. From the time we initially passed H.R. 4649, Mayor Kelly has recognized that spending cuts will have to be made and the efforts she has made to initiate these cuts are greatly valued. The proposal she recently introduced will serve as an excellent starting point for discussions. Mayor Kelly's proposal includes a number of very serious and thoughtful recommendations. One of the provisions I commend most is the Mayor's proposal to privatize a number of services currently being provided by the District government. Mayor Kelly has expressed her intent to privatize many city operations including D.C. Village, Fort Totten, Oak Hill, and various functions performed by the Bureau of Traffic Adjudication, the Real Property Administration, and the D.C. Jail and Correctional Treatment Facility. The real savings a city can realize from contracting out various services can have a significant impact on a city's operating budget and I encourage the Mayor and the Council to take full advantage of privatization.

In a city with a declining population and scarce resources, widespread crime, violence in schools, and an incredibly high infant mortality rate, the demands for government provided services are indeed great. However, we cannot lose sight of the fact that we are appropriating a $3.4 billion budget for the District, which serves a population of only 578,000. Notwithstanding the fact that the District is a unique governmental entity, the city still has one of the highest per capita spending levels in the country. While some may view our action as burdensome, the requirement to cut $140 million from a $3.4 billion budget should not be construed as a punishment for the District. Our action merely reflects the reality of the District's financial situation.

An overwhelming majority of Members of this body once served as State or local legislators. We know the difficulties of setting priorities among competing demands. The District is not unique in this regard. Now the task of targeting resources is in the hands of this city's leaders, as it should be. And it is imperative that this action be taken as quickly as possible to ensure that the savings associated with the final blueprint for fiscal year 1995 can begin as quickly as possible.

Mr. STARK. Mr. Speaker, I rise in strong support of the conference report on H.R. 4649, the fiscal year 1995 District of Columbia appropriations bill. I admire the efforts of my dear friend from California, the chair of the D.C. Appropriations Subcommittee, JULIAN DIXON, to bring this measure to a final vote. When Mr. DIXON and I solicited GAO's analysis of the District's financial condition, our expectation was that it would lead the Congress to an honest and accurate view of that condition. That, in fact, has turned out to be the case.

Mr. Speaker, the bill eliminates any doubt about Congress' insistence that the District government get its financial house in order. The $140 million in mandated spending cuts will force District officials to make tough decisions that, in the long term, will benefit the District's taxpayers and residents. The bill's enforcement provisions are tough and no nonsense.

This bill has been carefully crafted and negotiated to respect the principles of home rule. The District's Mayor and City Council have begun to treat this issue as an emergency.

Mr. Speaker, this bill marks a different congressional interest in the District's finances than we have seen since the advent of home rule. In keeping with the Federal interest, I intend to have the House District Committee regularly review the District's fiscal affairs.

Mr. Speaker, in closing I commend the bipartisan efforts of Mr. DIXON, his ranking member Mr. WALSH, the District Committee's ranking member Mr. BLILEY, and the House and Senate conferees. I applaud the District's Delegate, Ms. NORTON, for imploring the District's locally elected government to take heed in better controlling its own affairs. Perhaps at this time next year, we will be praising the District's leadership for exercising true fiscal courage and discipline.

I urge my colleagues to support this conference report.

□ 1720

Mr. WALSH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIXON. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. MFUME). Pursuant to the order of the House on Friday, August 5, 1994, the amendments in disagreement and motions printed in the joint explanatory statement of the committee of the conference to dispose of amendments in disagreement are considered as read.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 3: Page 8, line 21, after "$542,682,000" insert:", of which $1,500,000 shall be used to provide additional support to title I (chapter I) of the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.),".

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein with an amendment, as follows:

In lieu of the matter proposed in said amendment, insert: ", of which $1,500,000 shall be used to provide additional support to title I (chapter I) of the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.) and $910,000 shall be available for the National Learning Center, Options School ($750,000) and Model Early Learning Center ($160,000),".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 6: Page 13, line 9, after "$22,508,000." insert: "The District of Columbia shall report to the Congress how monies provided under this fund are expended and a full accounting shall be made to Congress by March 15, 1995."

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: ": *Provided*, That the District of Columbia shall provide to the Committee on Appropriations of the House of Representatives and the Senate quarterly reports by the 15th day of the month following the end of the quarter showing how monies provided under this fund are expended with a final report providing a full accounting of the fund due October 15, 1995 or not later than 15 days after the last amount remaining in the fund is disbursed."

And on page 13, line 9 of the House engrossed bill, H.R. 4649, strike the period at the end of the line.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 11: Page 31, line 16, strike out "less than" and insert: "to exceed".

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 12: Page 33, line 2, strike out "forecast." and insert: "forecast;".

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "forecast which shall be supported and accompanied by cash forecasts for the general fund and each of the District government's other funds other than the capital projects fund and trust and agency funds;".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 15: Page 33, line 12, after "year" insert: "; and

"(5) Explanation of the impact on meeting the budget; how the results may be reflected in a supplemental budget request, or how other policy decisions may be necessary which may require the agencies to reduce expenditures in other areas".

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. Dixon moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur there in with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: ";

"(5) Explanations of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, or how other policy decisions may be necessary which may required the agencies to reduce expenditures in other areas; and

"(6) An aging of the outstanding receivables and payables, with an explanation of how they are reflected in the forecast of cash receipts and disbursements.

"(c) REPORTING ON NONAPPROPRIATED FUNDS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30,1 994, the Mayor shall submit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate a report on all revenues and expenditures of the general fund of the District that are characterized as nonappropriated in the Comprehensive Annual Financial Report. The report required by this subsection shall include the following information for each category of nonappropriated funds:

"(1) The source of revenues;

"(2) The object of the expenditures;

"(3) An aging of outstanding accounts receivable and accounts payable;

"(4) The statutory or other legal authority under which such category of funds may be expended without having been appropriated as part of the District's annual budget and appropriations process;

"(5) The date when such category of funds was first expended on a nonappropriated basis;

"(6) The policy or rationale for why the revenues and expenditures for such funds should not be part of the District's annual budget and appropriations process; and

"(7) A reconciliation of the amounts reported under this subsection with the amounts characterized as nonappropriated in the Comprehensive Annual financial Report".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 18: Page 34, line 17, after "District" insert: "of Columbia".

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur there in with an amendment, as follows:

Delete the matter inserted by said amendment.

On page 34, line 7 of the House engrossed bill, H.R. 4649, after the word "Mayor" insert "of the District of Columbia".

On page 34, line 14 of the House engrossed bill, H.R. 4649, strike "Flow Statements" and insert in lieu thereof "Forecasts".

On page 34, line 16 of the House engrossed bill, H.R. 4649, strike all after "include" down through and including "the" on line 18 and insert in lieu thereof "revisions to the forecasts reported in accordance with subsection (b) of section 137 of this Act that incorporate the".

On page 34, line 4 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof "Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate".

On page 34, line 11 of the House engrossed bill, H.R. 4649, strike "Congress" and insert in lieu thereof "Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 20: Page 35, strike out all after line 15 over to and including line 8 on page 36.

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment.

On page 35 of the House engrossed bill, H.R. 4649, strike all after line 3 through and including line 24.

On page 36 of the House engrossed bill, H.R. 4649, strike lines 1 through 8 and insert in lieu thereof the following:

(b) ANNUAL LIMITATION ON DISBURSEMENTS.—

(1) AGGREGATE LIMITATION.—The total disbursements and net payables of the government of the District of Columbia from the funds covered by paragraph (2) during fiscal year 1995 shall not exceed the total receipts collected by the government and available for such funds during fiscal year 1995.

(2) INDIVIDUAL FUND LIMITATIONS. The disbursements and net payables of the government of the District of Columbia from the general fund and from each of the government's other funds not covered by paragraph (3) during fiscal year 1995 shall not exceed the receipts collected by the government and available for the general fund and for each such fund during fiscal year 1995.

(3) CAPITAL PROJECTS, TRUST AND AGENCY FUNDS LIMITATIONS.—The disbursements and net payables of the government of the District of Columbia from each of the government's capital projects, trust and agency funds during fiscal year 1995 shall not exceed the total of the cash available to each such fund at the beginning of fiscal year 1995 plus the receipts of each such fund during fiscal year 1995.

(c) ENFORCEMENT.—

(1) PLACEMENT IN ESCROW OF PORTION OF ANNUAL FEDERAL PAYMENT.—Upon receipt of the annual Federal payment for fiscal year 1996 authorized by sections 502(a) or 503 of the District of Columbia Self-Government and Governmental Reorganization Act or made pursuant to any other provision of law authorizing a Federal payment to the general fund of the District of Columbia for fiscal year 1996, the Mayor of the District of Columbia shall place in escrow—

(A) 10 percent of the Federal payment, for purposes of enforcement of subsection (a); and

(B) an additional 10 percent of the Federal payment, for purposes of enforcement of subsection (b)(1).

(2) AVAILABILITY OF ESCROWED AMOUNTS.—No portion of the funds placed in escrow under paragraph (1) of this subsection shall be available for use by the government of the District of Columbia until the Mayor submits to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate two reports, each certified by an independent public accountant, on (A) the spending reductions required by subsection (a) of this section, and (B) the disbursements, net payables, and receipts covered by paragraph (1) of subsection (b) of this section. In no event shall the reports required by this paragraph be submitted later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995.

(3) AMOUNT OF ESCROWED FUNDS AVAILABLE.—Fifteen days after submitting the reports required by paragraph (2), the funds placed in escrow under paragraph (1) shall be available for use by the government of the District of Columbia only if—

(A) the Mayor pays to the Treasury of the United States the sum of—

(i) the amount (if any) by which the actual reduction implemented under subsection (a) fails to achieve the reduction made by paragraph (1) of such subsection; and

(ii) the amount (if any) by which the disbursements and net payables described in subsection (b)(1) exceed the receipts described in such subsection; and

(B) such payment is made by the Mayor within such fifteen-day period from the escrowed funds or, if such escrowed funds are insufficient, from other funds available to the government of the District.

(d) VIOLATION REPORTS.—Not later than the date on which the Mayor issues the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1995, the Mayor, Deputy Mayor for Financial Management, and Controller shall jointly submit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives, and the Committee on Governmental Affairs of the Senate a separate report on each fund described in paragraphs (2) and (3) of subsection (b) of this section that violated the limitation applicable to the fund. Each report shall contain, but not be limited to—

(1) the amount of the violation;

(2) an analysis of the difference between the budgeted and actual disbursements, payables, and receipts for fiscal year 1995;

(3) an explanation of policies, events, or other factors that caused or contributed to the violation;

(4) actions taken or to be taken against government officials or employees for causing or contributing to the violation; and

(5) actions taken or to be taken to prevent recurrence of the violation in fiscal year 1996.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "net payables" means the difference in the amount of payables for a fund at the beginning of a fiscal year and the amount of such payables for such fund at the end of the fiscal year;

(2) the term "payables" means accounts payables and compensation payables; and

(3) the terms "disbursements", "accounts payables", "compensation payables", "receipts", "capital projects fund", "trust funds" and "agency funds" shall have the same meaning as such terms had for purposes of the Comprehensive Annual Financial Report of the District of Columbia for the fiscal year ended September 30, 1993.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 21: Page 36, line 9, strike out "(d)" and insert "(c)."

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment and delete the matter inserted by said amendment, and on page 36 of the House engrossed bill, H.R. 4649, strike lines 9 through 11.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 23: Page 37, after line 10, insert:

LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS

SEC. 142. (a)(1) PURPOSE.—The purpose of this section is to reduce the employment level of the District of Columbia government by an amount proportional to the reduction of 252,000 Federal employees proposed by the Vice President's Reinventing Governmental Initiative.

(2) REDUCTION.—The total number of full-time equivalent positions financed from District of Columbia appropriated funds shall not exceed—

(A) 34,875 during fiscal year 1995;

(b) 34,163 during fiscal year 1996;

(c) 33,451 during fiscal year 1997;

(d) 32,739 during fiscal year 1998; and;

(e) 32,028 during fiscal year 1999.

(b) MONITORING AND NOTIFICATION.—The Mayor of the District of Columbia shall—

(1) regularly monitor the total number of fulltime equivalent positions financed from District of Columbia appropriated funds and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (a) are met; and

(2) notify the appropriate committees of the Congress on the first date of each quarter of each applicable fiscal year of the determinations made under paragraph (1).

MOTION OFFERED BY MR. DIXON

Mr. DIXON. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. DIXON moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein with an amendment, as follows:

In lieu of matter proposed in said amendment, insert:

LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS

SEC. 141. (a) REDUCTION.—The total number of full-time equivalent positions financed from District of Columbia appropriated funds shall not exceed 33,588.

(b) MONITORING AND NOTIFICATION.—The Mayor of the District of Columbia shall—

(1) regularly monitor the total number of full-time equivalent positions financed from District of Columbia appropriated funds and make a determination on the first date of each quarter of the fiscal year of whether the requirements under subsection (a) are met; and

(2) notify the Committees on Appropriations of the House of Representatives and the Senate, the Committee on the District of Columbia of the House of Representatives and the Committee on Governmental Affairs of the Senate on the first day of each quarter of the fiscal year of the determinations made under paragraph (1).

SEC. 142. (a) IN GENERAL.—The Secretary of the Army, acting through the Chief of Engineers, shall conduct a study of the Washington Aqueduct. The study shall be conducted in consultation with the Environmental Protection Agency, the Office of Management and Budget, and the non-Federal public water supply customers of the Washington Aqueduct.

(b) STUDY CONTENTS.—The study required by subsection (a) shall include analyses of—

(1) the current condition of the Washington Aqueduct;

(2) the operation and maintenance activities and capital improvements required at the Washington Aqueduct facility to ensure the availability of an uninterruptible supply of potable drinking water sufficient to meet the current and future needs of the District of Columbia and its environs;

(3) alternative methods of financing such operation and maintenance activities and capital improvements; and

(4) alternative arrangements for ownership of the Washington Aqueduct facility, including the operation of establishing a non-Federal regional water authority and transferring ownership and operating responsibility from the Department of the Army to such regional authority or to another appropriate non-Federal entity.

(c) REPORT.—Not later than February 1, 1995, the Secretary of the Army, acting through the Chief of Engineers, shall submit to the Congress a report setting forth the findings of the study required by subsection (a) and any recommendations as a result of the findings. The report shall include a recommendation on the advisability of establishing a non-Federal regional water authority and transferring ownership of and operating responsibility for the Washington Aqueduct facility from the Department of the Army to such regional authority.

(d) DEFINITION.—For purposes of this section, the term "non-Federal public water supply customers of the Washington Aqueduct" means the District of Columbia, Arlington County, Virginia, and the City of Falls Church, Virginia.

ANNUAL BOARD OF EDUCATION REPORT AND BUDGET REVISION

SEC. 143. (a) ANNUAL REPORT ON POSITIONS AND EMPLOYEES.—Hereafter, the Board of Education of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system of the District. The first such annual report shall be verified by independent auditors.

(b) REQUIRED CONTENTS OF ANNUAL REPORT.—The annual report required by subsection (a) shall set forth—

(1) the number of validated schedule A positions in the public school system of the District of Columbia for the following fiscal year on a full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the public school system of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee is actually performing, by control center, responsibility center, agency reporting code, program (including funding source) activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(c) SUBMISSION OF ANNUAL REPORT.—

(1) FIRST REPORT.—The first annual report required by subsection (a) shall include the information required by subsection (b)(1) for each of the fiscal years 1993, 1994, and 1995, and shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than October 1, 1994.

(2) SUBSEQUENT REPORTS.—Except as provided in paragraph (1), the annual report required by subsection (a) shall be submitted to the Congress, and to the Mayor and Council of the District of Columbia, by not later than April 15 of each year.

(d) ANNUAL BUDGET REVISION.—

(1) IN GENERAL.—Not later than October 1, 1994 and each succeeding year or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act for the fiscal year beginning on such October 1 (whichever occurs first), the Board of Education of the District of Columbia shall submit to the Congress, and to the Mayor and Council of the District, a revised appropriated funds operating budget for the public school system of the District for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(2) REQUIRED FORMAT.—The revised budget required by paragraph (1) shall be submitted in the format of the budget that the Board of Education of the District of Columbia submits to the Mayor of the District for inclusion in the Mayor's budget submission to the Council of the District pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198; D.C. Code, sec. 47-301).

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1994

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill (H.R. 4545), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California [Ms. SCHENK] that the House suspend the rules and pass the bill, H.R. 4545, as amended, on which the yeas and nays are ordered.

The votes was taken by electronic device, and there were—yeas 395, nays 0, not voting 39, as follows:

[Roll No. 379]

YEAS—395

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant

Bunning
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Meek
Menendez
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nussle
Oberstar
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Quillen
Quinn
Rahall
Ramstad
Reed
Regula
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—39

Baker (LA)
Becerra
Blackwell
Bonilla
Brewster
Browder
Burton
Danner
DeFazio
Ewing
Gallo
Hefley
Hochbrueckner
Inglis
Inhofe
Lehman
Lightfoot
Machtley
McCurdy
McKinney
Meehan
Michel
Nadler
Neal (MA)
Neal (NC)
Obey
Owens
Pickle
Pryce (OH)
Rangel
Ravenel
Reynolds
Ridge
Rose
Rush
Santorum
Schaefer
Velazquez
Washington

☐ 1747

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the rail safety provisions of title 49, United States Code, and for other purposes."

A motion to reconsider was laid on the table.

☐ 1750

CLARIFICATION OF COMMENTS REGARDING RULE ON H.R. 3800, THE SUPERFUND ACT OF 1994

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today to clarify my comments of last Friday regarding the Rules Committee's plans with respect to H.R. 3800, the Superfund Act of 1994. The Rules Committee plans to meet this week to grant a rule. A request may be made for a structured rule, which would permit only those floor amendments designated in the rule.

Any Member contemplating an amendment should be prepared to submit 55 copies of each amendment, together with a brief explanation of each amendment, to the committee office at H-312, the Capitol, by 5 p.m. Wednesday, August 10.

Today, the Committee on Energy and Commerce and the Committee on Public Works filed a new bill, H.R. 4916, which incorporates agreements by those two committees.

Amendments should be drafted to H.R. 4916. The bill should be available in the document room Tuesday, August 9. However, copies will be available for review in the offices of the Energy and Commerce Committee and the Public Works Committee. Copies will also be available in the Office of the Legislative Counsel for purposes of drafting amendments.

LEGISLATIVE PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I take this time to address the House for the purpose of asking the gentleman from Massachusetts [Mr. MOAKLEY] a question.

Did I understand the gentleman at the beginning of his statement to indicate there would be four bills permitted by the rule?

Mr. MOAKLEY. This is on Superfund.

Mr. WALKER. This is strictly Superfund? We are not talking the health care bill?

Mr. MOAKLEY. If the gentleman will yield, indirectly we are talking health care, because as soon as we clean up the Superfund, we will not have to get any more medicine.

Mr. WALKER. Could the gentleman give us any more guidance on the health care bill? In his announcement of last week, he indicated that hearings would be held.

Mr. MOAKLEY. If the gentleman will yield, earlier today we extended the deadline for printing in the RECORD from Monday until Wednesday.

Mr. WALKER. Does that still assume that we will have the Committee on Rules meeting on health care yet this week?

Mr. MOAKLEY. That is what we are trying to do, yes.

Mr. WALKER. The plan would be to report a health care rule by Friday of this week?

Mr. MOAKLEY. It all depends how many people testify before C-SPAN up to our committee.

Mr. WALKER. Well, assuming that there might be a few people that would want to do that, given the nature of the health care bill, does the gentleman have any kind of timeframe in mind here?

Mr. MOAKLEY. We could very well have over 100 Members testifying.

Mr. WALKER. One of the concerns that is being expressed by a number of Members on our side is the fact that by the time you get to these hearings, and if the bills are not filed until Wednesday, how are we going to be able to know what individual amendments might be brought into the health rule process, because they would have to relate to the specifics of the bills that are introduced on Wednesday?

Mr. MOAKLEY. I am sure the membership will have at least 2 days to look at the bill. Maybe the CBO estimates may not be up-to-date.

Mr. WALKER. At that point they would still be eligible for the individual amendments?

Mr. MOAKLEY. Yes.

Mr. WALKER. The submission of individual amendments would follow the period of time after which substitutes have been introduced, is that correct?

Mr. MOAKLEY. The gentleman is correct.

Mr. WALKER. So if I am hearing the gentleman correctly, we could be into early next week then before a lot of this kind of thing can be resolved.

Mr. MOAKLEY. We are trying to meet this week.

Mr. WALKER. You are hoping to have the individual amendments?

Mr. MOAKLEY. Next week, right.

Mr. PICKLE. If the gentleman will yield, give me the name of the bill again?

Mr. MOAKLEY. Superfund is now H.R. 4916.

Mr. PICKLE. I assume that both of these committees, the Committee on Energy and Commerce and the Committee on Public Works and Transportation, will refer that bill to the Committee on Ways and Means for funding?

Mr. MOAKLEY. I do not know.

Mr. PICKLE. Can you tell me when the Committee on Ways and Means will get the bill?

Mr. MOAKLEY. I understand the Committee on Ways and Means is marking up on Wednesday.

Mr. PICKLE. We will get the bill by Wednesday then?

Mr. MOAKLEY. That is the plan.

Mr. GINGRICH. If the gentleman will yield, I just wanted to comment, and possibly the distinguished Committee on Rules chairman would like to comment, because I think there was some confusion in a press story I saw last week. We had at one point talked about friendly amendments, which I assumed would be in writing well in advance. I am now talking about next week, when you get to writing the second rule on the health bill.

There seems to be some confusion though. I think it was in a press conference the Speaker had, about the concept of being able to offer a brand new amendment next Friday that might well be virtually a substantial substitute or a substantial change in one of the bills on the last day, an hour or two before we voted.

I would just wonder if the Committee on Rules chairman could assure the House that, as it often has in the past when it insists on amendments being printed in the RECORD, prior to our going to the Committee on Rules next week any amendment that would be made to something as large as the health bill would have to be printed in the RECORD prior to going to the Committee on Rules, so that everyone would be playing from the same deck of cards and we would not be faced with a magic amendment on the last day.

I wonder if the distinguished chairman might comment on the procedures to be followed.

Mr. MOAKLEY. To answer the gentleman from Georgia, I, too, was in the room when they talked about friendly amendments. I have not heard anything to the contrary. Any of these amendments that would be allowed after they are printed in the RECORD would be anything but friendly. But I have not talked to the Speaker today.

Mr. GINGRICH. If the gentleman will yield further, let me just clarify my concern and see if we cannot get some agreement, if not today, then maybe by tomorrow.

When we had that initial discussion, it was because the speed of drafting was so dramatic that it was a danger that any of the people offering a bill could have had something technically written that was just stupid, and we would want to be able to clean up the bill and not be trapped into some kind of a dumb debate over something clearly not intended.

It has been brought to my attention since then that some Members, many Members, are afraid that they could discover next Friday, the last day we are in session for the summer, that on the last bill to be brought up, that a brand new, never before printed totally new amendment, might be brought to the floor with the permission of the Committee on Rules.

My problem would be that I would hope before the final rule was written, that every amendment that was going to be voted on next week would already be in writing, which I would assume would be on Tuesday, so that everybody would have time to study every amendment and we would not be faced with a sudden, magic, clean slate amendment that nobody studied, no experts analyzed, and nobody understood.

□ 1800

I wondered if in that sense there might be a preprinting requirement.

Mr. MOAKLEY. Mr. Speaker, if the gentleman will continue to yield, as I stated before, I am just aware of friendly amendments being made in order, which would do exactly what the gentleman from Georgia said, that because of CBO racing through it or legislative counsel, we would need to put a technical amendment in there. Other than that, all the other amendments, substitutes would have to be printed in the RECORD.

Mr. WALKER. Mr. Speaker, I thank the gentleman.

TRAGIC UNITED STATES POLICY IN RWANDA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, history should record the incredible human slaughter and genocide that has occurred in Rwanda.

We say "Never again, never in our time" but these phrases are all meaningless when it comes to Rwanda.

The United States and the world should not forget the errors of Rwanda. We cannot as human beings turn our back on what happened in Rwanda.

If we fail to record the actions and more importantly the inactions that accounted for the deaths of nearly three-fourth of a million people, we do ourselves and history an injustice.

How the world sat idly by as this destruction of men, women and children—all God's human beings—took place should be a cause for concern.

How the United States formulates its foreign policy, contributes billions to the United Nations and formerly helped to establish a policy for world peace should be carefully examined.

We would be remiss if someone in this body—the United States Congress—did not rise and question the policy and course our Government followed relating to Rwanda.

There is no question that the United States' policy in Somalia was a disaster. What started as a humanitarian mission became a nation-building experiment and turned into a protracted foreign policy disaster.

Biting from his incredible fumbling, this administration put its head in the sand when trouble began in Rwanda this past April.

Let me if I may trace the history of this tragedy—let me also if I may trace the history of our failed policy:

On April 6, a plane with presidents of Rwanda, Burundi was shot down. We knew then the potential for violence, terror, and mass killings.

On May 11, the United States criticized a U.N. plan to send 5,500 multinational soldiers into Rwanda to protect refugees and assist relief workers. No United States troops were to be involved.

U.S. OPPOSES PLAN FOR U.N. FORCE IN RWANDA—NEW YORK TIMES, MAY 12, 1994

On May 16, the United States forced the U.N. to delay plans to send 5,500 troops to end violence in Rwanda.

U.S. FORCES U.N. TO CUT OFF SENDING TROOPS TO RWANDA—NEW YORK TIMES, MAY 17, 1994

On May 25, U.N. Secretary General Boutrous Boutrous-Ghali angrily condemned the United States and other nations for not intervening in Rwanda.

"I have tried," he said, by writing to more than 30 heads of state after the U.S. and other Western countries made it clear they would not get involved. "I begged them to send troops * * * It is a scandal."

Finally on June 6, the U.N. Security Council voted to deploy 5,500 troops after the U.S. agreed that troops should be used to protect displaced people and relief workers helping them.

Justin Forsyth, Oxfam's senior policy advisor said, "During the past months of slaughter, the United States has been the key player in halting action on Rwanda, creating a series of excuses and inventing problems that do not exist."

On June 9, the Clinton administration instructed United States spokespersons not to describe deaths in Rwanda as genocide.

Today, we have 2,200 United States troops in Rwanda.

Regardless of what the Clinton administration says, genocide occurred in Rwanda.

Regardless of what the administration says, our policy in Rwanda was a disaster and failed to stem a disaster.

I do not advocate the use of U.S. troops—nor was it necessary from the beginning to involve U.S. troops.

What was necessary was for the United States to provide leadership in the United Nations and in the world.

We provide billions of tax dollars to the United Nations but we now provide nothing in the way of leadership.

This is a sad story and record for the United States, the United Nations, and the world, and most tragically for the lost people of Rwanda.

HEALTH CARE REFORM VOTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. MICHEL. Madam Speaker, I submit for the RECORD the votes on health care reform which took place in full committee in the Judiciary Committee on August 2, 1994:

The following votes were taken on August 2, 1994 in the Committee on the Judiciary during consideration of H.R. 3600, the Health Security Act of 1994.

An amendment by Mr. Brooks to substitute the "Insurance Competitive Pricing Act of 1994" (the text of H.R. 9 as reported by the House Judiciary Committee) for the language contained in Subtitle F of H.R. 3600 regarding the McCarran-Ferguson Act. The Brooks substitute modifies the scope of the antitrust exemption for the business of insurance. The amendment contains "safe harbors" protecting certain collective activities by insurers. However, the amendment would not protect all collective activities currently carried on by insurers, such as the development and sharing of trending information. Adopted 20-15.

DEMOCRATS

Mr. Brooks, aye.
Mr. Edwards, aye.
Mr. Conyers, aye by proxy.
Mr. Mazzoli, aye.
Mr. Hughes, aye.
Mr. Synar, aye.
Mrs. Schroeder, aye.
Mr. Glickman, aye.
Mr. Frank, aye.
Mr. Schumer, aye by proxy.
Mr. Berman, aye.
Mr. Boucher, aye.
Mr. Bryant, aye.
Mr. Sangmeister, aye.
Mr. Washington, aye.
Mr. Reed, aye.
Mr. Nadler, aye.
Mr. Scott, aye by proxy.
Mr. Mann, nay.
Mr. Watt, aye.
Mr. Becerra, aye.

REPUBLICANS

Mr. Fish, nay.
Mr. Moorhead, nay.
Mr. Hyde, nay.
Mr. Sensenbrenner, nay by proxy.
Mr. McCollum, nay by proxy.
Mr. Gekas, nay by proxy.
Mr. Coble, nay.
Mr. Smith (TX), nay by proxy.
Mr. Schiff, nay.
Mr. Ramstad, nay.
Mr. Gallegly, nay.
Mr. Canady, nay.
Mr. Inglis, nay.
Mr. Goodlatte, nay.

An amendment by Mr. Fish adding an antitrust savings clause to Section 2003(e) of H.R. 3600, the "unitary pricing" provision. The Fish amendment would ensure that the language in that subsection could not be construed to prohibit discounts or rebates by pharmaceutical manufacturers that are otherwise lawful under the federal antitrust laws, including the Robinson Patman Act and the Non-Profit Institutions Act. Adopted 20-14.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, aye.
Mr. Glickman, nay.
Mr. Frank, aye.
Mr. Schumer, aye.
Mr. Berman, aye.
Mr. Boucher, nay by proxy.
Mr. Bryant, nay.
Mr. Sangmeister, nay.
Mr. Washington, aye.
Mr. Reed, nay.
Mr. Nadler, aye.
Mr. Scott, aye.
Mr. Mann, nay.
Mr. Watt, aye.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye.
Mr. Canady, nay.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amendment by Mr. Moorhead dealing with federal court jurisdiction in medical malpractice liability cases. These cases currently end up in federal court when the parties are citizens of different states and there is at least $50,000 in dispute. The Moorhead amendment would require that the $50,000 amount be met by actual economic losses. That is, a plaintiff would not be permitted to plead up to the $50,000 amount based upon alleged pain and suffering, emotional distress, punitive damages, attorneys fees or court costs. Defeated 14-20.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, aye.
Mr. Synar, nay.
Mrs. Schroeder, nay.
Mr. Glickman, nay.
Mr. Frank, nay.
Mr. Schumer, nay by proxy.
Mr. Berman, nay.
Mr. Boucher, nay.
Mr. Bryant, nay by proxy.
Mr. Sangmeister, nay.
Mr. Washington, nay by proxy.
Mr. Reed, nay.
Mr. Nadler, nay by proxy.
Mr. Scott, nay.
Mr. Mann, nay.
Mr. Watt, nay.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye.
Mr. Sensenbrenner, aye.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye.
Mr. Canady, aye.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amendment by Mr. Fish to limit the amount of non-economic damages that can be recovered in a medical malpractice case at $350,000. The amendment did not limit the amount that can be recovered for actual or compensatory damages (i.e. quantifiable economic losses such as doctor and hospital bills, lost income, rehabilitation costs and child care). Non-economic damages—such as pain and suffering, mental anguish or inconvenience—would be capped at $350,000. Defeated 14-20.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay by proxy.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, aye.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay by proxy.
Mr. Glickman, nay by proxy.
Mr. Frank, aye by proxy.
Mr. Schumer, nay by proxy.
Mr. Berman, nay by proxy.
Mr. Boucher, aye.
Mr. Bryant, nay.
Mr. Sangmeister, nay.
Mr. Washington, nay by proxy.
Mr. Reed, nay.
Mr. Nadler, nay.
Mr. Scott, nay.
Mr. Mann, nay.
Mr. Watt, nay.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye.
Mr. Sensenbrenner, aye.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, nay.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, nay.
Mr. Ramstad, aye.
Mr. Gallegly, aye by proxy.
Mr. Canady, aye.
Mr. Inglis, aye.

Mr. Goodlatte, aye.

An amendment by Mr. Fish requiring specific standards for the awarding of punitive damages in medical malpractice liability cases. The sponsor argued that punitive damages are often awarded in medical malpractice cases when such an award is not justified. Under the terms of the amendment, punitive damages could only be awarded when it is proven by clear and convincing evidence that the injury was the result of "malicious, wanton, willful, or excessively reckless" behavior by the defendant. Defeated 15–19.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay by proxy.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay by proxy.
Mr. Synar, nay by proxy.
Mrs. Schroeder, nay by proxy.
Mr. Glickman, nay by proxy.
Mr. Frank, aye.
Mr. Schumer, nay by proxy.
Mr. Berman, nay by proxy.
Mr. Boucher, aye.
Mr. Bryant, nay.
Mr. Sangmeister, nay.
Mr. Washington, nay by proxy.
Mr. Reed, nay.
Mr. Nadler, nay.
Mr. Scott, nay.
Mr. Mann, nay.
Mr. Watt, nay.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye by proxy.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye by proxy.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye by proxy.
Mr. Gallegly, aye by proxy.
Mr. Canady, aye.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amendment by Mr. Goodlatte to repeal the limitation on attorneys' fees in contingency fee cases. Under both H.R. 3600 and the Brooks' malpractice substitute, an attorney representing a plaintiff on a contingency fee basis in a medical liability action may receive up to 33⅓ percent of the total amount recovered by judgment or settlement. This amendment would have struck all limitations on attorneys' fees. Defeated 12–22.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay by proxy.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, aye.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay by proxy.
Mr. Glickman, nay by proxy.
Mr. Frank, nay by proxy.
Mr. Schumer, nay by proxy.
Mr. Berman, nay by proxy.
Mr. Boucher, nay by proxy.
Mr. Bryant, aye.
Mr. Sangmeister,nay by proxy.
Mr. Washington, nay by proxy.
Mr. Reed, nay by proxy.
Mr. Nadler, nay.
Mr. Scott, nay.
Mr. Mann, nay by proxy.
Mr. Watt, aye.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, nay.
Mr. Moorhead, nay.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye by proxy.
Mr. Canady, nay.
Mr. Inglis, nay.
Mr. Goodlatte, aye.

An amendment offered by Mr. Goodlatte to provide different rules for the establishment of an alternative dispute resolution system. This amendment, unlike the Brooks substitute, would have required all plaintiffs to submit malpractice claims to an ADR process before filing it in court and would have required the party contesting an ADR ruling in court to pay the opposing parties' attorneys fees unless the court judgment changed the ADR determination by at least 10 percent. Defeated 13–21.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay by proxy.
Mr. Glickman, nay by proxy.
Mr. Frank, nay by proxy.
Mr. Schumer, nay by proxy.
Mr. Berman, nay by proxy.
Mr. Boucher, nay by proxy.
Mr. Bryant, nay.
Mr. Sangmeister, nay.
Mr. Washington, nay by proxy.
Mr. Reed, nay by proxy.
Mr. Nadler, nay by proxy.
Mr. Scott, nay.
Mr. Mann, nay by proxy.
Mr. Watt, nay.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye by proxy.
Mr. Canady, aye.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amendment by Messrs. Brooks, Synar, Scott and Nadler on medical malpractice. This amendment would modify and limit the malpractice provisions included in the President's bill as introduced. The amendment would: (1) require the States to adopt certain less stringent alternative dispute mechanisms; (2) require claimants to obtain a certificate of merit prior to bringing suit, (3) limit attorneys fees to ⅓ of the amount recovered, but not limit fees for appeals, (4) authorize periodic payments by defendants (rather than a lump sum payment) for future damages which are only in excess of $250,000, and (5) authorize a pilot program for practice guidelines and a study regarding medical negligence. The Brooks' medical malpractice substitute does not include the collateral source offset reform provision or the enterprise liability demonstration program which were part of the original H.R. 3600. Adopted 21–13.

DEMOCRATS

Mr. Brooks, aye.
Mr. Edwards, aye.
Mr. Conyers, aye by proxy.
Mr. Mazzoli, aye.
Mr. Hughes, nay.
Mr. Synar, aye.
Mrs. Schroeder, aye by proxy.
Mr. Glickman, aye.
Mr. Frank, nay by proxy.
Mr. Schumer, aye by proxy.
Mr. Berman, aye by proxy.
Mr. Boucher, aye by proxy.
Mr. Bryant, aye.
Mr. Sangmeister, aye.
Mr. Washington, aye by proxy.
Mr. Reed, aye by proxy.
Mr. Nadler, aye by proxy.
Mr. Scott, aye.
Mr. Mann, aye by proxy.
Mr. Watt, aye.
Mr. Becerra, aye by proxy.

REPUBLICANS

Mr. Fish, nay.
Mr. Moorhead, nay.
Mr. Hyde, nay by proxy.
Mr. Sensenbrenner, nay.
Mr. McCollum, not voting.
Mr. Gekas, nay.
Mr. Coble, aye.
Mr. Smith (TX), nay by proxy.
Mr. Schiff, aye.
Mr. Ramstad, nay.
Mr. Gallegly, nay by proxy.
Mr. Canady, nay.
Mr. Inglis, nay.
Mr. Goodlatte, nay.

An amendment by Mr. Canady providing safe harbors for certain competitive and collaborative activities. The amendment would exempt certain health care activities from the antitrust laws if the conduct falls within one of seven safe harbors defined in the legislation or within additional safe harbors designated by the Attorney General. The enumerated statutory safe harbors protect: (1) activities of medical self-regulatory entities; (2) participation by providers in surveys; (3) certain joint ventures for high technology and costly equipment and services; (4) certain hospital mergers; (5) joint purchasing arrangements; (6) activities of physician network joint ventures; and (7) good faith negotiations to engage in the activities protected in the safe harbors. Activities by physician network joint ventures are exempt only as long as the network is comprised of 20 percent or less of the physicians in a particular specialty in that geographic market and the physicians share substantial financial risk. (An earlier version was defeated 17–17. See vote below.) Adopted 18–17.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay by proxy.
Mrs. Schroeder, nay by proxy.
Mr. Glickman, nay by proxy.
Mr. Frank, nay.
Mr. Schumer, nay by proxy.
Mr. Berman, nay.
Mr. Boucher, nay by proxy.
Mr. Bryant, aye.
Mr. Sangmeister, aye.
Mr. Washington, nay by proxy.
Mr. Reed, aye by proxy.
Mr. Nadler, nay by proxy.

Mr. Scott, nay.
Mr. Mann, aye by proxy.
Mr. Watt, nay by proxy.
Mr. Becerra, nay by proxy.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye.
Mr. McCollum, aye by proxy.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye by proxy.
Mr. Canady, aye.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amenment offered by Mr. Canady on the application of the antitrust laws to health care services (safe harbors). (This amendment was later reoffered and subsequently adopted by a vote of 18–17) Defeated 17–17.

DEMOCRATS

Mr. Brooks, nay.
Mr. Edwards, nay.
Mr. Conyers, nay by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay.
Mr. Glickman, nay.
Mr. Frank, nay.
Mr. Schumer, nay by proxy.
Mr. Berman, nay.
Mr. Boucher, nay by proxy.
Mr. Bryant, aye.
Mr. Sangmeister, aye.
Mr. Washington, nay.
Mr. Reed, aye.
Mr. Nadler, nay.
Mr. Scott, nay.
Mr. Mann, aye.
Mr. Watt, nay by proxy.
Mr. Becerra, nay.

REPUBLICANS

Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye by proxy.
Mr. Sensenbrenner, aye by proxy.
Mr. McCollum, not voting.
Mr. Gekas, aye by proxy.
Mr. Coble, aye.
Mr. Smith (TX), aye by proxy.
Mr. Schiff, aye.
Mr. Ramstad, aye.
Mr. Gallegly, aye.
Mr. Canady, aye.
Mr. Inglis, aye.
Mr. Goodlatte, aye.

An amendment by Mr. Berman on private right of action. This amendment would have adopted the Ways and Means language which would allow doctors who are part of a managed care program to refer patients to designated health services within that health plan. Defeated 14–17.

DEMOCRATS

Mr. Brooks, aye.
Mr. Edwards, aye.
Mr. Conyers, aye by proxy.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay by proxy.
Mrs. Schroeder, not voting.
Mr. Glickman, aye by proxy.
Mr. Frank, nay.
Mr. Schumer, not voting.
Mr. Berman, aye.
Mr. Boucher, aye by proxy.
Mr. Bryant, aye.
Mr. Sangmeister, nay.
Mr. Washington, aye by proxy.
Mr. Reed, aye by proxy.
Mr. Nadler, aye by proxy.
Mr. Scott, aye.
Mr. Mann, aye by proxy.
Mr. Watt, aye.
Mr. Becerra, not voting.

REPUBLICANS

Mr. Fish, nay.
Mr. Moorhead, nay.
Mr. Hyde, nay by proxy.
Mr. Sensenbrenner, nay.
Mr. McCollum, not voting.
Mr. Gekas, nay by proxy.
Mr. Coble, nay.
Mr. Smith (TX), nay by proxy.
Mr. Schiff, aye.
Mr. Ramstad, nay.
Mr. Gallegly, nay by proxy.
Mr. Canady, nay.
Mr. Ingois, nay.
Mr. Goodlatte, nay.

Question on final passage. Adopted 20–13.

DEMOCRATS

Mr. Brooks, aye.
Mr. Edwards, aye.
Mr. Conyers, aye by proxy.
Mr. Mazzoli, aye.
Mr. Hughes, aye.
Mr. Synar, aye by proxy.
Mrs. Schroeder, aye by proxy.
Mr. Glickman, aye by proxy.
Mr. Frank, aye.
Mr. Schumer, aye.
Mr. Berman, aye.
Mr. Boucher, aye by proxy.
Mr. Bryant, aye.
Mr. Sangmeister, aye.
Mr. Washington, aye by proxy.
Mr. Reed, aye by proxy.
Mr. Nadler, aye by proxy.
Mr. Scott, aye.
Mr. Mann, aye by proxy.
Mr. Watt, aye by proxy.
Mr. Becerra, aye by proxy.

REPUBLICANS

Mr. Fish, nay.
Mr. Moorhead, nay.
Mr. Hyde, nay by proxy.
Mr. Sensenbrenner, nay.
Mr. McCollum, not voting.
Mr. Gekas, nay by proxy.
Mr. Coble, nay.
Mr. Smith (TX), nay by proxy.
Mr. Schiff, nay.
Mr. Ramstad, nay.
Mr. Gallegly, nay by proxy.
Mr. Canady, nay.
Mr. Ingois, nay.
Mr. Goodlatte, nay.

H.R. 3433, A BILL TO PROVIDE FOR THE MANAGEMENT OF PORTIONS OF THE PRESIDIO UNDER THE JURISDICTION OF THE DEPARTMENT OF THE INTERIOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

Mr. GIBBONS. Madam Speaker, pursuant to the rules of the Democratic Caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of the bill, H.R. 3433, a bill to provide for the management of portions of the Presidio under the jurisdiction of the Department of the Interior, as amended by the committee.

A COHERENT STRATEGY WON THE COLD WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes.

Mr. SOLOMON. Madam Speaker, as American foreign policy wallows in Clintonian mush, I would like to bring to the House's attention an article by Peter Schweizer in the May 30 National Review that details how Ronald Reagan won the cold war.

Basically, Madam Speaker, Ronald Reagan won the cold war with a coherent and vigorous strategy that was based on deep moral principles and marked by clarity of vision. As Mr. Schweizer proves, Ronald Reagan and a select few were all but alone in believing both that the Soviets were evil and vulnerable. He outlined his convictions eloquently at Notre Dame in 1981: "The West will not contain Communism, it will transcend Communism. We will not bother to denounce it, we'll dismiss it as a sad, bizarre chapter in human history whose last pages are even now being written."

From these convictions sprang the Reagan doctrine, the holy alliance between the Pope and President Reagan to undermine the Polish regime, the military buildup of the 1980's, the Euromissile deployment, the rollback and liberation of Grenada, SDI, economic warfare, and myriad other challenges that simply overwhelmed the Soviets.

Mr. Schweizer documents all of this with quotes from Soviet officials and excerpts from recently released national security documents. For instance, Oleg Kalugin, a former high-ranking KGB official said, "American policy in the 1980's was a catalyst for the collapse of the USSR." Kalugin further adds, "Reagan and his views disturbed the Soviet government so much they bordered on hysteria. He was seen as a very serious threat."

Or consider National Security Decision Directive 75, signed by Ronald Reagan in 1983, which broke with the policy of containment and instead declared United States policy to be nothing short of rollback of Soviet power. Or how about NSDD 32, which declared war on the Soviet grip on Eastern Europe, in a clear break with previous United States policy, which for all intents and purposes had accepted the status quo of Communist domination of those states.

Oh, how nice it would be to have such clarity today. Instead, we have a President who cannot make up his mind from one day to the next what our policy should be in a given region, let alone develop an overarching strategy. A President who allows his Haiti policy to be determined, at least on 1 day, by a single citizen-protester. A President who lets his Korea policy be derailed in a day because one notoriously untrustworthy man, Kim Il-song, made promises to one notoriously gullible man, Jimmy Carter. A President who refuses to protect 37,000 Americans by building up our forces in Korea, while simultaneously planning an invasion of an island of no strategic interest to the United States. And a President whose Russia policy seems to take for granted that Russia, and not the United States, won the cold war.

This administration has ignored every lesson from recent history, toppled pillars of U.S. foreign policy that have stood for decades, and junked classical precepts of statecraft that have been around for centuries. This whole scenario is bizarre, Madam Speaker. The trouble is, with an invasion of Haiti imminent and looming instability in near-nuclear North Korea, this intellectually laughable foreign policy is becoming highly dangerous.

I sincerely hope that the administration's foreign policy team will read the Schweizer article, Madam Speaker. It might prove to be a valuable dose of reality.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from West Virginia [Mr. WISE] is recognized for 60 minutes as the designee of the majority leader.

HEALTH CARE REFORM

Mr. WISE. Madam Speaker, I am going to be talking tonight about health care, about how the leadership health care plan would affect a number of individuals. But before I do, I would like to talk about refrain I am now hearing from those who really do not want to do anything about health care. That is, why not delay. Let us delay this for another month or so. Let us delay this for another year, is the refrain I am hearing. There are many different proposals out there. Congress can get it together better with some delay.

Well, let us look at what delay means. First of all, it is not as though health care had not been before the Congress and the American people for a significant amount of time. I harken back to the fact that just a couple short years ago, President Bush submitted to the Congress his idea of comprehensive health reform, basically dealing with vouchers to low-income persons to buy insurance, but he was trying to address in his own way the problem that was there.

President Reagan submitted comprehensive health reform legislation. President Carter submitted comprehensive health reform legislation. President Nixon, yes, President Nixon, in 1974, 20 years ago, submitted very comprehensive health care legislation and, indeed, historians please note, submitted the first employer-mandate provisions. President Nixon would have actually, his measures would be tougher than the ones that Senator MITCHELL and others are espousing in the Senate.

President Nixon proposed that all employers contribute 65 percent of a premium cost; employees contributing 35 percent, which would then change after several years to 75/25. So this issue goes back 20 years.

The reason each President and each Congress has tried to come to grips with health care is because the problem worsens, because health care costs have gone up several times the rate of inflation, because larger numbers of people are not insured, because the inequities of people who work on their feet every day, 8 to 10 hours, and they are not covered by health insurance.

So more and more we see the problems first hand, and more and more the people demand action. And, yes, if we delay, then some things are not going to happen. There will not be guaranteed private health insurance for all. There will not be shared responsibility, employers, employees, and government all sharing in the cost in this. There will not be the flexibility necessary for States to have their own programs, as well as for individuals and businesses to have their flexibility and their choice to choose their provider and their plan.

I guess I am also concerned because, yes, this Congress can delay again, as it has in some ways for 20 years. But what happens when we do? Because in health care, what happens is, we get balms, poultices, Band-Aids administered to what are now deep internal injuries. And just as balms, poultices and Band-Aids, rubbing root bark and other things into your wounds do not do much for internal injuries, neither will delay do much for health care.

All of America ought to be concerned about what delay means. Delay means to the Medicare recipient, the person over 65 who depends upon Medicare, that means that Congress is going to be coming back again most likely cut even further in the name of deficit reduction. Delay means to the Medicaid recipient, that low-income person, that that medical program is going to continue to shrink as States find less and less of their resources to match.

To the private insurance holder, to the employee who is covered by their employer's insurance, to the self-employed individual who has private insurance, to anyone who has private insurance, beware of what delay means, because what delay means is that your insurance is put more at risk, because that means that Congress will not have dealt with cost shifting, the fact that 30 percent of the premium dollar today that a private insured person pays, 30 percent of that goes to paying for those who do not have insurance or do not have the ability to pay the full cost of their health care.

The business operator, the small business person ought to be very concerned about delay, because they know that the insurance that they bargained for, when they are able to get it, costs them 30 to 40 percent more than a comparable policy for a larger company.

Madam Speaker, I yield to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Madam Speaker, I would like to stand in support of the gentleman's comments about moving on health care quickly. I think one thing that is often overlooked, the opponents of health care have said, put it off. It will not hurt. We will do it another day.

They ignore the fact that if we do nothing about health care in this country, the health care insurance premiums for every individual and family will double in the next 6 years.

□ 1810

None of us expects our salaries to double in the next 6 years. That means less take-home pay for working Americans if we do not address this problem today. Most certainly, the cost of the health care will continue to go up, but we hope by our action to slow down the rate of increase, so that American families have more take-home pay.

The folks who want to put this off for a year or 2 years are just delaying not only the inevitable, but creating more pressure on working families and businesses across America. I support the gentleman completely on his call for immediate action by Congress.

Mr. WISE. I appreciate that. The gentleman states the issue very succinctly. GM now says that they pay more for health insurance than they do for the steel in an automobile.

Where does that health insurance come from? It comes from the real take-home pay of workers, so what happens is, people's take-home pay is sacrificed in order to try to keep a benefit package. The benefit package itself, as most employees know, is shrinking as well, so we lose on the take-home pay, we lose on the benefit package as well.

Mr. DURBIN. If the gentleman will continue to yield, let me give you an example. In my hometown of Springfield, IL, a local company was in negotiation with their labor force for a new contract. They ended up with an agreement to increase the wages for their employees at $1 an hour for the next year, and the employees had a meeting to ratify it. At that meeting they were told "Incidentally, you will not see a penny of it. That whole dollar of it is going to go into your health care insurance, just to keep it at the same level it is today."

So what working families face, if we take the Republican attitude, which is "put this off indefinitely, or only do a little bit around the edges," is that working families are going to hear that over and over: "You got a pay raise but you did not see it. It got eaten up the increased cost of benefits."

That is why I think it is important to keep that context in mind during the next 2 weeks of deliberation.

Mr. WISE. As the gentleman also pointed out the other night on this floor, not only do you have to be concerned about delay, but if you deal only with insurance reform, which sounds good, but you do not have universal coverage, that is, guaranteed private insurance that covers everybody, then what happens is you make the problem worse.

And indeed, that middle-income person with private insurance will end up paying more, because without everyone being covered, then the healthy opt out, the sick get in, prices go up for everybody, and the result is that to the insured person and to the middle income person, particularly, the Lewin study that came out just a couple of weeks ago conclusively demonstrates middle income and insured people will pay more under tinkering around the edges, as opposed to universal coverage, which has been proposed by the leadership plan.

Mr. LEVIN. Will the gentleman yield?

Mr. WISE. I yield to the gentleman from Michigan.

Mr. LEVIN. Both of you gentleman make an excellent point. The gentleman from Illinois has indicated how in disputes between management and labor, more and more health care has become the focal point, and everybody should understand that inflation in health care costs, the issue of affordability has more and more been projected into disagreements between management and labor.

It is really an artificial set of problems. We ought to be able to resolve those problems so they do not disrupt sound labor-management relations on the floor of the factory, they are so critical there.

Also, the gentleman from West Virginia [Mr. WISE], as the gentleman from Illinois [Mr. DURBIN] pointed out earlier, has underlined a number of additional points. The number of uninsured persons has been going up, not down.

Also, these experiments with community rating when everybody is not getting into the system, these experiments have turned out to increase rates for most people. Community rating without broadened coverage means higher premiums for a large proportion of the insured, is that not correct?

Mr. DURBIN. If the gentleman will yield further, absolutely. If we do not make universal coverage part of it, you create a bigger problem. The reason is obvious.

All of us want to see an end to discrimination based on preexisting conditions. Eighty-one million Americans have some preexisting health condition: cancer in their family, a heart disease, back surgery, diabetes, a child who was born with a congenital problem. Eighty-one million Americans, a third of our country, face preexisting conditions. As a result, they either cannot get insurance, cannot afford insurance, find it is very limited in its application.

What we want to do is get rid of that. But if you don't do that in the context of bringing everyone into the insurance pool, then you have what you call adverse selection. People sit back and say "I will wait until I get the diagnosis, and then I will buy insurance," which is a recipe for disaster. It means insurance premiums are going to go up precipitously and companies will not be able to write the policies. Universal coverage is a critical part.

If I might add, I don't know if the gentleman wanted to touch on this subject this evening, but another thing that is very topical is just what is going to happen this week in the health care debate. There has been a suggestion by a Republican in the other body that there may be a filibuster. I don't know what might happen in the House of Representatives here.

I don't think the American people want gridlock in Congress on health care, for goodness sake. For 2 years this country has been in a full debate on this issue. They elected us to come here and make a decision.

Now the thought that we would somehow get all tangled up in ourselves again, with the Republicans calling for "go slow" or "don't do it, wait another year, another 10 years," that just does not strike me as the mandate all of us were given by the voters in the last election. Up-or-down, let us vote this issue. Let us see who is in favor of universal coverage, who wants health care reform, and who wants to put the fight off to another day or walk away from it altogether.

Mr. WISE. The gentleman makes a good point. I have heard in my town meetings, and I suspect it is the same for every Member here, no shortage of airing of views, no shortage of debate, no shortage of opinions, and a debate has taken place across this country that has been evolving for many years, but particularly in the last year and a half.

Madam Speaker, I would greatly regret if there were any attempt to filibuster, to make it impossible to have that up-or-down vote. I am happy to stand on my record, up-or-down. I think the greatest tragedy is that the American people are denied the opportunity to hear that debate and to see the votes actually take place.

Mr. LEVIN. If the gentleman will yield further, on this point that the gentleman from Illinois has raised so succinctly, the three of us are among Members who go home, who are home a lot, who hold town meetings, who really want to tap into what our constituents feel. We came to Congress together, and have continued very much to do that.

I was home, as every weekend, this weekend. Several people said to me "Do not go too fast. Know what you are doing." For those who are listening to us, I want everybody to be assured that we are going to follow that principle. We are not going to just rush this thing through. We are going to have a lot of debate.

However, full debate is not the same as inaction. We will have a full-scale discussion on this floor, and we will have a full Chamber. We will spend a number of days and everybody will be able to speak their piece.

But as you said to the gentleman from West Virginia [Mr. WISE], we have been looking into this issue for a number of years now. The subcommittee that I sit on, the Subcommittee on Health of the Committee on Ways and Means, had innumerable hearings. We spent week after week after week usefully putting together a bill. I want everybody to know this. The legislation did not come out of thin air. We changed it from the original Clinton proposal.

Madam Speaker, we had a number of weeks, both parties developing their proposals. Then we went into formal subcommittee markup, and we had a number of weeks of markup on television. It was not behind the scenes, it was on television, for everybody to see. Then we had full consideration in the full Committee on Ways and Means.

So to those who are worried that we will rush this, we will not. We will not. But the American people, as the gentleman from West Virginia [Mr. WISE] and the gentleman from Illinois [Mr. DURBIN] have said, they do not want us to do nothing. They do not want us to do anything at all, but they want us to use the experience in this body, the feedback from home, the fact that as we have gone on in this country, our health care problems in many respects have worsened, and they want us to step up to the plate. We are going to do that with deliberate speed, with deliberate speed.

Mr. WISE. I thank the gentleman.

Mr. DURBIN. If the gentleman will continue to yield, I think the gentleman from Michigan raises a good point here.

A lot of the critics now of doing health care reform have been bringing scales to Capitol Hill and weighing health care reform bills and saying "Oh, my goodness, this bill weighs 10 pounds, this bill weighs 10 pounds. Surely Congress could not consider a bill that weighs 10 pounds." That does not get down to the basics here.

□ 1820

The basics we face is the fact that any Member of Congress who has been diligent over the last several years has come to understand the basic concepts behind health care reform. I dare say that a couple of years ago I would have flunked the exam on health care reform. Today I think I would pass it, because I have spent time with doctors, with hospital administrators, with nurses, with chiropractors, with pharmacists, with the constituents I represent, and I have become conversant with the technical terms involved in health care reform. I am still no expert, but I understand the concepts that we are dealing with here and every Member of Congress I think in all honesty is in that same position, if they had been diligent over the last year and a half. There is no reason to shirk away from this major responsibility. In fact if the gentleman will allow me just one more moment, the thing that I am concerned about is that: If we walk away from this issue, if we walk away from this challenge, if we end up saying to working families across America, "I'm sorry, your health care premiums are going to double over the next 6 years and Congress couldn't get its act together," I do not want to go home and tell that story.

The other thing we have to remember, while we have been debating, the health care system in this country has changed and is changing dramatically. In my part of the world in the Midwest we now have this concept of managed care where doctors and hospitals have folks looking over their shoulders trying to control costs. Some of these health care providers who a year and a half ago said stay away from this issue are now coming to my office saying, "Get involved in this issue. We need some people to step in and try to smooth out this process."

So I say to the people who are listening and following the debate, we want to make sure that these changes are positive for every family and business and health care provider in this country and walking away from the issue is not going to guarantee that.

Mr. WISE. And walking away because people are throwing up bogeymen to try and frighten you. Bureaucracies, I heard that one over the weekend, from some of the leaders on the other side of the aisle. New Bureaucracies created, faceless bureaucracies.

Have you ever tried to deal with the Rock, I'm talking about Prudential, with their office in Philadelphia or New York or wherever it is on a claim? Have you ever been in a rural hospital as I was a couple of months ago and had a physician express his great frustration because there was a routine procedure he wanted to perform on a patient but he had to negotiate with a peer physician for an insurance company in New York and he is in Richwood, WV? Have you ever had people with the claims forms sent back endlessly? It goes on and on.

Why is it that in all of our physicians' offices, most of the time there will be more people employed doing paperwork than clinical work? And that is not just because of Government bureaucracy and yet we need to do some simplification there, but it is because of the incredible bureaucracy that is built up.

The gentleman makes a point about managed care. In 1980, 4 percent of the work force in this country was under a managed care plan. Today it is 54 percent and mounting quickly. I look at the chemical industry in the Kanawha Valley where I come from. A few years ago, there was no managed care. Today almost every major employer has signed up with a managed care plan. So this is upon us. Bill and Hillary Clinton and a 500-person task force and Democrats and some Republicans never had to appear on the scene. This has all been happening. The question is whether it is going to happen in a way that is advantageous. While it has been happening, other things have been happening. Health care costs going up 2 to 3 times the rate of inflation, rates of uninsured going up sharply, small businesses having to drop out. The gentleman points, I think, to a lot of functions that are taking place.

One more reason why we cannot delay, it suddenly occurred to me, and I would really appreciate the experience of the gentlemen. In West Virginia, our legislature has wrestled with comprehensive health care for the last 3 years. They got up close to it this year and said:

Wait a minute. The Federal Government is certainly going to act soon and it would be not a good decision for us to go ahead and not be able to match our system up with the Federal system.

I know Vermont and other States have taken the same approach, saying, "We know something has to be done but until the Federal Government provides a basic pattern, leadership for us to follow, then we can't go ahead." Now are going to say one more year and one more year after that? The States justifiably will not wait nor should they wait. Yet at the same time they need the Federal Government as their partner.

Mr. LEVIN. Would the gentleman yield on that important point?

Mr. Speaker, we need a State-Federal partnership and we do not want dictates from Washington determining all this as the gentleman's charts will show. We are really building on the present system. We are not turning it upside down. We are trying to take the bureaucracy out of this and a lot of the paperwork. So when the gentleman gives his examples, I think a lot of people are going to say, "You know, this proposal will make it better for those of us who have good insurance, it is not going to disrupt it." And for those who do not, there will be an improvement. But I think what the charts may show more than anything else is that we all have a stake.

Some people have said to me, "Why not just take care of the uninsured? Don't worry about the rest of us." The problem is that what is involved here affects all of us, that health care has been going up for all of us.

Indeed, I do not think it is too much of an overstatement, maybe a bit, but not much, that the insured population, those of us who are insured, have about as much at stake in health reform as the uninsured. A lot of families are being threatened with loss of their insurance because the costs have been going up. When I was a young lawyer, I represented health and welfare funds. The employer paid 10 cents an hour, 10 cents an hour, and it was pretty decent care. Today that employer pays $3.75 an hour. Those employees who are working have a stake in health care reform because their employer cannot continue to pay, every year, 30 or 40 or 50 cents an hour more for insurance coverage.

So we all have a stake in this. I think that the gentleman's charts are going to show that this plan is not a revolution. It does not turn the system upside down. What it does is keep what is good and take out and reform what is bad. We need to do it and not next year or 2 or 4 years from now, but we need to start doing it now.

I finish with this point: This plan phases in, right? No one is talking about tomorrow, everybody being covered. We know how difficult that would be. But we are saying over a reasonable period of time, it is important to get everybody in the system because in the end, it will be stronger for each and every one of us. And the gentleman is so right. We cannot say to the States, "go ahead and do it yourself" without regard to what will be done in Washington, because it will not happen.

Second, there are too many companies who have employees across State lines. We cannot do this just piece by piece.

This point is also important: The plan is built on partnership. It does leave considerable leeway to the States. If they want to, for example, displace what is called Medicare C, they can do it entirely by having a pool arrangement on their own.

The time to move, to begin to move, is this year, and I think our constituents, when they hear more and more about the plan, are not going to adopt the motto of the Brooklyn Dodgers of old: "Wait till next year." They say, "Face up to this issue, let's face up to it this year, let's do it reasonably, let's do it with care, but let's do health care with care now, not next year."

Mr. WISE. The gentleman makes excellent points.

Mr. LEVIN. I congratulate the gentleman from West Virginia for this special order and after the gentleman from Illinois participates further, I think everybody is waiting to see what these scenarios look like so we can all identify with them.

Mr. WISE. I appreciate that.

Mr. DURBIN. If I can make two final points before the gentleman from West Virginia returns to the illustrations that I think will set some people at ease when they consider what this plan is going to do, the impact that it will have on families and businesses and retired people, and I hope that they will stay tuned as the gentleman presents these scenarios. May I make two points, though. The one is there are people who say, "Why get involved in this? Businesses that can, will provide health insurance and most people are insured, so why worry about it?"

Statistics tell us over the last 10 years, the percentage of businesses offering health insurance to their employees has been diminishing. It has been going down because the cost is getting so high. These are big businesses and small businesses alike that no longer can offer health care benefits. If we do not do something about it, that trend will continue. So relying on the current system, the status quo, is not going to solve the problem.

I want to go back to a point the gentleman from West Virginia made, which I think is excellent. So many States are holding back from doing anything to help themselves waiting for the Federal Government to take the lead. When the Republicans stand up and say put it off till next year, or the next decade, they are putting off decisions for each of the States as well.

My home State of Illinois is in bankruptcy. We have been bankrupt for several years. I do not blame the Governor or the General Assembly, but I do blame the circumstances they face, and I have asked the Governor what is causing our bankruptcy. He said:

> There are 3 reasons. Medicaid, Medicaid, and Medicaid.

In other words, the State's payment of health care costs for poor people continue to go up so dramatically that they cannot budget for them quickly enough and certainly cannot raise taxes to cover them.

□ 1830

Mr. WISE. That is where the State is matching a smaller percent than what the Federal Government is putting in.

West Virginia is the highest matched State at 25 cents for the State for every 75 cents, and West Virginia's legislature spent almost their entire session simply trying to come up with the money to meet the expanding demand for the service, and I suspect that same is true in Illinois and in other States.

Mr. DURBIN. We in Illinois have not done as well as West Virginia with our 50-cent match. We have only 50 cents matched by the Federal Government on a 50–50 basis.

There are two things in this plan that can make a difference. The first thing is 40 percent of Medicaid costs in Illinois is for folks in nursing homes, the elderly, the disabled folks who have no source of income and turn to Medicaid to stay in nursing homes, 40 percent of our cost. This plan addresses the whole area of home health care, and I leave it to the gentleman and his illustrations to point this out. It can be helpful, will not solve the problem, but it can be helpful.

The second thing, the remaining 60 percent of the Medicaid State health care costs are for poor people. I talked with a representative from a national insurance company who has no axe to grind, no dog in this race. He said I just want to let you know you can save a lot of money when it comes to Medicaid by having managed care. We in Illinois pay over $400 per month on average for a recipient. He said the average managed care cost is $160 per month. So bringing in some of the efficiencies we are talking about in health care reform can start bringing down the cost of health care for poor people under Medicaid, and thereby lessen the pressure on States.

The final illustration is one that I will use of my constituent, a lady who told me, "Congressman, I have a part-time job, but I still have my Medicaid insurance because a part-time job does not provide any health care benefits, and I still cannot get doctors to see me, and I have a young child." This mother with a young daughter, who had a high fever for several days, in desperation, could not get in to see a doctor and went to the emergency room. Who would not? I am not blaming her. But the cost of that health care for the little girl was three times or four times what it would have been if she had gone through the ordinary course of medical care.

This plan we are talking about starts bringing in everyone for similar medical treatment so that you do not have these inequities that cost us so much money and run the cost of the program through the roof that all of us end up paying for.

I think those are important parts that will end up helping not only individuals and families, but helping the States out of their bankrupt situations. I salute my colleague from West Virginia. I know he is going to turn to his charts now and give us some specific examples. I hope during the course of this week we can keep our eye on the prize here. We have a once in a political lifetime opportunity. Harry Truman challenged us to do this and 50 years later we are going to meet that challenge. I hope Members of the Congress, Democrats and Republicans, will rise to it.

I thank the gentleman for his leadership on this issue.

Mr. WISE. I thank the gentleman who has been extremely active on this issue for a long time, and particularly in the special orders.

I might say the West Virginia legislature will meet again in January for their regular 60-day session. Obviously, with the new Congress coming in, where there has not been action by the previous Congress, it will leave that burden to our legislature and every other legislature. It will be year after year before anything gets done.

Let us turn now to how the leadership plan would actually work for Americans in different situations.

First of all I am going to quickly run through this. Mary works full time for a large company, over 100 employees, and is currently insured. Under the House Democratic bill, not much changes for her really because she continues to receive coverage under a private health plan offered by her employer, or if she chooses, something called a medical savings account, if offered by her employer. She has a little more choice than she does now because right now the employer offers the plan, the employers negotiate exclusively, and it is pretty much take it or leave it. Now she would have a choice of at least one plan offering unrestricted choice of doctor and one managed care plan. She would continue to have the same or better benefits. Her employer would pay at least 80 percent of the cost of her premium, and while we have discussed in previous meetings about the burden on the employer, this game is not sock it to the employer. The employer, particularly small business employers, those with 100 employees or less, get certain assistance in providing that coverage. Incidentally, of course, they get a tax deduction as well as offsets we hope for workers' compensation costs as well, because now there is universal coverage. That means everybody is covered. The employer will not have to pay 30 percent more in their premium covering all of the other business' employees who are not covered. So the employer sees some benefits too.

She pays for her share of the premium through payroll deductions. Many people already do that. She never loses her coverage if she changes or loses her job because there was insurance reform in this package as well. So the caps, the lifetime caps are gone, the preexisting exclusions, the fact that they could deny her child coverage because the child has a preexisting illness, that is gone. She receives help. The employee receives help paying for her share of the coverage if her household income is up to $38,400, if she is married and has two or more children, or is a family of four, or up to $27,000 if she is a single parent with one child, or up to $17,000 if she does not have children and is single. In other words, there is assistance for her to make her 20 percent cost of the premium share.

So that is what happens for one person who already has insurance working for a large company.

This is Bob, no relation to the present speaker. Bob is working full time for a large company but does not currently have insurance. Remember, the previous person, Mary, worked for the large company and had insurance. Bob does not.

Under the House Democratic plan Bob would, by January 1, 1997, about 2½ years from now, for the first time receive private insurance through his employer or a medical savings account, if offered by his employer. Let us remember that. The employer, a large employer, over 100 employees, has until January 1, 1997, more than 2 years to come into compliance. That is the large employer.

The second employer, Mr. Speaker, under 100 employees has until January 1999, over 4 years to come into compliance. So for those who say you are rushing into something, you are being precipitous, absolutely not. There is much time for implementation, for scrutiny, for fine-tuning, if necessary.

Second, once again, Bob, by virtue of this legislation, would now have a choice of at least one plan offering unrestricted choice of doctors, fee for service, choose his doctor, or one managed care plan. Or he could, if offered by the employer, choose a medical savings account. His employer pays 80 percent of the cost of the premium. Bob pays for his share of the cost of the premium through payroll deductions. As in the case of Mary, he pays for his premium based upon a sliding scale of his income. And once again, he never loses his coverage if he changes or loses his job, or if he or his family become ill.

Let us talk about someone who is presently receiving coverage through the Medicaid Program, that is medical care for the low income, for the indigent. We were talking just a few minutes ago about the single greatest cost to the States today, one of the causes, major causes for the Federal budget deficit, because health care costs are rising to the Federal Government, is Medicare and Medicaid at 12 percent a year, so you can see the need to get this under control.

Under the House Democratic plan Mrs. White would no longer be in Medicaid but would now have the same coverage as all other employees. If she works for an employer with fewer than 100 employees, these are her choices: a private plan offered by her employer, a private plan offered through the Federal employees' health benefits pool or plan, and nine million persons presently are members of that plan. And it is often touted as a model because employers pay and employees pay, and they are able to have a variety of private plans to choose from. She could, if offered by her employer, use a medical savings account. The medical savings account is a plan by which the employer pays for a high deductible policy, say $2,000. The difference then the employer deposits every year into an account which is tax free to Mrs. White.

□ 1840

It is to be used only for medical expenses, and she chooses how she uses it for medical expenses, to go get the primary care checkup, for instance, to do the prenatal screening, whatever it is. If there are major medical expenses, then the catastrophic policy kicks in.

If her employer chooses not to offer private coverage, she may obtain coverage through a Medicare Part C program. We presently have in this system Medicare Part A and Part B for senior citizens. Now there would be a Medicare Part C, and if her employer chooses Medicare Part C, she will have the choice of a plan offering an unlimited choice of doctors or a managed care plan. If she goes to work with an employer with more than 100 employees, a large employer, she ends up much the same as before, having a choice between at least one plan offering unrestricted choice of doctors and one managed-care plan, getting assistance on her premium, paying for her share on a sliding scale of her income, and never losing her coverage.

Let me just note in this case, she is on Medicaid and is employed. Secretary Shalala, Secretary of Health and Human Services, has estimated the single greatest welfare reform package that could pass would be legislation similar to this. Because what it would do is it would say to the person who is not employed on Medicaid, the welfare recipient, if you take a job, you will not lose your health coverage, and then up to one million people would come off the welfare rolls, because now they know that if they go to work they would not leave their children without health care coverage.

Think how ludicrous our situation is. We want to encourage people to go to work. We want them to do whatever is necessary to earn a gainful living. Yet we tell them, if you leave welfare, you lose health benefits for your children, if you stay on welfare, you keep benefits. That is a crazy system. This begins now to change that.

Mrs. Jones is a senior citizen now. She currently receives coverage through the Medicare Program.

Could I do an aside on Medicare, Madam Speaker, just for a moment: Because I am fascinated by some opponents of this who say we do not want a Government-run health care program.

First of all, the program, the House leadership plan, is about as least Government-run as possible. It is based upon private health insurance and the private market and using market forces and competition to keep prices down. It does set up a Medicare Part C Program though. Those who say that, the others, and it is the same voice, they then beat their breasts and say they do not want anything to happen to Medicare.

What is Medicare? Medicare is a single-payer system run strictly by the Federal Government. It is an employer mandate in which every employer contributes a certain percentage of payroll and every employee contributes a certain percentage of payroll. So what you have is one of the most popular health delivery systems in the country today, is single-payer run by the Government, employer mandate, and incidentally has total freedom of choice for the consumer. The senior citizen is able to choose his or her doctor, his or her hospital, his or her provider.

Anyway, Mrs. Jones is on Medicare. She would, under the House plan, continue to get her coverage through the Medicare Program. She knows it. She does not want anything to happen to that Medicare card. Nothing does happen. She would continue to have a choice of plan with unrestricted choice of doctors, or if she chooses, she could enter a managed care plan. She, though, however, would now, and all senior citizens, would receive a new prescription drug benefit that would provide unlimited drug coverage, outpatient pharmaceuticals, one of the most pressing needs for many of our senior citizens. She pays the first $500 for her prescriptions. There is a 20-percent copayment. She would never pay more than $1,000 a year on prescription drugs and would pay a premium for this of roughly $8.50 per month.

She receives, in addition, annual mammograms, receives better mental health benefits, beginning in the year 2003, so you can see, Madam Speaker, the long phase-in period we have, the limit on the total amount she might have to pay each year. She would see a slowdown in increases in what she is paying in part B premiums, and she would be eligible to participate in a new home and community based long-term-care program.

Long-term care, as one of the gentlemen was saying earlier, nursing home care, is one of the most expensive costs in health care today. Long-term care at home is much better for the patient and much better for the pocketbook as well, and there is significant improvement in that under this.

What about the self-employed person, the self-employed farmer? Let us take Fred, a self-employed farmer. Under the House Democratic plan, and for self-employed people right now, health care is often the luxury they cannot afford.

First of all, he would be able to choose coverage under either a private plan he goes out and negotiates for. He could take Medicare Part C. If he chooses Medicare Part C, he then pays his share into it, and he has a choice of a plan offering an unlimited choice of doctors or managed-care plan. He can choose a private plan offered through the Federal Employee Health Benefits Program, much like every Federal employee and Members of Congress use today in which there is a pool of private plans, and once a year you can choose the plan that is best suited to your needs, whether it be an HMO, health maintenance organization, whether it is a PPO, whether it is a fee for service, high option, low option, you name it, you pick it.

He would have access to fair community rated insurance prices under each of these options. They could not discriminate against him because he is rural, or because he is maybe urban, or because he is 45 versus 25. He would deduct 80 percent of the cost of his premium for himself and his family; he could deduct it as a tax deduction. Presently a self-employed person is not able to take any tax deduction for the cost of their insurance. The 25-percent deduction expired the first of this year. He would be able to take now 80 percent. He would receive help paying for his premium if his household income is below poverty level. He would have greater access to more and better rural health care facilities.

So what is now unattainable to self-employed persons now becomes something easily within reach.

Mrs. Smith works in a small company, small business here, and is currently insured. Now, under that, I want to congratulate Mrs. Smith's employer. A small business providing health insurance is a very, very difficult obligation. It is often 30 to 40 percent more costly than the same policy negotiated by a larger company, but the paperwork is more awesome, particularly because small businesses do not have personnel departments. So she presently has insurance in her small company under 100 employees.

Under the House Democratic plan, Ms. Smith would receive coverage under either her employer's private plan, a private plan offered through the Federal Employees Health Benefit Program, once again, all private insurance. If the employer chooses not to offer coverage, she could choose Medicare part C, and if her employer chooses Medicare part C, Ms. Smith will have a choice of a plan either fee for service, unrestricted choice of physician, or she can opt for a managed-care plan. She could have the option, if the employer offers it, of the medical savings account.

Once again, under every scenario, first of all, the employee has two things they do not have today. They have guaranteed insurance. They do not have that today. They also have far more choice than they have today.

Today the employer negotiates for the policy and says, "This is the policy. Here is your obligation. Take it or leave it." Here you have a number of options. She would have benefits that will be the same or better. Her employer will pay 80 percent of the cost of the premium, and she gets assistance based upon her income. She has no premium obligation if her household income is below the poverty level or if she is an SSI or AFDC recipient, she never loses coverage if she loses her job or if she or her family get sick.

Let me talk about the small business employer for a second. To those who want to talk about how this is going to be a job killer, to the fact that small business employers, Ms. Smith's employer, will not be able to pay, remember that for the small business employer there is significant assistance, while required to pay 80 percent of the cost of the premium, at the average wage in the company and the number of employees is below a certain level, then they would get additional assistance. They could get up to 50 percent of the premium as a tax deduction, meaning they are only paying 40 percent of the cost of that premium.

So that is a significant saving for the employer and making it possible for many small business employers to offer the same or better policy at the same or lesser rate.

Now, let us see, we are running through these. Dr. Jones is a primary care physician in a rural town. This hits home to me, Madam Speaker, obviously, representing one of the most rural States east of the Mississippi. Under the House Democratic plan, Dr. Jones would see several important changes.

First of all, he would see Medicare bonus payments for providing primary care services in rural health professional underserved shortage areas. They would be doubled from 10 percent to 20 percent, incentive to get physicians into medically underserved areas.

Physicians providing services in rural health professional underserved shortage areas would be eligible for a tax credit, a credit, that is a dollar off of taxes, not a dollar of deduction but a dollar off of taxes, a tax credit of $1,000 per month, and nurse practitioners and others, physician's assistants and certified nurse-midwives, would be eligible for a tax credit of $500 per month.

□ 1850

Number of doctors practicing in rural areas will be increased under the National Health Service Corps. Substantial additional Federal operating support for rural community and migrant health clinics, community health network program created make it easier for the delivery of primary care.

One billion dollars a year available to rebuild and expand capacity of health care facilities serving underserved areas. New funds provided for the development of managed care plans in rural areas. Reimbursement for Medicaid patients, Medicaid, serving the low-income person. Rural areas will be significantly increased in this amount as these patients are brought into private plans.

That is the other thing. Medicaid patients, right now Medicaid does not reimburse the full cost of service. A Medicaid patient would now have a card that would reimburse at a much higher rate. So that is another incentive for practitioners and hospitals to serve these patients.

Currently, uninsured patients will be covered. So you can see that for Dr. Jones there is significant economic incentive now to be in that medically underserved area that presently does not exist.

Hospitals, one of the great concerns is what happens to hospitals. Under the Good Health Hospitals, under the House Democratic plan, it has something that is not now available, it would have something under the House Democratic plan it does not presently have. There is no guarantee of payment today. Under this plan, there is guaranteed reimbursement for all patients. Presently, the average hospital, 5 percent of costs are provided for free; more significantly, a much larger percentage than that of costs for what people are able to pay does not cover the cost of their care. The hospital either eats it or shifts it to all other ratepayers, particularly those with private insurance.

There would be greatly increased reimbursement for Medicaid recipients. There would be much less—hospitals would be less affected by adjusted Medicare cuts. There would be a significant reduction in paperwork because you have simplification here, administrative simplification, single forms, single uniform forms that are being used instead of a cornucopia of forms that different insurance companies and governmental entities use. There would be simplified billing and reimbursement processes, and they would receive more money to rebuild and maintain their facilities.

One of the great concerns is for teaching hospitals, medical schools for instance. There are provisions in this legislation that would recognize the special role that teaching hospitals fill, and they would assess a fee of 1 percent of payroll that would go into a fund that would be applied to teaching hospitals to make sure our Nation's research continues to be of the best quality in the world.

So these are some of the scenarios, how the House Democratic plan would play out. Let me just conclude as I began, Madam Speaker: That is, to those who urge delay, to delay another year, another 2 years, 3 years, means all these people get delayed. How much longer before the family in Jefferson County with two children, with a rare blood disease, where parents, both working, had to quit their jobs because their insurance would not cover those children?

How long until they get coverage? How long until the utility executive I talked to a couple of months ago who was frightened to death because his company is changing insurance carriers and he may not be able to have his children, who have a preexisting condition, covered under the new carrier?

How long until many of the other stories that each of us knows, how long until those glass jars that I see on the countertops in fast-food outlets and convenience stores raising money for somebody's kidney dialysis or somebody's heart problem or somebody's hospitalization, how long until those are removed? That is what delay is all about.

Madam Speaker, I urge there not be talk of delay. It has been thought through, it is a methodical process. The time to act is now, not only for the scenarios that I outline here, but for all the men and women of our country.

MFN FOR CHINA? YES.

The SPEAKER pro tempore (Ms. SCHENK). Under a previous order of the House, the gentleman from Oregon [Mr. KOPETSKI] is recognized for 5 minutes.

Mr. KOPETSKI. Madam Speaker, tomorrow the House is scheduled to revoke or to condition China's trading status which we have with them, that is, the United States' trading status with China under most-favored-nation law.

I rise this evening to oppose both H.R. 4950, offered by the gentlewoman from California [Ms. PELOSI], and House Joint Resolution 373, offered by the gentleman from New York [Mr. SOLOMON].

Madam Speaker, this is a highly emotional issue, with legitimate arguments on both sides. I hope that in its deliberation tomorrow the House will deal with the facts.

I want to take this opportunity this evening to clarify and refute in some instances some of the claims made by proponents of the legislation.

First, the claim has been made that most-favored-nation trading status is preferential access to the U.S. market. This is absolutely false. MFN, as we all know, is actually a misnomer. What it means in fact is whether we grant normal trading status to a nation such as China. Only eight nations do not have MFN status from the United States, nations such as Iran, Iraq, and Libya. I might add that the greatest policy factor in not granting MFN to these nations, the eight nations, is primarily because of national security reasons.

The second erroneous claim is that China does not grant MFN status to the United States. This claim is also false. Just last week during a hearing in the Ways and Means I asked the administration this question, and they responded that, "yes," China does grant MFN status to the United States. So at this point it is reciprocal.

The third claim is that China is not helping the United States in its efforts to keep North Korea from obtaining nuclear weapons. As one who is heavily involved in arms control and that issue, I know that this is false, personally. The administration confirmed in last week's Ways and Means Committee hearing that they have been a willing and able partner with us. The United States negotiator toward North Korea, Mr. Bob Gallucci, was in Beijing to consult with the Chinese prior to the most recent negotiations with North Korea.

China, by virtue of its relations with North Korea, has certain avenues for diplomatic pressures unavailable to the United States. Were the United States to condition MFN with China, thus poisoning our relations, China would certainly not be as willing to cooperate with the United States at this crucial time.

Another claim is that H.R. 4590 will only affect $5 billion of Chinese exports to the United States. This is false. The number is actually about $17 billion. What we do know is that by cutting off MFN status, it surely invites a trade war with China. I do not know who wins that war, but I know American workers will lose because the fact is we already have about 180,000 American jobs dependent on and supported by exports to China. And thousands of future American jobs are dependent upon our future access to the Chinese market.

Another claim is that passage of H.R. 4590 will encourage the development of the private sector in China. False. According to the State Department, far from encouraging the development of the private sector in China, H.R. 4590, if enacted, would do just the opposite.

The definition of state-owned enterprise in the bill is extremely vague. Many firms potentially coming within the definition actually are privately operated and worthy of our support and could go out of business.

Another claim is that China's rampant arms sales promote proliferation. Chinese arms sales are in fact troubling to me personally and to the United States as a policy, particularly the type of sales some of the nations with which China is doing business. But the fact is that the United States has little credibility to question China on this issue.

Currently, the United States controls 73 percent of the market for arms sales to Third World countries. In 1993 the United States sold $14.8 billion in arms to Third World nations. China in 1993 sold $300 million worth of arms to Third World nations.

Ironically, China purchased $1.1 billion in arms from the United States in 1993. The United States is the world's largest arms proliferator. In fact, this Congress has gone so far as to consider legislation to expand our arms exports, when we ought to be restricting arms exports, especially to Third World nations.

This country ought to deal with this fact.

Finally, again I trust the debate tomorrow will be emotional, yes, but I hope also it is founded and based on facts.

□ 1900

The goals of those of us who oppose the legislation to advance the cause of human rights, and we all want to advance the cause of human rights; the issue, as a means will have a great debate tomorrow, and I appreciate the accommodation made this evening for this time.

SUBSTANCE AND PROCEDURE IN THE HEALTH AND CRIME BILLS

The SPEAKER pro tempore (Ms. SCHENK). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Georgia [Mr. GINGRICH] is recognized for 45 minutes as the designee of the minority leader.

Mr. GINGRICH. Madam Speaker, I want to talk tonight about representative government and the health reform process and tie it into what I think is a growing problem in the Congress and a growing reason why so many people favor term limits and so many people are mad at the Congress.

Madam Speaker, we are watching two bills move through the House and Senate right now, the crime bill and the health bill, and they both have problems, not just of substance, but of procedure, and I think the American people need to be aware of what is happening in Washington and of why it is important in understanding the decay of trust in American government and the decay of faith in our system of representation, and I think it strikes directly at the quality of the health bill that may be written this fall.

Now health is an unusual issue because it affects life and death for every American and because it affects 14 percent of our total economy. There is no single issue that affects that scale of change. In fact, if you look at the defense budget, for example, the defense budget today is about one-fourth or less than one-fourth as important as the health issue in terms of economic terms. But health is even more important than the money involved, although that is massive. Health is important because it comes down to a question of:

"What control do you have over your life?"

"Will you be able to choose your doctor?"

"Will you have some control over the hospital you go to?"

"Or will the Government gradually take over control of your health?"

"Will you gradually go to rationing like they now have in Canada and in Britain?"

"Will you gradually find yourself in a situation where your taxes go up while your health services go down?"

Madam Speaker, the longer people have had a chance to look at the Clinton administration's original plans, the more unpopular they have gotten. The more unpopular the original plans have gotten, the more the Democratic leadership has tried to write new bills, and there is a dance that we go through:'

Somebody holds a press conference. They announce a new bill. It is reported favorably in the news media. Then somebody starts to read the bill. Then they begin to realize it is not very good. Then they realize it will raise taxes. Then they realize it creates a bigger bureaucracy. Then people begin to say, "I don't like that one either," and then it is time for somebody to introduce a new bill.

Now the two most recent examples of that are the Clinton-Gephardt bill here in the House and the Clinton-Mitchell bill in the Senate, and, when we look at those two bills, and they are very, very different, it is surprising this late in the year to see the Democratic leadership in the House moving toward a Medicare Part C directly Government provided health care system that might well have as much as half the country having their health care coming directly from the Government, and to see the Democratic leadership in the Senate moving toward a very different version that does not have as much government, but uses the Government to set up mandatory alliances and other controls—so they are dramatically different bills. They are not very compatible at all. They are each written, not to deal with health care, but to deal with the reality of the votes in the House and the reality of the votes in the Senate.

Madam Speaker, it is very clear that, if the Clinton-Gephardt bill were introduced in the Senate, it could not pass. It is equally clear that, if the Clinton-Mitchell bill were introduced in the House, that probably the left wing of the Democratic Party over here would leave it because they are further to the left by a big margin than the Clinton-Mitchell bill. So, it could not pass here.

So, Madam Speaker, I say, "If you're a voter, you might say to yourself, 'Gee, if they are introducing one bill in the Senate and a different bill in the House, then what's my final health bill going to look like in September or early October? This is, after all, not very far away.'"

The fact is, and it was indicated clearly by Senator JAY ROCKEFELLER the other night on Mary Matalin's show on CNBC, it was hinted at by the President in his press conference last week, there is going to be a serious effort to write a totally different bill in the conference committee, so what will happen is, if the Clinton-Gephardt bill leaves the House, and the Clinton-Mitchell bill leaves the Senate, when they get to conference, then the people who are in charge of the Congress, the Democratic leaders, will set up a special conference committee made up only of people that they trust, willing to write a left wing bill that fits the Clinton plan, to report it back out at the last possible minute, to say to House and Senate Democrats, "You have to pass this before the election. You can't go home with nothing passed."

Now, Madam Speaker, you may say why am I so suspicious. Well, let me turn just for a minute to the crime bill.

Many people saw last week that the crime bill was completed in conference, but that is not really technically quite true. The fact is, as of tonight, no crime bill has been reported yet. The fact is that no Member, except maybe one or two of the senior Democrats, has seen the language of the crime bill. In fact, I have here some draft language which is all we have been able to get hold of, and it is very interesting. On pages 226 to 228 of this draft language it describes a brand new program to be set up by the Federal Government in the congressional district of one of the Democratic leaders. But at the very end it says, "How much money will they get?" And then there are blank lines with no numbers in them.

Now this is all we have available as of today. Although supposedly the crime bill was finished last week, as of this afternoon the Republican leadership still cannot get the exact language. But, while no Member of Congress on the Republican side, and my guess is, except for one or two of the senior Democrats, none of the Democrats have seen it; there is a school in that Democratic leader's district which has already issued a press release. This was for immediate release Friday, July 29.

That is right. On July 29 this college issued a press release thanking their Congressman, who is a Democratic leader, for giving them $10 million to spend on research and education. Now this is: "The largest single designation of Federal funding" in that university's history."

Now notice what is going on here. Here is a powerful Democrat writing into a bill a provision which no Member of Congress has yet seen to take care of one of his home town universities, and that university actually knows about it and releases a press release on it before the conference report is finished and before it is even brought to the House floor.

But it gets better. I was told this afternoon by two Members that they have been approached by a member of the Democratic leadership who has said to them that they could rewrite part of the conference if that is what it took to get their vote on the rule. The way it works: "You have to bring the conference back out, and, because it has some things in it that weren't there when it left the House, you have to pass what is called a rule before you can even get to the conference. It sets up in effect the rules of the game to bring the bill to the floor."

Right now, Madam Speaker, the Democratic leadership does not have the votes to bring the rule to the floor, so two Members were told here today that the conference is not quite finished, even though it is finished, and it is still open to be rewritten, and what will it take to get their vote, and in effect they are told they are going to have special access to write another part of the bill to fit their particular interests before the bill is even finished, even though we were told a week ago the bill is finished.

Now one may say, "What does that have to do with health care?"

Well, in the Senate the Senate Finance Committee wrote a bill. We all watched them on July 2. And yet they did not write a bill. They wrote a set of proposals. And at the end of their proposals they passed it. But there was no bill written. And then, over the following 3½ weeks, the staff wrote the bill, and then some of the Senators found out that the bill the staff wrote was not the same as the bill the Senators voted for. But they were told, since all they voted for was an outline, that that was a tough break, this was now the bill.

Now why is this important? I say to my colleagues, "Well, guess what? When you, the American citizen, goes to court because you violated the law, and you're about to get fined, and Senator MITCHELL has lots of fines in his bill, and you're about to be fined, you're not going to have the defense of saying, 'Gee, this wasn't in the bill they agreed to; it was in the bill they wrote,' because the bill that finally gets written by the staff is the bill that can send you to jail, or the bill that can raise your taxes, or the bill that can cut off your kidney dialysis, or the bill that can eliminate your chemotherapy if you have cancer."

□ 1910

What we have seen happening is a decay of the process, that over time, year by year, month after month, the system has just gotten worse and worse.

Now, this is described in today's Roll Call in a column "Whitewater Hearings Made Effective Case for Term Limitations" by Charles Cook, who says:

> I'm not a big fan of term limitations, but after watching the House Committee on Banking, Finance and Urban Affairs' Whitewater hearings, I'm reconsidering my position.

He went on to say,

> * * * the performance by Chairman HENRY GONZALEZ was an embarrassment to the institution of Congress, and his Democratic

> colleagues were only marginally better. No Republican has ever made a better case for the problem with one party staying in control of a legislative body than did GONALEZ and the Banking Committee Democrats.
>
> The arrogance of power exemplified by House Democrats in the hearings was unlike anything I've ever seen in more than two decades in Washington.

Let me go repeat this one sentence by Charles Cook in Roll Call today because it so fits what I think you are going to see on the health bill. "The arrogance of power exemplified by House Democrats in the hearings was unlike anything I've ever seen in more than two decades in Washington."

Cook goes on to say, "* * * roughshod tactics that are commonplace in the House * * *.

"In the House, where Democrats seem to believe that they have control by some kind of divine right, committee ratios, staffing allotments, and closed rules are all evidence of this kind of behavior."

Now, why does the arrogance of power matter? It matters because when one party has been in charge for 40 years, as the Democrats have been, their leadership begins to think they can get away with anything, that they can do anything they want to, that it does not matter whether or not they break the rules or whether or not they, in fact, simply design for themselves the rule they want without any regard to what people think.

I was really struck with this in looking at Health News Daily from August 5th. Again, I want to try to explain why these rules are so important.

Imagine a baseball game where one team got seven strikes and you are out, and the other team got one strike and you are out. One team when it hit the ball out of the park, it was a home run, and the other, an automatic out. You begin to understand how the Democratic machine rigs the game here.

We have a chance in the next few days to have a very serious series of votes on health care that will change the health care of all Americans. There will be a Republican alternative, which I am going to fight for and which we are very proud of that we have worked on for 3½ years now. There will probably be a bipartisan bill, and there will be a Democratic alternative.

There is a procedure called king-of-the-hill which says every vote can be a yes vote, but the last yes matters. So if you are the Democratic leadership, what you do is you set up the bills and you say to your Members, vote for anything you want to, but when you get to the last one, vote for ours.

So the Clinton-Gephardt bill, if the Democratic machine has its way, will have the last vote.

The Speaker was asked, apparently, in his August 4 press briefing, what about setting up a rule that would allow the bill gaining the most votes to prevail?

Let me repeat this, because it is so American and makes so much sense to normal people that you have to understand how weird Washington has gotten and understand how out of touch with most of America the Democratic machine has gotten.

Imagine the concept we are going to have four different bills offered, a single payer bill, a Republican bill, a bipartisan bill, and the Clinton-Gephardt bill. Imagine that one of them gets 240 votes, but it is not the Clinton-Gephardt. The Clinton-Gephardt bill gets 218 votes, which is an exact majority.

In most of America, if I showed you two ideas and said this one got 240 and this one got 218, you would say, gee, I guess that means the 240 won. Not if you are the Democratic machine and you can rig the rule. Because what you do is you set it up so the last item voted on wins. No matter how small its margin, and no mater how big the margin. If 300 Members voted for an earlier bill, they would still lose if they could get 218 to vote at the very end.

Now, that sounds complicated, and you say why are we paying attention to it? Because all too often setting up the rules of the game determine who wins. You can rig the game. If I say let's play cards, and then I stack the deck, every American understands what just happened. You are not going to play a fair game, you are going to lose.

What the Democratic machine is saying is that they want to set up the game so that their bill comes last, and no matter how few votes it gets, even if another bill gets 20 or 30 or 40 more votes, their bill would still win at the very end.

They have another item, and, by the way, just so you know I am not exaggerating, this is a direct quote from Health News Daily, "The House Speaker dismissed the possibility of crafting a rule for floor debate that would allow the bill gaining the most votes to prevail. Such a procedure would set a terrible precedent, he said."

Imagine the terrible precedent of allowing the bill with the most votes to win. Now, if that doesn't sound close to being at odds with everything every child and every first-grader in America starts to learn about how we govern America. Can you imagine trying to say that oh, no, you didn't win, you just got the most votes. It doesn't make any sense. Yet the Democratic machine cannot afford to come to the floor with a fair rule.

But let me carry it a step forward further. There is a danger, and I have asked Mr. MOAKLEY, the Democratic Rules chairman today, and he indicated he would not favor this, but there is a danger, I just want to warn my colleagues and the country, that we could have a system where the last day, next Friday, at the last minute, because the Clinton-Gephardt bill is losing, there would be an effort to come in and introduce a whole new amendment, maybe an entire substitute, as a so-called friendly amendment, with no Members having read it, no staff having looked at it, no experts having analyzed it, and, at the last second, change things.

I hope in the next day to get a plain, flat commitment from the Speaker and majority leader that they would not consider that kind of a deal. But I am very worried that if they discover that an earlier bill could absolutely get a majority, and they were in danger of losing the Clinton-Gephardt bill, that they would offer something radically different.

Now, you might be saying to yourself, why is there so much pressure? You have to understand, first of all, from the standpoint of the Democratic machine, the American people are too far to the right. The American people do not want the things the Democratic machine wants. And this is explained in a whole series of recent articles and editorials. Let me just quote a couple of them.

George Will, in a column in the Washington Post yesterday, entitled "Political Woodstock". The subhead was, "Clinton's health care proposal now looks like an exercise in nostalgia."

He starts by saying, "For President Clinton, life of late has been all Lent and no Easter, and last week echoes of events 30 and 25 years ago underscored his problems. The man who campaigned as the candidate of change seems uncomprehending of changes pertinent to governing. The man who pledged to make change our friend and not our enemy is finding that changes in public attitudes are unfriendly to his agenda."

He says the following, and this is George Will: "In 1950, a median income family of four paid only about 2 percent of its income in Federal taxes, compared with about 25 percent today." Let me repeat this from George Will, because I think it begins to help people understand why many of us do not want the Federal Government to get bigger, and why we believe that government is already too big and already spends too much.

"In 1950 a median income family of our paid only about 2 percent of its income in Federal taxes, compared with about 25 percent today. Clinton's health care proposal reveals him to be oblivious to changes that have occurred in his lifetime concerning Government's prestige and burdensomeness, the former crashing, the latter soaring. For a perspective, considering in 1958, when Clinton was 12, a Gallup Poll showed that only 12 percent of Americans thought Congress was doing a poor job. Long before the Second World War, Americans were remarkably ready to concentrate power in new government agencies that Americans believed would wield power wisely for long-term planning. For example, regional problems produced such bold improvisations as the New York Port Authority in 1921, the Colorado River Compact in 1922, the Tennessee Valley Authority in 1933. Today, even if our solicitude for snail darters and spotted owls were compatible with such projects, our reduced confidence in government is not. This helps to explain the faith of Clinton's health proposal which his aides, recalling the Government friendly 1930's, have advertised as the Social Security of the 1990's. His proposal now looks like a political version of a Woodstock revival that no one wants, an exercise in nostalgia not widely felt, an attempt to revive a vanished and irrecoverable political past. Nostalgia is often a yearning for childhood, the years of fairy tales. "The essence of a fairy tale," writes literary critic Cynthia Ozick, "is that wishing does make it so. The wish achieves its own fulfillment through its very steadfastness of desire."

□ 1920

Will's point is that proposing a giant government health program like Medicare part C, which is in the Clinton-Gephardt bill, is an exercise in a government that is gone. Boris Yeltsin is going to visit Washington on September 26 and September 27. Are we going to say to him, build a bigger government; hire more bureaucrats; create more taxes?

No, we are going to say to him, decentralize. Shrink your government. Get rid of your bureaucrats. Open up your marketplace. Encourage incentives. Lower you tax rate.

And it would be marvelous if we could get the very Democratic leadership that is going to preach all that to Boris Yeltsin to apply it here to America. Because the truth is, all over the world the information revolution is forcing us to shrink government, to recognize that we need to do more things in the private sector, to recognize that bureaucracies do not work and the government spends too much. Yet, the Clinton administration's passion for government is unending. It is a disaster.

Let me quote a recent column by Charles Krauthammer:

> Vaccines for Children: Preview of Clinton Care.
>
> Months into the great health care debates, it remains enveloped in a fog of unreality. Everyone has a preferred plan complete with a finely-drawn schematic diagram and no idea how it will turn out in real life.

Let me repeat that. No idea how it will turn out in real life. Krauthammer's phrase is the perfect description of the Mitchell bill. There is no one in America, not Senator KENNEDY, not the Kennedy staff which wrote the bill, not Senator MITCHELL, not President Clinton, there is no one in America who has a clue what health care would look like under the Mitchell bill, because it has 17 new taxes and 25 new government agencies. We have some idea how America would look under the Clinton-Gephardt Medicare part C, because it would look like the Canadian plan, more rationing, higher taxes, bigger bureaucracy, less health care, but no one has a clue what the Mitchell plan would do.

Krauthammer continues:

> Those opposing Clinton's nationalization plan like to say that if you like how government runs the post office, you'll love what they'll do to health care. But that is comparing apples and oranges, say the plan's defenders. Okay, then let's compare apples and apples. One Clinton health care program has already been enacted: the Vaccines for Children (VFC) initiative passed last year to guarantee universal access to vaccination.
>
> Clinton identified the social problem: the scandalous undervaccination of American children under 2 years of age. He identified the principal cause: drug companies engaged in "unconscionable" profiteering on vaccine prices. And he identified the cure: government—which would abolish the corrupted market, buy up all the vaccine and distribute it free to every child in America.
>
> It was pointed out that because much of this free vaccine would go to middle-class people who already pay for theirs, this would be yet another unnecessary and expensive government service. So Clinton compromised. The government would buy a third of the national supply, package it, house it and distribute it starting Oct. 1, 1994, to every child who needs it.
>
> That was the promise. Even then, however, some were skeptical. Sen. Nancy Kassebaum (R-Kan.) warned at the time that the reason for our low immunization rates was not the cost of vaccine but that "too many parents do not know the value of immunizations." Or, as one local physician put it, "Vaccines are available. The problem is the kids are not available."
>
> Proof of the proposition that the problem is not high cost but neglectful parents is this fact: While barely more than half of American 2-year-olds are fully immunized, 96 percent of 5-year-olds are. Why? Because 5-year-olds cannot get into kindergarten unless they are immunized. That seems to concentrate the minds of the parents on the need for vaccination.
>
> Moreover, poor people have the worst vaccination rates, and for them vaccine is already free. Which is why Kassebaum last year suggested a more modest program: With the president's proposed $1 billion for federal purchase and distribution of free vaccines, we could triple the number of community health clinics, substantially increase the number of children getting immunizations under Medicaid and boost Medicaid payment rates to encourage private physicians to give the shots to poor kids.
>
> Sensible, but of little appeal to Clintonian social engineers, for whom health care, like other social problems, is best handled by a revolutionary program that nationalizes the issue and gives control to a benevolent federal bureaucracy.
>
> And how has the federal bureaucracy done with this microcosm of Clintoncare? The General Accounting Office, the congressional investigative agency, last week issued a progress report. It found the administration (1) way behind in letting purchase contracts, (2) unprepared to evaluate whether the system could efficiently process orders from the 70,000 doctors and clinics that will get the stuff, (3) unprepared to adequately test whether its packaging and delivery system would retain vaccine potency. (Vaccines require very strict temperature control.)
>
> The plan has two basic problems, familiar to any student of the Soviet five-year plan system: centralization and bureaucratization. One-third of the country's vaccine supply is to be sent to a single distribution point, a General Services Administration (GSA) warehouse in New Jersey that stores paper clips and flammable paint solvents among other bric-a-brac. It is entrusted, notes Democratic Sen. Dale Bumpers, to an agency that has never shipped a dose of vaccine in its history and must now care for 30 percent of the entire nation's supply.
>
> And centralization begets bureaucratization. Currently, when a doctor needs more vaccine he contacts the manufacturer to get it. Under the administration's "disastrously flawed" plan, says Bumpers, the doctor will have to go through a long series of transactions before the actual order is packaged and sent out by GSA.
>
> As the British learned to their chagrin after World War II, nationalization schemes suffer much in the passage from the mind of the social engineer to the hands of the bureaucrat. On paper, VFC looks good. Universal vaccination of toddlers, like universal health care, sounds wonderful, energetic, Rooseveltian. Who could be against it?
>
> Yet in practice things turn out differently. In conclusion, says the GAO, our review indicates that it is unlikely that [the government] can fully implement the VFC Program by October 1, 1994, and raises questions about whether VFC, when fully implemented, can be expected to substantially raise vaccination rates. Translation from the polite: They can't do it, and even if they can, it won't make a dime's worth of difference.
>
> But as with most great government failures, who will know? GAO notes that the VFC program neglects to collect baseline data, so that evaluating its effectiveness will be difficult. In the end we may be unable to determine its impact on vaccination rates.
>
> Which means that VFC will live forever. Even if it achieves nothing in reality, we won't know. And who is going to vote to kill something called Vaccines for Children?

What is Krauthammer getting at? He is getting at the fact that up until a year ago, when the Clintons decided they would get involved, that we vaccinated most children at an early age and that we made available for free, through the local system, to any child who is poor, a vaccine. But in New York City, where vaccines are free, only 62 percent of the children get vaccinated, 38 percent do not show up, even though they are free. Even though it is free, 38 percent do not get vaccinated.

Now where are we? We are now going to spend a billion dollars of the American people's money, set up a central warehouse in New Jersey under the government, which I will guarantee you will at some point have a major disaster with a vaccine which will go bad while it is in Government control. We are going to increase the total amount of paperwork so it is harder to get the vaccines and, for a billion dollars we will accomplish nothing except to run the risk of having bad vaccines for the children.

It is in this context of government programs failing, of government being too big and spending too much, that we have to look at the Clinton plan again.

I want to recommend to every American the article in Newsweek this week by Robert Samuelson, entitled "Will Reform Bankrupt Us?" The subhead, "Health Care, 65 percent of Americans say Congress should start over. Newsweek's economics columnist argues that they are right."

Let me just read you part of Samuelson's article because it is so devastating and explains why the Clinton-Gephardt and Clinton-Mitchell bills are exactly wrong.

Quoting from Robert J. Samuelson:

> President Clinton is right about the historic opportunity and he blew it. Somewhere along the way the health care debate took a decisive turn toward fantasy. The idea of controlling spending got lost and in its place the President and First Lady became the single-minded champions of universal coverage. By any standard, the debate on health care legislation that opens in Congress this week is momentous, but not in the way the first family says.
>
> If Congress passes sweeping health reform, as they urge, we will have compounded all our long-term budget and economic problems by force feeding the monster of health care spending.
>
> Our whole politics will be transformed. Government will instantly create hundreds of billions of dollars of health care entitlements by dictating to business what benefits they must provide for people under 65.
>
> These would exist almost entirely outside the Federal budget, and could be quietly expanded as new medical "needs" arose. Once this happened, older Americans would become even more resistant to cuts in their own government health programs, mainly Medicare and Medicaid. In a single stroke, we would have made it vastly harder to curb runaway health spending.
>
> It is controlling this spending—and not creating "universal coverage"—that is the overriding national health problem. We already spend a seventh of our national income on health care; present trends would take that to a fifth sometime early in the next century. The spending depresses take-home pay, squeezes many government programs—for schools, police, parks, space program, the military—and contributes heavily to persisting Federal budget deficits. Since 1970, Medicare and Medicaid have increased from 5 percent to 17 percent of Federal spending. As the baby boom ages, all these pressures will intensify. Someone 65 has more than four times the health cost of someone 25. By 2030, one in five Americans will be 65 or older, up from one in eight today. Health costs could absorb more than half the existing Federal tax base.
>
> We are slowly surrendering our economy to health care—for surprisingly modest gains in our health—what we needed was a debate that confronted those relentless pressures. 'The cost control imperative has been lost,' says John Inglehart, editor of the respected journal Health Affairs. Someday there may be frightful economic consequences. Business groups already say the costs of government-dictated benefits will destroy jobs. Those would mount if health spending climbs and the costs are imposed on business by fiat or payroll taxes. Europe's experience is sobering. Since 1974, its unemployment has risen from 3 to 11 percent, and private job growth has been meager. High payroll taxes and required welfare benefits are major causes.

□ 1930

Let me stop here for a second. Samuelson's point is that the cost of welfare and the cost of health care in Europe has raised the unemployment rate from 3 percentage points to 11 since 1974. Younger Europeans are finding it very, very hard to find jobs. If you had a similar increase of 8 percentage points in the United States it would go from 6 to 14 percentage points of unemployment over the next decade.

When you start talking about this Congress dumping on the country a brand new giant burden by congressional fiat, the Clinton-Gephardt Medicare C plan, or the Clinton-Mitchell mandated plan, either one is designed to increase and will have the effect of increasing unemployment.

Let me go back to quoting from Samuelson:

> Against this backdrop, the health-care debate has been an exercise in popular delusion—a point apparently appreciated by much of the public. In a Newsweek poll, 65 percent of respondents say Congress should start over again next year. The whole discussion has implied (misleadingly) that more and more health care could be had for everyone, at little or no extra cost, if simply the 'right' reform were enacted.

In the Newsweek poll they asked the following question: Should health care reform legislation be passed this year, or should Congress take more time to examine the various proposals and start over next year? In the latest Newsweek poll, August 4 and 5, 31 percent, pass reform this year; 65 percent, start over next year. You will notice, this is not a poll that Republicans took, this is a poll that Newsweek magazine took.

Let me outline where we are at now. If Samuelson says that the debate is wrong, if George Will says that the Clinton health plan is dead, if Krauthammer points out that the first Clinton effort to nationalize health in vaccines is a total failure, why are we then talking about, in 12 days, trying to ram through a health bill?

The reason is simple: The Democratic leadership believes that if they do not pass something this summer, that they are going to lose so many seats this fall in the House and Senate that they will never get to government-controlled medicine, so they think this is their high-water mark.

The country, having looked at the Clinton plan, having looked at the idea of government-controlled health care, having looked at Medicare part B, does not particularly want it. The country recognizes intuitively what The Heritage Foundation reports, which is that 35 States and the District of Columbia would experience increases in business costs under the Gephardt bill.

The losers under the Gephardt bill are concentrated almost entirely in the South and the West. The biggest losers among States would be Texas, down $8 billion, Florida, down $6.1 billion, and Georgia, down $3.5 billion, in the South, and California, down $5.6 billion, in the West.

I urge my colleagues to get a copy of this new Heritage study, which used a computer simulation to look at the cost to business of higher insurance and higher taxes under the Gephardt plan. Some fascinating numbers. It is The Heritage Foundation's estimate that in Texas, the Gephardt plan will cost $1,209 more per employee per year. In Florida, it is $1,165 per employee. In Georgia, it is $1,227.

Interestingly, in Arkansas and Tennessee, where you would think that President Clinton and Vice President GORE would have sensitivity, Arkansas, the average worker in Arkansas will lose $1,099, and in Tennessee the number is $1,035. Maybe Vice President GORE was slightly more sensitive than President Clinton.

You go through State after State. California would lose $5,697,000,000 according to this analysis. I recommend to every one of my colleagues, look carefully at your State and look for the losses in your State, and you are going to be astonished. In Minnesota, $453 per worker. In a couple of other States, Arizona, $1,076 per worker; in South Carolina, $1,115 per worker; in Louisiana, $1,073 per worker; in North Carolina, $1,083 per worker.

Again, I have an interest. I represent Georgia, $1,227 per worker, $3.5 billion in added costs. Guess what, you start taking out that kind of money, you are either going to lay people off and increase unemployment, you are going to cut salaries, you are going to do something, but it is not just made up by politicians in Washington waving a magic wand and saying "Let's pass it."

The reason I wanted to come tonight and talk about all of this on the floor of the House is that I have been very, very worried about what I see as a very inappropriate process that seems to be evolving. I noticed the President last week in his press conference said that as long as they got something out of the House and Senate, they could write something different in the conference. I noticed, as I said earlier, that Senator JAY ROCKEFELLER had made the comment that as long as they got something out of the House and Senate, they would write something different in the conference.

I think there is something wrong when the Democratic leadership, after 40 years of control, has to rig the rules to try to pass something because they cannot afford a straight, fair, honest, up-or-down vote; when they have to start talking about stacking the conference so they can rewrite the bill in conference, to try to ram it through. I think it is very important that we insist on a slow, steady process.

I have recommended over and over again—and I want to repeat it tonight because it is the right thing to do—what we ought to do is file our bills by Wednesday, indicate next week any amendments we need, or frankly, indicate by this Thursday or Friday any amendments we need, in writing, so everybody can study it, and then go home for 3 weeks, let every expert in the country read the bills, let the news media read the bills, let it be out in the open, let people back home talk to us. That is the purpose of having the August break, is to go home to let the American people talk to their Senators and talk to their House Members and have enough time to analyze these bills.

The Mitchell bill, I am told, is 1,400 pages. We do not know yet how big the Gephardt bill is because it has not come in. Now, 1,400 pages to be analyzed hastily is crazy. As I said earlier, the crime conference report has not even been written yet. It is still floating out there, apparently available for rewrite, to get a few extra votes.

That is just wrong. It is the wrong process for representative government; it is the wrong process for the American people; and in the long run it is part of why people are so much for term limits and so mad at Congress.

Let me go one step further. I think it would be totally inappropriate to have a surprise amendment to the Clinton-Gephardt bill at the last minute to try to buy 10 or 15 more votes. We think you ought to have a straight, honest effort to do the best we can this year.

I will say one other thing in closing. I would rather pass a small reform that everybody agrees is good and not do any damage. This is the best health care system in the world. Eighty-five percent of the American people already have health insurance. People from all over the world, when they have a serious disease, come to America for the best experts in the world.

I would hate to see us, in order to make the Democratic machine comfortable, ram through a bill nobody understood that just tore apart what has been the finest health care system in the world. I would much rather take a limited bill, the Michel-Lott bill, for example, which has malpractice reform.

The Michel-Lott bill, which is the Republican alternative, has insurance coverage for people who are self-employed and who buy their own insurance, so they have the same tax deductibility as do big corporations. The Michel-Lott bill has a provision to manage Medicaid to lower the cost and to extend it to people who are working below the poverty level and are working overtime to get enough to bring it up to 200 percent above the poverty level.

□ 1940

The Michel-Lott bill has insurance reforms so once you are insured, no precondition can ever allow you to lose your insurance; if you get temporarily unemployed you still do not lose your insurance; and if you change jobs, you are guaranteed the right to be insured without regard to preexisting conditions.

We think it is possible to write a good, commonsense, middle-of-the-road reform bill that does very little or no damage to the average American, does not require people to be fired or laid off, does not require any damage be done to the health care system; and we are not leaping out into some giant Government experiment, entrusting a bureaucracy to do more than it can in fact do.

I think that people should be very cautious and they should learn some lessons from Charles Krauthammer's report on the child vaccine program. Government can only do so much. The Clinton-Gephardt Medicare part C would be the most dramatic expansion of Government that we have seen in health care up to this time. One estimate was that it would in fact expand the coverage to about half the country. I do not think we are ready to have the Government provide health care directly for half the country. I do not think that will work. I think it will be bad health care, and I think it means a loss of control over their lives and over their health, over their choice of doctor and over choice of hospital.

Madam Speaker, I just wanted to come to the floor tonight to say, first of all, look carefully at both the Clinton-Gephardt and Clinton-Mitchell bills because they both do a great deal of damage to the current system and they are both very dangerous expansions of Government. Second, let us try to agree to an honest, fair, open procedure. Third, the ideal would be, let us slow down a little bit. Let us make sure these bills get printed. Let us go home, let the American people speak, and then let us vote the first week of September after people have had time to see what is going to happen to their health care.

HEALTH CARE, CRIME AND THE RELIGIOUS RIGHT

The SPEAKER pro tempore (Ms. SCHENK). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Georgia [Mr. KINGSTON] is recognized for 15 minutes as the minority leader's designee.

Mr. KINGSTON. Madam Speaker, I wanted to talk about the health care bill and the crime bill and also the so-called religious right tonight, but I wanted to talk first, to sort of reiterate what the gentleman from Georgia [Mr. GINGRICH] was talking about on the importance of reading bills.

Before coming to Congress, I served in the State legislature. One of the jokes we would have is the old line about what makes people think that elected officials read the bills. With that, we would sometimes read bills that were maybe 15, 20 pages long, but often if a bill was 40 or 50 pages long, it did not get read and you relied on the word of one of your comrades and friends on the committee.

Up here, I have found that no one ever reads any of the bills. Here is a bill right here that has to do with the District of Columbia. We voted on that. It is actually the conference report. We will be voting on the conference report today. Here is one on the Federal Aviation Administration authorization. That bill looks like it is about 90 pages long. Here is another one that has to do with the National Aeronautics and Space Administration. It is 70 pages long. Generally when we are here, people do not have the time to read the bill because we have constituents in our offices and so forth, so we are often summarizing these bills and making our yes or no decisions based on 3 or 4 lines which our colleagues on the floor tell us.

Having said that, let me show the Clinton health care bill which was introduced earlier this session. This bill is 1,364 pages long. It talks about everything from the Department of Labor to shots, to your family doctor, to baselines, to premium determinations, to alliances, and so forth. This is a lengthy bill and regardless of how smart you are, how earnest you are, how much time you have, a Member of Congress would not have time to absorb a bill like this between now and next Friday when we are scheduled to vote. This bill right here, the Clinton bill, it has simply been rewritten under the Gephardt name. It is now the Gephardt-Clinton bill. But we do not have it yet. Unlike the original Clinton version, we have it, we had time to read it and so did the American people and that is why this bill is dead. Under the Clinton-Gephardt bill, there is a not a bill in our hands, so we have not been able to read it yet. I want to, and I think 434 other Members of Congress, or at least a number of them, want to be able to go home and say, "Yes, I've read the bill; my staff and I have divided it up; we've researched it out, and we want to know what you feel about it," particularly the health care providers back home. I think that as a Member of Congress that we have that right and more importantly we have that duty.

I do have some summaries of the Clinton-Gephardt bill and there are a couple of things that I wanted to mention. One of them, of course, it the cigarette tax increase that is going up to 45 cents a pack to help pay for it. As I recall earlier, we were talking a dollar a pack and that would only raise $12 billion to $16 billion a year. This Clinton bill cost about $400 billion over 5 years. I am sure that the Clinton-Gephardt bill is going to be very expensive, too. I can say this. Forty-five cents on cigarettes is not going to do anything to pay for the bill. It also has a 2-cent tax on insurance policies. I am not sure how that is going to work.

Then it talks about Medicaid and Medicare savings. What I am reminded of as I read this summary on how the Clinton-Gephardt health care bill is going to be paid for is the first or second chapter in the book Agenda, which is about the Clinton administration and it was written is about the Clinton administration and it was written by the journalist Woodward, who went around with them and he was talking about during the campaign, Ira Magaziner wanted to make health care part of the Clinton plan, the economic plan, but they were all in disagreement on how much it would cost, and they argued for months and months and finally decided to just not talk about costs when they got to health care.

I would submit, as a Member of Congress, that the administration, as well as the 435 Members of Congress, are still confused as to how much health care reform is going to cost, just as the Clinton campaign committee was. Do not take my word for it. Read the book. It is on newsstands everywhere, as they say.

My second point. Cost containment. Price controls will be in effect January 1, 2001. Here is a letter that was written to the President on March 16, 1994. It is signed by 565 economists from 50 States on health care reform. It is written to the President and it says basically: "Dear Mr. President: Price controls produce shortages, black markets, and reduce quality. Your health care bill will cause these things."

I was scanning it and noticed I actually knew two of the professors, Dr. Richard Timberlake from the University of Georgia and Dr. Albert Danielson. I had the pleasure of knowing Dr. Danielson and Dr. Timberlake most of my life and had a course under Danielson. These are not political activist guys. These are people who have a sincere interest in the economy of the United States and they are very concerned. It says here that "caps, fee schedules and other Government regulations may appear to reduce medical spending but such gains are not so."

It does not actually work out that way in the long run. I think if you look at the caliber of the people who have written this open letter to the President, you can see that it is not a partisan contest here. There is genuine concern. I think it is the right of the American people to know what is in the Clinton-Gephardt bill. I do not think that we should all be held captive in Washington during the next 10 days so that this thing can be rammed through the Congress.

Let me read a letter, though, that I think says it best, from a constituent back home, a lady named Mrs. Helen Carpenter:

"Dear sir." She is not one of my volunteers.

"Dear sir." It is not like she is preaching to the converted or anything like that:

> Thank you for your health care reform action and staying in touch on it. First of all, this is supposed to be a free country.
>
> Number 1. I object to more Government regulation.
>
> Number 2. I do not want the Federal Government to make any decisions for me.
>
> Number 3. I believe health care delivery should be private.
>
> Number 4. Government cannot do a better job than what we have now.
>
> Number 5. To date the Government has cut waste, so to date they cannot give a better package.
>
> Number 6. Price controls have never worked in the past and will never work in the future.
>
> Number 7—

This is very important, Madam Speaker:

> The government will not give the people more security unless we enjoy losing more of our freedoms.
>
> I am 83 years old. I have lived through World War I, World War II, Korea, Vietnam, and many, many other brushfires I can't recall. I grew up in a free country and I want it to stay that way. I have no trust in the current Congress to do the right thing.

□ 1950

This is the real stuff. This is not some Republican sound bite which Haley Barbour came up with. This is the concern of the American people.

I would just say this, if you think Members of Congress can look at a bill this big and decide within the next day what is best for America, when most Members of Congress cannot even tell you the difference between compensatory and noncompensatory damages, much less community rating systems, then I think it is time to sit back, and let us all take off the partisan labels and try to do what is best for America.

Having said that, I want to talk quickly about the crime bill. As the gentleman from Georgia [Mr. GINGRICH] also pointed out, we do not have a crime bill right now, even though we are going to vote on one any day now, we still do not have a bill. I guess, again, I am old-fashioned, and I join the Members of Congress who like to read bills before they vote.

I thought the aim is to put 100,000 new police officers on the street, but it only pays for 20,000 of them. I want to read that and find out about that. Sheriffs and police chiefs want me to know this.

I understand there is about $9 billion in new social programs such as midnight basketball and councils to promote arts and crafts, and dance, and self-esteem programs. I know these will go on top of what we already spend, which is $24 billion on such social programs. We have over 154 different type of programs, and 50 of them are trying to prevent crime in the way that we are talking about in the crime bill. I want to read about this. It is not too much to ask. I represent 589,000 people. They want me to read bills before I vote on them.

There is no crime bill at this point for me to read. I think that is absolutely atrocious.

I understand also of the $9 to $10 billion in social programs in the crime bill that it is not earmarked. That is to say that the Attorney General or the President could dole these things out to Members of Congress who have been supportive of his administration, of his bills. This $9 billion will be doled out in an election year as political payoffs. That is the way we are doing to fight crime? I thought that this President and this Congress was serious about crime fighting. I did not know it was just going to be more partisan politics.

Madam Speaker, let me leave crime for a minute and move on to the religious right, because recently someone asked me is the religious right going to be a factor in the November election. I would say yes for three reasons.

No. 1, the so-called religious right has all kinds of able lieutenants. It is not just the domain of the Jerry Falwells anymore, but you have a lot of a younger crop of people who know how to win, and do not mind getting out there and really fighting—such people as a Ralph Reed, Gary Bauer, Sudie Hirshman, and Heidi Scandle, true political leadership.

No. 2, the religious right shall not be called the religious right anymore. They should be called the mainstream value coalition because they are not just about abortion anymore. Yes, many of them are still very, maybe mostly oriented on social/religious issues, but in fact many of these mainstream values groups have moved on to the balanced budget amendment, term limitations, the line-item veto. These are issues about 60 to 70 percent of the American public agree on, and as a result the so-called religious right, which I would say is more the mainstream values coalition, has in its membership not just Christians from the suburbs, but inner city African-Americans, Jewish members of our community, all religions are represented in it. It is a broad-based constituency.

Finally, No. 3, the reason why I think they are going to be very much a factor in November is that they are ticked off. They have seen time and time again what Government has done. And I do not blame it completely on this administration, although this administration has certainly had a heyday with it. Think about what this administration has done though. The EEOC regulations outlawing, trying to ban religious symbols in the workplace. You are going to tell a guy who is maybe a Vietnam graduate, or maybe Granada, or from Desert Storm who comes to work with a Star of David or a Jesus Saves shirt on, are you going to tell the guy that he cannot wear that, the reason that he wore the uniform and fought overseas and risked his life, and that he no longer has that first amendment freedom? I think that is ridiculous, yet the current administration, that is what they want to do. And many Members of Congress, on a bipartisan basis, fought that, and I am glad they did.

We have HUD that is going out banning nursing homes from using religious symbols in the Yellow Pages ads. Come off it. Do you guys not have anything better to do?

We have weakening of child pornography laws from the Justice Department. We have regulation of home schooling, we have all of this on top of a Surgeon General who decides that the big problem in the world today is the religious right and not Government.

This is a page right out of George Orwell, Madam Speaker. I think that the American people have had enough.

So I think for those reasons we have religious groups who are now mainstream groups, who have a broad-based constituency and know how to win, and yes, they will be a factor in November.

UNITED STATES-CHINA TRADE

The SPEAKER pro tempore (Ms. SCHENK). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from California, [Ms. PELOSI] is recognized for 60 minutes as the majority leader's designee.

Ms. PELOSI. Madam Speaker, I am pleased to yield to the gentleman from Indiana [Mr. MCCLOSKEY].

APPOINTMENT OF KENNETH STARR AS WHITEWATER INVESTIGATOR

Mr. MCCLOSKEY. Madam Speaker, I very much thank the gentlewoman from California for her generosity. She is one of my real heroes in so many areas.

Madam Speaker, it is bizarre, if not downright partisan, for a U.S. Court of Appeals panel, including two Republican judges, to abruptly anoint former Bush administration Solicitor General Kenneth Starr to reinvestigate the Whitewater matter. Think of it. Mr. Starr has been a top lawyer for the Bush administration, and since then, almost more than anyone, but not quite as much as some, he is manifestly on the record against President Clinton.

Former special prosecutor Robert Fiske, also a Republican, was widely praised for his integrity and skill. Perhaps most importantly, he had conducted the investigation fairly and thoroughly by all accounts. I might say he went in there with strong support from nearly all elected Republicans that I know of.

Congress has also begun a far-reaching examination of this matter. Some Members are questioning witnesses in a manner more appropriate for the Spanish Inquisition.

After nearly a year, the Whitewater hearings and investigations were on the verge of concluding with literally no stone unturned. Now Judge Starr has the opportunity to reexamine this entire matter in what seems likely to draw the alleged problems which may or may not have occurred with Whitewater, further into the headlines in an election year. This appears to be a greater priority than examining whether any laws or regulations may or may not have been broken.

Mr. Starr had previously publicly commented on another legal challenge to the President, and is on the record as proposing to file an amicus curiae brief against the President's position. While he may be a friend of the court, he is currently on the record as being no friend of the President.

Perhaps most telling, there is no indication of procedural or substantive error in Mr. Fiske's investigation. Rather there could be a "perceived" conflict.

The Special Counsel Act should not be the Washington Lawyers Financial Relief Act. The material examined by Mr. Fiske should not be casually tossed aside and the entire expensive process reopened.

It is a reasonable conclusion that the appointment of Judge Starr as new special prosecutor has the appearance of a calculated move to create controversy, to harass the President, to draw this matter out forever, and to wring every conceivable drop of partisan gain out of the Whitewater affair.

What are the Republican Members doing with ex parte contacts with the Federal judges on the appeals panel? Madam Speaker, is not this apparent interference with the judicial system perhaps worthy of investigation?

I thank the generous gentlewoman from California again for yielding.

Ms. PELOSI. Madam Speaker, tomorrows the House will take up the issue of United States-China trade. I am pleased to come to the floor this evening to urge my colleagues to support H.R. 4590, legislation which I introduced with Majority Leader GEPHARDT, Majority Whip BONIOR, ranking member of the Committee on Foreign Affairs, the gentleman from New York [Mr. GILMAN] a leader on the Republican side, the gentleman from Virginia [Mr. WOLF] a champion for human rights throughout the world, and I might say over 100 of our colleagues who have joined in cosponsoring the legislation, both Democrats and Republicans, including the gentleman from Indiana [Mr. MCCLOSKEY], I am proud to say.

□ 2000

Madam Speaker, before I talk about the legislation and the issue, I want to take the opportunity once again to thank our many colleagues for the reception that they have given to those of us who have been promoting this legislation.

It is a very serious issue. A great deal of research has been done on it. We have been working on it for 5 years, and our colleagues, both Democrats and Republicans alike, have been very serious in the approach that they have taken, very receptive, as I said before, in listening to why we think this legislation is important, and I want to go into some of that this evening.

Some say, "Why are we taking this up again this year?" Well, we must, because each year, contrary to impressions that others wish to create that MFN for China is automatic each year, the President must request a special waiver to grant MFN to China.

Our legislation, the Pelosi-Gephardt-Bonior-Gilman-Wolf, et cetera, et cetera legislation has taken the benefit of the research and the work that we have done over the past years to this year have a very focused and targeted compromise legislation which would remove MFN, that is, preferential trade treatment, special tariff reductions, remove that privilege from the products made by the Chinese military, especially the People's Liberation Army.

First of all, let me say this, I will go into more detail about the Chinese military later. Over the years, especially the past 5, three issues were the leading concerns of the Members of Congress in our relationship with China. While we had a long litany of concerns, the three major ones centered around the violation of human rights in China, both religious and political freedom, workers' rights, et cetera, the proliferation of weapons of mass destruction to unsafeguarded countries, unfair trade practices of the Chinese which have led to an enormous trade deficit between the United States and China.

Where these three issues come together is on the issue of the Chinese military. Who can forget the dramatic scene in Tiananmen Square 5 years ago, when Americans and other freedom-lovers throughout the world received inspiration from the lone man before the tank? At that time we all pledged to associate ourselves with the courage and the aspiration and the love of freedom of that lone man before the tank. The tank, of course, is the Chinese military.

The Chinese military, which occupies Tibet, which rolled over dissidents in Tiananmen Square, and which conducts a lively trade in weapons to unsafeguarded countries, and a trade to the United States in consumer products that we will learn about later, but the Chinese military does not just sell weapons or AK-47 rifles, which a couple of million have been sold in the United States in the last couple of years, but also sells consumer products ranging from stuffed animals, clothing, household appliances. The list goes on and on. We will go into the list in a little bit.

First, I would like to talk about the issue of trade and why it is of concern to colleagues in this House. The CIA, in an unclassified report about 2 weeks ago, stated that China's surplus that they enjoy with the United States, therefore, a deficit which we suffer with them, will be at a minimum $28 billion for 1994. Others project it to go over $30 billion, but the conservative estimate is $28 billion for this year. That $28 billion does not include advantages China has in trade by other violations to our trade, like transshipments, using prison labor for export, piracy of our intellectual properties, and the rest.

But it does take into consideration the violation of putting up barriers to United States products going into China. I think it is interesting for the American people to note that this is an issue where we talk about human rights and proliferation, but is a very major jobs issue for the American people.

And why is that? Because the United States allows China to send into our markets in a very preferential way 40 percent of all of China's exports to the world. Forty percent of all of China's exports to the world come to the United States with preferential tax treatment.

The U.S. exports about $450 billion in trade, a little more than $450 billion in trade last year we exported. Of that, less than 2 percent, 1.9 percent, less than 2 percent of our trade was allowed into the Chinese markets because of these barriers to market access. And so while there are those who say, "Well, we should grant MFN unconditionally and universally across the board to the Chinese," they, indeed, do not in fact and in practice grant MFN to us. They allow in some products like aerospace, wheat, refrigeration, some electronics and telecommunications products, but by and large most products made in America are not allowed into the Chinese market.

Indeed, they welcome some American brand names, but they insist that those products be made in China by Chinese workers.

And so we have on the legal side, on the recorded side, shall I say, the side that we can measure, a $28 billion to $30 billion trade deficit this year, not counting the other violations.

One of them that I want to go into is the issue of intellectual property. In our State of California, Madam Speaker, intellectual property is competitive, what makes us competitive in the world, software, throughout the State, technology, high-tech business, but also in the entertainment business in southern and northern California both, and I guess you could say more in southern California.

The head of the International Phonographic Society has said that unless China is reined in in its piracy of intellectual property, in his case the cassette industry, the cassette industry will be destroyed. The piracy is going at such a rate that China now not only pirates the intellectual property and copyrights for its use, but is a major exporter of United States intellectual property, that is, the piracy, the theft of the intellectual property, and then the reproduction of it and the export of it.

This will cost us billions of dollars in revenues and hundreds of thousands of jobs, but more importantly, it is about the future, because so many times we have heard over and over that the United States will be competitive in world markets not by making labor-intensive products that can be more cheaply made abroad, but because of our superiority in producing intellectual property in the areas, as I say, across the board in software and in the entertainment industry.

So we have serious concerns about China's treatment of United States products and whether they allow them in. Mostly they do not. And the one that they pirate and then in turn export do a grave disservice to our relationship. More importantly, they steal U.S. jobs.

A couple of points I want to make about the trade. In 2 or 3 years, the CIA report said, in the next few years, China will surpass Japan in having the largest trade deficit with the United States. It is growing at a more rapid rate than the Japanese trade gap and it, as I say, in a few years will surpass Japan. It has this rapid rate, and it has had an increase of 700 percent, the trade gap with China, 700 percent since 1987.

Now, I want to move on to human rights. All of us saw, once again, the brave courage of the young people in Tiananmen Square who built the Goddess of Democracy modeled off of our own Statue of Liberty, the quote from Thomas Jefferson and the Bill of Rights, and who, in turn, then lost their lives.

Why are human rights important to us? Because we are the United States of America, and because we are the champions of freedom throughout the world, and because even when other countries may not want to step up to the plate, we, as our forefathers stated, are the custodians of freedom at home and a friend of freedom abroad.

So when a country does not treat its people with respect, we should speak out, and we should, if we have other leverage, as we do in the case of China, say it is very important to us, so important to us is it that we are willing to use trade sanctions in order to associate ourselves with the moderates and pro-reformers and those who respect the religious and political freedoms of the people of China and exercise sanctions against China.

It is also important in terms of jobs, because people, countries, regimes that do not respect the rights of their people will not respect workers' rights, and as workers' wages are not allowed to rise with productivity, that is an unfair competition for the American worker.

So let us be clear that a country that suppresses its people's rights, be they religious, political, workers' rights, also is placing our American workers at an unfair disadvantage when we must compete with those countries.

I wanted to just in the interests of time be brief in just quoting a few organizations who have commented on the state of human rights in China since President Clinton announced his decision regarding China MFN at the end of May.

□ 2010

The U.S. Catholic Conference states that there are increasing reports that China is cracking down harder on nonapproval religious gatherings and is giving more legal power to Public Safety Bureau officers to conduct raids, make arrests and impose fines. "I urge your vote on H.R. 4590." This same letter from the Most Reverend Daniel Reilly, chairman of the Committee on International Policy of the Department of Social Development for World Peace of the U.S. Catholic Conference of Bishops, also states that, "Religious liberty in China has been a long-time concern of ours, and we are deeply troubled by reports of continued religious persecution there." I could go into great detail on the religious persecution, but in the interest of time I will pass on to a letter we received from the Campaign for Tibet.

In this letter the Campaign for Tibet says,

> The Chinese Government and the army continue to disregard the basic rights of the Tibetan people and clearly have taken no substantive steps to protect against religious and cultural heritage. In addition, the Chinese Government has refused to respond to the Dalai Lama's efforts to commence substantive negotiations on the future of Tibet. The United States, more than any other nation, has the ability to pressure China to come to the negotiating table with the Dalai Lama or his representatives. In order for China to take the U.S. efffort seriously, a strong message must be sent that China cannot have the sort of relationship they would like with the U.S. until they make progress on Tibet. H.R. 4590 helps send this message. I am writing to urge you to support H.R. 4590.

Tibet is important because in our legislation, as I mentioned earlier, we target MFN for the Chinese military and it is indeed the Chinese military which brutally occupies Tibet. In supporting the Chinese military, as American consumers are unwittingly doing and the taxpayers are doing by giving them a trade break, we are in turn helping to subsidize the occupation of Tibet, the repression of the people in China and indeed weapons proliferation program.

The Chinese military is also responsible for overseeing many of the Chinese prison camps, known as logi. These detainees who have been sent there as political prisoners, will join millions of others in Chinese prison camps. Last week the Chinese labor activities indicate that five people were arrested because of their participation in organizing unofficial workers organizations. As I mentioned, when they go there, they will join millions of others in these prison camps.

Forced labor remains a fact of life for China's political dissidents. Then these low-wage products made by people in these unfortunate situations once again is unfair competition to the American worker. It is bad enough to compete with low-wage, workers than it is to compete with no-wage workers, and of course there is the human rights issue also.

I want to call our colleagues' attention and yours, Madam Speaker, to a "Dear Colleague" from our fellow Representative, LANE EVANS, entitled "China's Gulag Prison Products for Export."

It is against American law for exports made in prison camps to come into the United States. Indeed, China is violating that law, and we can document fully for those colleagues who want more information exactly what those products are and where they are sold in the United States, even though the administration has chosen to ignore that.

Our colleague, Mr. WOLF, sent a "Dear Colleague" letter recently, the other day actually, in which he says, what do all these goods have in common? Plastics and plastic articles, wood, paper, apparel, footwear, glass, iron, steel, arms and ammunition, mechanical appliances, copper, furniture and lamps, lighting fixtures? This is a partial list of goods made by forced labor in the Chinese logi, the prison factories. The Chinese military exports them to the United States to earn hard currency. That is the target of our MFN revocation.

There are those in the Congress who have said it is not possible for us to target these because it is not enforceable.

Well, Madam Speaker, I did want to call once again to our colleagues' attention a chart made by the Defense Intelligence Reference Theory, China's defense industrial trading company. I will place it right here in front of the tanks, the man before the tanks.

This is a chart, and there is software to go with it in the computer which can tell the Office of Customs what the companies are that are fronts for the People's Liberation Army and the state council. If I may just read from the chart for a moment, Madam Speaker, the chart identifies the relationship among import and export organizations in China's defense industrial complex. These organizations are key to supporting the uniformed services and China's industrial base and acquiring military and dual-use technology. They market products abroad, earn foreign currency to support defense-related research, development, and operations. The poster depicts commercial companies under the two main hierarchies of the defense complex, the uniformed services of the People's Liberation Army, under the direction of the military commission and defense-related industrial ministry under the direction of the state council.

The PLA operates import and export companies, markets products; the PLA runs factories. In addition to military equipment in existing stocks, the defense industrial ministry concentrates on new manufactured products and technology transfers both to and from China.

The companies depicted are established and charted to conduct business in the international market. Many have offices overseas. While they are profit-oriented and are the key means for the defense complex foreign exchange earnings they are the primary conduit for acquisition of new and advanced technologies.

I want to repeat that, Madam Speaker, because I think it is very important. While they are profit-oriented and are the key means for the defense complex foreign exchange earnings, they are also the primary conduits for the acquisition of new and advanced technologies.

I mentioned earlier that one of the few things that the Chinese allow into China's market—technology and electronics—it is just this technology transfer that should be of concern to us for at least two reasons; one being that with technology transfer, eventually it will become production transfer, and that means jobs going overseas that spring, frankly, from our own intellectual property developing the technology.

The other concern is that this technology can be used to develop more dangerous weapons for sale into unsafeguarded countries as the Chinese are engaged in right now.

As we are talking about the military, I want to talk about why we think it is an appropriate target.

My colleague, Representative MARKEY, and I sent a "Dear Colleague" to Members of the House today which discusses some of the concerns that we have about China's proliferation record. Three areas of concern: Proliferation, China's military buildup, and support for North Korea.

China's military companies have sold billions of dollars of ballistic missiles to the Middle East, and in the words of the CIA Director Woolsey, China is Iran's principal nuclear supplier.

China's military companies have sold nuclear missile technology to Pakistan, including bomb designs and enough weapons-grade uranium for two weapons. This is alarming because we have known about the others and this is relatively new.

Cambodian Government sources say according to their intelligence sources, as recently as March, China sold $18 million worth of arms to the Khmer Rouge, yes, the same Khmer Rouge still under the leadership of Pol Pot, in violation of the Paris Accord which was coauthored and signed by Beijing.

I will submit for the record more information on China's testing of nuclear weapons and the fact that their defense budget is growing by 20 percent this year, alone among the nuclear powers in the world, China's defense budget is increasing.

It also has purchased billions of dollars of highly sophisticated military equipment.

Others will say many countries export these kinds of dangerous arms. Not necessarily.

The point here is that this proliferation is to countries which are not safeguarded, they are unsafeguarded countries. Some of them are countries which have embargoes from most of the other countries in the world, like Iran and certainly selling to the Khmer Rouge is something that is unique to China.

But very alarming is the relationship of China and North Korea. In June the Chinese high command met with their counterparts in the North Korean military and following the meeting the statement that came out was, from the Chinese representative, that our countries are "as close as lips and teeth."

In addition, to that, the word on the meeting, as was reported in the press in Asia, and I can document that for the record, Madam Speaker, was that China pledged 82,000 troops in case of war to the North Koreans and that in case of U.N. sanctions against North Korea, China promised food and energy credit assistance to help North Korea have some staying power throughout the prospective embargo. It has not been placed on them.

If the Defense Intelligence Agency analysts are correct, the Chinese military has aided development of North Korea's new TD–2 missile by transferring advanced missile technology to North Korea.

□ 2020

That is why we do not see why American consumers and taxpayers should subsidize the Chinese military, the same military for massacre in Tiananmen Square, the brutal occupation of Tibet, the sale of weapons into unsafeguarded countries.

Sad to say, or just anecdotally, Madam Speaker, that, after the Tiananmen Square massacre, where thousands of young people were killed, the Chinese military sent the bill for the bullets of the dead young people to their families for them to pay for the bullet that killed their children. They also sent watches to the soldiers who crushed the peaceful demonstrators, and they also sent a message to the world, that they, because they have purchasing power, do not expect to have any sanctions.

As I said earlier, how people treat their own people is important to us for practical reasons in terms of our own workers' rights and the competition we put American workers in, and, if a country refuses to give access to their markets to American products, and if a country further violates our trade relationship by violating trade agreements, and if a country uses prison labor for export, and if a country transships products through other countries in order to avoid U.S. quotas, that is unfair to the American worker.

Every job in China trade is important, and certainly those associated with Boeing, and those associated with McDonnell Douglas, and those associated with export of grain to China, and some technology, et cetera; they are all important, but, the calculations of those who say we should not do any sanctions on China, they say that China trade produces over 150,000 jobs in the United States. But that is on the plus side. On the minus side of the ledger, using their same calculations, we lose 500,000 jobs in our trade with China.

Another point I want to make is that earlier I mentioned that I was concerned about technology transfer and the production transfer to China by United States companies doing business there, and I want to call to our colleagues' attention a wire story in A.P.'s wire story today.

Date line Beijing.

The Boeing Company said today it will invest $600 million in a plant in China to build tail sections for its 737 jet liners and $100 million for a spare parts center and training program.

Ron Woodard, president of Boeing Commercial Airline Group, Airplane Group, also said that China was a possible production site for the 100-seat passenger plane Boeing hopes to manufacture for Asian markets.

I say to my colleagues, "You may recall that there was an announcement a week or two ago about Boeing getting the opportunity to develop this 100-seat passenger plane, and now we are seeing, by their own statement, that they hope to manufacture it, that China was a possible production site for that."

Seattle based Boeing is China's leading supplier of passenger planes. The announcement came 2 months after President Clinton said extending MFN to China won't depend on improvements in its human rights efforts. United States firms like Boeing lobbied against the linkage saying they could not make long-range plans because of the annual debate over MFN.

This is quite a step. It is really unfortunate news for the American worker because all along the bill of goods that was being sold literally and figuratively to the American consumer and worker was that we were transferring jobs that were labor intensive, low-skilled jobs. Boeing has said in this article:

Our thinking is once that is built, this new factory they are building, Chinese industry will be able to build anything to world standards.

So, we see the transfer of technology, and we see the seeking out of low cost-wages, even for jobs that we thought were jobs in the present and are jobs in the future.

I mentioned how the trade deficit was growing, and I want to make another point that the CIA report makes. It says that while the shoes, and clothing, and games, and toys had held their own, increased a little bit in terms of their export to the United States, the biggest increase was in the exporting from China to the United States of technology, electronic, those kinds of products which now make up 6.5 percent of the United States market. This is also something that I think we should be very concerned about.

Madam Speaker, I consider myself an advocate of free trade. I represent a city that was built on trade. Our history is from the early days of the clipper ships in San Francisco carrying goods to and from our great country from the Golden Gate. I voted for NAFTA. I supported President Bush in some of his trade legislation. But this is not about free trade. This is about unfair trade practices. The unfair, the big, surplus that China enjoys gives us some leverage to say:

"Respect your people. Respect your workers so that our workers will be in fair competition."

There are those who say that trade is everything, and that if we have a great deal of trade, it will lead to political reform. To those I say what Deng Xiaoping himself said. He said to those who say that economic reform will lead to political reform, I say that it will take dozens of generations. Deng went on to say that he will deal harshly with any who wish to hasten that process.

Madam Speaker, we Americans do not really believe in trickle-down liberty. We believe that it is written on the hearts of men, and, as our Declaration of Independence states, we hold these truths to be self-evident, that every man is created equal and endowed by his creator with certain inalienable rights, and among those are life, liberty and the pursuit of happiness.

We cannot make the world right every place in the world and be, as some people say, "the policemen of the world", but where we have economic leverage and where the trade situation is so unfair to the American worker because of the repression of people of China and repression of workers we have a responsibility to say that in order for us in our relationship with any country to make the world safer, the trade fairer, and the political climate freer, we have a responsibility to do it. We reject the notion of trickle-down liberty. We want to add luster to the words and actions of our Founding Fathers of our country, and with that I think our Members have an opportunity to do so tomorrow and vote "yes" for 4590.

Tomorrow I will continue with the Hamilton bill.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MILLER of Florida) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 5 minutes, today.
Mr. SOLOMON, for 5 minutes, today.

(The following Members (at the request of Mr. BARCA of Wisconsin) to revise and extend their remarks and include extraneous material:)

Mr. OWENS, for 5 minutes, today.
Mr. MCCLOSKEY, for 5 minutes, today.
Mr. GIBBONS, for 5 minutes, today.
Mr. KOPETSKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MILLER of Florida) and to include extraneous matter:)

Mr. BLILEY.
Mr. TALENT.
Mr. MYERS of Indiana.
Mr. GINGRICH.
Mr. PACKARD.
Mr. SOLOMON.

(The following Members (at the request of Mr. BARCA of Wisconsin) and to include extraneous matter:)

Mr. POSHARD.
Mr. BARCA of Wisconsin.
Mr. STARK in two instances.
Mr. STOKES.
Mr. ENGEL.
Mr. SKELTON in two instances.
Ms. NORTON.

(The following Members (at the request of Ms. PELOSI) and to include extraneous matter:)

Mr. DEAL.

Mr. TORRES.

Ms. CANTWELL.

Mrs. LOWEY.

ADJOURNMENT

Ms. PELOSI. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 29 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, August 9, 1994, at 10:30 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of 1994, as well as amendments to 1993 reports, in connection with official foreign travel, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Jerry Lewis	3/25	3/27	Ireland		436.00						436.00
	3/27	3/30	England		786.00						786.00
	3/30	4/3	France		1,040.00						1,040.00
Transportation provided by military aircraft											
Hon. John Murtha	4/29	4/30	Italy and Bosnia		106.51		5,613.85				5,720.36
Robert V. Davis	3/25	3/27	Albania								
	3/27	3/30	Macedonia		1,500.00						1,500.00
	3/30	3/31	Hungary								
	3/31	4/5	Germany								
Commercial air transportation							3,724.00				3,724.00
Patricia Keenan	3/26	4/1	Korea		1,150.00						1,150.00
	4/1	4/5	California		474.00						474.00
Commercial air transportation							4,100.00				4,100.00
Julie Pacquing	3/27	3/30	Korea		762.00						762.00
	3/30	4/2	Japan		383.00						383.00
	4/2	4/5	United States		480.00						480.00
Commercial air transportation							4,456.55				4,456.55
John Plashal	4/29	4/30	Italy and Bosnia		106.51		5,613.85				5,720.36
Donald Richbourg	4/29	4/30	Italy and Bosnia		106.51		5,613.85				5,720.36
Terry R. Peel	5/27	5/28	Eritrea		184.00						184.00
	5/28	5/30	Ethiopia		344.00						344.00
	5/30	6/1	Kenya		262.00						262.00
	6/1	6/1	Italy		249.00						249.00
	6/1	6/2	Switzerland		199.00						199.00
	6/2	6/3	Belgium		264.00						264.00
Commercial air transportation[3]							800.00				800.00
Kevin Roper	4/29	4/30	Italy and Bosnia		106.51		5,613.85				5,720.36
Committee					8,939.00		35,535.00				44,474.00
B.M. Cass	4/1	4/4	Egypt		339.00		4,730.95		16.88		5,086.83
	4/4	4/7	Saudi Arabia		496.50						496.50
R.T. Castonguay	6/19	6/24	Mexico		956.00		770.45		55.60		1,782.05
B.F. Dunn	4/20	4/24	Taiwan		662.25		3,060.95		77.75		3,800.95
	4/24	4/26	Hong Kong		570.50						570.50
M.A. Dyess	4/3	4/6	Mexico		662.00		1,098.45		56.81		1,817.26
	4/6	4/8	Venezuela		286.00						286.00
T.W. O'Brien	4/20	4/24	Taiwan		662.25		3,060.95		167.92		3,891.12
	4/24	4/26	Hong Kong		570.50						570.50
J.D. O'Shaughnessy	4/3	4/6	Mexico		662.00		1,098.45		66.04		1,826.49
	4/6	4/8	Venezuela		286.00						286.00
R.J. Reitwiesner	4/3	4/6	Mexico		662.00		1,098.45		82.82		1,843.27
	4/6	4/8	Venezuela		286.00						286.00
	4/20	4/24	Taiwan		662.25		3,060.95		174.61		3,897.81
	4/24	4/26	Hong Kong		570.50						570.50
N.F. Stames	6/19	6/24	Mexico		956.00		770.45		88.96		1,815.41
R.W. Vandergrift	6/22	6/24	Mexico		466.00		1,338.45		20.00		1,824.45
L.M. Welsh	4/1	4/4	Egypt		339.00		4,730.95		37.84		5,107.79
	4/4	4/7	Saudi Arabia		496.50						496.40
Committee total					10,591.25		24,819.45		845.23		36,255.93

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Partial travel by military air.

DAVID R. OBEY, Chairman, July 22, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Visit to United Kingdom and France, May 27-June 7, 1994:											
Hon. Ike Skelton	5/27	6/4	United Kingdom		1,904.00						1,904.00
	6/4	6/7	France		543.00						543.00
Carey Ruppert	5/27	6/4	United Kingdom		1,904.00						1,904.00
	6/4	6/7	France		543.00						543.00
Visit to Sweden, Finland, Russia and Greece, May 27-June 7, 1994:											
Hon. Solomon P. Ortiz	5/27	5/29	Sweden		482.00						482.00
	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Floyd Spence	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Hon. Marilyn Lloyd	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Hon. Herbert H. Bateman	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Hon. Curt Weldon	5/31	6/4	Russia		1,250.00						1,250.00
Commercial air fare							2,793.85				2,793.85
Henry J. Schweiter	5/27	5/29	Sweden		482.00						482.00
	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Peter M. Steffes	5/27	5/29	Sweden		482.00						482.00
	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Visit to Germany: Apr. 5-10, 1994:											
Peter M. Steffes,	4/5	4/10	Germany		1,070.00						1,070.00
Commercial transportation							1,879.85				1,879.85
Ariel R. David,	4/5	4/10	Germany		1,070.00						1,070.00
Commercial transportation							1,879.85				1,879.85
Roland E. Wilson,	4/5	4/10	Germany		1,070.00						1,070.00
Commercial transportation							1,879.85				1,879.85
Visit to Russia, April 6-10, 1994:											
Hon. Curt Weldon	4/6	4/10	Russia		1,322.00						1,322.00
Visit to Norway, April 6-10, 1994:											
Hon. Marilyn Lloyd	5/27	5/29	Norway		533.25						533.25
Hon. Floyd Spence	5/27	5/29	Norway		533.25						533.25
Hon. Patricia Schroeder	5/27	5/30	Norway		829.50						829.50
Hon. Herbert H. Bateman	5/27	5/29	Norway		533.25						533.25
Hon. Owen B. Pickett	5/27	5/30	Norway		829.50						829.50
Hon. H. Martin Lancaster	5/27	5/30	Norway		829.50						829.50
	5/27	6/1	Germany		364.00						364.00
Commercial transportation							1,575.15				1,575.15
Hon. James H. Bilbray	5/27	5/30	Norway		829.50						829.50
Ronald J. Bartek	5/27	5/30	Norway		829.50						829.50
Thomas M. Garwin	5/27	5/30	Norway		829.50						829.50
Joan B. Rohlfing	5/27	5/29	Sweden		482.00						482.00
	5/29	5/31	Finland		352.00						352.00
	5/31	6/4	Russia		1,250.00						1,250.00
	6/4	6/7	Greece		639.00						639.00
Committee total					35,231.75		10,008.55				45,240.30

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amounted expended.

RONALD V. DELLUMS, Chairman, July 29, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

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Janet Potts	4/12	4/15	Morocco		800.00						800.00
Bruce Gwinn	4/12	4/15	Morocco		1,000.00						1,000.00
Douglas Bennett	4/12	4/16	Morocco		1,050.00						1,050.00
	4/16	4/17	France								
Commercial air fare							3,100.05				3,110.05
Hon. Alex McMillan	5/30	5/31	England		276.00						276.00
Commercial air fare							515.50				515.50
Douglas Bennett	5/22	5/26	Germany		700.00						700.00
Commercial air fare							3,186.85				3,186.85
Committee total					3,826.00		6,812.40				10,638.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN D. DINGELL, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. C. Ballenger	5/27	5/31	Mexico		400.00						400.00
	5/31	6/2	El Salvador		[2] 166.00						166.00
	6/2	6/6	Nicaragua		220.00				196.34		416.34
Commercial transportation							991.45				991.45
G. Cannon	6/8	6/11	Germany		928.00				83.00		1,011.00
	6/11	6/15	Czech Republic		888.00						888.00
Commercial transportation							2,135.15				2,135.15
Hon. E. Engel	3/28	3/30	United Kingdom		602.00						602.00
	3/31	4/1	United Kingdom								
	3/30	3/31	Ireland (Belfast)								
Commercial transportation							1,848.95				1,848.95

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994—Continued

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Committee total					3,204.00		4,975.55		279.34		8,458.89
A. Fleischmann	5/27	5/31	Mexico		108.00						108.00
	5/31	6/2	El Salvador		362.00						362.00
	6/2	6/7	Nicaragua		307.00		300.00		196.34		803.34
Commercial transportation							2,082.45				2,082.45
K. Gilley	6/8	6/11	Germany		928.00				83.00		1,011.00
	6/11	6/15	Czech Republic		888.00						888.00
Commercial transportation							2,135.15				2,135.15
D. Gordon	3/27	3/30	Ghana		848.00						848.00
	3/30	4/1	Nigeria		150.00						150.00
Commercial transportation							3,832.85				3,832.85
A–M Griffin	3/27	4/2	Ghana		1,484.00						1,484.00
	4/2	4/2	Portugal								
Commercial transportation							3,486.85				3,486.85
Committee total					5,075.00		11,837.30		279.34		17,191.64
A–M Griffin	4/23	5/1	South Africa		1,426.60						1,426.60
Commercial transportation							5,805.65				5,805.65
B. Hammond	6/8	6/11	Germany		928.00				83.00		1,011.00
	6/11	6/15	Czechoslovakia		696.00						696.00
Commercial transportation							2,135.15				2,135.15
R. Hathaway	5/30	6/2	Pakistan		712.00						712.00
	6/3	6/7	South Korea		1,016.00						1,016.00
	6/7	6/10	Japan		1,188.00						1,188.00
Commercial transportation							5,453.65				5,453.65
D. Hauger	4/4	4/10	Cuba		[3] 1,503.88				261.00		1,764.88
Commercial transportation							356.00				356.00
Committee total					7,470.48		13,750.45		344.00		21,564.93
J. McCormick	5/30	6/2	Pakistan		712.00						712.00
	6/3	6/7	South Korea		1,016.00						1,016.00
	6/7	6/10	Japan		1,188.00						1,188.00
Commercial transportation							5,453.65				5,453.65
S. Rademaker	5/30	6/3	China		996.00						996.00
	6/3	6/7	S. Korea		1,016.00						1,016.00
Commercial transportation							5,762.85				5,762.85
D. Restrepo	4/4	4/12	Cuba		[3] 1,601.00						1,601.00
Commerical transportation							356.00		261.00		617.00
D. Taft	5/27	5/31	Mexico		108.00						108.00
	5/31	6/2	Salvador		[3] 330.00						330.00
	6/2	6/7	Nicaragua		[3] 162.00		300.00		196.34		658.34
Commercial transportation							1,619.45				1,619.45
Committee total					7,129.00		13,491.95		457.34		21,078.29
J. Thery	5/27	5/31	Mexico		108.00						108.00
	5/31	6/2	El Salvador		[3] 173.00						173.00
	6/2	6/7	Nicaragua		[3] 42.22		300.00		196.34		538.56
Commercial transportation							1,619.45				1,619.45
Hon. R. Torricelli	6/27	5/31	Mexico		108.00						108.00
	5/31	6/2	El Salvador		362.00						362.00
	6/2	6/7	Nicaragua		307.00				196.34		503.34
Commercial transportation							2,082.45				2,082.45
Grand total for 2nd quarter											73,788.55
Committee total					1,100.22		4,001.90		392.68		5,494.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Represents refunds of unused per diem.

LEE H. HAMILTON, Chairman, July 30, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Cheryl A. Phelps	4/23	4/24	Johannesburg		352.00		2,836.65				3,188.65
	4/24	4/25	Pretoria		229.00						229.00
	4/25	4/29	Capetown		1,071.00						1,071.00
	4/29	5/2	Johannseburg		350.00						350.00
			Returned to DOS		(424.60)						(424.60)
Committee total					1,577.40		2,836.65				4,414.05

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar eqivalent; if U.S. currency is used, enter amount expended.

JOHN CONYERS, Jr., Chairman, July 26, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATURAL RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Codel de Lugo:											
Hon. Ron de Lugo	4/6	4/7	Palau		200.00						200.00
Jeffrey Farrow	4/6	4/7	Palau		200.00						200.00
Manase Mansur	4/6	4/7	Palau		200.00						200.00
Linda Chase	4/6	4/7	Palau		200.00						200.00
Committee total					800.00						800.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GEORGE MILLER, Chairman, July 24, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Barry D. Gold	5/7	5/10	Costa Rica		225.00						225.00
Commercial air							512.95				512.95
Elizabeth M. Robinson	5/16	5/18	Switzerland		400.00						400.00
Commercial air							3,332.95				3,332.95
James D. Wilson	6/15	6/18	England	544.84	828.00					544.84	828.00
Commerical air							4,048.95				4,048.95
Committee total					1,453.00		7,894.85				9,347.85

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GEORGE E. BROWN, Jr., Chairman, July 25, 1994.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1994

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Julian Dixon	5/27	5/31	Caribbean area		618.00						618.00
Commercial Airfare							554.85				554.85
Hon. Bill Richardson	5/27	5/31	Caribbean area		618.00						618.00
Commercial Airfare							729.55				729.55
Hon. Jack Reed	5/27	5/31	Caribbean area		264.00						264.00
Commercial Airfare							642.95				642.95
Calvin Humphrey, Staff	5/27	5/31	Caribbean area		618.00						618.00
Commercial Airfare							554.85				554.85
Codel Expenses							325.00		2,323,85		2,648.95
Hon. Dan Glickman	6/5	6/7	South America		175.00						175.00
Hon. Larry Combest	6/5	6/7	South America		175.00						175.00
Hon. Robert Cramer	6/5	6/7	South America		175.00						175.00
Michael Sheehy, Staff	6/5	6/7	South America		350.00						350.00
Terry Ryan, Staff	6/5	6/7	South America		350.00						350.00
Louis Dupart, Staff	6/5	6/7	South America		350.00						350.00
Committee total					3,693.00		2,807.20		2,323.95		8,824.15

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN GLICKMAN, Chairman, July 28, 1994.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 7 AND DEC. 10, 1993

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Rose, Charlie	12/7	12/10	Slovakia		225.00		3,514.45				3,739.45
Coleman, Ron	12/7	12/10	Slovakia		225.00		3,635.45				3,860.45
Merritt, John	12/7	12/10	Slovakia		225.00		3,543.35				3,768.35
Committee total					675.00		10,693.25				11,368.25

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLIE ROSE, July 29, 1994.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO JAPAN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 28 AND SEPT. 3, 1993

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
John Edward Porter	8/28	9/3	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Jolene Unsoeld	8/28	9/1	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Mike Synar	8/28	9/1	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Bill Richardson	8/30	9/1	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Vicki Elkin	8/28	9/3	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Jim Hoff	8/28	9/28	Japan	0	0.00	0	0.00	0	0.00	0	0.00
Committee total					0.00		0.00		0.00		0.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

John Edward Porter, July 19, 1994.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3651. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on a proposed transaction loan to finance United States goods and services for the 695MW Dabhol private power project in the State of Maharashtra, India, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking, Finance and Urban Affairs.

3652. A letter from the Assistant Secretary of Education, transmitting a copy of final regulations—State vocational rehabilitation unit in-service training, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3653. A letter from the Inspector General, Department of Health and Human Services, transmitting an audit on Superfund financial activities at the Agency for toxic substances and disease registry for fiscal year 1972, pursuant to 31 U.S.C. 7501 note; to the Committee on Energy and Commerce.

3654. A letter from the Director, Defense Security Assistance Agency, transmitting notice of proposed issuance of a Letter of Offer to Turkey for defense equipment (Transmittal No. 94-29), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3655. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on U.S. contributions to international organizations for the fiscal year 1993, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on Foreign Affairs.

3656. A communication from the President of the United States transmitting a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the United Nations Security Council, pursuant to Public Law 102-1, section 3 (105 Stat. 4) (H. Doc. No. 103-290); to the Committee on Foreign Affairs and ordered to be printed.

3657. A letter from the Director, Defense Security Assistance Agency, transmitting notice of foreign aid program changes in Ghana, pursuant to 22 U.S.C. 2394-1(a); jointly, to the Committees on Foreign Affairs and Appropriations.

3658. A letter from the Director, Defense Security Assistance Agency, transmitting notice of foreign aid program changes in the fiscal year 1994 foreign military financing program, pursuant to 22 U.S.C. 2394-1(a); jointly, the Committees on Foreign Affairs and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MINETA: Committee on Public Works and Transportation. H.R. 3800. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; with an amendment (Rept. 103-582 Pt. 2). Ordered to be printed.

Mr. MILLER of California: Committee on Natural Resources. H.R. 1562. A bill to amend title V of Public Law 96-550, designating the Chaco Culture Archaeological Protection Sites, and for other purposes; with an amendment (Rept. 103-678). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 3050. A bill to expand the boundaries of the Red Rock Canyon National Conservation Area; with an amendment (Rept. 103-679). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 3964. A bill to expand the boundary of the Santa Fe National Forest, and for other purposes; with an amendment (Rept. 103-680). Referred to the Committee of the Whole House on the State of the Union.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 4455. A bill to authorize the Export-Import Bank of the United States to provide financing for the export of nonlethal defense articles and defense services the primary end use of which will be for civilian purposes; with an amendment (Rept. 103-681). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 1703. An Act to expand the boundaries of the Piscataway National Park, and for other purposes; with amendments (Rept. 103-682). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 3905. A bill to provide for the establishment and management of the Opal Creek Forest Preserve in the State of Oregon; with an amendment (Rept. 103-683, Pt. 1). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3905. A bill to provide for the establishment and management of the Opal Creek Forest Preserve in the State of Oregon; with an amendment (Rept. 103-683 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4866. A bill to encourage solar, wind, waste, and geothermal power production by permanently removing the size limitations contained in the Public Utility Policies Act of 1978; with an amendment (Rept. 103-684). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 4757. A bill to provide for the settlement of the claims of the Confederated Tribes of the Colville Reservation concerning their contribution to the production of hydropower by the Grand Coulee Dam, and for other purposes (Rept. 103-685). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2942. A bill to designate certain lands in the Commonwealth of Virginia as a National Scenic Area for protection of the watershed and scenic values, recreation use, protection of wildlife and their habitat, and for other purposes; with an amendment (Rept. 103-686). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWIFT (for himself, Mr. DINGELL, Mr. MINETA, Mr. GIBBONS, Mr. APPLEGATE, and Mr. BOEHLERT):

H.R. 4916. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; jointly, to the Committee on Energy and Commerce, Public Works and Transportation, and Ways and Means.

By Ms. CANTWELL (for herself, Mr. CONDIT, Ms. ESHOO, Ms. SHEPHERD, Mr. FINGERHUT, and Ms. WOOLSEY):

H.R. 4917. A bill to amend section 552 of title 5, United States Code—commonly known as the Freedom of Information Act—to provide for public access to information in an electronic format, and for other purposes; to the Committee on Government Operations.

By Mr. DEAL (for himself, Mr. FINGERHUT, Mr. MINGE, and Mr. MEEHAN):

H.R. 4918: A bill to reduce the discretionary spending limits to reflect spending cuts approved by the House of Representatives; to the Committee on Government Operations.

By Mr. COX (for himself and Mr. FRANK of Massachusetts):

H.R. 4919. A bill to amend the Helium Act to require the Secretary of the Interior to sell Federal real and personal property held in connection with activities carried out under the Helium Act, and for other purposes; to the Committee on Natural Resources.

By Ms. LOWEY (for herself and Mr. WYDEN):

H.R. 4920. A bill to require the Secretary of Health and Human Services to develop recommendations for proposed model adoption legislation and procedures; to the Committee on Education and Labor.

H.R. 4921. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for certain adoption expenses; to the Committee on Ways and Means.

By Mr. BISHOP:

H.J. Res. 399. Joint resolution designating August 29, 1994, as "National Sarcoidosis Awareness Day"; to the Committee on Post Office and Civil Service.

By Mr. SANTORUM:

H. Res. 511. Resolution amending the Rules of the House of Representatives to require a rollcall vote on passage of any measure making appropriations, providing revenue, or increasing the statutory limit on the public debt, and in certain other instances; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 417: Mr. ROGERS, Mr. LAROCCO, Mr. JOHNSON of Georgia, Mr. HUTCHINSON, and Mr. FROST.

H.R. 429: Mr. LUCAS.

H.R. 662: Mr. SAXTON.

H.R. 830: Mr. EHLERS.

H.R. 1080: Mr. PARKER.

H.R. 1110: Mr. ROHRABACHER.

H.R. 1156: Mr. LEWIS of California.

H.R. 1277: Mr. LEWIS of California.

H.R. 1534: Mr. SAWYER.

H.R. 1622: Mr. SAXTON.

H.R. 2292: Mr. EVERETT.

H.R. 2513: Mr. DOOLITTLE.

H.R. 2864: Mrs. MEYERS of Kansas.

H.R. 3293: Mr. BAKER of California.

H.R. 3442: Mr. DOOLITTLE.

H.R. 3475: Mr. HUFFINGTON.

H.R. 3500: Mr. SHAYS and Ms. MOLINARI.

H.R. 3762: Mr. WELDON.

H.R. 3939: Mr. ANDREWS of New Jersey.

H.R. 3978: Mr. DOOLEY.

H.R. 4026: Mr. BEILENSON.

H.R. 4115: Mr. HASTINGS.

H.R. 4124: Mr. PARKER and Mr. RAHALL.

H.R. 4129: Mr. LEWIS of Georgia, Mr. WASHINGTON, Mr. WYNN, Ms. SNOWE, Mr. FLAKE, Mr. DIXON, Mr. ROMERO-BARCELÓ, and Mr. EVANS.

H.R. 4132: Mr. FALEOMAVAEGA.

H.R. 4331: Mr. KLUG, and Mr. BARRETT of Wisconsin.

H.R. 4497: Mr. FARR, Ms. FURSE, Mr. FISH, Mr. SOLOMON, Mr. LEWIS of Florida, Mr. BILIRAKIS, Mr. MFUME, Mr. WILSON, Mr. SWIFT, Mr. DIXON, Mr. COPPERSMITH, Mr. FILNER, Mr. LEWIS of Kentucky, Mr. BATEMAN, Mr. BLUTE, Mr. RIDGE, Mr. HUTCHINSON, Mr. SCOTT, Mr. KOLBE, Mr. WALKER, Mr. MACHTLEY, Mr. MCMILLAN, Mr. WOLF, Mr. GOODLING, Mr. STOKES, Mr. SAM JOHNSON, Mr. HYDE, Mr. MOORHEAD, Mr. LEVY, and Mr. DARDEN.

H.R. 4512: Mr. WASHINGTON.

H.R. 4526: Mr. FROST, Mr. HASTINGS, and Mr. UNDERWOOD.

H.R. 4557: Mr. HUFFINGTON and Mrs. MEYERS of Kansas.

H.R. 4737: Ms. FURSE.

H.R. 4788: Mr. MACHTLEY.

H.R. 4793: Mr. PARKER.

H.R. 4805: Mr. BURTON of Indiana and Mr. BREWSTER.

H.R. 4814: Mr. EVANS.

H.R. 4831: Mr. HORN.

H.R. 4883: Mrs. JOHNSON of Connecticut.

H.R. 4891: Mr. CRANE, Mr. BARCA of Wisconsin, Mr. OBERSTAR, and Mr. ANDREWS of Texas.

H.J. Res. 349: Mr. HOCHBRUECKNER, Mr. HALL of Ohio, Mr. SKEEN, Mr. JOHNSON of South Dakota, Ms. SNOWE, Mr. TEJEDA, and Mr. ACKERMAN.

H.J. Res. 369: Mr. ACKERMAN, Mr. BAESLER, Mr. BALLENGER, Mr. BARRETT of Nebraska, Mr. BATEMAN, Mr. CALLAHAN, Mr. DARDEN, Mr. DE LUGO, Mr. FOGLIETTA, Mr. GEKAS, Mr. GEJDENSON, Mr. HASTINGS, Mr. HALL of Ohio, Mr. DEFAZIO, Mr. HOLDEN, Mr. MCCLOSKEY, Mr. PALLONE, Mr. QUILLEN, Mr. PASTOR, Mr. RICHARDSON, Mr. SHUSTER, Mr. OBERSTAR, Mr. LEWIS of California, Mr. PORTER, Mr. BILBRAY, Mr. ROYCE, Mr. MYERS of Indiana, Mr. HOKE, Ms. PRYCE of Ohio, Mr. REGULA, Mr. WYDEN, Mr. REED, Mr. THOMAS of California, Mr. ARMEY, Ms. LOWEY, Mr. WAXMAN, Mr. DELAY, Mr. VENTO, Mr. STEARNS, Mr. GINGRICH, Mr. MENENDEZ, Mr. MURPHY, Mr. MURTHA, Mr. RIDGE, Mr. SCHUMER, Mr. SOLOMON, Mr. FIELDS of Texas, Mr. DELLUMS, Mr. WELDON, Mr. MONTGOMERY, Mr. LEACH, Mr. LEWIS of Georgia, Mr. WYNN, Mr. TAYLOR of Mississippi, Mr. ANDREWS of New Jersey, Mr. BEVILL, Mr. COOPER, Mr. BARTLETT of Maryland, Mr. BARLOW, Mr. BLUTE, Mr. FARR, and Mr. PETE GEREN of Texas.

H.J. Res. 378: Ms. DELAURO.

H. Con. Res. 138: Mr. SCOTT, Mr. MEEHAN, Mr. LEWIS of Georgia, Mr. BEVILL, and Mr. CRAMER.

H. Con. Res. 150: Mr. VENTO.

H. Con. Res. 225: Mr. CLAY.

H. Con. Res. 235: Mr. ACKERMAN.

H. Con. Res. 262: Mr. MCCRERY, Mr. CALLAHAN, Mrs. THURMAN, Mr. UPTON, Mr. MCCLOSKEY, and Mr. BEVILL.

H. Res. 270: Ms. MOLINARI and Mr. GILLMOR.

EXTENSIONS OF REMARKS

CRIME BILL

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. PACKARD. Mr. Speaker, Americans are horrified by crime and the violence that has spread throughout our society. The President promised the American people a "get tough approach" to solving this crisis. But the crime bill now before us fails to deliver.

Law abiding citizens, held hostage by this crime epidemic, agree that violent offenders must be removed from our streets in order to make our neighborhoods prosperous and secure places in which to live.

Statistics illustrate that a small percentage of criminals commit the vast majority of violent crimes. Approximately 4–7 percent of all violent offenders are responsible for committing more than half of all violent crimes. Keeping these people behind bars will reduce the incidence of violent crime.

We know that incarceration works. But this bill underfunds prison construction and waters-down truth-in-sentencing guidelines for State prison funding. Only 40 percent of the prison funds are conditioned on States showing that they are working to enact and enforce longer sentences. There is no guarantee that the remaining 60 percent will be spent on locking up criminals—it can be used for alternative programs.

Mr. Speaker, it is time to stop the charade. The American people need tough sentencing provisions to get these criminals off our streets. Law abiding citizens must have the tools necessary to reclaim our neighborhoods.

"I CAN'T FIND AN INSURANCE THAT WILL INSURE ME"

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. STARK. Mr. Speaker, I just received the following letter from a man in a Western State. His letter is what the health reform debate is all about:

> I lost my health insurance when the company I retired from filed for bankruptcy on January 31st in 1993; they were self insured. I had quadruple bypass surgery September 1983 and I can't find an insurance that will insure me. I am 60 years old so still have 5 years till I can get Medicare so in the meantime I am still uninsured. Please keep trying for us.

Mr. Speaker, the Democratic leadership bill will help this man and his family. I urge it passage.

CONDOLENCES TO CHIEF WARRANT OFFICER KENNY JONES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. SKELTON. Mr. Speaker, today I speak of four soldiers who recently died in the line of duty. This tragedy stands as evidence to the risks that our men and women in uniform face even in times of peace.

On the morning of July 31, 1994, an Army CH–47 Chinook from Olathe, KS, crashed into the Osage River near Wardsville, MO. The helicopter was on a routine training flight from Jefferson City to Cape Girardeau when it apparently hit a cluster of power lines. All four crewmen were killed.

One of the men aboard that Chinook was CWO, U.S. Army Reserve, Kenny Jones. Chief Jones was a resident of my district from Clinton, MO. He is survived by a wife and two daughters. Having served in the U.S. Army Reserve since 1985, Chief Jones was a decorated veteran who served his country honorably in the Persian Gulf war in Operations Desert Shield and Desert Storm.

It is with great sympathy and a strong sense or loss that we extend our condolences to the family of Chief Warrant Officer Jones. America has lost a fine soldier and patriot. Thanks to the hard work and dedication of individuals like Chief Jones, our Army will be trained and ready to fight any and all of our nation's wars.

BACK HOME AGAIN IN INDIANA

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. MYERS of Indiana. Mr. Speaker, the inaugural running of NASCAR's Brickyard 400 was run last Saturday at the world-famous Indianapolis Motor Speedway.

Forty-three drivers answered chairman of the board emeritus Mary F. Hulman's call, "Gentlemen, Start Your Engines," with the roar of their engines. After a warmup lap and a parade lap, they received the green flag.

After 3 hours and 160 laps around the 2½ mile oval, more than 300,000 spectators in attendance and millions watching around the world saw the winner cross the yard of brick for the checkered flag. He was the youngest driver in the field, and he was a Hoosier, Jeff Gordon.

The 23-year-old from just 15 miles west of the speedway had visited the track many times as a child, and like many young people, he dreamed of sometime driving there. His stepfather, John Bickford, put him in a go-kart at age 5, and he was off. Jeff later advanced to midgets, then to sprinters at local tracks, to stocks at the Indiana Raceway Park near his home and also to Daytona. He won USAC's midget championship at 19 and by his 21st birthday Jeff was driving with NASCAR's bigname drivers.

This weekend, there were parades, parties, and excitement in the tiny community of Pittsboro, IN. It was the 1989 Tri-West High School grad who put his community on the map Saturday afternoon by winning NASCAR's biggest and richest race.

Jeff Gordon was back home again in Indiana.

INTRODUCTION OF LEGISLATION APPLYING SPENDING CUTS APPROVED BY THE HOUSE OF REPRESENTATIVES TO DEFICIT REDUCTION

HON. NATHAN DEAL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. DEAL. Mr. Speaker, I rise today on behalf of myself and my fellow fiscal caucus members ERIC FINGERHUT, DAVID MINGE, and MARTIN MEEHAN to introduce legislation that will take a small but important step in our journey toward fiscal restraint by directing that all of the spending cuts that have been passed by the House go to deficit reduction.

One of the greatest frustrations I have had as a freshman Member interested in deficit reduction is the fact that amendments cutting spending in appropriations bills do not reduce the deficit. Over the last 2 years I have offered and supported several successful amendments cutting low-priority spending in appropriations bills, only to see the savings get spent elsewhere.

We will have an opportunity to correct this flaw in the budget process when we vote on lock box legislation that would make it possible to reduce the discretionary spending caps when spending is cut. I strongly support this common sense reform of the budget process. Unfortunately, delays in the consideration of lockbox legislation means that it was not possible to place spending cuts approved in fiscal year 1995 appropriations bills in the lockbox. That is why I am introducing legislation to reduce the discretionary caps by the amount of discretionary spending cuts approved by the House this year. The effect of this legislation would be to treat spending cuts the same way as if lockbox legislation had been in place when we considered appropriations bills earlier this year. This legislation is intended to compliment the lockbox bills that have received strong bipartisan support.

The budget resolution conference report cut discretionary spending for fiscal year 1995 by

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

$500 million. During consideration of appropriations bills, the House adopted 22 amendments cutting an additional $182 million in spending. The legislation I am introducing tonight would ensure that all of these savings that have been supported by a majority of the House will go to deficit reduction by lowering the caps by $682 million. This legislation will carry out the will of the House when we voted to cut spending earlier this year.

I intend to modify this legislation based on the outcome of the conferences on appropriations bills and offer it as an amendment when the House considers lockbox legislation later this year. All members who support lockbox legislation should support this legislation to apply the lockbox concept to the spending cuts we have approved this year.

ADDRESSING THE ISSUE OF ETHICAL MEDICAL RESEARCH

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. BLILEY. Mr. Speaker, at a time when the search for the sensational is far too frequent in our media, it is essential that there be other voices who inject reason and a concern for the truth into public discourse.

Recently, Eugene Trani, president of Virginia Commonwealth University, appeared before the Advisory Committee on Human Radiation Experiments to address the issue of sensationalism and discuss appropriate and ethical medical research. His remarks are very constructive and I ask that they appear in the RECORD in their entirety.

REMARKS OF DR. EUGENE P. TRANI, PRESIDENT, VIRGINIA COMMONWEALTH UNIVERSITY

PRESENTATION TO THE ADVISORY COMMITTEE ON HUMAN RADIATION EXPERIMENTS, PUBLIC COMMENT SECTION, JULY 25, 1994

Madam Chairperson, ladies and gentlemen of the committee, on behalf of Virginia Commonwealth University, I thank you for this opportunity to speak with you today.

Under the auspices of the United States Department of Energy, the Advisory Committee on Human Radiation Experiments has been given a charge of historic and moral significance: to learn of the material and ethical scope of radiation experiments conducted during the Cold War.

We in the academic community must share in your task. Supported by the Atomic Energy Commission and the military, some of this work was conducted on our campuses. That responsibility, however, carries the equally important obligation for all of us to apply the most rigorous standards of intellectual honesty. Otherwise, the risk is too great that your work will be sensationalized out of all proportion to its true intent.

It is that risk that I would like to talk briefly about today.

At Virginia Commonwealth University, we have been learning all we can about radiation studies that took place from 1949 to 1959 in our Medical College of Virginia's burn unit—the first civilian burn unit in the country. Our involvement, however, has come not as a result of being named in the DOE investigation but because of a newspaper article. An essay titled "Burning Secrets: In a Virginia Hospital, A Cold War Time of Strange Experiments" published by Cliff Honicker, director of the American Environmental Health Studies Project of the Commission on Religion in Appalachia, in the June 19 edition of The Washington Post opens with the following: "Between 1949 and at least 1957, the Medical College of Virginia (MCV) ran a secret metabolic lab whose primary goal was preparation for massive nuclear casualties. Imbued with Cold War zeal and scientific arrogance, doctors conducted a series of potentially dangerous experiments on hundreds of unaware human subjects, most of them poor and African American."

The studies conducted at MCV were neither secret nor dangerous; nor did they take advantage of vulnerable populations. As examples, a radioactive isotope incorporated in one of the studies—chromium-51—is still part of a standard diagnostic test used around the world. In the course of the project, 27 articles were published in nationally recognized scientific journals; it also received coverage in local newspapers. And, in part of the project, African-American and women volunteers were purposely selected so that the research team could study the factors of skin pigmentation and gender in burns.

In all, what resulted from this work were the discoveries that would lead to the protocols used today to treat burn victims.

As bad science and bad history, Honicker's article contributed nothing to the committee's charge to help the real victims of Cold-War radiation studies. It possibly, however, created new victims: our academic community, former patients alarmed by these allegations, and certainly the families of the MCV faculty who worked on these studies.

Here is a way to separate sadistic from humanistic experimentation.

It is true that nationalism—as well as national purpose—fueled the Cold War. It does not necessarily follow, however, that the science and the scientists that benefitted from federal support during this period were inherently unethical.

Having been partners in these radiation studies, the government and the academic community now should work together to ensure that this story is told thoroughly and accurately—and that, in the process, the real victims are helped. Objectivity and a genuine desire for insight must drive our efforts.

We are looking to you, the members of the Advisory Committee on Human Radiation Experiments, to set that vitally important tone.

Thank you.

TRIBUTE TO THOMAS R. ETLING

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to Thomas R. Etling, a constituent of mine who has served the people as an Alderman on the Town and Country Board of Aldermen for nearly 9 years.

Perhaps the best way to pay tribute to Tom Etling is to read his farewell statement to the Board of Aldermen at its meeting on April 11, 1994. This is what he said:

This is my final board meeting after eight and one-half years of service (actually eight years and eight months), which I believe is longer than any other Alderman has served. Five of those years, I served as President of the Board and all that time as Chairman of the Public Works and Stormwater Commission.

During that period, the city changed dramatically. As your Alderman, I was able to initiate many of the changes and participate in all of them. During my term:

Through annexation, the city grew in population by almost fifty percent; the land area increased by almost twenty-five percent;

The city never raised taxes on private citizens. In fact, the only change was a tax cut.

New stormwater ordinances were drafted and implemented to protect the citizens. These ordinances helped contribute to Town and Country's reputation as the most protective community in the county, a title we all wear with pride.

Several million dollars were spent on streets and stormwater control. A great deal of this money came as grants from other government entities. We received this money because we had done an excellent job of advance planning.

The city became and is currently one of the most fiscally sound in the country.

A new municipal center and fire station were built.

Plans were approved and soon construction will begin on a Mormon Temple which may become the architectural focus of the city and will give the name Town and Country world-wide recognition.

A city administrator was added and staff was increased to improve the service to our citizens.

A Chamber of Commerce was founded and is now a vibrant and thriving part of the community.

The Town and Country Cable Education Fund, Inc. was founded. This is a non-profit corporation through which all the schools in Town and Country benefit financially from the franchise fees collected from the cable TV companies.

As a minor item I chaired the group that selected the new city logo. I also gave this building the name of Municipal Center, a name I suggested and which was accepted when nobody offered an alternative.

I also sent a record that I expect will never be broken. In the mayor's absence I chaired a regularly scheduled Board meeting. The meeting lasted thirteen minutes.

In summary, I feel very pleased and proud with my contributions to the city and the accomplishments of the city in the almost nine years that I was privileged to serve.

Many times there were very difficult decisions to be made and it was necessary to rise above parochial interests to do what was best for the city as a whole. I feel comfortable that the right decisions were made. Further, I feel confident in the future of the city because I leave it in a very solid and secure position much better than it has ever been.

I urge the current Board members and those soon to take office that they strive in all they do to be able to make that same statement when their terms of service are complete.

It has been a pleasure serving. For that I thank the four Mayors under whom I served; my fellow Board members; the members of the Public Works and Stormwater Commission, who labor long and hard and are generally unsung; the city staff; the citizens of Ward I who on five occasions selected me to represent them in Town and Country, which I believe is the premier city in St. Louis County; and especially my family and my wonderful wife, Helen, who supported me all that time and who now says, 'I have my husband back'.

Mr. Speaker, Alderman Etling's presence on the Board of Town and Country will be missed. We all owe him a great debt of gratitude and wish him well in the years to come.

FRIENDS, FAMILY MOURN LOSS OF MILTON'S SARAH DIPASQUALE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. SOLOMON. Mr. Speaker, Sarah J. DiPasquale of Milton, NY, recently passed away, leaving a void in the hearts of everybody who had the pleasure of knowing her.

Her contributions were enormous, not only to her community, but to me personally in my campaigns for Congress.

She was a tireless worker in Saratoga County and made valuable contributions to my elections to Congress. But she was best known for her service in a variety of elected and appointed positions, and for her leadership role in projects that made Milton a nicer place to live.

Sarah DiPasquale was the first woman ever elected to the Milton Town Council, where she served on the Committees for Highways and for Parks and Buildings. She was chairwoman for the town of Milton's bicentennial gala and also handled publicity for the event. She also served on the town's planning board.

With the Republican Party, she served as a town committeeman, as secretary of the Saratoga County Republican Committee, and on the board of directors of the Saratoga County Women's Republican Club.

Aside from her officials positions, she was the driving force in creating a walkway around the Milton Town Park.

Her selfless dedication to the community was matched by her similar dedication to her family. Mr. Speaker, I've found that this is quite typical of people who are pillars of their communities. People who give of themselves to their communities also give of themselves to their families.

I share her family's grief, because someone like Sarah DiPasquale cannot be replaced. The love she had for her family and friends was reciprocated many times over.

Mr. Speaker, America was made great by the quiet, unheralded contributions of people like Sarah DiPasquale. I ask all members to join me in a posthumous tribute to a remarkable women I was pleased to call a friend, and in conveying our heartfelt sympathies to her family.

CLINTON THROWS A GARDEN PARTY BUT TAX BILL DOESN'T DESERVE IT

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues an editorial which appeared in the Omaha World-Herald on August 8, 1994.

CLINTON THROWS A GARDEN PARTY, BUT TAX BILL DOESN'T DESERVE IT

President Clinton threw a party at the White House Friday to celebrate his 1993 tax bill.

He thanked Democratic congressmen and senators who helped him pass the measure, whose sponsors promoted it as a five-year, $496 billion reduction of the federal budget deficit.

The president claimed Friday that the package of tax increases and spending controls had, in less than a year, reduced the federal budget deficit, created jobs, kept interest rates low and given the nation economic growth with low inflation.

No one denies that the American economy has improved since the recession that followed the Persian Gulf war. But Clinton didn't bring about the improvement. It started before he took office. As Allen Sinai, a widely respected Boston economist, told the Associated Press, the nation's current economic well-being "should not and can not be solely attributed to the deficit-reduction act." (That's the name Clinton's people gave the tax increase measure, ignoring the fact that any reductions in the budget deficit were projected to be temporary.)

Michael Evans, an economic forecaster from Florida, said the number of new jobs is about what it would have been without the tax increase. Other analysts said deficit spending has come down temporarily because interest rates dropped—and those rates were dropping long before Clinton signed the tax bill into law.

Also bringing down deficit spending is the fact that the government is spending less than projected on the savings and loan bailout. Clinton's policies had nothing to do with that, either. They couldn't have. About 60 percent of the legislation's modest attempts to slow the growth rate of federal spending were pushed back until 1996 and 1997. The president depended on a huge retroactive income tax increase to give his package most of its initial impact.

Clinton defenders now contend that the president has been vindicated and that critics of the measure have been proven shortsighted.

But it's still a bad law. Its defenders are still misrepresenting it. Clinton still pretends that only 1.4 million rich Americans were hit with higher income tax rates. He thereby ignored the two-income professional families whose combined incomes boosted them into one of the new, higher tax brackets. He also ignored as estimated 5.5 million Social Security recipients, most of them middle-income, who are having to come up with an additional $25 billion in income taxes over the five-year cycle.

The 1993 legislation is not a solution to deficit spending. As Norwest Corp. economists noted recently, borrowing by the federal government is projected to rise sharply again after 1996. Federal spending on entitlements is projected to rise, they said, nothing that "health care reform will create new and uncapped entitlements." The Minneapolis-based banking company's chief economist, Dr. Sung Won Sohn, said pent-up demand for houses and cars played a role in the economic recovery. That demand wasn't caused by anything Clinton did.

Yes, the president deserves credit for passing free-trade legislation. But throwing a party to celebrate the August 1993 tax increase is another matter entirely. The Rose Garden ceremony Friday came off as political posturing.

AWARD OF THE PRESIDENTIAL MEDAL OF FREEDOM TO DOROTHY HEIGHT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Ms. NORTON. Mr. Speaker, I am pleased and proud today to congratulate Dr. Dorothy Irene Height, president and chief executive officer of the National Council of Negro Women [NCNW], on being awarded a much deserved Presidential Medal of Freedom—the highest civilian award in the Nation. Dr. Height is honored today for her outstanding achievements as a civil rights leader who has helped Americans of all backgrounds, and especially women, families and young people for over 50 years.

It is impossible to think about African-American women and their progress without thinking of Dorothy Height. There is no aspect of the lives of African-American women that has not been touched by her touch or helped by her help. Today, it has become impossible as well to think about the African-American family without thinking of Dorothy Height. In 1986, she launched the Black Family Reunion Celebration in American cities around the country to bolster the historic strengths and traditional values of the African-American family.

When others lamented and despaired at the fragile state of the African-American family, Dorothy Height filled the leadership void. Her Black Family Celebration throughout America increasingly rallies African-Americans to an understanding that family is central and family is indispensable. These celebrations have provoked thought and action about the necessity for family building.

Similarly, feminism caught many unaware and confused. Dorothy Height's leadership was critical to the understanding of African-American women that they must embrace feminism, and to the understanding of feminists that they must embrace African-American women.

I call Dorothy Height the godmother of African-American women and of the civil rights movement because of the unique role she has played in both these movements. At the important moments in the history in the last 50 years, Dr. Height has been there—her principles, her energy, her voice always pressing the county forward—unafraid, yet balanced and wise.

The Presidential Medal, in honoring Dorothy Height, will encourage the millions who follow her to observe her teachings and her life as an example for us all.

CONGRESSIONAL RESEARCH SERVICE REPORTS ON IMPACT OF WAYS AND MEANS BILL ON PHARMACEUTICAL INDUSTRY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. STARK. Mr. Speaker, in the past year, the pharmaceutical industry has spent about

$24 billion buying each other out or buying drug distribution companies. The Pharmaceutical Manufacturers Association recently changed their name to Pharmaceutical Research Manufacturers Association—but it would have been more accurate to change it to the Pharmaceutical Monopoly Association. They are spending more money buying market share than they are thinking up new drugs.

They also spend millions of dollars not researching, but complaining that the Ways and Means health reform bill will discourage research.

Following is a memo from the Congressional Research Service of the Library of Congress that points out that the increase in demand for drugs once everyone has health insurance will offset any problems in the cost containment provisions in our bill. In short, the legislation is likely to be a wash in terms of drug company profits: "These findings lead CBO to conclude that the 'general level of R&D in the pharmaceutical industry may not change much as a result' of the Clinton plan. * * * it seems reasonable to expect the Ways and Means version of HR 3600 would provide a marginally stronger stimulus to pharmaceutical R&D in general and the development of new breakthrough drugs in particular than the Clinton plan."

Rather than moaning and groaning, the companies should do the right thing, and work to ensure that every American has access to the medicines they need.

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS
Washington, DC, August 2, 1994.

Subject: Likely Impact on Pharmaceutical Research and Development of H.R. 3600, as Reported by the House Ways and Means Committee.

To: Hon. Pete Stark.

From: Gary Guenther, Analyst In Industry Economics.

In response to your request, the memorandum discusses the likely impact on investment in the development of new drugs of H.R. 3600, as reported by the House Ways and Means Committee. The analytical foundation for the discussion is a recent study by the Congressional Budget Office (CBO) of how the Clinton Administration's health care reform proposal is likely to affect pharmaceutical research and development (R&D). On the whole, the health care reform bill reported by the Ways and Means Committee represents an amended version of the Administration's proposal. Yet the two proposals contain some similar provisions on prescription drugs. As a result, it is reasonable and useful to view the implications of the Ways and Means bill for new drug development as a variation on CBO's main conclusions about the same aspects of the Clinton plan.

MAIN CONCLUSIONS OF THE CBO STUDY

The CBO study tackles the question of how the Clinton Administration's health care reform plan—henceforth referred to as the Clinton plan—would affect pharmaceutical R&D by estimating its likely effect on the expected returns from investing in the development of a new drug that clears regulatory review. To the extent that the plan increases expected returns from investing in new drug development, it would likely stimulate increased spending on pharmaceutical R&D.

In the CBO study, estimating the direct effect of the Clinton plan on expected returns from new drug development encompasses three discrete steps. The first one looks at the plan's provisions that would directly affect total spending on prescription drugs. CBO then analyzes the provisions in the plan that would attempt to contain the cost of prescription drugs. The final step in the analysis entails estimating the net effect of these two sets of provisions on the average expected return from investing in the development of new drugs.

Demand for Prescription Drugs. Two elements of the Clinton plan would directly affect the demand for prescription drugs. One is the creation of a universal entitlement to a comprehensive package of health benefits, including coverage of outpatient prescription drugs. The second element is the creation of an outpatient prescription drug benefit under Medicare, which is the primary source of health insurance of Americans 65 and older. In combination, these two elements would extend health insurance with an outpatient prescription drug benefit to the roughly 77 million Americans who currently have no insurance coverage for most of the prescription drugs they use outside a hospital or nursing home. *CBO estimates that the Clinton plan would increase total spending on prescription drugs by anywhere from 4 to 6 percent.* [Emphasis added]

However, as the study notes, "a high degree of uncertainty underlies these estimates of what economists call induced demand." A primary reason for this uncertainty is that CBO does not take into account the effect that a greater shift to managed health care plans under the Clinton plan would have on the demand for prescription drugs. It is difficult to predict how per capita spending on prescription drugs would respond if a larger share of Americans were to be covered by such plans.

Cost-Control Mechanisms for Prescription Drugs. As the CBO study points out, by extending a comprehensive package of basic health benefits with coverage of outpatient prescription drugs to all American citizens, the Clinton plan "could create a windfall" profit for the pharmaceutical industry. Without any built-in restraints on the added revenues the industry would receive under the plan, it is likely the much of the increase in spending on prescription drugs would further boost the industry's already high profitability. Therefore, to lessen the likelihood of such an outcome and to restrain the cost to taxpayers of providing an outpatient prescription drug benefit to Medicare beneficiaries, the Clinton plan would establish two mechanisms to contain the cost of prescription drugs.

One is a requirement that manufacturers of branded drugs enter into rebate agreements with the Secretary of Health and Human Services (HHS) if purchases of their branded drugs by Medicare enrollees are to be covered under the proposed Medicare prescription drug benefits. Makes of generic drugs would be exempt from this requirement. Under a typical rebate agreement, a manufacturer would have to pay to the Federal Government a minimum rebate of 17 percent of its average prices received from the retail class of trade (mainly wholesalers and retail pharmacies) on all of its branded drugs dispensed to Medicare beneficiaries. This basic rebate would be larger if the manufacturer's average retail price for a given branded drug were more than 17 percent above the average price received by the manufacturer from institutional buyers (e.g., hospitals and health maintenance organizations). Moreover, the basic rebate would be still larger if the manufacturer's average retail price for the same drug were to rise faster than the Consumer Price Index, relative to a common base period.

Manufacturers of branded drugs first marketed in the United States after June 30, 1993 might have to pay special rebates if the Secretary of HHS were to determine that their initial prices were excessive or higher than selling prices in a specified group of developed countries (including Canada, France, Germany and Japan). If a special rebate for such a branded drug could not be negotiated, the Secretary could exclude it from reimbursement by Medicare.

Since the rebates would not apply to drugs used by the non-Medicare population, it is likely that under the Clinton plan unit revenues for the same outpatient branded drug would be lower in the 65-and-older population than in the under-65 population. However, the loss of unit revenues because of the Medicare rebates would be offset to a minor extent by the repeal of the rebates that drug companies currently pay to the Federal Government on all drugs purchased through Medicaid. CBO estimates that unit revenues for outpatient prescription drugs would rise by 2 percent if the Medicaid rebates were eliminated.

The second cost-control mechanism for prescription drugs included in the Clinton plan is an Advisory Council on Breakthrough Drugs. The Advisory Council would have the authority to review the "reasonableness" or initial or "launch" prices for breakthrough drugs, which are new drugs offering significant therapeutic advances over available drug therapies. Unlike the findings of Medicare price investigations for new drugs, the findings of the Advisory Council would be made public, and they would pertain to all users of a breakthrough drug. Nonetheless the Advisory Council's findings would lack the power of price controls because they would not be legally binding.

Expected Return on New Drug Development. The stage is now set for assessing how the Clinton plan would affect pharmaceutical R&D. It is clear that the plan would affect expected returns on new drug development because it would alter the amount of drugs (branded and generic) that a company could expect to sell and the unit revenues it could expect to receive. They key question in both cases is to what extent.

CBO estimates that "when averaged among all drugs, returns (on new drug development) would increase slightly—less than 3 percent of total (current) estimated returns from drug development—under the Administration's proposal." Mainly because the proposed Medicare rebate would result in relatively lower unit revenues on drug purchases by people 65 and older, CBO further estimates that returns from drugs developed largely for those 65 and older would decline, whereas the returns from drugs developed primarily for those under 65 would increase. (In practice, this distinction may be of little value since most prescription drugs are used by people from both age groups—although the age mix varies by drug.) In making these estimates, CBO assumes that drug manufacturers would not try to increase the prices of existing drugs or set launch prices for new drugs higher than they otherwise would to offset the revenue effects of the Medicare rebates. *These findings lead CBO to conclude that the "general level of R&D in the pharmaceutical industry may not change much as a result" of the Clinton plan.* [Emphasis added]

PHARMACEUTICAL PROVISIONS OF H.R. 3600, AS REPORTED BY THE HOUSE WAYS AND MEANS COMMITTEE

There are significant differences between the provisions related to prescription drugs in the comprehensive health care reform bill reported by the House Ways and Means Committee (H.R. 3600) and those in the Clinton plan. Like the Clinton plan, the Ways and Means bill would create a universal entitlement to a comprehensive package of health benefits, including coverage of outpatient prescription drugs. In addition, both proposals would create an outpatient prescription drug benefit under Medicare, and both would try to contain the cost to taxpayers of providing such a benefit by requiring manufacturers of branded drugs to pay rebates to the Federal Government for purchases of their branded drugs by Medicare beneficiaries in exchange for having purchases of their branded drugs reimbursed by Medicare. And like the Clinton plan, the Ways and Means bill would abolish the existing rebates on prescription drugs dispensed under Medicaid. But the parallels go no further.

With one exception, the Ways and Means bill would seem to impose fewer constraints on the cost of prescription drugs. This difference is manifest in two ways. First, unlike the Clinton plan, the Ways and Means bill would not create a Federal council with the authority to monitor and pass judgment on the initial prices of breakthrough drugs. Second, the Ways and Means bill would set the minimum Medicare rebate at 15 percent of the manufacturer's average retail price for branded drugs, as opposed to a 17-percent minimum rebate in the Clinton plan. And unlike the Clinton plan, the Ways and Means bill would not grant the Secretary of HHS the power to negotiate special rebates for new drugs; rather all approved drugs would be subject to the same minimum rebate. However, unlike the Clinton plan, the Ways and Means bill would lower the cost to Medicare of dispensing outpatient generic drugs to beneficiaries by requiring manufacturers to pay a flat rebate of 10 percent of the average retail price in exchange for having their drugs covered by Medicare; the Clinton plan would exempt generic drugs from any Medicare rebate requirements. As a result, the Ways and Means bill arguably does more to encourage the use of generic drugs by Medicare beneficiaries than the Clinton plan. Greater use of generic drugs can generate substantial cost savings because generic drugs typically are priced about 50 percent below their brand-name equivalents within two years of entering the market.

THE HOUSE WAYS AND MEANS COMMITTEE VERSION OF H.R. 3600 AND INVESTMENT IN NEW DRUG DEVELOPMENT

Using CBO's analysis of the implications of the Clinton plan for pharmaceutical R&D as a model, it can be argued that Ways and Means version of H.R. 3600 would offer a slightly stronger financial incentive for increased investment in new drug development that the Clinton plan. What is more, the former would appear to place fewer administrative constraints on the pricing of new breakthrough drugs, raising the possibility that expected returns on investment in the development of these drugs might be greater under the Ways and Means bill than the Clinton plan.

The main reason for these stronger investment incentives in the Ways and Means bill lies in the differences between the two proposals in their cost-control mechanisms for prescription drugs. Of notable importance here is the two-percentage-point difference between the two in minimum Medicare rebates for branded drugs. *All other things being equal, manufactures of branded drugs could expect to receive slightly higher unit revenues on purchases of their branded drugs by Medicare beneficiaries under the Ways and Means bill than under the Clinton plan.* [Emphasis added]

Thus, because the vast share of new drugs are developed by makers of branded drugs, *it seems reasonable to expect that the Ways and Means version of H.R. 3600 would provide a marginally stronger stimulus to pharmaceutical R&D in general and the development of new breakthrough drugs in particular than the Clinton plan.* [Emphasis added]

TRIBUTE TO WINTHROP "WINK" AND ANNE ASHWORTH ON THEIR 50TH WEDDING ANNIVERSARY

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. MYERS of Indiana. Mr. Speaker, I rise today to salute Winthrop "Wink" and Anne Ashworth of Randolph Center, VT, on the occasion of their 50th wedding anniversary.

On August 13, the date of their anniversary, the Ashworth's five children, Pamela Jones, Stephanie Krauss, Elizabeth Ashworth-Shaw, Winthrop Ashworth, Jr. and Jonathan Ashworth, will honor the occasion with a reception for friends and family.

Mr. Speaker, the Ashworths' half century of devotion to each other should be commended, and I join their family and friends in wishing them many more happy years together.

D-DAY OBSERVANCES IN FRANCE AT UTAH BEACH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. SKELTON. Mr. Speaker, I had the privilege of hearing the Honorable Jesse Brown, Secretary of Veterans Affairs, speak at the 50th anniversary of D-day ceremonies on June 6, 1994, at Utah Beach, France. I believe that these are encouraging remarks concerning how to deal with the challenges facing our future based on our experiences in history. I value his insight and advice. Secretary Brown's remarks follow:

D-DAY OBSERVANCES IN FRANCE AT UTAH BEACH

(By the Honorable Jesse Brown, Secretary of Veterans Affairs)

Good morning, ladies and gentlemen.

It is a great honor to be with you on this historic occasion.

I stand here representing the 27 million living veterans of the United States of America.

The veterans of our nation and those of our allies have accomplished feats that were written by fire in the pages of the history of the world.

No praise for them is too great; no words can convey the debt America and the world owe to them.

There is an inscription in the chapel in the American cemetery at Colleville.

It reads: "These endured all and gave all that justice among nations might prevail, and that mankind might enjoy freedom and inherit peace."

Yes, some gave all at Normandy. Some died in the hedge country; some died on the beaches. Some died in the landing boats without ever setting foot in Europe.

But they will always be remembered. They will always be in our hearts. We will never forget them.

Today, as the world watches, we proclaim that the past, the present and the future belong to the free.

We remember that we are free today because of the sacrifices of the brave men and women we honor here.

The evil forces of tyranny and oppression were powerful, cunning, cruel and ruthless.

But the United States and its allies fought the enemy with all its determination, resources and strength. We fought for security, progress, peace and freedom—not only for ourselves but for all citizens of the world—not only for one generation, but for all generations.

We have seen and experienced, first hand, the price of freedom.

We have seen it in the graves of the brave Americans who rest in honored glory.

We have seen it in the faces of our veterans, who continue to bear the costs of war as a result of wounds and disabilities.

And all of these things have taught us the true lesson of World War II.

The lesson is that aggression and extremists must be challenged in both war and peace.

Our resolve on the battlefield and on the home front brought us victory in World War II; it brought us victory in the cold war.

We must now summon the same resolve to meet the challenges of today and the future.

Americans have never taken freedom for granted; Indeed, many have given their lives for the freedom of other nations.

And their ultimate sacrifice was not in vain. Their sacrifice has woven the fabric of history for the good of mankind and world peace.

It is clear, by deed alone, that our veterans did not forget the world; and the world should not forget them.

Thomas Payne was right when he said:

"God and the soldier, all men adore;
In times of danger and not before;
When the danger is passed and all things righted;
God is forgotten, and the soldier slighted."

The United States, the Republic of France, and all our Allies—have not forgotten God.

Nor have we forgotten our brave servicemen and women and veterans, to whom we owe so much.

We shall never forget our heroes.

Thank you so very, very much.

At this time, ladies and gentlemen it is my great privilege to introduce to you one of the heroes we honor here today.

He was born in San Jose, California.

As a member of the 359th Infantry Regiment, 90th Infantry Division in Europe, he was aboard a ship that was sunk in the D-day invasion.

He served throughout the Normandy campaign, in the Central European campaign, and in Czechoslovakia.

During his time in Europe, he rose from platoon leader to battalion commander.

He continued to serve during the Korean Conflict. And in Vietnam, he commanded the First Infantry Division.

Among the many awards he received are the Purple Heart, the Distinguished Flying Cross, the Silver Star, and the Distinguished Service Medal.

Ladies and gentlemen, a true American hero—Lieutenant General Orwin Clark Talbott.

PRESSURE INDONESIA TO END OCCUPATION OF EAST TIMOR

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mrs. LOWEY. Mr. Speaker, I rise today to share with my colleagues testimony I recently submitted to the United Nations Special Committee on Decolonization in behalf of the people of East Timor.

It is now 19 years since Indonesia seized control of East Timor and began its systematic oppression of the people of that territory. The East Timorese are denied the basic freedoms we almost take for granted: The right to speak, to freely assemble, and to have a say in their own governance.

In my testimony, I called upon the United Nations to take a strong position against the Indonesian occupation and the abuse of human rights that has sustained it.

I note here that the Foreign Operations appropriations bill that recently emerged from conference and passed the House takes a strong stand against the occupation and for the people of East Timor. It continues the ban on IMET [International Military and Education Training] funding for Indonesia, a ban put in place to protest human rights violations in East Timor. It also bans the transfer of light arms to Indonesia (arms that could be used in the repression of the Timorese) until the Secretary of State is able to report significant progress toward eliminating human rights abuses.

Moreover, House Appropriations Committee Chairman DAVID OBEY announced at the conference that unless the situation in East Timor improves, he will push for even harsher sanctions against Indonesia next year. In short, the U.S. Congress has taken a strong stand on this basic issue of human rights. I hope that the Government of Indonesia is paying attention.

TESTIMONY BEFORE THE UNITED NATIONS SPECIAL COMMITTEE ON DECOLONIZATION

Mr. Chairman, members of the Committee of 24, thank you for this opportunity to address the Special Committee on Decolonization.

The fundamental right of a people to choose its own government has always had strong resonance for Americans. The principle of self-determination is rooted in the idealism of Woodrow Wilson, and codified in the Charter of the United Nations. Coupled with decolonization, it has been a major force of democratization around the world.

It is clear that the people of East Timor have never known this right; they have never had the opportunity to elect their own officials or to determine their own futures. They were freed in 1975 from Portugal's colonial control only to be burdened with Indonesian domination less than a year later. Numerous human rights abuses now add greatly to the outrage we must feel at their situation.

As a United Nations member and a world leader, the United States must help to enforce the U.N. Charter. As a democracy, we take particular interest in its self-determination provisions. In both of these roles, we must take a strong and coherent stand against the Indonesian repression in East Timor.

In the past, the United States has opted for a balancing act; we have weighed economic and military goals against humanitarian ones, hoping that cooperation with the Indonesian government would induce it to expand human rights. Administrations since 1975 have taken this approach, and it has failed. According to reports from international human rights groups including Amnesty International and Asia Watch, the Indonesian government has not seriously investigated human rights claims or moved toward compliance with 1993 recommendations of the United Nations Commission on Human Rights in East Timor.

Mr. Chairman, the United Nations must now take a stronger stand. Rather than allowing ourselves to be put off by the possible consequences of antagonizing Indonesia, we should recall the successful stands we have taken against repression elsewhere. Our stubborn insistence on human rights guarantees have in many instances let us watch as governments changed and their people reclaimed their rights.

As the Commission on Human Rights has done in the past, we must continue to urge Indonesia to open East Timor to investigators and journalists. Their reports are invaluable in pointing out to the rest of the world the Indonesian government's weaknesses and lack of support at home.

Indonesia is clearly concerned with its public image; a judge sentenced Fernando Araujo in 1992 to nine years imprisonment for "disgracing the nation in the eyes of the international community." We must make clear to Indonesia that the way to eliminate embarrassing criticism is not to suppress the critics but to reform treatment of the accused and prisoners.

Reports alone are not enough, though they help to rally international support. We must also be willing to press hard to ensure that Indonesia's leaders act on the Commission's recommendations, that they are not only aware of their failings but also working to correct them. They must recognize the rights of the Timorese people, and we must oblige them to do so. As the United States House Appropriations Committee has urged, we must put force behind our words, for example, by completely cutting off arms sales until they comply.

As the imprisoned leader of the East Timorese independence movement, Xanana Gusmão said, "The so-called Indonesian provisional government was formed over the corpses of the Timorese massacred," in December 1975. Despite the Indonesian government's claims to the contrary, there has been no valid act of Timorese self-determination. Nor can "cultural differences" obscure the government's abuses. Detention of prisoners without legitimate trials and government complicity in massacres is criminal wherever in the world they occur.

We must solidify our position. Indonesia must be made to recognize that the human rights of the Timorese, and of its own citizens, are non-negotiable. Only a referendum among the East Timorese themselves can legitimately determine their status. Until the people's votes are counted and their voices heard, the international community and its principle of self-determination cannot be satisfied.

Mr. Chairman, I appeal to this Committee and to the rest of the World to recognize the clear danger to universal human rights that Indonesia's flagrant violations present. In standing up for the rights of the East Timorese, we will be standing for the rights of all free peoples.

CONSENSUS FOR CHANGE BROCHURE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. TORRES. Mr. Speaker, enclosed is a brochure entitled "A Consensus for Change" which I submit for the benefit of Members.

A CONSENSUS FOR CHANGE—FINAL REPORT OF THE GLOBAL POLICY PROJECT

EXECUTIVE SUMMARY

As issues of foreign economic policy come to the fore, policy-makers and citizens alike ask how the quest for new markets can be fulfilled at the same time as the challenges of protecting the environment and providing for the well-being of the poor are met. Members of 50 UNA-USA Chapters, Divisions, and affiliated organizations nationwide formed community study panels, invited local experts to advise their discussions, and, guided by a briefing book (The World Economy in Transition), wrote community reports on these issues This brochure summarizes recommendations put forward in A Consensus for Change, the final report of the Global Policy Project of the United Nations Association of the USA.

While differences of opinion naturally emerged within and among the groups participating in this project, the aim was to develop varied suggestions for future action by U.S. and U.N. policy-makers. Aided by an expert National Advisory Panel, these citizens call for greater openness to business and nongovernmental organizations (NGOs) on the part of multilateral development banks as well as U.N. policy forums and programs. They call for creative partnerships to develop environmentally sound technology, to meet the needs both of small-scale businesses and of larger corporations, and to foster public commitment to reform global trade and industrial policies. On the eve of the U.N.'s fiftieth anniversary, their recommendations present the end of one study, and the beginning of future efforts in policy analysis and public education on sustainable development—that is, development that meets the needs of the present without compromising those of future generations.

UNA-USA wishes to acknowledge the continued support of the John D. and Catherine T. MacArthur Foundation and the Ford Foundation.

SUMMARY OF RECOMMENDATIONS

1. The Policy-making Framework: From Decisions to Dollars

To increase the efficiency and enhance the impact of the U.N.'s work in the economic and social spheres, the United States and other member nations should strengthen and streamline discussion of these issues in the U.N. General Assembly and the U.N. Economic and Social Council (ECOSOC). Rationalizing the division of labor among the U.N.'s various development programs and specialized agencies—and reviewing program mandates and funding for each—is critical. Governments should make a greater commitment to funding U.N. and other international development programs, and should enlist the private sector in supporting human development efforts. Members of nongovernmental organizations and citizens' groups must be recognized as important players in carrying these programs out.

The U.S. and other U.N. member states should concentrate efforts systemwide on building social safety nets and encouraging the integration of sustainable development principles into the economic development process—both in industrial and in developing nations. In particular, member states of the Organization for Economic Cooperation and Development (OECD) should ensure that aid reporting by the OECD's Development Assistance Committee (DAC) is not divorced from analysis and presentation of data on other economic resource flows—such as trade, foreign direct investment, debt payments, and employment remittances from workers abroad—all of which affect the development process.

2. Trade Trials and Tribulations—Triumphs at Hand?

Member states of the General Agreement on Tariffs and Trade (GATT) should ensure that the soon to be established World Trade Organization (WTO) sustain the process of creating a more open trade and investment environment. It should do so by developing strong functional linkages to the World Bank and the International Monetary Fund, and by improving ties with agencies and programs of the U.N. system engaged in trade and development activities, such as the U.N. Conference on Trade and Development, the International Labour Organisation, the U.N. Commission on Sustainable Development, and the U.N. Environment Programme. The role and effectiveness of such institutions in this area will depend on their credibility and capability in pursuing sound policy goals. Within the new WTO, the U.S. and other GATT members should pursue changes in both the GATT's general rules of procedure and in dispute-resolution procedures to facilitate input and participation, where appropriate, by relevant and competent nongovernmental and other experts. Members of the GATT should make WTO resolutions (as well as the rationale for disputed decisions) readily available to the public.

To ensure that environmental and labor concerns are properly addressed in future trade negotiations, GATT members should support the work of the GATT's Committee on Trade and the Environment—particularly efforts by its members to integrate trade liberalization and sustainable development objectives. The existing body of international environmental law, evolving standards, and agreements should be considered as environment-related trade disputes are debated and decided, including: the U.N. Framework Convention on Climate Change and the U.N. Convention on Biological Diversity (both signed by the United States, the latter still unratified), Agenda 21, and the decisions of the Commission on Sustainable Development. Similarly, as GATT members consider ways to incorporate worker rights and labor standards into the program of work of the WTO, both the ILO and the OECD should continue their respective efforts at standard-setting and review—focusing in particular on standards covering forced labor, freedom of association, and equality of treatment among workers.

Members of the GATT should continue to employ the existing General System of Preferences (GSP) to allow poor nations access to international markets—while leaders in government and the private sector should support renewed efforts to eliminate corruption in the public and private sectors of countries, rich and poor. In this regard, the U.S. should lead member states of the United Nations in supporting a draft U.N. "International Agreement on Illicit Payments," as well as other anticorruption standards and recommendations put forward by the OECD and by relevant NGOs.

3. MAKING CHANGE: REFORMING DEVELOPMENT AND FINANCE INSTITUTIONS

As a major donor to the World Bank, the U.S. should sustain its support for these institutions. It should also lead efforts to enhance transparency in the Bank's operating procedures and to ensure representation of nongovernmental and private-sector interests on its newly established complaint review panel. Likewise, the U.S. should encourage the IMF to institute procedures for disclosing select documents, for involving experts from the private and nongovernmental sectors in evaluation of social and environmental impacts of its work, and for reviewing complaints regarding the immediate and long-term effects of loan policies on recipients.

Within the U.N. proper, the U.S. should lead other member states in encouraging UNDP to emphasize rigorous development analysis as its first priority; at the country-program level, UNDP should seek a strengthened interagency coordinating role. Technical support efforts should center on capacity-building in high impact areas (such as programs involving women), as well as enhanced coordination with humanitarian assistance programs. Similarly, UNICEF should focus on addressing the most critical needs of poor children and mothers—its area of comparative advantage—and should increase efforts to bolster the work of national-level counterpart agencies in key sectors, such as health and education.

UNEP should develop means to involve representatives of government, business, labor, and nongovernmental groups in defining international environmental standards and in building the political and public support to translate those standards into practice. Member states should thus consider the creation of a discussion forum within UNEP to involve these groups—along with enhanced funding for UNEP, targeted to support efforts at compliance with international standards on the part of poor nations.

4. Strategic Signposts on the Path to Sustainable Development

Collaboration among official development institutions, private-sector groups, and NGOs will only occur if the time and resources each invests in joint ventures can be demonstrated to yield concrete benefits. The challenge is to make economic development both sustainable and cost-effective; full-cost accounting procedures offer one way to demonstrate the complete costs and benefits of varying approaches. With the release of a comprehensive, revised System of National Accounts (SNA) in early 1993—the result of collaborative work by the World Bank, the OECD, and key U.N. agencies—policy-makers worldwide have gained a significant tool. The U.S. should encourage all member states to implement the SNA (and, with it, "satellite accounts" on environment and gender). Private corporations should be encouraged to revise annual accounting practices and to evaluate production decisions to reflect more fully the environmental and social costs of economic activity.

At the same time, U.N. member states should support efforts to promote the development and transfer of environmentally should technology—with special emphasis on a new role for the private sector in this form of development cooperation. In this connection, the World Bank and UNDP should collaborate with key private-sector financial institutions and nongovernmental organizations to create financing vehicles for small-business and microenterprise development efforts—such as a revolving loan fund within a restructured Global Environmental Facility (GEF). Government representatives to the GEF's Universal Assembly and Executive Council, along with official and nongovernmental representatives to the GEF's Participants Assembly, should develop means for formalizing NGO accreditation procedures to the Facility.

The U.S. and other donors to the multilateral development and finance institutions should encourage the development of innovative means to involve NGOs in policy discussions and program work, and should undertake similar efforts within their individual bilateral development and finance institutions. In the context of ongoing review of the rules for participation by NGOs in ECOSOC debates, the U.S. should lead member states in encouraging broader participation by NGOs—and should use the Commission on Sustainable Development and other public forums, including U.N. conferences, to focus the attention of consumers from wealthy and developing nations alike on the shared challenge of developing sustainable consumption patterns.

United Nations Association of the United States of America (UNA-USA)

The United Nations Association of the United States of America is a national organization dedicated to strengthening the U.N. system and to enhancing U.S. participation in that system.

The Association provides information and educational services on the work of the U.N. and on other global issues for students, scholars, Congress, business leaders, and the media.

THE ELECTRONIC FREEDOM OF INFORMATION ACT OF 1994

HON. MARIA CANTWELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Ms. CANTWELL. Mr. Speaker, today I am introducing legislation that I believe will improve public access to Government under the Freedom of Information Act and make the Federal Government more accountable to the American people. Representatives CONDIT, ESHOO, FINGERHUT, SHEPHERD, and WOOLSEY join me today as original cosponsors of this bill.

The Freedom of Information Act [FOIA] was enacted in 1966. When he signed the Freedom of Information Act into law on July 4, 1966, President Lyndon Johnson said:

> This legislation springs from one of our most essential principles: A democracy works best when the people have all the information that the security of the Nation permits. No one should be able to pull curtains of secrecy around decisions which can be revealed without injury to the public interest.

Since 1966, FOIA has been used to provide citizens with information on how Government works and how decisions are made. An informed electorate is best able to hold Government accountable and root out waste, fraud and abuse of power in Government. For example, FOIA was recently used to uncover the human radiation experiments conducted under Government auspices in the decades after World War II.

Over the past 20 years, information management and maintenance have dramatically changed. New guidelines are needed to reflect the computer revolution that has occurred in this country. It is important to clarify that Government has an obligation to respond to FOIA requests for information maintained electronically. This legislation makes clear that FOIA covers Government information in any format.

It's time to bring FOIA into the computer age and reduce the delays that have plagued the current system. The Electronic Freedom of Information Act accomplishes these two important objectives by making Government information more accessible to the American people through the benefits of information technology and implementing improvements to alleviate delays in processing requests for information.

The Electronic Freedom of Information Act of 1994 makes Government more accessible to the public by: Clarifying that FOIA requirements apply to records regardless of form, including agencies' electronic records; requiring that agencies provide records in requested form if records are maintained in that form, and make reasonable efforts to provide information in the form requested, even where such records are not usually maintained but are available in that form: requiring that agency regulations, opinions, and policy statements be accessible on an on-line basis or if not available by other electronic means such as CD–ROM or on disc; requiring that a list of all FOIA released records be accessible on-line or if not available, by other electronic means, and that copies of FOIA released records that are subjects of repeated requests be accessible on-line or if not available, by other electronic means; requiring agencies to public online indexes of all major information systems used or maintained in electronic form and descriptions of any new major information systems; and requiring agencies to indicate the place and extent to which deletions are made in electronic records, so requesters will be able to know how much information has been deleted.

This bill also will improve Government response to citizen requests for information by: Providing incentives for agencies to meet statutory deadlines—agencies can retain half of the fees they collect if they respond to requests within the deadlines established in the act; increasing the time allowable for responding to requests for information from 10 to 20 days, which will help agencies reduce their backlogs of requests; allowing a court to award, in addition to attorneys' fees and litigation costs permitted under current law, expenses to a requesters where agencies fail to comply with the time limits set by the act; authorizing agencies to handle simple requests—those for which a determination on whether to comply with the request can be made in less than 10 days—and complex requests—those requiring more than 10 days to determine whether to comply—on two tracks, and; providing for expedited access to requesters that demonstrate—under penalty of perjury—a compelling need for a speedy response—less than 20 days.

As Federal agencies increasingly move to computers for information management, this legislation will ensure that Government is open, acessible and operating efficiently. I urge my colleagues to cosponsor and support the Electronic Freedom of Information Act of 1994.

NO MORE PAPER

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 8, 1994

Mr. GINGRICH. Mr. Speaker, I rise today to discuss an issue that is becoming increasingly prevalent as the health care reform debate continues. Health care providers are inundated with paperwork. If this trend does not stop, we will need separate buildings just for the paper. We must do something.

Why do we have all this paper? Let me share with you my experience. A few weeks ago, at the behest of the Georgia Chapter of the Healthcare Financial Management Association and the Georgia Hospital Association, I had the opportunity to visit Kennestone Hospital, which is located in my district. This time, instead of limiting my visit to the patient care areas, I went through the hospital's business office. I got to see everything that goes on in that office—all the steps it takes to process a patient's bill starting from before admission to after the patient is released. What I learned on this tour was truly overwhelming.

Mr. Speaker, I wonder if my colleagues realize that just about every health care payer has its own variation of a health care claim form, with minimal standardization across payers. Even Medicare's standardized form is not used uniformly; intermediaries may require different formats and/or attachments. Now the health care provider is essentially struck—if they want to get paid, they have to comply with the demands of the payer, including Medicare.

Mr. Speaker, this is a waste. It's a waste of human resource, and it's a waste of money. We need to fix this and we need to do it this year. We have the opportunity to do just that. Representatives SAWYER and HOBSON have spent many months—working with health care provider groups such as the Healthcare Financial Management Association, computer companies and insurers—developing a legislative proposal to simplify and unify the health care administrative system.

H.R. 3137, the Health Care Information Modernization and Security Act of 1993, would mandate that all providers and payers conform to a uniform form. Further, everything would be processed electronically. No more paper. Patient privacy would be protected; appropriate timelines would be set for a smooth transition to this new system.

The electronic superhighway is the wave of the future. Health care claims processing is an area that would greatly benefit from getting on board that highway.

Mr. Speaker, I encourage my colleagues to visit a hospital in their district and see what's going on in the business office. Hear their perspective. Moreover, I encourage you to give serious consideration to H.R. 3137. Patients, our constituents, will benefit most from this bill. This is a bill that can be enacted this year and produce significant savings, both financially and in terms of human resources.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, August 9, 1994, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 10

9:00 a.m.

Labor and Human Resources

Business meeting, to mark up S. 1821, authorizing funds to provide a comprehensive program for the prevention of fetal alcohol syndrome, S. 1781, to make improvements in the Black Lung Benefits Act, S. 1037, to eliminate the provision in the Civil Rights Act of 1991 that would exempt the employer and employees involved in the Wards Cove Packing Co. versus Atonio case, and to consider pending nominations.

SD–430

Office of Technology Assessment Board meeting, to consider pending business.

EF–100, Capitol

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

10:00 a.m.

Foreign Relations

To hold hearings to examine the current status of the Law of the Sea Convention.

SD–419

Indian Affairs

Business meeting, to mark up S. 2269, to protect Native American cultures and to guarantee the free exercise of religion by Native Americans, S. 2036, to specify the terms of contracts entered into by the U.S. and Indian tribal organizations under the Indian Self-Determination and Education Assistance Act, S. 2150, to establish a Native Hawaiian housing program, S. 2259, to provide for the settlement of Confederated Tribes of the Colville Reservation claims concerning their contribution to the production of hydropower by the Grand Coulee Dam, and S. 2329, to provide for the settlement of certain Mohegan Indian land claims within the

State of Connecticut; to be followed by hearings on pending nominations.
SH-216

10:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

1:30 p.m.
Small Business
Business meeting, to mark up S. 2060, authorizing funds for fiscal years 1995 through 1997 for programs of the Small Business Administration.
SR-428A

2:00 p.m.
Armed Services
To hold hearings on the nominations of Walter B. Slocombe, of the District of Columbia, to be Under Secretary for Policy, Jan Lodal, of Virginia, to be Deputy Under Secretary for Policy, Joseph Nye, of Massachusetts, to be Assistant Secretary for International Security Affairs, Sandra K. Stuart, of North Carolina, to be Assistant Secretary for Legislative Affairs, Judith A. Miller, of Ohio, to be General Counsel, and Philip Edward Coyle III, of the District of Columbia, to be Director of Operational Test and Evaluation, all of the Department of Defense.
SR-222

Foreign Relations
To hold hearings on Richard Holbrooke, of New York, to be Assistant Secretary of State for European and Canadian Affairs, Eileen A. Malloy, of Connecticut, to be Ambassador to the Kyrgyz Republic, and James W. Swihart, Jr., of Virginia, to be Ambassador to the Republic of Lithuania.
SD-419

AUGUST 11

8:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research, Conservation, Forestry and General Legislation Subcommittee
To hold hearings on the Administration's proposed legislation on meat and poultry inspection.
SR-332

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the activities of the Olympic Committee.
SR-253

2:00 p.m.
Armed Services
To hold hearings to examine the military implications of the Convention on Chemical Weapons.
SR-222

Environment and Public Works
To hold hearings on proposed legislation authorizing funds for programs of the Economic Development Administration.
SD-406

Judiciary
To hold hearings on pending nominations.
SD-226

AUGUST 12

8:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research, Conservation, Forestry and General Legislation Subcommittee
To continue hearings on the Administration's proposed legislation on meat and poultry inspection.
SR-385

10:00 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold joint hearings with the House Committee on the Judiciary's Subcommittee on Intellectual Property and Judicial Administration on the implementation of the intellectual property provisions of the General Agreement on Tariffs and Trade (GATT).
2237 Rayburn Building

POSTPONEMENTS

AUGUST 12

2:00 p.m.
Veterans' Affairs
Business meeting, to consider the nomination of Linda Marie Hooks, of Georgia, to be an Assistant Secretary of Veterans' Affairs (Acquisition and Facilities), and to mark up pending legislation.
SR-418

SENATE—*Tuesday, August 9, 1994*

(Legislative day of Monday, August 8, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights * * * *to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed* * * *.—Declaration of Independence.

Eternal God, Sovereign of history and the nations, our Founding Fathers conceived a political system based upon the self-evident truth of a Creator-God who is the Author of human equality and liberty. Moses, the great lawgiver, warned in the Torah: "Beware that thou forget not the Lord thy God * * * if thou do * * * ye shall surely perish."—Deuteronomy 8:11, 19.

In our human pride, Lord, we have assumed that "man is the measure of things," and that he can achieve whatever he desires without God. Meanwhile, our culture is collapsing around us like the Tower of Babel.

Patient, loving God, awaken us to the desperate need to give Thee priority in our lives, individually and collectively.

We pray in His name who is Life incarnate.

Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Under the order, Mr. GRAMM of Texas is to be recognized for not to exceed 10 minutes.

ENTITLEMENTS AND HEALTH CARE

Mr. GRAMM. Mr. President, one of the things that I find most interesting about serving in the U.S. Senate is that you are often struck by an incredible paradox—the right hand of the body often does not know what the left hand is doing. We at some times tend to work at cross purposes, and I do not think I have seen a clearer example than what is happening today regarding the Entitlement Commission report, which is being released, and what we are doing on health care.

Let me explain. I am sure that people saw in this morning's Washington Post the large article about the Entitlement Commission established by the President to look at the fact that growth of entitlements is on the verge of bankrupting the country. In fact, the Cochairman of that Commission is quoted in the article as saying, "We are on a course toward national bankruptcy. Now the question today is, what are we going to do about it?"

If you read the article and you read about the tentative information that has been put out by this Entitlement Commission, here is what they have concluded.

Under current law, if we do not start a single new program, the built-in growth in programs called entitlements—entitlements are benefits you get by meeting certain qualifications; Congress does not vote annually to appropriate funds for them—within 35 years we would have to double all Federal taxes to pay for only those entitlement programs that are currently the law of the land.

Let me say that one more time. What this Entitlement Commission has concluded is that, if we do not start a single new program, the existing programs that are on the books are producing expenditures that are so big, within 35 years we will have to double income taxes and every other Federal tax currently on the books simply to pay the bills being generated by all the promises we have already made the American people.

I remind my colleagues that in 1950 the average American family with two children sent $1 out of every $50 it earned to Washington. Today, it sends $1 out of every $4 it earns to Washington.

This is what the right hand of American Government is doing today. It is lamenting the fact that all of these entitlements we have created are bankrupting the country and impoverishing the taxpayer, and we have to do something about it. In fact, they are talking about cutting Social Security benefits.

Now, what is the left hand doing? The left hand is debating the creation of the largest entitlement program in American history. While we are debating our inability to pay for the promises we have already made the American people and lamenting the fact that in 35 years those projects will force a doubling of all existing Federal taxes, we are in the process of creating the largest entitlement in the history of the country. Under the President's health care plan, within 2 years, even if two miracles occur: First, the Government was actually able to run the health care system and, second, wage and price controls—which have never worked in 5,000 years of recorded history—actually worked, still according to the President's own numbers, the new health care plan would cost more than Social Security and would be the largest single program of the Federal Government. Within 10 years, it would cost $750 billion a year. Nobody but Ross Perot knows what $1 billion is. But $750 billion is half the total level of Government spending today.

Now my question, Mr. President, is this: If we cannot pay for the promises we have already made, how are we going to pay for the new promises that we are making in the name of health care reform?

I am very alarmed that we are in the process of making promises that we cannot pay for. We will end up going back and forth between bankrupting the Government and rationing health care, and in the end we are going to destroy both the greatest economy in the history of the world, and we are going to destroy the greatest health care system in the history of the world.

I am very alarmed that every single health care plan has one thing in common—and notice, Mr. President that I am not differentiating between Republican plans and Democratic plans. They all claim to be paid for for the first 5 years, yet they all start a lot of new benefits in the fourth and the fifth years.

So what it means is that in the sixth year when we are outside the scope of our budget process, every one of these plans produces whopping deficits. Every one of these plans, when you extend them out to 10 years, is adding to a deficit which, as we know under existing law, is already going to be in the $400 billion range.

So how can it be that here we are in August getting ready to debate the creation of the largest new Government spending program in the history of mankind during a period that had been scheduled for us to go back to our States or to go on vacation? At the same time we are getting ready to debate health care, many of our own Members are participating in a commission study which is warning the Nation that existing programs are bankrupting the country and that we are mortgaging our future. What is our response?

Our response is that we are not staying here to debate what to do to prevent taxes from having to double over the next 35 years. We are staying here to debate how we can increase Government spending and in the process make the whole entitlement problem worse.

Finally, let me sum up pointing out the big problems with all three of the major health care bills that carry the Clinton name. No. 1, they are all very, very expensive. The cheapest of the three, the Mitchell bill, would provide Government-funded assistance to 110 million Americans. Now, for those 110 million Americans, that Government assistance, obviously, is going to be welcomed. But for the other 130 million Americans who are going to pay for it, it is not going to be welcomed.

The President said the other night at his partisan challenge to ask Republicans if they were willing to give people health care. Mr. President, we cannot give people anything. The Senate cannot give people things. When someone gets something for nothing from the Federal Government that means some poor taxpayer got nothing for something.

More often, it means that some child yet unborn has had its future mortgaged to pay for benefits that we are giving away. We do not have courage enough, No. 1, to tell the American people what these benefits cost and, No. 2, to pay for them.

I am deeply worried, whether it is the original Clinton plan, the Clinton-Gephardt plan, or the Clinton-Mitchell plan, that no one has figured out how to pay the cost for any of these plans. They all establish a mechanism that ultimately collectivizes decisionmaking and health care. Some of them do it directly by forcing you to buy health care through a Government cooperative; others do it indirectly.

Under the Mitchell plan, if you have a health insurance policy—let us just take somebody who works for General Motors. The average employee of General Motors has a health insurance policy that costs about $6,000 a year. Under the Mitchell plan, the Government will define what kind of health insurance you ought to have, called the standard benefit package.

If Government says that the standard benefit package should cost $4,000, the employees of General Motors will then have to pay a tax on the $2,000 of additional benefits that they have negotiated, that they want for their families, and that represents part of their wage package. So General Motors would then have to pay a 35-percent tax on this $2,000 of benefits.

The recipient of these health care benefits, because the Government says they are excessive, would have to pay income taxes on them, but there would be a differential based on whether the individual was a member of a union or not a member of a union. If a person was a member of a union, the company would not have to pay the tax, and the employee would not have to pay the tax. But if they were not a member of the union, the company would have to pay the tax and the employee would have to pay the tax. And if they were in the 31-percent tax bracket, there would be a 66-percent tax on those benefits.

Mr. President, that is not freedom of choice. That tax policy destroys people's right to choose. Should people not be able to decide what kind of private health insurance they want? Is that not what living in a free country is about? I believe it is.

I thank the Chair.

Mr. JEFFORDS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Vermont.

HEALTH SECURITY ACT

Mr. JEFFORDS. Mr. President, this afternoon we will take up the Health Security Act. Hyperbole is the coin of the realm in Congress, but I think it is fair to say that this is the most important domestic legislation any of us has or will face in our careers.

We have an opportunity to do something that no other Congress has been able to accomplish—to provide the means for all Americans to have private health insurance. This opportunity is a fragile one. As we found in Vermont, where there was a tremendous reservoir of good intentions and good will, reforming the health care system is a difficult operation.

While many of us have been working on health issues for some time, today's debate really began with the commitment of the President and the First Lady to provide this country with meaningful health care reform which includes universal coverage. I have supported President Clinton in this goal for the simple reason that is also my goal, as it is for many of my Republican colleagues.

Mr. President, I was a member of the Republican Task Force on Health Care Reform which like the President had a deep commitment toward obtaining meaningful reform. Our task force, led by my patient and esteemed colleague Senator JOHN CHAFEE, met weekly for over 4 years to design a comprehensive health care proposal that would lower the cost of health care for Americans and our Federal Government. While I did not embrace the entire Chafee bill I do agree with many of its approaches, especially in providing incentives for the marketplace to drive our health care delivery system.

I have once again joined Senator CHAFEE, who has been heading up the mainstream group of moderate Democrat and Republican Senators, who are working toward a broadly bipartisan bill. This is no easy task under any circumstances, let alone the partisan warfare that has already infected this debate.

I understand the concerns expressed by my colleagues who believe strongly that a greatly expanded Government-run system would be best for this country, and I understand the concerns expressed by many of my Republican colleagues who are troubled about the Government taking control of our private health care system.

But while our differences may make the headlines, in many areas there is agreement between all parties.

We all believe that people should not be excluded from coverage because they are sick or because they change jobs.

We all believe that we should be moving toward a system that encourages wellness rather than one that merely treats illness.

We all believe that we have to stop the senseless cost-shifting from Medicare and Medicaid to the private sector and then back again when people can no longer afford insurance.

We all believe that we must get the spiraling costs of health care under control.

And we all believe that it is unacceptable that 37 million Americans in this country are uninsured and millions more are underinsured.

Wanting health care reform for all American's should not be a Democratic or Republican issue. When a serious illness hits a family they do not check the doctor's political leanings. They want the best care they can get, and we should seek the same for them. I do believe that there are legitimate philosophical differences, which we debated in committee and which we should debate here on the Senate floor, as well.

But rather than stooping to the gimmicks that both sides have already employed, let us give the American people some credit. Let us give them our best arguments, not our best artifice.

This debate has thus far fixated on the issue of whether or not we will require employers to contribute toward their employees health insurance. That is an important issue, but I think the more important question is how we reduce costs for the vast majority of employers who are already providing coverage. And how do we reduce costs for individuals, as well as Federal, State, and local governments?

How do we design the system, provide the incentives, and delineate responsibilities? What should we expect from the Federal Government and what should we expect from State government? Most importantly, how do we put the right incentives in place to get the private marketplace to function properly?

These are terribly important questions, yet they have barely been asked, let alone answered. It is no wonder that the American people are confused about what Congress is doing, because we have yet to present to them a coherent approach.

My own view is that the Federal Government should provide the framework and guidance for the States to carry out the ultimate goal of reaching universal coverage for all Americans. If a State can develop a program that finances universal coverage faster than the Federal Government can accomplish, we should provide these States with the appropriate waivers for innovative use of Medicare and Medicaid funds.

Hopefully, this type of flexibility will allow States to show us the way to create a seamless system of coverage that eliminates the cost shifting in the system due to age, ability to pay, and sickness. Segregating the elderly, the poor, and the sick into separate programs and then wondering why costs are out of control simply makes no sense.

The Federal Government should also provide guidance to ensure uniformity in the delivery system for both buyers and sellers in the marketplace. Establishing a uniform benefits package, national rules for health plans, national rules for purchasing cooperatives, and uniform rules for large multi-State employers all are necessary elements for a rational health care system.

As important as what it should do is what it should not do. The Federal Government should not be in the business of running health care plans. This is a function of the private market today and must remain a function of the private market. There will already be a tremendous increase in Government responsibility without taking on this function.

Mr. President, the formula for health care reform is really very simple: universal access plus affordable private insurance plus shared responsibility equals universal coverage. I believe very strongly that we can reach our goal of universal coverage only if businesses, individuals, and the Government share this responsibility. Business as well as individuals must contribute to the cost of financing health care.

The time has come to put together a blueprint for a truly integrated health care system in this country that can replace the piecemeal approach that has developed over the years. Tinkering around the edges will not eliminate the cost shifting that occurs between providers and private payers.

We must move away from a fee-for-service system and toward a capitated system of payment.

Individual mandates alone will not ensure that everyone would purchase a health plan. But overregulating businesses by requiring them to spend more time and dollars documenting that they are meeting Federal rules will only add costs to the system. Needless expansion of liability will only drive costs up.

America needs a health care system that prevents disease rather than one that is designed to simply take care of someone once he is sick.

America needs a health care system in which two and a quarter million people a month do not lose health benefits and go without coverage for often long periods of time.

America needs a health care system in which the cost of health insurance will not be $20,000 for a family by the year 2000.

Americans need to know that if a catastrophic illness hits, they will have health care that is always there.

Americans need a Congress that is willing to work together to provide the country with health care reform that is done right. I challenge my colleagues on both sides of the aisle to work to pass a bill that meets the needs of all Americans.

Thank you, Mr. President.

Mr. BREAUX addressed the Chair.

The PRESIDENT pro tempore. The Senator from Louisiana [Mr. BREAUX].

The Chair would advise the Senator from Louisiana [Mr. BREAUX], that morning business will expire at 9:30 a.m., under the order.

Mr. BREAUX. Mr. President, with agreement of the distinguished Senator from Hawaii, I ask unanimous consent to proceed as if in morning business for not to exceed 10 minutes.

Mr. INOUYE. Mr. President, I have no objection.

The PRESIDENT pro tempore. There being no objection, the Senator from Louisiana is recognized for not to exceed 10 minutes, and the period for morning business is accordingly extended.

Mr. BREAUX. Thank you, Mr. President.

HEALTH CARE REFORM

Mr. BREAUX. Mr. President, as we begin the historic debate this week on the question of health care reform, I rise on this occasion to ask the question that perhaps many Americans asked over the past several months.

The question is: Why are we here? What are we doing? Why is it necessary for the Congress of the United States to be debating a health care reform program or plan when we, in America, already have the finest health care system in the world?

(Mrs. MURRAY assumed the chair.)

Mr. BREAUX. Let me make two points in trying to respond to that question. The first point, I think, is clearly shown by the question of health care cost—how much it costs each and every citizen in this country to have health care in what is clearly the finest system known to man.

In 1970, Madam President, we, in America, spent about the same amount of money on health care as we spent on education in the public and private sector; dollar for dollar, health care spending equaled what we spent on education.

Last year, Madam President, we, in America, spent the same amount of money on health care as we spent on all of education; but in addition, combined with what we spent on all of national defense, what we spent on running all of the prisons in America, what we spent on all of the farm subsidy programs in America, what we spent on all of the food stamp programs in America, plus what we spent on all of the foreign aid programs combined. That occurred in a relatively short period of time in our country's history. So, No. 1, we are here because the cost of health care in this country is out of control. Health care costs were climbing at a rate nearly twice the rate of inflation since 1981. If we do nothing, the long-term economic stability of our entire Nation will be adversely affected in a very serious way, unless we address the question of health care costs.

The second point is this. Madam President, 85 percent of Americans have health insurance so they would question the Congress, "Why are you messing with what I already have? Are you not planning to take away something that I have in order to give it to the 15 percent of the people who do not have health insurance and need help and assistance?"

In my State of Louisiana we have one of the highest rates of uninsured people in the Nation—second highest, to be exact. But we have a large percentage of people who, in fact, do have health insurance. Those people who have health insurance, No. 1, pay too much for it. Everybody in America who has a plan is paying more than he or she should pay for health insurance because they are paying in their premiums for everybody else who does not have health insurance. That is wrong and we need to fix it.

Second, those people have their health insurance canceled when they get sick. How many of our colleagues do not know of a family somewhere where the mother or the father or a child got sick and they get a notice in the mail that their health insurance has been canceled? Why? Because somebody got sick. That is what health insurance is for, to take care of people who get sick. We need to do better, and health care reform can address that problem and help fix it.

Madam President, the third point is the people who already have health insurance lose it when they change jobs. In today's mobile society in this country, where people change jobs several times in a lifetime of trying to find the best type of work suitable for their intelligence and their endeavors, they change jobs. They improve their conditions. But, when they do that, many times they lose health insurance because the employer says you cannot take your policy with you. If you are changing jobs, you are going to lose health insurance. And guess what; if you had a preexisting condition, when you get to the new job, they are not going to sell you health insurance in the first place.

So I say to the 85 percent of Americans who have health insurance, you have a lot of problems with it and they need to be addressed. You pay too much; it gets canceled when you get sick; and you lose it when you change jobs. Health care reform is about helping make better the conditions of the people who have health insurance in America, as well as it is about taking care of the 15 percent who have no health insurance whatsoever. The question becomes, how do we do it? I think there are two basic ways we could approach the problem of how do we address health care reform.

First, and some have advocated this, is that the Government should do a lot more. We should have Government-run health care. We should have more mandates, more regulations, more bureaucracies; we should have price controls, we should make sure everything works right, and we ought to have it all done in Washington. That is one way. I do not think that is the best way. In fact, I think history tells us in many areas, we have not done very well with Government-run types of programs, particularly when it comes to cost control. Medicare is a good example of that point.

The other alternative, which I think is a better way, is improving the marketplace, getting rid of those impediments in the marketplace that have not allowed the health care system in this country to work very well, those impediments that have restricted competition from really working in the area of health care. That is the approach I prefer.

Several years ago, the Congressman from Tennessee—perhaps soon to be Senator—JIM COOPER and I introduced the Managed Competition in Health Care Act, which relied on improving the marketplace as a way of trying to bring about this reform we all can agree on.

I think the President and the First Lady have done a tremendous job of bringing this issue to the attention of the American people. They have said they want to assure that all Americans have adequate health care, at an affordable price, that they will never lose. Who is against that? Nobody I have ever spoken to is against the concept of all Americans having quality health care at an affordable price. How we get there is the issue here today. I have suggested a way of doing it that I think is the proper way.

Many liberals say we should do everything; we should do it all at once, and hope we get it right. Then there are some conservatives who say we do not want to do anything, and we want to take a long time in doing it. I think both of those two positions are unworkable and are not the best way of addressing this problem. I suggest we take it one step at a time to make sure we do it right as opposed to trying to do it all at once and just hoping we get it right.

We have suggested, and the concept we are embracing, is major insurance reform: Take care of those 85 percent of the people who lose their health insurance when they change jobs or have it canceled when they get sick. We need to make sure that insurance reform is part of a package. We need to have purchasing cooperatives so the individual person in Louisiana running a small business has the opportunity to buy health insurance as if he or she were General Motors or Xerox or a multinational company, which gets a much better deal than the average American who has to rely on buying insurance by themselves. Purchasing cooperatives give them purchasing power so they have the opportunity to buy as if they were a large company and get a good deal. They should get the same good deal a big company gets. They are not getting it. Purchasing cooperatives take care of that.

And the people who do not have insurance—again, if you have 15 percent of the people who are uninsured, we have to help them pay for their premiums. Right now, we are paying Medicaid for them, which is not the best way to do it. We should take the money from Medicaid and give it to the people who cannot afford to buy insurance in the form of subsidies, and we have a way of helping them. They should buy insurance. Poor people should have access to health care just like somebody who is wealthy. We need to lower the costs of the people who have health insurance, as well as giving poor people a much better deal than they have now.

We need to standardize the benefit package. We have 2,000 health insurance companies with 20,000 exceptions. Did you ever look at a health insurance policy and try to understand it? I have, and I cannot. I am sure most Americans are like I am. It is too complicated, too confusing, too many exceptions. Madam President, 25 or 30 percent of the doctor's work in his office is filling out forms or processing redtape. You fill out a document and submit it. They send it back to you because you did it wrong. You do it again, resubmit it. That is 25 to 30 percent of the cost of doing business, and nobody is being treated when all that money is being spent filling out forms and processing redtape, bureaucratic requirements. So we need to standardize the plans and I think that would go a long way.

We need malpractice reform. Doctors should do tests to treat people, and not have to worry about whether they are going to be sued or litigated against. But still the individual's right to the courts would be preserved, of course. We make sure we try to improve the system in a way I think makes a great deal of sense.

The final thing is this: Universal coverage. Is anybody not for that? Is anybody willing to say, "I am against some people having insurance and I do not think everybody should have insurance?" Of course not. I have not met an American in Louisiana or a Member of Congress who is willing to stand up and say, "I don't think everybody ought to have coverage." Everybody thinks everyone ought to have coverage. How we get it is what is at question right now; what process do we use.

GEORGE MITCHELL, our majority leader, the distinguished Senator from Maine, I think, has come a very long way toward reaching a plan that I think makes a great deal of sense.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. BREAUX. Madam President, I ask for two additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I thank the Chair for the indulgence, and conclude by saying the majority leader's plan, I think, is a major move toward getting a bill everybody can support. Do you know why I know that? Because everybody is criticizing it. It is getting criticized from the left as not being enough, being criticized from the right as being too much. I think that means it is in the middle somewhere, which I think is how we have to solve this problem: From the middle out instead of from the left in or from the right in. It is a plan that moves in the right direction.

I am concerned about the mandates because the plan that is before the Senate now, or will be, says that in 1994 we are going to make a decision about what is the best way of getting it in the year 2001. I suggest we have enough problem deciding what is best to do today, rather than trying to decide today what is the best answer in the year 2001.

I will suggest that work in that area will give us a solution that will present a package to the Senate that we can adopt in a bipartisan manner, as all major legislation, like Medicare, Social Security, have been adopted in a bipartisan fashion over the years.

We can do this. It is important. We should do it. The American people expect Congress to act. They are tired of the political debate that they hear about whose fault it is and which party is going to get credit, which party is going to get blamed. It is time the American people win one. This is an opportunity to make all Americans winners in the question of health care reform.

THE NOMINATION OF LTG BUSTER GLOSSON, U.S. AIR FORCE, TO RETIRE IN GRADE

Mr. NUNN. Madam President, Lt. Gen. Buster Glosson, U.S. Air Force, one of the Nation's most distinguished military officers, has been nominated by the President for retirement in grade. Lieutenant General Glosson's 29-year career includes:

His service as an F-4 pilot in Vietnam for which he was awarded the Distinguished Flying Cross for 139 combat missions.

Primary responsibility for planning and implementing the air campaign in Operation Desert Storm.

Service as the Air Force Deputy Chief of Staff for Plans and Operations.

The committee's review of this nomination has included the military record of Lieutenant General Glosson; the joint DOD/Air Force IG report on the allegations that Lieutenant General Glosson improperly communicated with selection board members with an intent to influence their deliberations; materials provided to the committee by the Air Force and the Office of the Secretary of Defense; materials submitted to the Department and the committee by Lieutenant General Glosson; and testimony before the committee by DOD witnesses on June 27 and July 27, 1994.

There is strong support for Lieutenant General Glosson's nomination in the committee. The committee regretfully has determined, however, that the inconsistent information provided by the Department of Defense to date and the manner in which the Department has handled the nomination have created a situation in which there is not an adequate basis for making a recommendation to the Senate on this nomination. The committee has four primary concerns.

First, during the pendency of the investigation, the Air Force was presented with credible information indicating the possibility of bias on the part of the inspector general of the Air Force, but no action was taken to address the impact of that information on the investigation. The committee finds the failure to evaluate information about bias in the investigation to be a significant defect in the process.

Second, the Department failed to address the specific findings in the joint DOD-Air Force IG report in the course of acting on the allegations against Lieutenant General Glosson. While the Department's leadership is not bound by the findings of inspectors general, the failure to address findings involving serious allegations before sending a nomination to the Senate is inexplicable.

Third, prior to sending the nomination to the Senate, the Department did not take the steps necessary to resolve the direct conflicts presented by the statements of Lieutenant General Nowak, Lieutenant General Ryan, Major General Myers, and Lieutenant General Glosson on the key issue of whether Lieutenant General Glosson communicated with the intent to influence the deliberations of selection board members. When four of the most senior officers in the Air Force give opposed sworn statements on a matter of significant official interest, the Department cannot reasonably avoid the responsibility to address the conflicts in the testimony before sending a nomination to the Senate.

Fourth, even though the Air Force did not accept or reject the conclusions in the joint-IG report as to whether Lieutenant General Glosson had an intent to influence the deliberations, he nonetheless received a letter of admonition for creating the appearance that he was attempting to influence a selection board. Unauthorized communications with board members are strictly prohibited. There is no prohibition, however, in law, regulation, or custom of the service on discussions which merely create an appearance in the absence of a finding that the person was aware that he was speaking to a member of the selection board. The committee has serious questions about the letter, particularly since it applies a standard that was not in effect when the letter was issued, and which has not subsequently been disseminated to the officer crops by the Air force.

The committee has determined that it would not be appropriate to proceed in this matter until the Department has addressed these concerns. Accordingly, the committee has requested the Department of Defense to cause an objective review of the evidence in this case to be conducted. Such a review could be conducted through use of a formal or informal fact-finding procedure that involves interviews of the individuals concerned, but the committee leaves it to the Department's discretion to decide on the appropriate means of addressing the committee's concerns. Because of intense personal involvement by Air Force and Department of Defense officials in this matter to date, the committee has directed the Department to ensure that the review should be conducted by persons outside the Department of Defense who have not been involved in the conduct or review of the investigation to date.

The committee has directed the Department to ensure that the review, at a minimum, should set forth findings of fact relevant to the following questions:

Did the Air Force Inspector General have personal conflicts with Lieutenant General Glosson prior to the investigation? If so, should he have been permitted to participate in the conduct of the investigation?

Does the evidence support the conclusion of the joint IG investigation that Lieutenant General Glosson lied about his communications with the three officers?

Can the statements of Lieutenant General Glosson, Lieutenant General Nowak, Lieutenant General Ryan, and Major General Myers be reconciled on the basis of available evidence?

If not, does the evidence support the conclusion that Lieutenant General Glosson provided truthful statements about his statements with the other three officers, or that each of the other three officers provided truthful statements about their communications with Lieutenant General Glosson?

The committee directed the Department to provide the results of this review to the committee by September 15, 1994.

In a related matter, the committee approved the nomination of Lieutenant General Michael Ryan for reassignment from his current position as Assistant to the Chairman of the Joint Chiefs of Staff to the Commander of Allied Air Forces in Southern Europe and Commander of the Sixteenth Air Force. This is a transfer, not a promotion, but since it involves transfer to a three-star position of importance and responsibility, Senate confirmation is required. Deputy Secretary Deutch and JCS Chairman Shalikashvili testified before the committee that this transfer is critical to the conduct of operations in connection with the tense situation in the former Yugoslavia. The committee, in recommending this nomination, specifically noted that the committee's action was without prejudice to Lieutenant General Glosson or Lieutenant General Ryan on the issues raised by the committee's request for further review by the Department of Defense. The committee specifically reserved judgment on those matters until receiving the report from the Department of Defense.

PRESIDENT CLINTON DESERVES CREDIT FOR RUSSIAN TROOP WITHDRAWAL

Mr. PELL. Madam President, recently I made a statement on the Senate floor welcoming the Russian announcement that all troops would indeed be out of the Baltics by August 31. This is indeed good news.

I noted in my statement that the Clinton administration deserves a great deal of credit for its quiet, yet effective diplomatic role in facilitating the Russian-Estonian agreement. I mentioned that most people do not realize the amount of energy President Clinton has personally expended on this issue. Accordingly, I was very pleased to read a piece by William Safire in Monday's New York Times on this very subject. Mr. Safire not only recognizes, but commends President Clinton for the key role that he played in the diplomatic effort to secure an agreement on troop withdrawal.

I commend the piece to my colleagues, and ask that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLINTON'S GOOD DEED

(By William Safire)

WASHINGTON.—Five years ago, an inflammatory piece titled "Free the Baltics" appeared in this space. Its theme was that "a great struggle has begun" to dismember the Soviet empire, and I went to the Baltics a few months later to be able to put the message in a dateline redolent with pro-independence propaganda: "Riga, Soviet-occupied Latvia."

The three tiny Baltic republics—Latvia, Estonia, Lithuania—were the keys to the kingdom. The West had never recognized Stalin's deal with Hitler to swallow up the three states; for a half-century, U.S. Presidents of both parties kept the diplomatic faith with the peoples of these "captive nations" (a phrase derided by anti-anti-Communists here.)

By emboldening independence movements in these disputed Soviet annexations, we subtly encouraged nationalists in Ukraine and in other republics where Kremlin sovereignty was recognized. Sure enough, as the Russian economy collapsed, Balts asserted their freedom, Ukrainians followed suit, and the Soviet Union came apart.

But there was a blot on the sovereignty of the Baltics: the ominous, continued presence of Russian troops.

Moscow gave such excuses as the protection of the human rights of Russians sent by Stalin to colonize the states, and the need to maintain an early-warning radar station. The practical reason was that no decent housing existed in Russia for the returning officers. The political reason was the rising resentment within Russia of the loss of superpower and the ensuing neo-imperialist pressure to dominate the "near abroad."

On Aug. 31, despite these pressures and to the surprise of many Russian, American and Baltic diplomats, all remaining Russian troops will be pulled out of the Baltics. Much of the credit for this unremarked foreign-policy stunner should go to the perseverance and persuasiveness of President Bill Clinton.

From the first summit with Boris Yeltsin in Vancouver to the recent meeting in Naples, Clinton pressed for the Baltic pullout. Yeltsin had criticized Gorbachev on this, but once in power was faced with the military's demands to stay. Aided by Swedish Prime Minister Carl Bildt, Clinton began chipping away at the reasons for delay, by phone and letter, making plain a personal interest.

The U.S. successfully mediated a radar phase-out that met Moscow's defense concerns. We made available $160 million for resettling Russian military, including $25,000 vouchers for officers to build new housing back home, more generous than our own old G.I. bill.

But Yeltsin balked at the impending deadline for withdrawal. Getting political heat from nationalists and resentment from his army, he complained of "brutal" repression of the Russian minority in Latvia and Estonia. Asked last month if the would meet the deadline, he publicly answered "nyet."

On July 6, Clinton was the first U.S. President to visit Latvia, affirming its Western ties, raising hard-liner hopes that he will abandon "partnership for peace" bomfog and expand NATO membership eastward while opportunity exits. But he quieted a cheering throng in Riga with a message many non-Russians did not want to hear: "to never deny others the justice and equality you fought for . . . for freedom without tolerance is freedom unfulfilled."

Nine days later, he wrote Yeltsin a private letter to assure him that the rights of Russians in the Baltics "is an issue of principle with me" but "we do not see in these countries a pattern of abuses . . ." He added "Boris, it remains my firm view that we must not miss the chance to put Russian-Estonian relations on a new path by achieving agreement with President [Lennart] Meri. You should make every effort to withdraw your remaining troops from Estonia by August 31."

Russian diplomat Vitaly Churkin treated Meri rudely, expecting his Moscow meeting with Yeltsin to fail; Nick Burns, the Clinton national security aide highly regarded by the Balts, was pessimistic. But Bill's penpal Boris, repeatedly made aware of linkage, thundered "solve it!" to aides and ordered his troops out—on the same day the last Russian soldiers are to leave Berlin.

Thus, Russian imperial interest seems directed more southward than westward, partly by virtue of Clinton diplomacy. That shows what can happen in the rare case when this President makes a clear-cut strategic decision, takes a personal interest in its success and quietly follows through.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Madam President, I hereby submit to the Senate the Budget Scorekeeping Report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through August 5, 1994. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $4.9 billion in budget authority and $1.1 billion in outlays. Current level is $0.1 billion above the revenue floor in 1994 and below by $30.3 billion over the 5 years, 1994–1998. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $311.7 billion, $1.1 billion below the maximum deficit amount for 1994 of $312.8 billion.

Since the last report, dated August 2, 1994, there has been no action that affects the current level of budget authority, outlays, or revenues.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 8, 1994.

Hon. JIM SASSER,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the 1994 budget and is current through August 5, 1994. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H.Con.Res. 64). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S.Con.Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated August 1, 1994, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,

JAMES L. BLUM
(For Robert D. Reischauer).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1994, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS AUGUST 5, 1994

[In billions of dollars]

	Budget resolution (H. Con. Res. 64)[1]	Current level[2]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,223.2	1,218.4	−4.9
Outlays	1,218.1	1,217.1	−1.1
Revenues:			
1994	905.3	905.4	0.1
1994–98	5,153.1	5,122.8	−30.3
Maximum deficit amount	312.8	311.7	−1.1
Debt subject to limit	4,731.9	4,556.6	−175.3
OFF-BUDGET			
Social Security outlays:			
1994	274.8	274.8	
1994–98	1,486.5	1,486.5	
Social Security revenues:			
1994	336.3	335.2	−1.1
1994–98	1,872.0	1,871.4	−0.6

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS AUGUST 5, 1994

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			905,429
Permanents and other spending legislation [1]	721,182	694,713	
Appropriation legislation	742,749	758,885	
Offsetting receipts	(237,226)	(237,226)	
Total previously enacted	1,226,705	1,216,372	905,429
ENACTED THIS SESSION			
Emergency Supplemental Appropriations, FY 1994 (P.L. 103–211)	(2,286)	(248)	
Federal Workforce Restructuring Act (P.L. 103–226)	48	48	
Offsetting receipts	(38)	(38)	
Housing and Community Development Act (P.L. 103–233)	(410)	(410)	
Extending Loan Ineligibility Exemption for Colleges (P.L. 103–235)	5	3	
Foreign Relations Authorization Act (P.L. 103–236)	(2)	(2)	
Marine Mammal Protection Act Amendments (P.L. 103–238)		4	
Airport Improvement Program Temporary Assistance Act (P.L. 103–260)	(65)		
Federal Housing Administration Supplemental (P.L. 103–275)	([2])	([2])	
Total enacted this session	(2,748)	(645)	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted [3]	(5,562)	1,326	
Total current level [4] [5]	1,218,395	1,217,054	905,429
Total budget resolution	1,223,249	1,218,149	905,349
AMOUNT REMAINING			
Under budget resolution	4,854	1,095	
Over budget resolution			80

[1] Includes Budget Committee estimate of $2.4 billion in outlay savings for FCC spectrum license fees.

[2] Less than $500 thousand.

[3] Includes changes to baseline estimates of appropriated mandatories due to enactment of P.L. 103–66.

[4] In accordance with the Budget Enforcement Act, the total does not include $14,203 million in budget authority and $9,079 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $757 million in budget authority and $291 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount as an emergency requirement.

[5] At the request of Budget Committee staff, current level does not include scoring of section 601 of P.L. 102–391.

Notes.—Numbers in parentheses are negative. Detail may not add due to rounding.

JOB TRAINING PARTNERSHIP ACT

Mr. SIMON. Madam President, I rise to express my disappointment with the committee's decision to rescind $50,000,000 in funding for youth training under title IIC of the Job Training Partnership Act. The committee report indicates that the reason for the recession was "a study indicating problems with the out-of-school component." Regrettably, the committee did not take into consideration the fact that in 1992, the Congress passed comprehensive amendments to title II of JTPA to address the very problems that led to the negative findings in the study. Significantly, the study was conducted prior to implementation of those amendments. In addition, the Department of Labor is currently engaged in a dialog with organizations and individuals with a stake in the JTPA Title II system. The dialog is designed to provide interested parties with an opportunity to provide suggestions for further improvements to the program. Cutting the program at this time sends the wrong signal. I urge the conferees to move toward the House position when this issue is considered in conference.

THE U.N. OFFICE OF INTERNAL OVERSIGHT SERVICES: OPINIONS OF SOME U.S. STAFF AT THE UNITED NATIONS

Mr. PRESSLER. Madam President, on July 29, 1994, the U.N. General Assembly adopted a resolution to create a reform office. This office—the Office of Internal Oversight Services [OIOS]—will be charged with the formidable task of cleaning house at the United Nations. Will this new office meet the mandates outlined in section 401 of the Foreign Relations Authorization Act? Or will it be window dressing on behalf of the U.N. Secretariat?

According to an urgent missive I received recently from certain unnamed U.S. employees at the United Nations, the reform office will do little more than slap bureaucratic wrists. This group of U.N. staff members were unable to sign their names to the document sent to my office for fear of reprisal against them from Secretary General Boutros Ghali and others in the U.N. bureaucracy. This is outrageous.

U.N. staff should not fear coming forward to express their grave concern over the potential effectiveness of the OIOS. I am appalled by the culture that has been created by U.N. bureaucrats. This culture seems to encourage waste, fraud, and abuse, while it simultaneously seems to discourage whistleblowing.

Because these courageous staff members at the United Nations chose to speak to me through a faxed message, I am compelled to include their views in the CONGRESSIONAL RECORD. I wish to document their disapproval of the recently approved OIO's. Their opinions and advice must not go unnoticed.

I ask unanimous consent to place the views of certain U.N. staff members in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Subject: Establishment of the Independent Office of the Inspector General of the United Nations Organization in accordance with United States Public Law 103–236, sections 401 and 102(d) of the Foreign Relations Authorization Act for fiscal years 1994 and 1995

We citizens of the United States working for the United Nations Organization have always respected and hold you to the highest esteem and integrity. Your demonstrated abilities and competence on relevant issues facing our national security and domestic policy in general, geared our Nation to the centrist position of world leadership. As one of our most respected senior Senators, we continue to commend your tireless efforts for a thankless job.

We were very gratified when you rightly proposed your amendment S. 1281 on the above mentioned subject, which now, is statutory in our law as a matter of fact and reality. We applaud your efforts and we express our heart-felt thanks of appreciation.

We write to you concerning the recent United Nations resolution establishing the Office of Internal Oversight Services (OIOS), so-called as a "first step", but in reality and in fact, this new office is clearly a substitute for the "immediate establishment of a permanent, fully Independent Office of Inspector General with oversight responsibility that includes peacekeeping" (see, PDD25). We are reminded of President Clinton's statement to the 48th United Nations General Assembly, of September 27, 1993, when the President stated "* * * now we all must do even more to root out waste. Before this General Assembly is over, let us establish a strong mandate for an Office of Inspector General so that it can attain a reputation for toughness, integrity and zeal * * *."

Consequently, the OIOS as is, clearly abridge the intent, scope and purpose of United States Public Law 103-236, sections 401 and 102(d), PDD25 and the very essence of President Clinton's statement to the effect. The OIOS, is totally "business as usual" for the United Nations, sanctioned by our administration, to continue the flagrant waste, abuse, and fraud, and mismanagement of expenses on United Nations activities, programs and operations.

We deeply regret to inform you of the most pathetic event concerning the above mentioned subject matter that upon the advise and consent of both Douglas Bennett (IO/State) and Victor Marrero, the United States Mission to the United Nations have clearly sold out the national interest of the United States and added more financial burden on the American taxpayers by accepting an empty, toothless and all smoke and mirror resolution purported to establish the OIG. In fact, it is a major disgrace to the credibility and leadership role of the United States in world affairs, and direct affront to the United States Congress, to wit, Public Law 103–236.

We were deeply disturbed to see our most distinguished Senator Hollings, on July 22, 1994, to defend the State Department's position on the floor of the Senate. Guessing from the senior Senator's remarks, we firmly believe that the Senator has been willfully misled to the facts, merits and truth by the State Department concerning the so-called "first step" approach and concept in establishing the OIG. In our view, the State Department is only concerned with its appropriations and certification process and not prepared to accept the truth of its total failure to the "immediate establishment of a permanent, fully Independent Office of Inspector General (OIG)".

The State Department is deliberately confusing and lying outright to the United States Congress as to the substance, scope, intent, and purpose of United States Public Law 103-236 and policy. If the State Department considers its position to be factual, why is it that it is totally opposed to the "Pressler amendment", proposed on the floor of the Senate on July 22, 1994, to H.R. 4603, and adopted unanimously by the Senate? The only reason is that the State Department does not want to be publicly exposed to its total failure, knowing fully well that the purported Office of Internal Oversight Services (OIOS), it is in support of, does not in any way, in form or substance represent the so-called "first step" approach to the required establishment of a real, Independent

Office of Inspector General (OIG). We reject the argument presented by the State Department in all its aspects, as baseless and not on point or representing facts.

The State Department in this context, is shifting its overall responsibilities to the United Nations, for that system to prepare relevant rules and regulations affecting the expenses, activities, programs, and operations of the organization. This, despite the seriousness of the situation, it is obvious that the system will not be reformed from within.

The United Nations, is full of too much dead wood that can be entrusted with such far-reaching tasks. The system has become too entrenched over too long a period of time, and inefficiency has become self-perpetuating, and antiquated management structure, with budgeting practices that are surreal. It is thus, the direct responsibility of the member State who's initiative it is, (the United States Government) to promulgate the relevant rules and regulations on the expenses, financial and budgetary arrangements, to the activities, programs and operations for *a real permanent Independent Office of the Inspector General of the organization (OIG). This is consistent with article 17 of the United Nations Charter* (emphasis added).

We, as American taxpayers, as much as we demand proper accountability of our Government expenditures, we equally demand that the United Nations must be held reasonably accountable. Yes, there is waste, fraud, and abuse in our Government. The difference is we have Independent Inspectors General to conduct proper, objective and balanced investigations of fraud, and recommend punishment of wrongdoers. Further, the U.S. attorneys can indict any one in the United States Government for violating the law. This is not the case with the United Nations, with or without the so-called Office of Internal Oversight Services (OIOS), which is clearly a substitute for the required "Fully Permanent, Office of the Independent Inspector General (OIG)," within the meaning of Public Law 103-236.

We write to urge you to press the United States Congress to adopt a very forceful amendment to sections 401 and 102(d) of United States Public Law 103-236, to the Current Foreign Relations Appropriations Act for fiscal years 1994 and 1995. First, withhold 30 percent of United States assessed contributions to the United Nations regular budget for this fiscal year and 50 percent by fiscal year 1995. Second, the administration should proceed to formulate comprehensive and analytical rules and regulations relating to the expenses, activities, programs, and operations within the proper and structural and consolidated format for the office of a real, independent inspector general. Fourth, have a public hearing to certify compliance to new sections 401 and 102(d) of Public Law 103-236. No person or Department is above our law and Congress is duty bound to see that the State Department is no exception.

What about the Gramm-Rudman-Hollings Budget Deficit Reducing Act? Think about the ongoing waste, fraud, abuse, and mismanagement of funds relating to the program and operations of the United Nations against the lack of expenditures to curb crime on the streets of the United States; think about the lack of funds to assist the flood victims of the Midwest last year and the South this year; think about the $3.9 million cash stolen by U.N. officials on April 17, 1994, in Somalia; think about the estimated costs submitted by UNPROFOR of $2.8 billion for one year; and think about the fact that the United States of America contributes 27 percent to the U.N. regular budget and to each specialized agency; think about our assessed contribution to each peacekeeping operations to be 32.7 percent. These are only examples. We need proper and immediate independent OIG and not the so-called OIOS that was adopted in the resolution on July 15, 1994, which Congress must reject as a whole. We hold our Representatives in Congress directly responsible for their "pasty" action toward the State Department and the United Nations Organization.

In summary, we citizens of the United States, working for the United Nations unequivocally reject the narrow and selective approach and concept of establishing the Office of Internal Oversight Services (OIOS). It is our view that the very concept and approach draws heavily on the existing office of inspections and investigations which is fatally flawed in every aspect. It is vague and ambiguous. First and foremost, the scheme is constitutionally impermissible to Public Law 103-236, the United Nations Charter and PDD25 and therefore, is not certifiable. By linking the OIG to the OII and OIOS, we have been doomed to failure should Congress allow it to happen. It will continue to be business as usual. Whatever happened to the speech President Clinton made in UNGA last fall calling for the immediate establishment of an independent, OIG? Whatever happened to PDD25 goals and objectives? How sad the end is to the image, credibility, and leadership of the United States of America.

We salute you and those of your colleagues in the Congress who continue to fight for American national interests. We commend all the staffers who contributed so effectively to Public Law 103-236, in particular, to title IV, part A, of the Foreign Relations Authorization Act for fiscal year 1994 and 1995.

We are unable to sign our names on this document since there is no protection, as required in section 401, for staff members for reporting perceived cases of this nature and magnitude. We therefore, respectfully request that this document be inserted at the appropriate place in the CONGRESSIONAL RECORD.

TRIO PROGRAMS

Mr. SIMON. Madam President, I rise to join my colleagues in supporting the fiscal year 1995 Labor, HHS, and Education appropriations bill. That bill includes a substantial and deserved 11 percent increase for the TRIO Programs in the amount of $44 million. Recently, the July 25, 1994, USA Today carried an excellent article on the TRIO programs. The front page story highlighted the stellar academic and professional career of West Virginia's Secretary of Education and Arts, Barbara Harmon-Schamberger. I had the pleasure of meeting Ms. Schamberger—while I served as chairman of the Education and Labor Subcommittee on Postsecondary Education in the other body—and she testified in support of the TRIO Programs. Ms. Schamberger is a graduate of the University of West Virginia, which I might note is in the home State of the distinguished chairman of the Committee on Appropriations. She is also a Rhodes scholar, studied at Oxford, and holds the J.D. degree from the University of Virginia.

While those of us who have consistently supported the TRIO Programs would not claim that all of its participants have achieved at the same level of Ms. Schamberger, the record is clear that this program lifts the lives of its participants and motivates them to achieve far beyond the ordinary level of expectation. If they had not been involved in one of the several TRIO Programs, their lives would not have been enhanced socially, academically, and professionally.

I was pleased to have had a major role in establishing what we now refer to as the Ronald McNair Post-baccalaureate Achievement Program during the 1986 reauthorization of the Higher Education Act. My distinguished colleagues from South Carolina, the senior Senator [Mr. THURMOND] who took the lead in renaming the program in 1987, and my friend and colleague, the junior Senator from South Carolina [Mr. HOLLINGS] who has been the primary advocate for increased TRIO funding, deserve much of the credit for making the Federal Government's commitment to equal opportunity real in the lives of young people. We could do more and we can do more. In fact, we must do more if we are to make the American Dream real in the lives of low-income minority, handicapped, and first generation students who will not benefit from a college education unless we provide the Pell grant funding and adequately fund programs ranging from Head Start to the Ronald McNair Post-baccalaureate Achievement Program to ensure academic access and success.

I hope that my colleagues have already read the July 25, 1994, USA Today article by Tamara Henry, but if not, I encourage each of you to do so.

Madam President, I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From USA Today, July 25, 1994]

UP, UP AND OUT OF POVERTY

(By Tamara Henry)

Just before giving up on high school, Barbara Harmon decided to try the antipoverty program Upward Bound.

The incentives were right: three square meals a day; a $20-a-month stipend that could stretch her mother's welfare check; and a dormitory room during the summers with running water and electricity. She'd be nuts to say no, even though college was the furthest thing from her mind.

Today, Barbara Harmon-Schamberger, 31, has a law degree and is West Virginia's secretary of education and the arts, appointed to the post by Gov. Gaston Caperton.

"There had always been people in my life who helped me," she says, "but (Upward Bound) was the first institution to support me. I guess it gave me human worth."

Upward Bound provides high school students academic tutoring on college campuses after school, on Saturdays and during the summer. It is known popularly as one of the TRIO programs because of its siblings: Student Support Services, located on college campuses to counsel and tutor needy students, and Talent Search, which motivates middle-school students with counseling and information on college admissions requirements, scholarships and student financial aid. There are now two other programs in the group.

"One of the ironies is that the students we are serving are just Head Start students on the other end," says Arnold Mitchem, head of the National Council of Educational Opportunity Associations, which oversees TRIO.

Unlike Head Start, the popular federal preschool program, TRIO's support has been uneven over the years. Congress now is debating whether to boost its budget by $44 million.

Mitchem says disparities in higher education based on family incomes were greater in 1991 than they have been in the past 22 years. In fact, Americans between the ages of 18 and 24 in families earning under $22,000 have less than a 4% chance of earning a college degree; under $39,000, less than 15%, and under $62,000, less than 25%. The median family income in 1991 was $38,268.

"I've given my whole professional life to trying to mitigate against what I feel is some sort of economic injustice," Mitchem says. "Essentially what we are doing is trying to provide the kinds of insights, information and encouragement, motivation and academic preparation that middle-income youngsters receive."

Harmon-Schamberger (she took her stepfather's name when her mother remarried) felt grim about her future.

"Nobody but my mother believed in me," she says. "I wasn't supposed to do anything. I was supposed to be on welfare and get pregnant and drop out of school."

Born in Columbus, Ohio, to a black father and white mother, she spent part of her childhood in Sacramento. When her parents divorced, she and her mother went on welfare.

"We just kept sliding down the economic scale. We wound up in West Virginia in a house with no running water and eventually in a house with no running water or electricity."

Besides the economic problems, she had trouble being the only minority in Doddridge County, W.Va. At age 16, she had missed much of school because of illness and failed her junior year.

"I said I'm out of here. I don't need this. I don't have to put up with this. I'm going to get a job" at the local glass factory, she told her counselor.

The counselor talked her into joining Upward Bound, "using words like college prep." Living in dormitories at what was then Salem College in West Virginia sounded like living in a foreign country. She was skeptical at first.

"I asked. 'Do they have air conditioning?'

"'Yeah,' he said.

"'Do they have running water?'

"'Of course.'

"'Do I get my own bed?'

"'Yes. And there is food and ice cream and things like that. And there's a $20 stipend.'

"That was the big incentive," says Harmon-Schamberger. "We couldn't always afford toilet paper—$20. This will do it. I knew Mama could use the money so I agreed to go."

Tutoring by Upward Bound counselors helped her with dyslexia and other learning disabilities.

"They took me places and fed me and made me think that I could do something," says Harmon-Schamberger, whose high ACT scores helped get her accepted at West Virginia University.

When a counselor teased that she would one day be the state's first female Rhodes Scholar, she asked, "What's a Rhodes Scholar? Is it near Harvard?" Her self-esteem was so low, "I thought she was crazy because I didn't get a date to the prom."

A 1981 study by the Research Triangle Institute in Durham, N.C., found that Upward Bound students were four times more like to graduate from colleage than poor students not in the program. Also, it said that students who were counseled or tutored were 2.6 times more likely to stay in school.

"Not everybody in my Upward Bound program went to college," says Harmon-Schamberger. Even so, its program "prevents students from falling through the cracks."

Harmon-Schamberger graduated cum laude from WVU with two bachelor's degrees in four majors—history, English, political science and international studies—and did become the state's first women Rhodes Scholar. After studying at Oxford University, she returned to earn a law degree at the University of Virginia in 1991.

Before taking the state position, Harmon-Schamberger worked in the Washington, D.C., law office of Milbank, Tweed, Hadley and McCloy. She remembers earning in two weeks what her mother received in a year on welfare.

TRIO currently serves more than 800,000 Americans from families with incomes under $24,000 in which neither parent graduated from college. Forty-two percent of the students are white, 35% black, 15% Hispanic, 4% Native American and 4% Asian; 16,000 have disabilities. TRIO programs now are offered at more than 1,000 colleges and universities and at 100 community agencies.

By TRIO's 30th anniversary next June, Mitchem estimates more than 10.5 million students will have been served on a federal investment totaling $3 billion.

TRIO struggled through turbulent times during the Reagan and Bush administrations.

The programs now are getting attention again. President Clinton has recommended a 4.3% increase in TRIO's $418 million 1994 budget. The House approved an even higher increase—11%—that a Senate Appropriations subcommittee also agreed to last week.

Mitchem estimates the funding increase would "give 63,000 people from 11 to 27 years of age a realistic chance at academic success."

"The extraordinary thing about Upward Bound is that you wind up being a success even if you don't go the full distance," says Harmon-Schamberger, who now lives in the rural West Virginia town of Clendenin, where she cares for her ailing mother and four dogs.

"You don't wind up where your parents did. It moves you along, some way, some how.

"It moves you from abject poverty to that middle-class threshold somehow."

SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994

Mr. SIMPSON. Mr. President, I rise in support of the Sheep Promotion, Research, and Information Act of 1994. This most important piece of legislation offers the sheep industry the same opportunity afforded to all other commodity groups, the ability to promote their industry to the consumer.

When the National Wool Act was so swiftly eliminated last year, the authority for the sheep industry's 40-year-old self-help program for lamb and wool promotion was also unintentionally terminated. With the elimination of the Wool Act still so very fresh in the minds of Members of Congress and based on the erroneous belief that the program was an antiquated World War II program, Congress at a minimum, should be agreeable to helping the sheep industry compete with foreign producers and "leveling the playing field" with a program that costs the Federal Government nothing. The checkoff program is paid for entirely by the lamb and wool industries.

That said, I must point out that the industry must prepare for some major changes. I believe all of American agriculture would benefit greatly by throwing away its "Government crutches" for subsides and tariffs on foreign products. I know that it will be hard to even fathom that possibility.

But, without reasonable alternatives to the old programs and phase-down periods that are fair and equitable, American agriculture will continue to crusade for farm programs that are not market driven, programs that have been coddled them into an unhealthy reliance on Government support. The sheep industry wants the authority to compete with foreign producers—they are not asking for a handout.

We can all agree that this industry must promote itself. That message was clear last year when at the rap of the gavel only 36 Members supported the National Wool Act. Almost $1 billion is currently spent annually on advertisements and research efforts to expand or at least maintain the demand for U.S. agricultural commodities. Through mandatory assessments on producers—or checkoffs—promotion activities are devised to provide consumers with specific information about the product.

Most studies indicate positive rates of return for checkoff programs. Checkoff programs are a beneficial self-help marketing tool that the Senate should support. I urge my colleagues to support his important legislation, and I am very please to be a cosponsor.

IS CONGRESS IRRESPONSIBLE? YOU BE THE JUDGE ABOUT THAT

Mr. HELMS. Madam President, before we ponder today's bad news about the Federal debt, let's have a little pop quiz: How many million would you say are in a trillion? And when you figure that out, just consider that Congress has run up a debt exceeding $4½ trillion.

To be exact, as of the close of business on Monday, August 8, the Federal debt stood—down to the penny—at $4,644,723,889,704.80. This means that every man, woman, and child in America owes $17,815.60, computed on a per capita basis.

Madam President, to answer the question—how many million in a trillion?—there are a million/million in a trillion. I remind you, the Federal Government, thanks to the U.S. Congress, owes more than $4½ trillion.

NATIONAL HOSIERY WEEK—AUGUST 8–14

Mr. HELMS. Madam President, the week of August 8–14 marks the 23d annual observance of National Hosiery Week, and I salute a great industry which has contributed so much to our Nation—and to North Carolina's economic well-being.

The hosiery industry is a substantial factor in the Nation's economy. A total of 457 hosiery plants employ 66,100 people in 28 States; they produce and distribute more than 4.3 billion pairs of hosiery each year. This provides more than $6 billion to the U.S. economy every year.

The hosiery industry has made great strides in improving productivity and the quality of its products. These efforts making the hosiery industry more competitive have resulted in significant technological and design improvements in the manufacture of hosiery.

As a result, the hosiery industry's great strides in the area of foreign trade are significant. Exports in 1993 grew by 16.5 percent over 1992 levels—to 15 million dozen pairs. That, Mr. President, is a lot of hosiery exports.

The hosiery industry makes a real difference in many small communities where the hosiery plant is often the main employer, providing good, stable jobs for its employees.

Madam President, National Hosiery Week is of special importance to me because North Carolina is the leading U.S. hosiery State. North Carolina is proud of its leadership of the hosiery industry and the quality of life that the industry has provided for so many of our citizens.

Madam President, I extend my sincere thanks and congratulations to the hosiery industry, and to its many thousands of employees, for their outstanding contribution to our State and Nation.

I ask unanimous consent that an editorial from the Hickory (NC) Daily Record, headed "Hosiery Industry Still Important in Unifour," be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hickory (NC) Daily Record, Aug. 7, 1994]

HOSIERY INDUSTRY STILL IMPORTANT IN UNIFOUR

National Hosiery Week begins Monday. The special week, which emphasizes the value of the hosiery industry, is significant to North Carolina as a whole and the Unifour in particular.

A recent press release explained the industry's importance to North Carolina. Slightly more than 52 percent of the 4.3 billion pairs of socks, sheer hosiery and tights that were made last year came from our state.

The Unifour has long been known for its hosiery plants, and has taken pride in the fact that many of the mills were started by local men using local money. Hickory got its first hosiery facility in 1906 when J.A. Cline and the Rev. W.P. Cline started a mill in the southeastern part of the city.

Eastern Catawba County had its first mill even earlier than that. J.A. Cline became interested in hosiery manufacturing because of his friend Dave Carpenter, who already was operating a hosiery mill in Newton.

The second Hickory hosiery facility apparently was Elliott Knitting Mills. Although written sources disagree on the date that the mill opened, it was up and running by at least 1910.

The plant started with 40 machines and 25 employees. By 1940, Elliott Knitting Mills had 900 workers and was producing 18 million pairs of hosiery for men, women and children.

The hosiery industry played a significant role in helping Hickory make it through the Great Depression, and was extremely vital to the area by 1940. The Record's silver anniversary edition of Sept. 14, 1940, reported that no less than a hundred million pairs of hose were manufactured by 39 knitting mills and finishing plants in the immediate area.

The area mills employed four thousand workers and had an estimated $3 million in payroll. It was noted at the time that the hosiery industry provided upwards of half of the city's income and about one-third of the county's income.

The Record observed then that "They (the hosiery manufacturers) are a modest group of gentlemen, shying away from publicity; but they agree that their payrolls (which aren't always easy to meet) are a vital force in the bloodstream of this section's trade."

Today, 54 years later, Unifour industry is more diversified. But the hosiery industry remains "a vital force in the bloodstream of this section's trade."

Hosiery makers today face challenges that were unknown in 1940. But the industry has adapted and retained its vitality despite intense worldwide competition and volatile fashion markets.

The industry is made up of forward-looking men and women who know that America can meet the challenges. And the Record is proud to salute the workers who make the hosiery industry such a vital part of the Unifour.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 4650, making appropriations for the Department of Defense, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Dole amendment No. 2479, to provide for the termination of the United States arms embargo of the Government of Bosnia and Herzegovina no later than November 15, 1994.

(2) Helms amendment No. 2480, to limit military assistance and military sales financing to the Government of Colombia until the President certifies that it is fully cooperating in counternarcotics efforts.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas [Mr. BUMPERS] is recognized to offer an amendment on Milstar.

Mr. BUMPERS. Madam President, I ask unanimous consent that the pending amendments be laid aside and that the Senate immediately proceed to the committee amendment on page 37, line 7.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2481 TO THE COMMITTEE AMENDMENT ON PAGE 37, LINE 7

(Purpose: To reduce the amount for acquisition of Milstar satellites)

Mr. BUMPERS. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. CONRAD, Mr. LEAHY, Mr. FEINGOLD, and Mr. SIMON, proposes an amendment numbered 2481.

Mr. BUMPERS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, line 7, in lieu of the matter proposed to be inserted, add the following: "$12,111,511,000, to remain available for obligation until September 30, 1996: *Provided*, That of the funds appropriated in this paragraph, none may be obligated or expended for parts or other components associated with the acquisition of Milstar satellites numbers 5 and 6: *Provided further*, That $61,595,000 shall be used to develop an advanced EHF military satellite communications system."

Mr. BUMPERS. Madam President, as I prepared for this debate this morning, I had a lot of reservations about whether it is really worth it or not, knowing from the outset that we will not prevail, knowing that perhaps there are no more than 50 Senators in town to listen to the debate, knowing that those who are in town are not watching the debate, and knowing that about the only time we ever kill a military program around here is when the Pentagon undertakes it on their own.

The other day we waged a long debate on the space station. Many people know that I have tried unsuccessfully to kill the space station for several years. We had a chance to save almost $156 billion over the next 35 years and $74 billion just over the next 10 or 12 years. But nobody listened to the debate. I only got 36 votes to cut that much spending, despite the fact that virtually every scientist in the country is opposed to the space station, despite the fact that virtually every single scientist in the country said there is no medical research you can do on the space station that you cannot do on the ground, despite the fact that physicists said we will not be able to grow crystals any differently on the space station than we grow crystals on the ground.

But as I said many times, people walk through that door over there who have not listened to the debate and really do not much care about the merits of the debate as long as a part of the program is being built in their States. And so we go merrily along spending money needlessly—$74 billion on the space station—and wondering how we are going to finance health care, how we are going to get the deficit down.

In the past, in the fall of the year, I have offered a series of amendments to reduce spending. This year I am not going to offer an amendment to cut the CIA, even though I probably would get more votes for that than for almost any of these spending cuts because there are enough people who are suspicious of the CIA who will vote to cut its funding. But I will not prevail.

There was one really rather amazing thing—and I have been in the Senate 20 years—that was extremely gratifying to me after the space station debate. A Senator, a Republican, walked up to me in the well of the Chamber and said, "I have always voted for the space station, but I listened to the debate this year and I have concluded that there is no justification for the space station, and I'm going to vote with you."

I cannot tell you how gratified I was partly because he is a Senator I have immense respect for, but also because it is just so unusual for anybody to come onto the floor of the Senate with his mind not made up, or who does not walk down to the well and ask the managers, "What is your vote on this?" And that is the way they will vote. And people wonder why we keep spending money the way we do, why we cannot seem to get spending under control.

I want to pay a special compliment to the distinguished chairman of the Defense appropriations bill. I sit on that subcommittee. He has always been extremely accommodating, always listens, even when he does not agree with you. And some of you will recall that when the Defense authorization bill came up, I offered both this amendment and an amendment to kill the so-called Mark VI guidance system procurement. I pointed out that by killing the program now and saving $250 million that we would lose six-tenths of 1 percent of our capability on one missile in the years 2015 and 2016. Think of that, Madam President. A chance to save $250 million with a simple loss of six-tenths of 1 percent of readiness on one missile for 2 years, 19 years down the pike.

The distinguished Senator from Hawaii, the chairman of the subcommittee, said that he listened to my comments both in the committee hearings and on the floor of the Senate and decided I was right and took $258 million out of this bill. That is gratifying, too, Madam President.

I have said many times that when I was Governor of my State, I could sign my name and make something happen. In the U.S. Senate, you can go to the blackboard and sign your name a thousand times and nothing happens. When I came here, I had a very difficult time adjusting to the legislative process where you have to go through a subcommittee, a full committee, the floor, the conference committee and it could come unraveled at any stage of the game.

I think it is possible that the space station is gone. I do not know whether I will take it on again next year or not. The President and the Vice President both think it is wonderful. The contractors who are going to get the $74 billion think it is wonderful. The people who work in Florida and Texas and California and will have a job secured for the next 10 years think it is wonderful. Even a lot of the taxpayers who are picking up the bill probably think it is wonderful.

So, Madam President, here we are this morning to discuss a defense program called Milstar.

Milstar was originally conjured up in 1981, and it was designed to allow the Defense Department to communicate with their forces in the field during a 6-month nuclear war.

The Senator from Hawaii said, "Please do not call that a cold war relic; it makes me feel so old." But that is what it is, a cold war relic. And I do not mind cold war relics as long as they do not cost $30 billion. Unhappily, that is what this one costs.

So in 1981, the Defense Department said we are going to put eight satellites into space. We are going to put all this equipment on them so that the Soviet Union will not be able to jam them. And even if a nuclear war comes, we will still be able to communicate.

And so we started contracting and doing the engineering work, and so on. In February 1994, we put up the first satellite. Bear in mind, Madam President, we originally intended to put up eight satellites and locate them around the globe so that we could communicate with our forces no matter where they were.

Now, even before the Defense Department launched the first satellite in February of this year, they had already cut back from eight satellites to six, and that is the present plan. We will put up another one in May 1995. Those two are already bought and paid for. I am not suggesting we do anything with them; they are paid for. Each satellite is supposed to have a 7-year life expectancy. It is very doubtful that the first one, which we put up this year, will last 7 years because the minute it got up there its power system failed, and it is now on a backup power system. We hope that backup system will last the required 7 years.

These first two satellites are called Milstar I satellites. In 1999 and 2000, we will launch two more. Those are called Milstar II satellites. If my amendment fails, we will launch the fifth and sixth satellites in the year 2001 and 2002.

We have spent $12 billion so far on the system, and we will spend another $17 billion during the life of this communications system. Each satellite cost $1 billion. It cost about $300 million for the Titan rocket to boost it up there. So every time we do that, it cost about $1.3 billion, but by the turn of the century it is estimated that it could be as much as $1.6 billion to $1.8 billion for each one.

Now, this system, which was conjured up to enable the United States to communicate during a 6-month nuclear war, has already lost its rationale. Everybody knows that even if it were in place right now and the United States and Soviets had a 3,500-warhead exchange, there is not going to be anybody left with whom to communicate. They initially intended to make these satellites maneuverable so that they could move 250,000 miles out into space, so they could not be shot down. They no longer have that capability.

But these satellites are what we call low- and medium-data rate communicating systems. We have all kinds of systems to communicate right now, the most notable being what they call DSCS. That is an acronym for Defense Satellite Communications System. And the DSCS can handle thousands of communications simultaneously. These Milstar satellites can handle 192 low-rate communications and 32 medium-rate communications.

Now, the 192 phone calls that this can handle at one time—one satellite—are regular phone calls. Unhappily, the sound system is not too hot. These things speak Donald Duck. If you speak duck, you will have no problem understanding what is being said. If you do not speak duck, you must speak very slowly and distinctly to be heard. So we are not only talking about a system that is going to cost a fortune, we are talking about a system that is not exactly Cadillac when it comes to sound quality. There is a lot more that could be said about the quality and what it lacks, but that really is not a part of the basic argument here. The argument is that we do not need it, and we ought to scrap it.

The second argument is that when the Pentagon did its Bottom-Up Review last year to analyze all of its procurements, all of its weapons systems, the Pentagon—not Senator BUMPERS, the Pentagon—appointed what they considered to be two of the biggest communications contractors in the country and two defense labs to review Milstar. Who were they? The Mitre Corporation, which chaired the Bottom-Up Review of Milstar, Lincoln Labs, Aerospace Corp., and Applied Physics Lab.

Madam President, do you want to know what is frustrating? Here is a system that is studied by the most brilliant people in this country on communications, and what did they say? They said to scrap that sucker now. And here is what they said. "Plan now for the transition to an advanced extremely high frequency system." And instead of making this advanced EHF system operable in the year 2006, spend some of this Milstar money on that and advance it to 2003—much cheaper, more advanced technologically. Do not deploy the last four of these six satellites. By doing that, you will save over $3.5 billion.

So what did the Defense Department do in their Bottom-Up Review after the so-called technical support group reviewed this 6-month cold war communications system? They just ignored it. They went right on contracting as though no study had ever been done.

I repeat, the technical support group said to cancel Milstar II, advance the extremely high frequency to the year 2003 instead of 2006, and save yourself $3.5 billion. The Defense Department said, "We ain't having any of that." And they go right on building this system just as they intended to.

What is this new extremely high frequency system? First of all, you can launch it on an Atlas missile, which is infinitely cheaper than a Titan. It is considered to be much more reliable than a Titan. And one of the reasons you only save $3.5 billion by doing what the Bottom-Up Review said to do is because they said spend the money on Milstar III, the extremely high frequency system, and advance it by 3 years.

Here are the most brilliant people in the country saying scrap this thing and go to the EHF system. Then that is followed by the General Accounting Office which released a report in April of this year, 4 months ago. Four months ago the General Accounting Office, on whom we rely for most of our information, studied this same system. Because it was a little later than the Bottom-Up Review, they said do not cancel the last four satellites as the Bottom-Up Review team had recommended, but cancel the last two. If you cancel the last two, you will save somewhere between $1.4 billion and $2.1 billion.

(Mr. LIEBERMAN assumed the chair.)

Mr. BUMPERS. Mr. President, $2 billion "ain't bean bag." When the General Accounting Office recommends saving $2 billion, we ought to listen. I have taken that position in my amendment, hoping against hope that I might find one or two more votes. I have taken the least dramatic alternative and said, let us just go along with the General Accounting Office and cut $1.5 billion to $2 billion. The General Accounting Office said that the Defense Department will have a slight risk in the year 2001 and 2002 prior to the deployment of the new system in 2003. They say there will be a slight risk in their communications ability during that 2 years.

But let me ask my colleagues this: If that is true, what kind of risk are we under right now when we have one crippled Milstar satellite in space to communicate with? Think about that. I want to repeat that because my native Arkansas common sense tells me that is the craziest thing I have ever heard. I am not criticizing GAO for this. They are simply saying the Defense Department will have to make a judgment. Shall we save $2 billion at the slight risk of not being able to communicate as well as we would like during that 2-year period? You ask yourself: What is our risk today, and what is our risk going to be until the year 2000? It is going to be, according to GAO, much greater than it will be during this 2-year period when you actually have four satellites up.

Mr. President, I do not know much else to say. I am not going to belabor the debate. I would like to give my colleagues the opportunity to vote to save money and not just talk about it before the chamber of commerce banquets back home. I used to hate it when people would say, "He talks one way in Washington and he talks another way at home." There is not a Member of the U.S. Senate that has not had that said about him or that he has Potomac fever, and all of those other accusations you go through every time you run for reelection. But in any event, there is enough truth in that statement to make it credible.

People go home, and say, "Well, I am for cutting entitlements." What are entitlements? They do not tell you. I will: Social Security, Medicare, Medicaid, food stamps, Federal pensions, and two or three others that represent about $800 billion of expenditures every year. They say, "Let us cut entitlements." You do not ever hear them say which of those entitlements they will cut and how much they are going to cut them. When we come here and we get specific and we say let us torpedo the space station, everybody jumps under their desk. It took 5 years to kill the superconducting super collider. I have been at the space station the same number of years, and it still is healthy, breathing, and alive.

You say, "Well, how about killing the Milstar program?" How about buying a few less D-5 missiles for our submarines? After all, the cold war is over. I could go on and on with all the things that I tried to cut. Everybody jumps under their desks. It is those nebulous entitlements that everybody is after, because you do not have to explain that. If you go home and say I cut the defense budget $2 billion, you face the prospect of your opponent saying you are soft on defense. I have always loved for my opponents to say that about me—and they all have. Then I can launch into about a half dozen programs that make no sense whatever but that cost billions.

Who in the U.S. Senate is soft on defense? Nobody. It is the height of arrogance for one Senator to suggest that another is soft on defense. How could anybody in this body be soft on defense when we spend twice as much money on defense as the rest of the world combined? Let me repeat that. We spend twice as much money on defense as the rest of the world combined.

Well, Mr. President, here is an opportunity for everybody to be able to point to something he voted to cut. I do want to say this: I take a little bit of kidding from my colleagues about coming out here in the fall of the year and going through this ritual of offering five or six or seven amendments to cut spending. I do not have to do the super collider anymore; it is gone. I do not have to do ASRM anymore, the big rocket motor for our shuttle which even NASA did not want; we finally killed that. And here we have this system which has $79 million in it for long lead items for 1995. Let me repeat that. If this amendment fails, the Defense Department is going to spend $79 million next year buying advance parts for satellites 5 and 6. I do not know what kind of comparison to make, except to say that once you start buying those long lead items, you are not going to kill the program. I am not sure I will be out here next fall fighting this battle once we undertake that $79 million for those advance items.

Mr. President, I am as absolutely certain as I am of my name that I am right about killing this program. If I had my way, I would do what the experts said. I would torpedo the last four satellites and start putting money into the extremely high frequency system and get it deployed, maybe—as some of the people on the team said—by the year 2000 rather than 2003. I would save the taxpayers of this country $3.5 billion and not jeopardize the security of this country one scintilla. You cannot ask for a better deal than that.

Mr. President, I want to correct a statement I made a moment ago that was in error. I said the United States spends twice as much as the rest of the world on defense. Actually, we spend twice as much as the 10 most likely adversaries we will ever face. We spend twice as much as China, Russia, Ukraine, North Korea, Iraq, Iran—I forget who the other three or four are, but we spend twice as much money as all of those nations combined, and we spend as much as or more on defense than the entire rest of the world.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, we are involved in a very important discussion, a very important debate.

So it pains me to note the absence of our colleagues. The discussions carried on by my dear friend from Arkansas should have been heard and considered by all. Someday when history is written, I am certain he will be looked upon as the great watchdog of the Federal budget. I believe he has done more than any one of us in bringing about sanity in our budget system and thereby saving our taxpayers from the misery of a burdensome tax.

Having said that, Mr. President, this is a discussion of reality. It is true that Milstar, a communications system, was conceived during the cold war. It was conceived during the period when all of us were frightful of the possibility of a nuclear holocaust.

We were concerned about the thousands upon thousands of warheads and launching systems. We were concerned about the insanity and the irrationality of this Evil Empire. It was a time of terror. It was a time of horror. So we needed a communications system that could withstand attempts on the part of our adversary to jam the system to make communications impossible.

Mr. President, from the earliest of mankind's history, we have been plagued with conflict. We have been plagued with wars. And any causal reading of the history of warfare will tell you that among the many important elements in warfare, three things are important: command, control, and communications.

It was so at the time of Alexander. Attila the Hun found that his communications was lacking, so he had to return to Mongolia. The same happened with Genghis Khan and Kublai Khan. The same happened with the Caesars. And throughout the ages, all the way to General Schwarzkopf, communications have been important.

It has been suggested that this system, since it was conceived during the time of the cold war, is a relic and, therefore, not necessary at this time.

Many of my fellow Americans have concluded that ever since the crumbling of the Berlin Wall, a new era is upon us; that we have peace upon us; that we can dismantle our defenses. I realize that my friend from Arkansas is not suggesting the dismantling of our defense infrastructure. But he is suggesting that we minimize our communications system.

I wish I could tell you that the era we opened 49 years ago, Mr. President, when we dropped the bomb on Hiroshima, has ended. That age is still upon us. As of this moment, the nations of the old Soviet Union, have in their possession at least 9,569 warheads and 2,041 platforms to launch these warheads. But unlike the cold war, these warheads are not under the command and control of one entity. It is now spread throughout the old republics. Belarus has some; the Ukraine has some; and on and on.

Though we were dealing with the Evil Empire, we knew who we were dealing with, and we knew that with adequate deterrence our adversary would not be so insane as to begin a holocaust to wipe themselves out. But today, we have a situation of uncertainty. We know for a fact that many other countries, other than the old Soviets, may have nuclear weapons. What about the Pakistanis, the Indians, the North Koreans, the Iranians, and the Iraqis?

Mr. President, the Soviet Union and the United States entered into a Strategic Arms Reduction Treaty which, incidentally, has not been ratified; but both sides are trying their best to live up to the provisions, and slowly we are reducing our forces.

In 1988, the Soviets had about 10,555 warheads and the most recent count indicates that the Soviets have at least 9,569, a reduction of about 1,000 warheads.

To assist the former Soviets in destroying these warheads and these platforms, we initiated a year ago a new program, the Nunn-Lugar program. In this bill, we are recommending the appropriation of $400 million for this program. We have previously appropriated $1.2 billion. With the passage of this bill, we will have appropriated $1.6 billion to help the old Soviets destroy their warheads; $1.6 billion to dismantle warheads, and as of this moment, they have dismantled only a bare fraction of their total arsenal.

Mr. President, what I am trying to suggest to my colleagues is that notwithstanding all the efforts we have made with taxpayer money, with insistence, with arguments, this world is still filled with warheads and delivery systems. To suggest that we do not need this communications system because it is a cold-war relic is not reality.

We may have ended the cold war, but now we are in the age of uncertainty. I wish I had the wisdom to suggest to my colleagues what we can anticipate in the Korean peninsula. I wish I could do the same and suggest to my colleagues the mental process that is going through Saddam Hussein. But none of us has that wisdom.

I always remind myself, Mr. President, that 8 months before the beginning of Desert Shield, 8 months before the war of the desert, we were prepared to retire General Schwarzkopf. In fact, he was on the retirement list.

We were in the process of dismantling the Central Command, the command that was in charge of Desert Storm, the commander and the command that successfully executed Desert Storm, 8 months before we were ready to dismantle it. Why? Because we were convinced that the Middle East was stable, that Saddam Hussein was one of our great friends. Some of my colleagues on this floor suggested that Saddam Hussein may have the secret to peace. But yet we had to send our precious sons and daughters—and many are not with us today.

Mr. President, I would like to believe that my responsibility as chairman of this committee is prevention. I would rather spend money and save lives than risk the possibility of losing lives by being able to tell my constituents, "Yes, we reduced the budget deficit by $500 million, but, sorry, a few had to die."

This may be a good time to remind ourselves the history of warfare in this Nation. Up until this moment, it has never failed. Whenever we have gone through a period of warfare and whenever that warfare ends, there is a sudden sense of euphoria that hits us. There is great joy among us. And what do we do? We immediately begin the process of dismantling our defenses.

It happened even with George Washington. At the height of our revolution, Gen. George Washington commanded 30,000 troops. When he became President, he requested the Congress, that funds be appropriated so that he could maintain a U.S. Army—not a large force, a small force—to guard our borders, to provide for security, provide for defenses.

Mr. President, there was a long debate in the Congress. Our predecessors in the U.S. Senate debated this issue and, when the dust settled, they provided funds for 80 men. That constituted the Continental Army of the United States of America—80 men; 25 at the headquarters in Pittsburgh and 55 at West Point. And history tells us a few years later the British came back and they burnt this building, they burnt the White House, and nearly set us back.

The same thing happened after World War I. On the eve of December 7, we had less than 300,000 troops ready for combat, and most of them were on the island of Oahu, my home island. Just by good fortune, the Japanese did not wipe us out. But, during the height of World War II, from less than half a million, our forces were in excess of 12 million—over 12 million men and women were in uniform. But when World War II ended, 49 years ago, there was this great euphoria once again. Peace was upon us, and so we began to dismantle our forces.

On June 25, 1950, we had less than 800,000 troops ready for combat, and most of them were occupation forces—occupying Germany and Japan.

And, Mr. President, I think all of us should recall the date June 25, 1950. That is when Kim Il-Song sent his forces of North Korea across the 38th parallel.

To suggest that we were unprepared would be an understatement. We sent men who hardly knew how to handle a rifle, who had less than 3 weeks of training on shooting, who were not properly equipped to fight the hordes of North Koreans. And now we are told that the first 10,000 casualties could have been avoided.

Mr. President, Milstar is expensive, but in this age of uncertainty, I hope that if the horror of war should come upon us, we would be prepared with a communications system where our commanders can communicate with the men on the field. Yes, it is expensive and this committee recommends full funding, knowledgeable of the great expense.

My final thought. Less than 1 percent of us, less than 1 percent of the population of the United States, have stepped forward taking the oath and said, "We are willing to stand in harm's way for the rest of you"—less than 1 percent. They are the men and women who have said to us, "We are willing to take up this strange lifestyle" where wives do not see their husbands for 6 months or a year; where sons and daughters do not have the pleasure of playing with their parents because they are in Bosnia, they are in Somalia, they are in Rwanda; and they may be in Haiti.

I say, Mr. President, the least we can do for these men and women who are willing to stand in harm's way for us is to provide them with the finest military capabilities so that we can at least give them a sense of hope that, even in the worst conflict, we will do our best to see that they get back to their loved ones. That is the issue before us.

So, Mr. President, I hope that this body will reject the amendment of my dear friend from Arkansas.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska [Mr. STEVENS].

Mr. STEVENS. Mr. President, this amendment of the Senator from Arkansas is not just about Milstar. I think that is clear from what the Senator from Hawaii said.

The Senator from Arkansas is correct when he says that the Milstar satellite was designed for a mission that it will fulfill. But it is expensive and it has a very difficult history. There is no question about that.

I think the Senate is faced with a dilemma now in what is the best choice for our country.

I might say to my friend from Arkansas, this year he has additional support. Other Members of the Senate have indicated to me they are going to question, as he does, whether this continued production of Milstar is a good deal for the taxpayer.

There is no question these programs take longer to develop than we anticipate. They are costing more than we anticipate. But I am sorry to say to my friend from Arkansas, what is not in dispute is the fact that the military, on whom we must rely to give us the best estimate of our needs, says that it needs this secure, high-speed, unjammable system of communications.

Let me read some of the statements that have been made by military leaders just this year. On May 31, Admiral Boorda, who is Chief of Naval Operations, said this:

> A full constellation of Milstar II satellites is * * * crucial to the success of smaller joint task forces operating forward against uncertain adversaries.
>
> Navy opposes proposals to restructure the Milstar II satellite program which would delay satisfaction of these fundamental requirements.

On April 15 of this year, Gen. Binford Peay, then-Vice Chief of Staff, said:

> The Army's commitment to the Milstar program is important to every soldier including the Army Chief of Staff.
>
> Milstar is that essential element of assured satellite communications to support critical information transfer.

And then, just on August 2, the Secretary of Defense, Secretary Perry said:

> We need Milstar II Satellites 5 and 6 to meet the combat support needs of the Commander-in-Chief and the Joint Chiefs of Staff.

I say to my friend from Arkansas, I understand what he is saying. We must encourage the Department of Defense to look at alternatives to Milstar. But until we can be assured that there is an alternative that can meet the Milstar schedule, we have no alternative but to provide the funds this year for the initial phases of satellites 5 and 6.

I think the Senator could modify his amendment, perhaps. We might have another evaluation—I know we have had those before, I am not suggesting it—but I do think it is important to keep the Pentagon leadership and the Congress advised about any Milstar alternatives that may be viable.

But until there are such alternatives, until we are certain that we have an alternative, based upon the advice that we have received from the Secretary of Defense, the Joint Chiefs, and the two military commanders who must rely to the greatest extent on this system, I must oppose the Senator from Arkansas.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska [Mr. EXON].

Mr. EXON. Mr. President, I rise in opposition to the amendment offered by the Senator from Arkansas. I think the record will show that this Senator and the Senator from Arkansas have stood side by side over the years on many, many issues—on the same side, cutting defense expenditures. However we must part company on this one with honest differences of opinion.

The amendment offered by the Senator from Arkansas was originally offered in somewhat different form on another matter. I believe it was the defense authorization bill, not more than 2 weeks previously. At that time I spoke out against the amendment that was withdrawn and not brought to a vote. It was clear at that time that the Senator from Arkansas was going to come up with another version of that amendment on the appropriations bill. Of course that is his right and he has made a very good statement.

Some of the things—many of the things the Senator from Arkansas has said draws the agreement of the Senator from Nebraska. And my subcommittee is the committee of jurisdiction in the Armed Services Committee on, among other things, the Milstar program.

We must review where we are going on this; be devoid of emotionalism as much as we can on this issue. While I suspect many who heard the excellent presentation by the Senator from Arkansas would say, "Why not? Why not go along?" There are several reasons, assuming that we could assure ourselves that for the next 20 years we would not be involved in a regional conflict of any kind. When I speak of a regional conflict I speak of ones that would be not dissimilar to the engagement that we had in the Persian Gulf. But I think few Members of the Senate or the House of Representatives would want to make that kind of a gamble. When I talk of a regional conflict of course I am talking about front-line battles. The Senator from Arkansas, although not making a particular point of it, continues to argue for his amendment to basically gut the Milstar program, at least in the outyears, with the argument that we can do something better and cheaper if we would just put the money into it. That is the "if"; that is the problem that I see in going along with the recommendations of the Senator from Arkansas.

I cannot be assured we are not going to be in a regional conflict. Therefore, I listened very carefully to people in the military in whom I have great confidence. I refer of course to the Chairman of the Joint Chiefs of Staff, General Shalikashvili, who told me without equivocation that the Milstar program, as envisioned and recommended by the administration, is an absolute must. I refer also to Admiral Childs, who is the head of our STRATCOM facilities in Omaha, NE. STRATCOM would be very much involved in any kind of—not only advanced planning but the execution of a conflict.

I emphasize once again the Senator from Arkansas keeps referring to the Milstar of yesteryear, not the Milstar of today. The Milstar of today is a far cry from what was envisioned during the cold war, when Milstar was indeed a communications system based upon the doomsday scenario of a nuclear confrontation between the Soviet Union and the United States.

Certainly we would all agree that with recent positive developments, we have come a long way from the brinkmanship that both the United States and the Soviet Union were practicing at that time. But I would simply point out, and I want all Senators to understand, and listen carefully to the words of the Senator from Hawaii, the Senator from Alaska, Senator NUNN, the chairman of the Armed Services Committee and others, who continue to point out, as has the Chairman of our Joint Chiefs, the head of our STRATCOM planning session for future wars, and others who continue to point out that STRATCOM believes that the redo of the Milstar program would make it one that would be primarily functional from the standpoint of direct communications, command and control, if you will, on the battle fronts of tomorrow should we be engaged in a regional conflict.

To put it another way, the Milstar has been reconfigured. Its cost has been reduced. But it would give communications, without equivocation, to the commanders in the field in case of a conflict—the people up front in the battle line.

As Senator NUNN observed during the debate on this subject on the budget resolution, much of the criticism directed at the Milstar communication satellite system is 4 years out of date. That system does not exist anymore.

The Armed Services Committee made the same criticisms 4 years ago that are being made by the Senator from Arkansas today in somewhat different form.

If those criticisms were still valid, Mr. President, then we would not be on the floor today in opposition to the amendment by the Senator from Arkansas, and we would not be repeating them over and over and over again to try to terminate the program.

But that was 4 years ago, and the Senate Armed Services Committee voted to terminate the Milstar program for three reasons. The committee concluded that the design of the satellite had been inappropriately focused on prolonged nuclear war-fighting requirements. The Department of Defense was planning to spend billions of dollars on an unjustified classified payload. The system would have provided little support for our tactical conventional forces, a program that is absolutely essential, which I alluded to a few moments ago. And the program was simply too expensive. These are all things that the Armed Services Committee said 4 years ago.

As a result of the committee's actions, Secretary Cheney fundamentally restructured the Milstar program. He cut the plan constellation size by 50 percent, eliminated excessive nuclear war-fighting capabilities, terminated procurement of excessively survivable and expensive ground terminals, started development of cheaper, tactical terminals, and added a new payload for much higher data-rate communications in place of the terminated classified payload. These measures dramatically improved the tactical forces while reducing total program cost by 25 percent.

Secretary Cheney did a good job.

The Bottom-Up Review conducted another comprehensive examination of the Milstar program. The Bottom-Up Review examined whether Milstar was still required, whether it was affordable, and whether an advanced version could be developed in time to allow the DOD to do without all or some of the restructured Milstar satellites.

Again I emphasize, Mr. President, that not only is the restructured program strongly supported by the Chairman of the Joint Chiefs, by our commander at STRATCOM, but by the Secretary of Defense, William Perry, whose credentials on such matters cannot be questioned.

The Bottom-Up Review then concluded that the capabilities that the restructured Milstar system would provide are absolutely essential, despite the end of the cold war. That review also concluded that Milstar, although expensive, was affordable and should be continued. The bottom line here, Mr. President, is what is it worth to us in millions or billions of dollars to provide the assurance that better communications command and control are improved in the case of another gulf-type conflict.

I think we dare not run the risk of scuttling this program or cutting it back dramatically, as recommended by the Senator from Arkansas, given that concern for the future. I suspect, because I have a great deal of confidence in my friend and colleague from Arkansas, that maybe he has studied this in great detail. The Senator from Arkansas may be fully correct. Maybe the risk that we are being asked to take if we adopt the amendment offered by the Senator from Arkansas is a risk worth taking. I do not agree, from the hearings we held on this matter in the Armed Services Committee and the advice—the valuable advice and counsel—that this Senator has received from those at the uppermost, topmost positions of command and authority over the national security of the United States of America and the security of our people on the front line in battle, in the case of another regional conflict.

Finally, the Bottom-Up Review concluded that it was possible to develop a smaller and cheaper version of Milstar using new technology and that this advanced satellite could replace many of the Milstar satellites planned for the future. As a result, plans to procure five future restructured Milstar satellites, called Milstar II satellites, will be eliminated in favor of five advanced Milstar satellites known as Milstar III satellites. These Milstar III satellites would be first launched in the year 2006.

Altogether, the actions of the Senate Armed Services Committee and the subsequent actions of Secretaries Cheney and Perry resulted in the cost of the Milstar program being reduced from over $45 billion in fiscal year 1991 plans to less than $30 billion in fiscal year 1995 plans, while the benefit of the system to the tactical forces has increased dramatically.

It is, therefore, puzzling to hear critics label Milstar as a "cold war relic." In view of several budget problems facing the Department of Defense today, I do not believe that Secretary Perry and Deputy Secretary Deutch would have agreed to continue the Milstar program if they did not think it was important and very relevant to the needs of our forces in the post-cold-war security environment, especially those forces that are up front in battle.

Senator BUMPERS asserts that the review group tasked to support the Bottom-Up Review of Milstar argued that the advanced Milstar III satellite could be developed by 2003 or even by the year 2000, 3 to 6 years ahead of the current DOD schedule. Senator BUMPERS argues that if this claim is valid, DOD would need to procure all four of the planned Milstar II satellites.

First, the review group was not unanimous in recommending that an advanced Milstar could be developed, produced and launched within 5 years or even 8 years. Half of the group said it could not be done. Those who claimed it could be accelerated said that the conclusions that they had been reaching were suspect. They said that if difficulties were encountered, capabilities would have to be sacrificed.

Let me repeat that, Mr. President: They said that if difficulties were encountered, capabilities would have to be sacrificed and that cost savings would not be that certain.

Second, this technical advisory group was composed of representatives from the Mitre Corp. and MIT Lincoln Labs, not Government officials, Mitre and Lincoln Labs are advanced technology development organizations that are understandably optimistic about how fast new technology can be developed. I do not doubt the sincerity of these scientists. I do know from many years of experience that, for whatever reason, it usually takes more time and more money to bring new technology to fruition than even the Government thinks it will. Scientists and engineers in the private sector and think tanks are frustrated by these delays and overruns, as are all of us, but saying that it shouldn't take so long doesn't mean that it won't

DOD started the Milstar Program in 1981. Even though DOD knew it would be a complex undertaking, DOD assured Congress that it could be developed in less than 7 years. The first satellite was finally launched in 1994, 13 years after the program started and almost 7 years behind schedule.

Third, we must look at what is required technically to develop the advanced Milstar III satellite. The plan is to shrink the satellite so that it can be launched on a space booster smaller than the Titan IV, which would save a couple of hundred million dollars for each satellite. But to achieve this, DOD must shrink the weight of the entire satellite by more than a factor of two. It must reduce the weight of the communications payload by more than a factor of three. And it must reduce the total volume of the satellite by almost a factor of four to enable it to be launched on a medium-sized space booster. Defense Department officials do not believe that this can be done in 5 years, or even 8 years.

I would also point out to my friend from Arkansas that I am puzzled to find him on this side of the argument. Normally, the Senator from Arkansas is skeptical of claims from DOD and industry about how easily a new technology can be developed. I usually count on him to be our doubting Thomas, but I find he has deserted me.

The real choice is between sacrificing or postponing capabilities to support tactical forces, on the one hand, and saving money, on the other. To claim that we can save money in the near-term without sacrificing anything requires a major bet on high-risk technology development. Budget reductions may force DOD and Congress to sacrifice more capabilities in the years to come, and in this and other programs. In coming years, DOD may also find that its current assessment of the risk of accelerating the Milstar follow-on is in error.

Secretary Perry has informed the Armed Services Committee that the Department intends to continue to evaluate the potential to accelerate the follow-on. In a letter to the committee on May 4, 1994, Secretary Perry stated that:

> If it is possible to transition to an advanced satellite sooner, save more money, and continue providing essential military capability with acceptable risk—we will recommend such a program to Congress.

The Armed Services Committee Report includes a requirement for the Secretary of Defense to formally examine this question again. However, at this time, there is no basis for terminating the last two Milstar II satellites.

In summary, Mr. President, this amendment would cause DOD to attempt the rapid development of new technology, which would be very risky, and to delay an important capability for our tactical forces. This amendment was based on a cautious and caveated recommendation from only some members of an industry advisory group. The Secretary and Deputy Secretary of Defense rejected this recommendation as too risky. Now the Senate is being asked to endorse it. I think this would be very unwise. I urge my colleagues to reject this amendment.

I hope that, after careful consideration, we will vote down the amendment offered by the Senator from Arkansas.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Arkansas [Mr. BUMPERS].

Mr. BUMPERS. Mr. President, outside of cutting the number of B-2 bombers we would buy from about 132 down to 20, I cannot remember in my 20 years in the Senate when we ever cut anything in defense. I am sure there have been a few little cuts and nicks here and there. But outside of the very dramatic cuts in the production of the B-2 bomber, I just cannot remember the Defense Department not getting precisely what they wanted.

I pleaded personally and in the subcommittee hearings with the Secretary of Defense, Bill Perry, to please accept either the Bottom-Up Review recommendation or accept the GAO recommendation on Milstar because if you do not kill the program, the U.S. Senate will never kill it.

If the Defense Department came over and said we really need 12 satellite instead of six, and instead of $30 billion we need $60 billion, we could not wait to jump on board. On a rare occasion, the Defense Department has said something is redundant or we do not need it.

The Senator from Nebraska—the senior Senator from Nebraska, who was elected Governor of his State the same year I was elected Governor of my State—and I became good friends back in the early 1970's when we shared those common problems that Governors share. But the former Governor of Nebraska said a moment ago that I had said I thought the risk was worth taking.

Not only do I feel that way, the General Accounting Office said, essentially, without saying it precisely that the risk is worth taking. But let me ask my colleagues, what is the risk at this moment? We have one lonely satellite, crippled, operating on a backup power system since May of this year. We have one up there now and will put another one up next year. What is our risk at this moment, and what is our risk going to be between now and the year 2000?

I will tell you what it is. It is greater than the 2-year risk under my amendment.

Why is it that the risk for the year 2001, 2002 is so great, and the Russians are going to launch the missiles, and we will not be able to communicate in those 2 years, and between now and the year 1999 we do not have an even greater risk of not being able to communicate? We can save a couple of billion dollars in the year 2001 and 2002, with the risk actually less than it is right now or for the next 5 years.

It is even better than that. If the first two satellites, called Milstar I, last 1 year or 2 years beyond their 7-year life expectancy, you have no risk.

The first one was launched this year, February 1994. The second one will be launched in May 1995. If those two satellites happen to make it to the year 2004 and 2005, there is no risk. But I must say, what a piece of logic to say that the risk is not worth taking when you have been under this risk for 40 years and will continue to be under the risk until the year 1999. That is a piece of logic that totally eludes me, Mr. President.

(Mr. ROBB assumed the chair.)

Mr. BUMPERS. Mr. President, I misspoke myself in my earlier statement when I said we had killed the superconducting super collider. We did not do it. The House did it. The super collider continued to get a nice majority vote in the Senate. It was the House, with a massive turnover of new Members who had promised their people they were going to cut spending and felt obligated to fulfill that promise. That is why the superconducting super collider was killed. That is why ASRM, the rocket motor, was killed. We did not do it. We passed it. We voted for it. It was the House that said enough is enough.

Over the weekend, Mr. President, there were two things that happened. One was a story on downsizing our forces. We have cut manpower. We seriously tinkered with the idea of not giving the armed services a raise in pay. As an old, ex-gyrene I can tell you those pay increases are important.

They talked about less leave time for people on ships in the Navy, less sailing time for our ships. We have a bare-bones budget, they said, and we are going to have to give up a lot.

Do you know who lost his job because he criticized this system? An Air Force colonel. All the Air Force colonel was doing was saying the Air Force—not just him, but the generals in the Air Force—did not want the Milstar system. He did last until the water got hot. I am surprised the Pentagon did not try to take the eagle off his shoulders. They do not suffer those kinds of views gladly over at the Pentagon. The Secretary of Defense said, "I don't want to hear another peep out of you people. Do not say that publicly anymore."

Oh, there is a way of getting your way around here if you are in a position to get your way. If you are Secretary of Defense, you tell the Air Force not to mention killing Milstar again. We are going to build it.

But over the weekend there was a big story about all the things we are going to have to give up. The General Accounting Office came out with a study last Thursday that said the Defense Department has underestimated their costs by $150 billion over the next 5 years. And I invite my good friend, the manager and ranking member, to tell me where that $150 billion is coming from.

Here is a golden opportunity to pick up $2 billion of it. I have not heard one single peep out of the Pentagon or anybody on the Senate floor about the GAO report. Some people say the GAO is wrong. That is what we always say about people we disagree with—they are just wrong. And yet we spend hundreds of millions of dollars a year on the General Accounting Office to give us information like they have given us on this. And what did they say about this? They said kill the sucker. So what do we say? They are wrong.

I have never known the General Accouting Office to be right if a majority of the Senate said they were wrong.

I can remember last spring, in 1993, when we were grappling with how we were going to cut the deficit.

Les Aspin was Secretary of Defense. He came before our subcommittee. I said, "Mr. Secretary, I understand that you are going to be $20 billion short of reaching the goal of cuts the President has set out for you." He said, "Yes; that is true."

I talked to the President about it. "Where are you going to find this $20 billion?" He said, "Aspin says he can find it." So here is the Secretary in front of me. "Mr. Secretary, where are you going to find this $20 billion?" He listed two or three items. But he said, "We don't think this is going to be a problem. We can find that $20 billion, and we can go ahead and cut the deficit the way we have been planning to."

A year and 3 months later, the General Accounting Office comes out with a report that says it is not $20 billion; it is $150 billion. When I saw that, I thought my efforts to cut procurement of the D-5 missile, my efforts to torpedo something the General Accounting Office and the Bottom-Up Review both say ought to be torpedoed, were enhanced; surely, my chances are enhanced.

Surely there are other Senators who wonder where we are going to find the $150 billion GAO says we have to find within the next 5 years. Where better could we find it than a relic started in 1981 to enable us to communicate during a 6-month nuclear war with the Soviet Union? The Soviet Union does not exist, and if it did, and we had a nuclear war, there is not going to be anybody left to communicate with.

I am not opposed to an antijamming system, a system the Pentagon says they need. What I am opposed to is going all out to build a system that everybody that has a grain of sense about this thing says ought not to be built. We should advance Milstar III to the year 2003 and save ourselves a couple of billion dollars and take no risk.

We are not talking about capability. We are talking about outrageous redundancy. We have a communications system up there right now that has antijamming capability, admittedly not as great as it is supposed to. But over the years of the cold war, we developed a mentality we cannot let go: The Russians are still going to come up the Potomac River—even though they cannot feed their people, even though they are pleading with us to give them the money to dismantle their nuclear weapons—they are still going to come up the Potomac River and get us. That is the excuse for a $250 billion to $260 billion defense budget this year.

Last year, the U.S. Senate debated the President's so-called omnibus budget reconciliation bill. He said, "We are going to cut spending $250 billion, and we are going to raise taxes $250 billion," both about as popular as leprosy.

Everybody jumped under their desk and said: The President expects me to vote for a $250 billion tax increase. You say, well, it is only on the wealthiest 1.2 percent of the people in the country, and we have to do something major about the deficit. Here was a chance for the U.S. Senate to vote to cut $500 billion off the deficit over the next 5 years. The point was made then that in January of last year, 1993, the prediction was that the deficit of October 1, 1994, would be $305 billion. Senators stood up and said: We cannot continue this. Of course, the richest people in America do not want to pay more taxes. Of course, these people who get the Government largess of $250 billion do not want to give it up.

Cutting spending is almost as unpopular, Mr. President, as raising taxes. Senator after Senator on that side of the aisle stood up and said: You are going to create a depression; millions of people are going to be thrown out of work. And the deficit is going to soar, not be cut.

They were wrong, dead wrong. Today, we have a dynamic growth rate in our economy, a 6-percent unemployment rate. If they had not changed the method or calculating the rate, it would be 5.5 percent. Inflation is as low as it ever gets. More jobs were created in the last 15 months than in the preceding 4 years all combined. And listen to this: The deficit now, instead of $305 billion on September 30, is estimated to be $200 billion, $105 billion less. Never has the Senate stood taller than it did when it approved the budget reconciliation bill, though the Vice President had to vote to break a tie. There were 50 brave souls here who were willing to go home and tell people, "Yes, I voted for the budget bill because this country is going down the tube if we do not do something about the deficit."

So why are not those people who were predicting the apocalypse, why is not all of America, dancing in the streets? When Ronald Reagan was President, there was a story about the deficit on the front page of every paper in America every week. Today we have the sharpest drop in the deficit by far in the history of the world, and what do you talk about? You talk about Whitewater. Why are people not allowed to dance in the streets and enjoy the fruits of a dynamic economy and a deficit going down like a rock in an unprecedented way?

Now, everybody is looking at health care. That is a terrible idea, they say. Even though you spent $200 billion on health care for the elderly, we have 11 million children in this country, the most vulnerable of all, on which we do not spend a penny. No; you cannot provide them health care. It costs too much.

Let us talk about health care. Let us talk about Whitewater. Do not give the people a chance to relish something good that has happened in this Nation.

I can remember when "60 Minutes" had it all to themselves on Sunday night. They were the only news magazine on the air. Now there are about nine copycats. You can turn on almost any network two or three times a week, and you can get a news magazine program telling some kind of a terrible story that makes you sit on the edge of your seat. God knows, there is enough wrong in this country and there are enough problems in crime to keep you on the edge of your seat.

Then in addition to all those news magazines, you have Oprah, Donahue, Rivera, Sally Jessy Raphael, Robertson, Falwell, and Limbaugh. How in the world can the people ever get a breath? How can they ever go to bed at night without thinking about all that they have been told during the day about how this country is going you know where?

All I am asking the Senate to do is—not what I believe, not follow my advice—but what the General Accounting Office said we ought to be doing. More than that, Mr. President, I made the point earlier that the four consulting firms and corporations in this country that know more about satellite communications than anyone else in the world said do not do what the GAO said, do not just reduce the program, but torpedo the whole thing now and save $3.5 billion.

I took the less draconian of the two measures, following the General Accounting Office recommendation because they have such great credibility. I say to my colleagues that they lose nothing.

All they have done is save the poor taxpayers of this country about $2 billion, and they do not risk anything. Drop that cold war rhetoric for just a minute and do something sane, reasonable, rational, and fiscally sound.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, I also wish to ask unanimous consent that this vote occur immediately after final passage tomorrow morning, I believe, of the HHS appropriations bill.

Mr. STEVENS. Mr. President, reserving the right to object, I shall have to object at the present time. I have to confer with my friend on scheduling that. I will do that tomorrow morning.

Mr. BUMPERS. Mr. President, I will confer with the Senator on that.

Mr. STEVENS. I would like to confer with the leadership of the Senate.

Mr. BUMPERS. Mr. President, I would just like to state my cosponsors are Senators CONRAD, LEAHY, FEINGOLD, KOHL, SIMON, and WELLSTONE.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I have five amendments and I will send them to the desk one at a time. All of these amendments have been studied by the managers of the bill and we have no objections to the passage of these amendments.

AMENDMENT NO. 2482 TO EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 141, LINE 22

(Purpose: To require a study on the receipt of food stamps by members of the Armed Forces)

Mr. INOUYE. Mr. President, I send to the desk an amendment on behalf of Senator BOXER, Senator STEVENS, and Senator INOUYE and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside in order to consider the five amendments to be proposed by the Senator from Hawaii.

The clerk will report the first amendment.

The assistant legislative clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mrs. BOXER, for herself, Mr. STEVENS, and Mr. INOUYE, proposes an amendment numbered 2482 to excepted committee amendment beginning on page 141, line 22.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 142, between lines 7 and 8, insert the following:

SEC. 8121. (a) STUDY.—The Secretary of Defense shall conduct a study of the receipt of benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) by the members of the Armed Forces. The study shall include the following elements:

(1) The number of members of the Armed Forces who are eligible to receive benefits under that Act.

(2) The number of such members who receive benefits under that Act.

(3) The location by State and region of the members referred to in paragraphs (1) and (2).

(4) An estimate of the cost of raising the rate of basic pay of members of the Armed Forces to a rate at which such members would no longer be eligible to receive benefits under that Act.

(b) REPORT.—The Secretary shall submit to Congress a report on the study required under subsection (b) not later than 180 days after the date of the enactment of this Act.

Mrs. BOXER. Mr. President, this amendment requires the Secretary of Defense to conduct a study on the subject of food stamp use in the military. This study will give the American people and Members of Congress the information they need to make important decisions about the pay rates of Armed Forces personnel.

In the past year, a number of highly respected publications, from the New York Times to Congressional Quarterly, have reported that 17,000 members of the Armed Forces currently receive food stamps. This troubling statistic is based on a draft 1992 study conducted jointly by the Department of Defense and the Department of Agriculture.

That study concluded that military pay is adequate, despite the number of Armed Forces personnel receiving food stamps. It found that most service members receiving food stamps would not be eligible if their earnings were more accurately calculated. I find this conclusion troubling. However, it must be recognized that this study was not approved through the DOD chain of command, and therefore, its conclusion cannot be considered an official Departmental view.

No one joins the Armed Forces to get rich. But I believe that the men and women who volunteer to serve—men and women who are willing to give their lives to defend our nation—ought to earn enough to feed their families.

Mr. President, military life is hard. The stresses caused by family separation and career instability are extreme. Adding tremendous financial pressure can overwhelm even the most loving family. It is not hard to imagine how morale could be negatively impacted by family strain. And when morale begins to degrade, readiness may follow suit.

This amendment requires the Secretary of Defense to study this issue and report to Congress within 6 months. Receiving this report in a timely manner will allow Congress to make appropriate adjustments—if any—to military pay rates in the fiscal year 1996 DOD authorization and appropriations bills.

I am grateful to the chairman for accepting this amendment and I look forward to working with him to ensure quality of life for our Nation's military personnel.

Mr. INOUYE. Mr. President, as I indicated, this amendment is agreed to by the managers of the bill.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment

The amendment (No. 2482) was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent to proceed for 7 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for up to 7 minutes as if in morning business.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. I thank the Chair.

(The remarks of Mr. LEAHY pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

UNANIMOUS-CONSENT AGREEMENT

Mr. LEAHY. Mr. President, under the authority granted to the majority leader and following consultation with the Republican leader, I now ask unanimous consent the Senate proceed to the conference report accompanying H.R. 4426, the foreign operations appropriations bill.

Mr. STEVENS. Reserving the right to object, we have one Senator who wishes to speak on the defense bill prior to going on this. Could we reserve the opportunity for Senator THURMOND to speak before we take this up?

Mr. LEAHY. Mr. President, I change my unanimous consent request to have H.R. 4426 come up after the Senator from South Carolina has been recognized for not to exceed 5 minutes, and then when it comes up, the floor would revert to me.

Mr. STEVENS. No objection. I thank the Senator for his graciousness.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized for 5 minutes.

Mr. THURMOND. Mr. President, I oppose this amendment to terminate Milstar. The Senator from Arkansas has brought this issue forward once again, and once again all the commanders, all the Joint Chiefs, all the senior people in DOD disagree with him. We have to have secure, survivable, antijam communications. Anyone who thinks we can live with 1970's-era satellite communications is living in the wrong age. Anyone will be able to shut us off, jam us out. DOD didn't design a system that costs billions just for fun; they did this because today, North Korea or Iraq could jam our most critical battlefield communications. We need to fix this.

The Senator thinks he has a cheaper way to do this with an advanced EHF satellite. May be he is right. He is right that advanced EHF will be cheaper—but not in the year 2000. Not in the year 2003. Mr. President, advanced EHF will not even be available until 2006. The Senator from Arkansas wants to rush this technology. He wants us to take the risk that, in 6 years, DOD can reduce the payload weight from 4,400 pounds to 1,500 pounds—a 66-percent cut. Mr. President, that would be a problem with an ordinary communication satellite, which is just a transponder, like a mirror in the sky for radio waves. Maybe the Air Force could reduce the weight of such a satellite by 66 percent; it has never been done before, but just maybe it could be done. There would be a lot of risk, and probably cost overruns, but maybe it could be done—but only for an ordinary communications satellite. Mr. President, the DOD satellite is much, much different. Instead of a simple transponder, the EHF follow-on has to have a whole computer-operated switchboard in the sky. It has to do a huge amount of computing for on-board routing and antijamming protection. It has to control a large number of separate beams, and it has to calculate just where to point them at all times. No satellite has ever tried to do this much computing on board. This would be a questionable program that tries to do things with electronics that have never been done before. The Senator from Arkansas wants the Air Force to design a totally new kind of communication satellite, and he wants them to start right now. Mr. President, some Members of this body call for fly-before-buy. Well, this is buy-before-fly. In fact, it is more than buy-before-fly: it is buy-before-design.

Mr. President, I wish to speak now about risk, the risk of failure and the risk of cost overruns. We know that if a program involves a great deal of risk, there is a chance of cost overruns. That was the case on the B-1B defensive avionics, for instance. That also was a program that tried to do things with electronics that had never been done before. Mr. President, it did not work: It cost us billions and it did not work—all because of risk. We went too fast with the B-1B defensive electronics, and now the Senator from Arkansas wants us to go too fast on the EHF follow-on. He wants the Air Force to start a program that has to achieve weight reductions of 66 percent and has to do it 3 years faster than planned. Mr. President, that means risk, and risk means overruns. The most credible study ever done shows that the cost risk is liable to be 200 percent. There is over $6 billion yet to go on Milstar; we cannot risk a 200-percent overrun.

BUMPERS MILSTAR AMENDMENT

Mr. CONRAD. Mr. President, I want to speak today as a cosponsor and strong supporter of Senator BUMPERS' amendment to cut back the Milstar Satellite Program. This amendment will result in billions of dollars in savings over the next 5 years, without endangering our military capabilities. In fact, the amendment will actually speed up the deployment of a more capable and less expensive successor to Milstar.

The Milstar satellite is a $30 billion program that was intended for a different world. It is a dinosaur of the cold war—big, slow, and cumbersome. Milstar is designed to survive a 6-month nuclear war, but it is packed so full of protective equipment that it cannot deliver enough of the tactical, conventional support that is needed now that the cold war is over.

Many military experts, both inside and outside of the Pentagon, have determined Milstar should be terminated in favor of a cheaper and more capable system. The GAO, Rand, and others have raised serious questions about the program. However, this amendment does not terminate Milstar. Instead, it would reduce the number of Milstar satellites from six to four while at the same time speeding up the development of a follow-on system. This approach will provide our military with secure communications and improve our capabilities, while at the same time saving an estimated $1.4 to $2.1 billion over the next 5 years.

Mr. President, Milstar was a secret program until very recently, so many people may not be familiar with it. However, with over $20 billion still to be spent, we cannot allow this project to continue unnoticed.

There is another aspect to the Milstar Program that I would ask my colleagues to consider. It is tremendously expensive and risky just to get a Milstar satellite into space. Milstar is so heavy that it can only be launched by our most powerful rocket, the $400 million Titan IV-Centaur. The Titan IV is by far our most expensive and least reliable launch vehicle. Titan launches are frequently delayed for months or years because of problems, and, just last year, a Titan IV exploded soon after launch. Can you imagine what the reaction will be if a Titan exploded with a billion dollar Milstar aboard? Mr. President, I do not want to experience that, and I am sure my colleagues do not want to either.

To add even more expense to the Milstar Program, I am informed that the cost of the Titan is projected to increase dramatically by the end of a decade. A follow-on system to Milstar would be lighter and could be launched on cheaper and more reliable rockets.

For all this tremendous expenditure, Milstar satellites are still only projected to last for about 7 years each. Thus, whether we build four or six satellites, we will have to replace them with a new system. I think we should make this replacement sooner, rather than later. We can do this if we cut the last two Milstar satellites.

Mr. President, there has been a great deal of debate recently about budget pressures and their impact upon our military capabilities. We are straining to maintain a strong, capable military within very tight spending constraints. There is no better way to prudently reduce some of these budget pressures than by reducing the Milstar Program. The Bumpers amendment will ensure a capable military while saving billions of dollars. I urge my colleagues to support this amendment.

Mrs. FEINSTEIN. Mr. President, I rise today in support of the Milstar program and in opposition to the Bumpers amendment.

As many of my colleagues know, Milstar is a military satellite communications system designed to provide secure, jamresistent communications to U.S. troops anywhere in the world, in any type of conflict. Unique attributes of Milstar include:

Capabilities that are virtually immune to enemy jamming;

Direct communications with a low probability of interception or detection, which is extremely important for special operations forces;

Small receiving terminals which can deploy and move simultaneously with frontline forces, so our troops on the ground can always communicate with commanders around the world;

Virtually worldwide coverage that does not depend on vulnerable ground stations for communication links; and

Joint-service use by the Army, Navy, Air Force, and Marines, which is becoming more and more important in the post-cold-war world.

These capabilities of Milstar are so important to our military that the program is strongly supported by the President and on-down the chain-of-command, including Defense Secretary William Perry, the Joint Chiefs of Staff, and our regional commanders in chief.

The importance of Milstar was recently reaffirmed in a conversation I had with Admiral Chiles, head of U.S. Strategic Command. He said that the U.S. military needs Milstar; the program is vital to U.S. national security and will provide vital communications needs for the Army, Navy, Air Force, and Marines.

Far from being a relic of the cold war, the Milstar program has been redesigned to meet the critical military needs of the post-cold war world. Originally designed to survive a protracted strategic nuclear war with the Soviet Union, Milstar has been reconfigured to meet the tactical and conventional threats of today and tomorrow. As a result of Congressionally mandated redesigns, the Defense Department has reduced Milstar costs by more than $15 billion since 1991.

Let me quote Defense Secretary William Perry:

> Some people consider Milstar a cold war relic. We have totally, beginning already with the Bush administration and continuing under this administration, completely reconfigured that system so that many of the factors which made it so expensive—which is the ability to withstand nuclear blasts and so on—those features no longer exist in Milstar. What does exist in Milstar is the ability to connect our tactical units worldwide with high quality, high resolution, digital data, so they can pass demands back and forth, they can pass targeting data, they can pass intelligence information, and it does it in such a way which is highly resistant to interference, such as jamming.

Milstar will be used in many tactical environments. The whole point of producing the 1,200 remote, highly mobile Milstar terminals is so our troops in the field can communicate directly with other forces and commanders anywhere in the world—quickly, directly, and effectively.

Under a conventional war scenario that the Department of Defense ran in the Middle East—a scenario similar to the Persian Gulf war—more than 70 percent of all tactical military communications would use Milstar satellites. So, this is not a relic of the cold war and does indeed have important uses in today's world.

While most people agree that secure, antijam, worldwide communications are vital, there is some disagreement about how to achieve this goal, hence the Bumpers amendment to terminate satellites five and six.

But this complex issue has already been reviewed and carefully studied by our military experts. In addition, the Defense Department's Bottom-Up Review carefully studied the issue of military communications satellites, with the "focus * * * on identifying and evaluating lower-cost alternatives to Milstar."

As the Bottom-Up Review found, the current Milstar Program achieves the "needed military communications capability in the near term while potentially reducing the long-term costs associated with sustaining this capability."

Could Milstar be terminated or replaced with something else and reduce costs while maintaining capabilities? The answer is no. The Bottom-Up Review studied all options and concluded that six Milstar satellites should be built, then transition to a lower-cost, lower-weight advanced EHF [extremely high frequency] satellite that would be ready for launch in the year 2006. This new follow-on satellite is so complex to build that it will take years for the technology to mature. A lower cost Milstar simply does not exist now.

If the Milstar Program is terminated now, or even if only the fifth and sixth satellites are terminated, an unacceptable gap in capabilities will exist. The risk associated with trying to develop and deploy the Advanced EHF satellite before 2006 are extremely high, and any cost savings may not materialize. In fact, the Air Force estimates that trying to accelerate the Advanced EHF satellite system will cost $1.39 billion, $120 million more than the $1.27 billion savings estimated from canceling Milstar satellites five and six.

In addition, cancellation of this program would result in the loss of 8,000 direct jobs nationwide. More than half of these job losses would come from California—a State that has already been adversely affected by defense downsizing with the loss of 250,000 defense-related jobs in just the last few years. These jobs represent the defense industrial base that will be counted on to develop and build the follow-on advanced EHF satellite that is currently planned to replace Milstar.

According to Secretary Perry and the Joint Chiefs of Staff—who have already reviewed the program and made substantial cost reductions—the treat to national security by terminating the Milstar Program would be too high. Milstar is an important program that will serve our military communications needs into the next century.

I strongly support the administration's request for Milstar and urge the Senate to defeat this amendment.

I ask unanimous consent that a letter from Secretary Perry to Chairman INOUYE discussing this issue be printed in the RECORD

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, August 3, 1994.

Hon. DANIEL K. INOUYE,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In anticipation of possible amendments to the FY 1995 Appropriations Bill, we are providing the following information on the Milstar program.

The Department of Defense opposes any potential amendments that would terminate Milstar II satellites #5 and #6. Milstar is a critically important program that supports the combat potential of current and future military forces. Milstar provides command and control and information transfer capabilities essential to a smaller fighting force.

The Milstar system is planned to provide operational forces—especially highly mobile tactical units—secure, survivable, flexible communications on a worldwide basis. The system operates in a previously unused portion of the radio spectrum—Extremely High Frequency (EHF). This attribute plus other features, like advanced signal processing and crosslinks, provide unique mission capabilities. Milstar supports fundamental requirements to provide integrated connectivity for theater and tactical elements through a modernized, jam-resistant communications network. Milstar is designed to satisfy requirements essential to the military needs of a CONUS-based, power-projection force.

Our current investment strategy—two Milstar I satellites, four Milstar II satellites, followed by a transition to an advanced EHF satellite not later than FY 2006—was selected because it best met military requirements and represented the best means of providing essential capability while reducing overall program cost. All other options were higher risk and deferred providing essential operational capability.

Transition to an advanced EHF system is an integral part of our investment strategy. However, its development represents a technical challenge. During the Bottom Up Review, the Technical Support Group identified the lack of maturity in packaging microwave and digital electronics as a risk area in downsizing the satellite payload so it could be launched on a medium launch vehicle (MLV).

Our FY 1995 budget includes a request for $22.1 million to begin a focused technology effort to ensure technologies mature sufficiently to allow transition to a smaller payload. We need this investment to make an informed decision on the risks and timing of a transition to this new concept. We will continue to search for the best approaches to an advanced EHF system. When we are able to transition to a follow-on system with acceptable risk, we will present that proposal to Congress. The Department is committed to fielding cost-effective, affordable protected communications capabilities.

The Joint Chiefs of Staff have assured me they firmly support the requirements for assured, protected communications. To cancel Milstar II satellites #5 and #6 would save money only by deferring necessary capability and accepting additional risk to our defense posture for the next decade—risk which could erode deterrence or translate into increased loss of life in a potential future conflict.

The Department strongly recommends that the Milstar II satellites #5 and #6 not be terminated. A four satellite constellation is a fundamental element in the Department of Defense mix of military and commercial satellite communications.

Sincerely,

WILLIAM J. PERRY.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1995—CONFERENCE REPORT

Mr. LEAHY. Mr. President, I submit a report of the committee of conference on H.R. 4426 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4426) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1995, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 1, 1994.)

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont is recognized for up to 15 minutes.

Mr. LEAHY. Mr. President, I am pleased to present the conference report on H.R. 4426, the foreign operations, export financing, and related programs appropriations bill for fiscal year 1995.

The Senate-House conference on this legislation finished at about 3 a.m. on Friday, July 29. It was about 1 a.m. when we took up the $50 million in emergency supplemental relief for Rwandan refugees, and 2 a.m. when we finally got to the Jordan debt issues.

One month ago, the Senate passed the foreign operations bill by a vote of 84 to 9. The conference report passed the House last week 341-85, the largest majority for a foreign aid conference report in recent history. Except for the Jordan and Rwanda supplementals, the funding levels in the conference report are very close to those in the bill we passed. In fact, although this is an appropriations bill, the funding issues in conference were relatively few. Most of the controversial issues involved legislation, which in many instances had little or nothing to do with this bill.

This bill is a reduction of $664 million below the fiscal year 1994 foreign aid appropriation, and $340 million below the President's request for fiscal year 1995. It continues a trend which began 3 years ago of declining foreign aid budgets. I do not believe that foreign aid should be exempted from the budget cuts everyone else is having to make. At the same time, there should be no mistake—if this trend continues we risk serious harm to our Nation's national interests.

We simply cannot continue to pursue United States interests in promoting free markets and democracy especially in the former Soviet Union, supporting peace in the Middle East, stabilizing population growth, protecting the environment and combating global health epidemics like AIDS—all the things that are funded in this bill, and at the same time continue to cut funding for these programs.

We will continue to see catastrophes like Rwanda, or Somalia, if we do not do our part to support sustainable development in these countries that is the best prevention for such disasters.

Foreign aid is often accused of being a giveaway that we cannot afford. I could not disagree more. Our foreign aid program, which amounts to less than 1 percent of the Federal budget, pays for itself many times over, both in generating exports for American businesses and solving problems that threaten our national security. It also reflects the generosity of the American people to help people in need.

This bill contains $50 million in emergency supplemental funds for refugee and disaster assistance for Rwanda. We received the President's request for these funds late on the night of conference, and the conferees passed it within a few hours. The urgency of this request was obvious to everyone. Without these funds, the Rwanda crisis alone would deplete our annual emergency refugee assistance fund for the entire world.

There has been the suggestion that this supplemental was unnecessary, that there were adequate funds in the bill already to finance American relief operations in Rwanda.

If that were true, we would have done so. As it is, this bill, not counting the emergency supplemental for Rwanda, contains $802 million in bilateral assistance to sub-Saharan Africa. That is about $1 per person, for the poorest region in the world. It is also about the same amount that we have provided to Africa in each of the past 4 years, despite the highest population growth rates in the world, a devastating AIDS epidemic, and significant new demands in South Africa. The President plans to provide about $125 million in fiscal year 1995 grant funds to South Africa, almost half of which was not included in the budget request. So it must be taken from other needy African countries.

I would also point out that, while the funds in this bill for Africa are to support long-term development programs, the Rwanda supplemental is for fast-disbursing emergency relief. These supplemental funds will be used to prevent depletion of the $50 million emergency refugee and migration account. That account is all we have to meet refugee emergencies throughout the world.

Perhaps those who have objected to this supplemental would propose to shift some of our contribution to the International Development Association, which provides low-interest loans to support economic development in the poorest countries. A majority of IDA funds go to sub-Saharan Africa.

The United States is already $310 million in arrears in our payments to IDA, payments that were pledged by the Bush administration. This bill cuts another $15 million from our pledge, even though every $1 we contribute to IDA generates $5 in business for American companies who bid on IDA-financed contracts. When this bill was debated here 2 weeks ago, an amendment to cut funding for IDA was defeated 59 to 38.

Mr. President, there was agreement among the conferees that our highest priority is to fund, as close to the President's request as possible, the assistance program for the New Independent States of the former Soviet Union. There is no greater challenge than assisting Russia and the other NIS countries during this difficult transition to democracy and free markets. This bill provided $850 million for the NIS, and recommends that, of this amount, $150 million should be made available for Ukraine, $75 million for Armenia, and $50 million for Georgia. This is considerably more than the administration requested for these countries.

The House made no mention of Ukraine, Armenia, or Georgia. I believe strongly that we should support these countries, but to write a blank check. Some have complained that we are giving too much to Russia and that we should have earmarked funds for these other countries. I disagree.

Russia is the largest recipient of NIS aid for several good reasons. First, it has a larger population than all of the other NIS countries put together.

Second, Russia possesses the overwhelming majority of nuclear weapons in the NIS.

Third, Russia plays a leadership role in the NIS and where it leads, others are likely to follow.

And fourth, the Russian Government, in contrast to some of the other NIS countries, is pursuing ambitious programs of market economic reform and democratization that provide fertile ground for effective use of United States aid.

Equally important, but rarely mentioned, is that on a per capita basis we have given seven times as much aid to Armenia than Russia, and over twice as much to Georgia than Russia. Ukraine is not far behind, yet that country has yet to demonstrate a commitment to market reform. It is not in the U.S. interest to give large amounts of aid to governments that are clinging to communism. If Russia flags in its reform efforts, I would expect to see our aid to Russia decline. If the new Ukrainian Government makes a break from its predecessor and begins to implement real economic reforms, I will be the first to urge the President to support those reforms vigorously.

Finally, I would add that the final resolution of each of these funding issues in the conference was made only after consultation and agreement between the Senate Republican and Democratic conferees.

I was pleased that the conferees recommended up to $30 million for programs to combat organized crime in the NIS which has direct consequences for the United States. This was an amendment offered by Senator D'AMATO, Senator MCCONNELL, and myself, and will involve the FBI and other U.S. law enforcement agencies. The Senate had recommended up to $15 million for the FBI.

The conferees also recommended that $15 million should be made available for family planning programs in the NIS. This was Senator HATFIELD's amendment and would be used to reduce the rate of abortion in the NIS, where women have on average six to eight abortions in their lifetimes.

I was pleased that the conferees provided $42 million above the President's request for development assistance. This will help AID fund activities like child survival and other humanitarian programs, which have been priorities of the Congress for many years. Last year, many of these programs were cut deeply, and these additional funds are intended to enable AID to fund them at higher levels in 1995. In order to give AID the flexibility to respond to changing circumstances, and in recognition of the many demands on a limited budget, the conferees did not earmark these and other development assistance programs. However, we fully expect AID to consult with the Appropriations Committees in advance of any decision not to fund these programs at the recommended levels.

Mr. President, we were all moved by the speeches of Prime Minister Rabin and King Hussein at last week's joint session of Congress. The declaration ending the state of war between Jordan and Israel is dramatic proof of the momentum for peace in the Middle East. Peace in that dangerous region will not come easily, and this bill strongly supports the Middle East peace process in several ways. It contains the traditional earmarks for Israel and Egypt. It also contains $99 million in supplemental funds to forgive a portion of Jordan's debt to the Agency for International Development.

I talked with King Hussein, Prime Minister Rabin, and President Clinton. I know all three of them agree on this. After listening to them, I agree with them, too, but it is only a portion of the entire debt owed, and the joint statement of managers says that great importance will be given, as we look at future requests for debt relief, to the progress of peace in the Middle East.

The conferees require that the authority to forgive Jordan's debt may be exercised only in amounts that are appropriated in advance. And the bill recommends $20 million for programs to help create jobs in the West Bank and Gaza, where unemployment is rampant. The Palestinians need to see that peace with Israel will quickly lead to improvements in their standard of living.

We also have close to $1 billion for export promotion programs, something I have worked on for well over a decade because I have seen it create thousands of jobs in the United States.

Many people made invaluable contributions to getting this conference report to this point. I want to thank the distinguished full committee chairman, the President pro tempore, for his leadership and support during this process. I also want to thank the chairman and ranking member of the Budget Committee, Senator SASSER and Senator DOMENICI, for their advice and support for handling some difficult problems.

I want to thank the ranking member of the subcommittee, Senator MCCONNELL, who has been a strong advocate of an effective foreign assistance program. His role in this conference report was particularly important in the recommendations concerning funding for the NIS, which has been a special concern of his. We may disagree on the need for earmarks, but we share the same goals.

On a personal note, for a number of years in my capacity, first as vice chairman of the Senate Intelligence Committee and then as a member of the Appropriations Committee and then as chairman of this subcommittee, I was helped and aided by Eric Newsom, a long-time staff member of the Senate and now a senior official with the State Department. His position was filled when he left by Bill Witting, formerly the Consul General of the United States in Calgary, Canada. Bill has been absolutely essential in bringing this legislation here. He came in shortly before it started and learned very quickly in—I was going to say 24-hour days—I think they were 30-hour days, as we tried to piece together all the conflicting demands that go into such a bill.

But I think that he would agree with me that it would have been impossible had it not been for the assistance, first, of Tim Rieser, a lawyer who has been associated with this legislation for years, a man who has done so much for refugee assistance, landmine legislation, Third World issues, and has learned the intricacies of the foreign aid bill, budget dollars, programs in a way that I have not seen matched by anybody else in my experience here. Tim's work was also essential.

Aiding them was a man who I think has probably not gone to bed before midnight for the last 4 months, Fred Kenney, a Vermonter who came here and who has somehow managed to keep track of every single piece of this bill, know exactly where they were, and has helped us all the way through.

I mention these three because without them, there is no way this bill could have been finished in the record time that it has, no way we could have handled the complexity, nor could we have taken care of the two emergency situations, one because of the late developments in the Middle East and the other because of the crisis in Rwanda.

We were also very fortunate to have Neil McGaraghan and Elizabeth Murtha assisting the subcommittee this year.

I also want to thank the minority clerk, Jim Bond, who has been with the Appropriations Committee for 22 years. Jim's reputation as a stalwart defender of the committee, and of the foreign assistance program, benefits us all. Juanita Rilling, also of the minority staff, and Senator MCCONNELL'S staff member Robin Cleveland, put a great deal of effort into shaping the bill. They were also ably assisted by Michele Hasenstaub.

I want to thank the representatives of the administration who participated throughout this process. Their contributions were also invaluable. They helped us to avoid many mistakes or misjudgments, and gave us countless pieces of advice. We appreciated all of it, even if we did not always take it.

I want to give special thanks to Wendy Sherman, for her superb work as Assistant Secretary of State for Legislative Affairs. Both President Clinton and Secretary Christopher were extremely well-served by Assistant Secretary Sherman.

AID Administrator Brian Atwood's hand in this process was also constantly felt. Mr. Atwood has distinguished himself by bringing a new sense of mission and dedication to AID. AID has made real progress in refocusing its mission on sustainable economic development, and Brian Atwood deserves credit for that.

Bob Lester and Carol Schwab, counsels from AID and the State Department, again very generously provided their legal expertise and indispensable historical memory. These two lawyers were there from the beginning to the bitter end, day and night, to ensure that what we did was properly written and safe from legal challenge.

I also want to thank Will Davis, of the Bureau of Legislative Affairs at State, Marianne O'Sullivan, of the AID Bureau of Legislative Affairs, George Tyler and Robert Baker of Treasury, Michael Friend of the Defense Security Assistance Agency and many others who helped get this bill done in record time. I cannot recall a year when we passed the foreign operations bill before the August recess.

Our conference went into the wee hours of the morning last Friday. I want to compliment Chairman OBEY, who was suffering from pneumonia that day, and the ranking member, Mr. LIVINGSTON, on the House side, and their colleagues, for pushing through and finishing the conference despite many obstacles. There were several times when I had my doubts that we would finish.

In the end, we produced what I believe is a bill we can be proud of, with funding for the NIS, the Middle East, Rwandan refugees, and so many of the other humanitarian programs that the American people support.

Mr. McCONNELL. Mr. President, I rise today with very mixed feelings about supporting this conference report. Although I will vote for final passage, I think my colleagues may be interested in the circumstances leading up to a decision by all the Republicans on the subcommittee not to sign the conference report.

During July, when the subcommittee and full committee considered the bill, there were press reports that the administration would offer Jordan debt relief and military assistance in return for signing an agreement with Israel. Although I asked for information on any aid commitment, the administration could not or would not offer any.

On Wednesday, July 27, Dennis Ross briefed the Congress on the terms of the Israeli-Jordanian agreement and suggested the outlines of an aid package. Thursday morning, July 28, language was suggested by the administration for inclusion in the foreign operations bill. We received letters from both the Secretary of State and the President supporting whatever action the conference committee might take, but we never actually received an official administration budget request. Apparently, while the administration supported peace, it was not at the price of appearing to break spending caps.

Frankly, leaving the actual action up to Congress falls just this side of cowardice as far as this Senator is concerned. It is my view that the administration did not want to be held politically accountable for breaking the caps to supply foreign aid. They said it was essential to securing peace yet did not want to pay a domestic political price.

So on Thursday afternoon the conference began with Presidential encouragement but virtually no actual budget request, no formal consultation, and no debate in the Senate or House on the merits of providing Jordan with debt relief or military aid.

Many of my colleagues had legitimate concerns and serious questions about how and what the administration was planning. With repeated allegations that Jordan has violated the U.N. sanctions against Iraq, many wondered why we would provide military equipment which might be transferred to Baghdad. Others pointed out that there is no actual peace agreement in place with Israel. I was repeatedly asked does Jordan expect to be compensated for every step it takes along the road to peace? Are we engaged in a pay-as-you-go plan? What kind of open-ended commitment of U.S. resources have been made without a peace agreement?

As questions emerged during the day on Jordan, the members of the conference were presented with a second unannounced request. Late in the evening, my recollection is around 11 p.m. we were handed a piece of paper requesting $50 million in emergency refugee and disaster aid for Rwanda.

Given the conditions in Rwanda, the conferees were put in the position of supporting the funding or being accused of thwarting vital relief efforts. Unfortunately, given the lack of consultation and information at the late hour, the conferees could not establish if there was some way to fund the request without resorting to an emergency designation, thereby once again, breaking budget ceilings.

Mr. President, members of the subcommittee take the consultation process seriously and I think it is unfortunate that on two matters of significant national interest, the administration basically blind-sided the Congress. To express our collective and strong opposition to this sloppy, inappropriate and irresponsible approach to consultation and funding requests, no Republican signed the conference report.

In addition to objections about the administration's failure to adequately consult on these important matters, I want to draw my colleagues attention to a number of concerns I have about specific provisions in the bill. First, my colleagues should understand that on every major, controversial issue including many on which we held recorded votes, the Senate did not prevail in conference.

Let me begin with the Senate's 89-8 vote on Russian troop withdrawal from the Baltics. It was clear that our vote produced an immediate breakthrough on the stalled negotiations between Estonia and Russia. Nonetheless, the administration working closely with the majority, on a party line vote, managed to have the provision stripped. Apparently, it was offensive to the Russians.

Similarly, binding earmarks for Armenian and Ukraine were diluted in spite of widespread bipartisan support in the Senate.

The Senate voted 100-0 to fund FBI and local police investigative training programs out of the belief that narcotics trafficking, counterfeiting, and prospects of nuclear terrorism in the NIS posed a direct threat here at home. In conference the provision was watered down.

The Senate's strong support of an amendment permitting the Administration to provide assistance to Poland, Hungary, and the Czech Republic to move them along the road to NATO admission was stripped from the bill. Keep in mind this authority was permissive, not mandatory, and it was still removed from the bill.

At every turn, on every continent, and most every issue the administration and the majority diluted or defeated language which the Senate had supported.

On a number of these, in particular the funding levels for Armenia and Ukraine, I intend to make sure the administration follows through and observes congressional intent. Let me note that since conference, many members, including the Republican leader, have expressed reservations on the bill language on Armenia. I want to clarify that a majority of the conferees view the $75 million made available for Armenia as a floor—not a ceiling. With Armenian President Ter-Petrossian due to arrive this week, I think he should hear directly from Congress, if not the administration, that we intend for Armenia to be eligible for and receive at least as much aid in fiscal year 1995 as this past year.

A majority of the Senate conferees also agree that the funding could and should be drawn from the NIS account in the foreign operations bill. As we proceed with notifications on the obligation of fiscal year 1995 funds, I plan to make sure this commitment is upheld.

Mr. President, I am similarly committed to seeing adequate funding for Ukraine. Last year, the administration strongly opposed an earmark of $300 million for Ukraine out of the $2.5 billion package and then turned around and announced that amount during President Kravchuk's visit. Unfortunately, policy by press release has been just that—all talk and no action. In 1992, 1993, and 1994, Ukraine has actually only been provided with a little over $40 million compared with Russia's balance of $1.6 billion. If we were going to make a positive contribution to economic and political reform in Ukraine, we must step up our commitment.

Mr. President, in spite of these concerns, I feel obligated to vote for the final conference report. The bill does have a number of very important funding provisions including our support for the Camp David countries, the overall level of aid to the NIS, and strong promotion for our export agencies.

It was not an easy process to complete action on this bill this year, but I think we have done the best we could given conflicting priorities as well as limited resources and limited flexibility in conference on the issue of earmarking.

Having said that, I want to extend my appreciation to the chairman—I have enjoyed working with him this year—to the majority staff, Tim

Rieser, Bill Witting, and Fred Kenney, and particularly on our side, Juanita Rilling, Jim Bond, who is really a veteran of this process on our side, and my long-time foreign policy advisor, Robin Cleveland, who always does a spectacular job.

Let me say in conclusion, Mr. President, that some of this is going to have to change. The failure to consult on Jordan and Rwanda, the failure to sustain the Senate's position on earmarks to Ukraine, Armenia, and Georgia, conditioning aid to Russia on an August 31 troop withdrawal, and permission to help Poland, Hungary, and the Czech Republic achieve entry into NATO, all of these items which the Senate felt strongly about were added unanimously in committee or added by large votes on the Senate floor and were lost in conference.

Next year, things are going to have to be different. When the Senate speaks overwhelmingly on an issue, I hope that our view in conference will be to sustain, if at all possible, the Senate position.

So, Mr. President, having said that, I yield the floor.

Mr. MURKOWSKI. Mr. President, on July 15, this body unanimously approved an amendment I offered on behalf of myself and the distinguished minority leader, Senator DOLE, to the foreign operations appropriations bill. The amendment barred United States aid to North Korea until President Clinton certified to Congress that three conditions were met:

First, that North Korea does not possess nuclear weapons. If North Korea possesses a nuclear weapon or weapons already, as the CIA believes, then the weapon(s) must be destroyed.

Second, that North Korea has halted its nuclear weapons program. The program must be halted, not simply frozen. This means full compliance with the terms of the Nuclear Proliferation Treaty and the January 30, 1992, full-scope safeguards agreement between the International Atomic Energy and North Korea.

Third, that North Korea has not exported weapons-grade plutonium to other countries on missiles or by other methods.

The amendment was adopted 95-0 on a rollcall vote, representing, I think, the widespread feeling in this body that United States taxpayer dollars should not be used to subsidize this rogue regime that remains a threat to regional and global security until the President can certify that North Korea is no longer a nuclear threat. Not one person spoke against my amendment.

I was dismayed, therefore, to learn that the final conference report does not contain the North Korea language. I am told that the House conferees, under pressure from the Clinton administration, objected to including the North Korea amendment in the final package.

Why did the administration oppose the amendment? Is the United States prepared to offer North Korea economic assistance at the high-level negotiations ongoing in Geneva without ensuring that North Korea will abandon its nuclear intentions? Comments made by North Korean and American officials indicate that economic concessions are on the table.

What types of concessions might the administration be considering? It has been widely reported that North Korea is demanding light-water-based nuclear reactors [LWR's] to replace the outmoded graphite-moderated reactors that they currently possess. I do not doubt that the United States negotiators view this technology upgrade as a significant carrot to offer North Korea. My concern is that the United States will give this carrot away without gaining tangible concessions from North Korea on its nuclear program. I am also concerned that the long-term nature of this project has not been sufficiently thought through by our negotiators. I ask for unanimous consent that a Washington Post op ed by Victor Gilinsky, a former member of the Nuclear Regulatory Commission, entitled "No Quick Fix on Korea," be included in the RECORD. I believe that Mr. Gilinsky exposes some of the fallacies in believing that LWR's will solve the nuclear issue. As Mr. Gilinsky observes:

> In the end, what is wrong with the LWR proposal is that it presumes a level of goodwill on North Korea's part that, were it present, would obviate the need for the proposal. If the North Koreans are interested in electricity, there are much cheaper, better and safer ways to provide it. If they insist on a prestige nuclear project, we can be sure the deal is, in fact, too good to be true. There are no neat technological fixes to the present impasse. What is needed is change in North Korea.

The administration's written position paper on the Murkowski-Dole amendment listed six examples of possible assistance to North Korea that would be precluded by the language of the amendment. I would remind the administration that this amendment would not preclude any of these examples of assistance. If North Korea lived up to the conditions on nuclear concessions.

After watching the administration negotiate with the North Koreans over the last year, I continue to believe that economic concessions for anything short of nuclear concessions would be a mistake. Rewarding North Korea for empty words and promises brings us no closer to a resolution of the nuclear issue. For example, the United States agreed to resume high-level negotiations with North Korea after former leader Kim Il-song "promised" former President Carter that the spent fuel rods at its Yongbyon reactor would not be reprocessed.

But this promise was merely empty words. The fuel rods cannot not be processed for 2 months whether we negotiate or not because the rods are too hot with radioactive material. The promise that meant something was the promise the North Koreans did not keep—the promise to not move the fuel rods into the pond in the first place.

I would also like to remind my colleagues of the ominous announcement in Seoul by Kang Myong Do, a defector identified as the son-in-law of North Korea's Prime Minister. Kang indicated first, that Pyongyang has developed five nuclear warheads, and second, that North Korea is purposely delaying international inspection of its nuclear sites by stalling talks with the United States and South Korea. The accuracy of defector's claims are disputed by the State Department, but the mere fact that our intelligence cannot readily confirm nor dispute his allegations illustrates how dangerous the North Korean nuclear situation has become.

North Korea created the current impasse by its consistent refusal to abide by the terms and conditions of the Nuclear Non-Proliferation Treaty and North Korea can end the stalemate. The new leader, Kim Jong-Il, has an historic opportunity to begin a new era for his people by announcing that North Korea is prepared to come clean on its past and present nuclear activities. While Kim Il-song might have felt he would lose face by revealing hidden activities, the son is not bound by the deeds of his father.

Allowing IAEA [International Atomic Energy Agency] inspectors full and unhindered access to the two suspected and seven declared nuclear sites would distinguish this regime from the rogue tactics of the last. This come down approach was taken in 1991 by South Africa's former President F.W. de Klerk when his country opened up its program to reveal past nuclear activities. We should expect no less from North Korea.

And what should the American people and Congress expect from the Clinton administration during these negotiations? We should expect that the administration will use its leverage as the sole superpower to refrain from rewarding North Korea with taxpayer dollars until the President can certify that the nuclear threat on the Korean peninsula is eliminated. Economic concessions should be made only for good deeds, not just good words. Unfortunately, the administration's opposition to my amendment leads me to believe that the administration is betting, once again, that rewards given now will lead to good behavior in the future. Every other time the administration has made such a bet, it has lost. This time, North Korean concessions should come first.

I think Congress would be irresponsible to write the President a blank check for any other approach. Therefore, I plan to offer another version of my North Korea amendment in the near future. I hope I can count on my colleagues both on the floor and in Congress to support this approach in the future.

Finally, Mr. President, I want to thank my colleague, MITCH MCCONNELL, ranking Republican on the Foreign Appropriations Committee, for his strong support of my amendment at the conference.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

No Quick Fix on Korea

(By Victor Gilinsky)

The idea has gotten about that there is a neat technical fix to the threat posed by North Korea's homemade nuclear reactors. This involves replacing their reactors, which are fueled with natural uranium and geared to producing plutonium, with ones like ours, which are more "proliferation resistant." It was explained in the headline of a recent Post story: "U.S. to Dangle Prospect of Reactor at N. Korea; Deal Would Allow Nuclear Plant for Electricity" [front page, July 7]. Jimmy Carter is said to have supported this idea in his talks in North Korea.

It was actually the North Koreans who came up with the offer to switch technologies. During U.S.-North Korean talks a year ago, they said they would rather have U.S.-style power reactors (called light-water reactors, or LWRs) than the outmoded ones they possess. Because the two reactors they are building would soon multiply their weapon potential many times, this offer by the North Koreans seemed almost too good to be true.

In a joint communique of July 19, 1993, the United States agreed what if the "nuclear issue" could be resolved finally, then it was "prepared to support the introduction of LWRs and to explore with the [North Koreans] ways in which LWRs could be obtained." A year later, the idea seems to be very much alive. The Post story cited above quotes a "senior U.S. official" as saying "the attitude is, if that's what they want, that's what we'll give them."

We had better stop and think.

Sure, it would be great if we could switch their nuclear plants into less threatening ones with a snap of our fingers. But the reality of such an exchange is more tangled than it might appear, and the attempt would likely do more harm than good.

To begin with, for the United States to provide technology and assist with financing (North Korea is without funds or credit), the president would have to override our strict statutory standards for nuclear exports. He would have to make favorable findings about North Korea that, in effect, would make us accomplices to its violations of Nonproliferation Treaty inspection rules.

By thus buying off an international troublemaker, we would be giving the wrong idea to others similarly inclined (as well as to those who have played by the rules). The undermining of international nuclear export rules would not be lessened if we sent U.S. technology through another country with weaker export rules (South Korea has been mentioned), or (this is the latest proposal) if we paid the Russians to export their version of LWRs to the North Koreans.

In an era when we are extolling the virtues of the marketplace, it is also more than a little inconsistent to indulge the technological vanities of dictators for uneconomic prestige projects. A nuclear power plant of even modest size needs an infrastructure of people and equipment and a sizable and secure electrical grid that—from everything one hears—is lacking in the North. To develop these, to train large numbers of North Koreans and to build a plant would take most of a decade. Do we really want to do this?

If North Korea is willing to trade its outmoded nuclear plants for their modern electrical equivalent, then coal-fired plants make much more sense. And more than a new generation of nuclear plants, the North Koreans need to improve the efficiency of the way they transmit and use electricity. Such changes would be relatively cheap and would produce results much faster, perhaps within a year. Whether North Korea seeks genuine improvements or prefers an uneconomic prestige nuclear project is a test of its goodwill and judgment.

It will no doubt be argued that, given the nature of the North Korean regime, a prestige project from the West is exactly what is needed to get it off its dangerous course toward nuclear weapons. Moreover, the multiyear duration of the project—and its dependence on enriched uranium fuel, which North Korea would have to import from one of the advanced countries—would allow us to remain in control. The same factors would seem to give the North Koreans the incentive to hold up their end of the bargain.

Let us not, however, deceive ourselves. Barring a miraculous change in the regime (in which case the deal would be unnecessary), the North Koreans are not likely to give up their plutonium production potential during the 10-year construction of replacement reactors. And they will likely want a sufficient stockpile of enriched uranium fuel so they will not be at our mercy when those reactors do operate.

Instead of being under our control, the project is likely to develop strong constituencies and to take on a life of its own. We should not imagine that we would be able to turn it off if the North Koreans did not keep their promises. If history is any guide, we would be the hostages, not the North Koreans.

In the end, what is wrong with the LWR proposal is that it presumes a level of goodwill on North Korea's part that, were it present, would obviate the need for the proposal. If the North Koreans are interested in electricity, there are much cheaper, better and safer ways to provide it. If they insist on a prestige nuclear project, we can be sure the deal is, in fact, too good to be true. There are no neat technological fixes to the present impasse. What is needed is change in North Korea.

Mr. DOMENICI. Mr. President, I want to place in the RECORD my reservations about the conference report on H.R. 4426, the foreign operations, export financing, and related programs appropriations bill for fiscal year 1995.

This bill provides new budget authority of $13.7 billion and new outlays of $5.6 billion to finance America's foreign aid, international disaster and refugee, and export financing programs during fiscal year 1995. It also includes $99 million in supplemental appropriations for the country of Jordan and $50 million for a small part of the American efforts to alleviate the humanitarian crisis in Central Africa.

My first reservation about this bill is the unnecessary use of the emergency exemption from our budgetary ceilings for the $50 million supplemental for Rwanda. That is unnecessary.

A much larger $170 million supplemental for United States military participation in humanitarian activities around Rwanda was not declared to be an emergency item. It will be counted against the very tight overall Appropriations Committee outlay ceiling for 1995.

I commended Chairmen BYRD and INOUYE for absorbing the cost of the larger Rwanda supplemental during the markup of the Defense appropriations bill. I fail to understand why the managers of the Foreign Operations Subcommittee took the emergency route.

In fact I fail to understand why this bill includes a symbolic supplemental for Rwanda, when the bill already includes more than $2 billion for Africa during the year beginning October 1, 1995. The bulk of our effort in Rwanda will come from the Departments of Defense and Agriculture that are funded in other bills. AID's Africa funding can easily accommodate $50 million for Rwanda.

My second reservation about this bill is that it violates several budget rules.

As Chairman BYRD informed the full Appropriations Committee at the markup of this bill, the measure before us exceeds the subcommittee's section 602(b) allocation by $72 million in outlays. A section of the bill, section 562, amends the Budget Enforcement Act to exempt the Israel loan guarantee program from being scored against the discretionary caps.

As this provision was not reported by the Committee on the Budget, as required, it is subject to a point of order in the Senate. If enacted, section 562 would have the effect of reducing the outlay impact of the bill by $73 million, bringing the bill within its allocation.

Finally, Mr. President, there are substantive grounds for every Senator to oppose the conference agreement.

The House insisted on dropping language prohibiting any aid for North Korea until the President certified that North Korea had ended its nuclear weapons development program.

The House insisted on dropping Senate earmarks ensuring that Armenia, Ukraine, and Georgia would share in the massive American aid program that has mostly gone to Russia up to now.

The House insisted on dropping an amendment, sponsored by this Senator and the Republican leader, that the Senate adopted by an 18 vote margin, that would have allowed the President to transfer limited amounts from the massive AID program for Russia to the vital Nunn-Lugar cooperative threat reduction program.

The Nunn-Lugar program to reduce the danger from nuclear and chemical weapons systems is so short of funds that it verges on failure, yet the administration and the House decided that high school exchange programs and high priced consultants are more vital to United States-Russian relations than weapons of mass destruction that Russia and Ukraine cannot afford to dismantle alone.

Mr. President, this was an acceptable bill when it left the Senate, but I cannot support the conference agreement that is before us now.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Kentucky has 35 seconds remaining. The Senator from Vermont has 4 minutes 15 seconds.

Mr. LEAHY. Mr. President, I want to note several things. One, I would not want to leave the impression—while the Senator from Kentucky is on the floor—I would not want to leave the impression that somehow the majority was getting the paper, the request, or the language on either Rwanda or Jordan earlier than the minority.

I recall as each of those requests was handed to me, he was sitting beside me, and I held it so he could read it, literally, as I was reading it. The staff received it at the same time.

On the question of the $15 million for the FBI in Russia—and I was one of the cosponsors of that amendment—the impression is that somehow it was taken out.

It was not. We put in up to $30 million for the FBI, the DEA, and others. The Senate bill contained up to $15 million for the FBI. So we increased the amount and made it very clear to the administration, as I have, that we expect that amount to be available.

We include funding for the Ukraine. But there is also a concern, raised legitimately by the other body, that the administration is negotiating with the Ukraine to move ahead with the economic reforms that they have not moved forward on. We do not want to send a signal that they are going to get the money whether they reform or not. It is money that has to go through the normal notification process. And, if it is not being used the way we want it to, we also have an almost weekly and monthly club over the administration in that regard.

I reserve the remainder of my time.

Mr. McCONNELL. Mr. President, I believe I have a few seconds left. I do not want to continue the debate, but I believe Chairman LEAHY misunderstood what I said with regard to crime fighting. We both were blind sided, both the majority and the minority. My point about crime fighting is it was made permissible, not mandatory.

I think, in looking to next year, maybe what we need to do is take some of these amendments back in disagreement with the House and see how the full House feels about such issues as earmarks for Ukraine and Armenia. I am fully prepared to do that next year, and maybe that would be therapeutic for the conferees on both sides.

I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas has 5 minutes.

Mr. GRAMM. Mr. President, I just have a few things I want to say before we finish this bill.

First of all, I am sorry our dear colleague from Kentucky has left. I have had an opportunity to serve on committees with a lot of Members of the Senate. But I have rarely seen anybody take his or her responsibility in a leadership position on a subcommittee of jurisdiction as seriously as the distinguished Senator from Kentucky, Senator MCCONNELL. Senator MCCONNELL is a clear leader on these issues. We have attempted to develop a bill that reflects the interest of the American people in promoting capitalism and democracy in the states that were former members of the Soviet Union. We have tried to move away from a foreign policy where we would rush into every problem with a handful of money trying to buy friends and influence—we often found ourselves in a position similar to a little rich kid in the middle of a slum with a cake, and everybody wanting a piece of the cake. Whether it was divided up and given away or whether it was taken away, the cake was always too small relative to the demands upon it.

What we have done in this bill—I attribute much of our success in moving in this direction to Senator MCCONNELL and to our distinguished chairman—is to try to move toward the use of American foreign policy and using American assistance to promote the things that we believe in and the things that we know work—democracy and capitalism, the recipe not just the cake. We are trying to move away from funding programs and policies that we know do not work. I think that is an important activity that we have undertaken in this bill.

Finally, I would like to say that there has been a big issue about earmarking. When funds are provided for assistance to try to help other parts of the world make a transition to democracy and capitalism, should Congress earmark funds? I believe in this case we have areas of clear interest in Ukraine, in the parts of Eastern Europe that were liberated because we won the cold war, and in places like Armenia where you have a small, isolated, landlocked Christian country in the middle of a Moslem world engaged in a conflict for its survival, embargoed by its neighbors. It is very important, it seems to me, to see that we guarantee that assistance, that we decide to target money that will be spent anyway, that it goes to help countries like Armenia that have committed to democracy, that have implemented democracy, that are engaged in privatization, that are trying to basically take the American model and apply it in a small, isolated, landlocked nation with very few natural resources. It seems to me that is the kind of country that needs and deserves our support.

I think it is very important to repeat something that Senator MCCONNELL said; that is, the earmarking of $75 million for Armenia is a floor and not a ceiling. We expect that instruction to be adhered to by the State Department. These funds are vitally important.

I want to commend the chairman and our distinguished ranking member for their leadership on what was a very tough conference on an appropriations bill. A conference where clearly there existed big differences between the House and the Senate. I think we are fast reaching the point where we are going to have to come back in disagreement and let Members of the House vote as to whether they agree with their conferees or whether they agree with us. My guess is they will agree with us. We only have to do that once to settle these issues.

I yield the remainder of my time.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Under the rule, the Senator from North Carolina, [Mr. HELMS] has 10 minutes under his control. He is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, it was in the early morning of Friday, July 29, that an interesting thing happened to the taxpayers' money. On Friday, July 29, the conferees of the House and the Senate were working on this conference report which we have before us, the pending business.

This conference report calls for the spending of $13.7 billion for appropriations for foreign operations, export financing, and related programs, for the fiscal year ending September 30, 1995. That is a pretty enormous sum of the taxpayers' money—in effect, $13.7 billion in checks on which the taxpayers, present and future, will have to make good. I say "future" because all of this is piling debt on top of debt that the young people such as those sitting on either side of the dais at this moment will have to pay.

One of those taxpayer-financed checks slipped through almost unnoticed, sort of like a ship passing in the night. It was scored as a cost of $99 million.

In any event, the Foreign Operations appropriation conferees canceled more than $200 million in debt owed to the United States by the country of Jordan. On top of that, the conferees authorized the cancellation of the remainder of Jordan's entire $700 million debt to the United States and approved on top of everything else the gift of lethal military equipment to Jordan. I do not have even an estimate of what that is going to cost the taxpayers. I daresay that not one out of 1,000 Americans know that this gift was made to the country of Jordan.

There was not one syllable of debate on these giveaways, not one word spoken. The House did not recede to the Senate in this conference. The Senate did not recede to the House. It was just one of those deals made on the old buddy system. I am going to explain a little bit more as I go along. Nobody was looking. So there went $99 million as it was scored, but the appropriations conferees in fact canceled more than $200 million in debt.

Here is what happened. President Clinton had made an offer to the King of Jordan that the King, as the saying goes, could not refuse; as a matter of fact, he was not about to refuse it. He grabbed the money and ran.

President Clinton volunteered King Hussein of Jordan a payoff if the King would meet with Israel's Prime Minister Rabin. King Hussein, and I like him; I met with him many times, and his American-born wife is a delightful lady, but King Hussein, being of sound mind, did not look this gift horse in the mouth. He took the American taxpayers' money.

Now, Mr. President, it is a given that Prime Minister Rabin and King Hussein have shown great courage, and I can understand the desire to recognize Jordan's rapprochement with Israel in a tangible way. I can understand in a general way—but I can never support—the writing off that $200 million in U.S. taxpayer funds in the dark of the night without any discussion of it on this Senate floor or on the floor of the House of Representatives.

What prompted the cancellation of the entire $700 million Jordanian debt to the United States? Before anybody gets carried away with joy, all those checkbook diplomats need to be reminded that King Hussein has not even signed a peace treaty with Israel, not yet. He may in the future, but he has not done it yet. They went down to the White House and had a ceremony, and President Clinton was standing between Hussein and Rabin. They shook hands and they went home. And the taxpayers were all the poorer for it. Nice show. I hope it turns out fine, but it has not turned out fine yet.

After the euphoria of the joint session of Congress for Prime Minister Rabin and King Hussein, and after that heady moment when the Senate-House conferees made quick disposition of $700 million in debt to the American taxpayers', plus millions more in free lethal weaponry for the country of Jordan, a few wet blanket observations may be in order just to set the record straight.

Why did Jordan desperately need its debts canceled? Why is Jordan's economy in shambles? Was it because King Hussein decided to stand with Iraq—remember that? When Hussein stood with Iraq, not with the United States in that Persian Gulf war? Yes, sir. He was standing there with Iraq when Iraq invaded Kuwait.

In any event, millions of dollars of the American taxpayers' money are going to a country that supported Saddam Hussein in the Persian Gulf war, a country that no doubt shipped United States weapons to Iraqi soldiers, soldiers who killed some Americans. Remember that. Millions are going to a Nation that used its resources to assist Saddam in obtaining weapons of mass destruction. For all we know, Jordan may still be assisting Saddam in that quest. Nobody tells us about that.

In the last month, there has been credible reporting that Jordan is becoming a center for the rearmament of Iraq. I have not heard a syllable about that on this floor. Is it true? Who knows? But the Congress was not willing to take the time to investigate before handing out that money. And the administration did not bother to provide any credible evidence one way or another. And that is what I am griping about.

What we do know is that every penny of foreign aid the United States has given Jordan in the past 3 fiscal years has required a waiver because Jordan still is not in compliance with U.N. sanctions on Iraq. No doubt about that.

Yet, Jordan ends its state of war with Israel, and we forget all about Iraq. Does no one else see anything wrong with this overall picture?

Mr. President, such was the rush to fulfill every jot and tittle of the President's promise to Jordan, a promise made without any consultation with Congress. If there had been consultation, I think I would have known something about it because I am the ranking member on the Foreign Relations Committee. No consultation and the Appropriations Committee members took action that at least risks a point of order on this bill. I wonder if it is not correct to say that authorizing on an appropriations bill is subject to a point of order?

Of course it is. We say that all the time around here. It just depends who is doing the authorizing and the legislation.

The cancellation of Jordan's entire debt to the United States is authorized in this conference report, as is the provision of lethal excess defense materiel to Jordan a gift of the United States taxpayers.

I ask unanimous consent for 1 additional minute, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Finally, Mr. President, let us not forget something very clear and very simple. The peace process is not over. Camp David costs the United States more than $5 billion every year; $3 billion for Israel, $2.1 billion for Egypt. Hundreds of millions of dollars have been pledged to the Palestinians, and now hundreds of millions to Jordan.

Members of Congress are not giving away their own money. They are giving away money from the taxpayers, who are not even informed of actions like this.

The President was not using his own resources when the commitment to Jordan was made to forgive the debt.

Again, I say it is the American people's money, and it would not be surprising if someday, somewhere along the line, the American people begin to ask, can we afford peace in the Middle East?

Mr. President, I yield the floor, and I suggest the absence of a quorum.

Mr. LEAHY. Mr. President, I still have time on the bill.

Will the Senator withhold the request for a quorum?

Mr. HELMS. Certainly.

The PRESIDING OFFICER. The Senator yields the floor.

The Senator from Vermont has 2 minutes and 10 seconds.

Mr. LEAHY. Mr. President, I ask unanimous consent for 1 extra minute to balance the time yielded to the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, anyone can debate whether we should be spending money in the Middle East out of our foreign aid bill to help bring about peace in the Middle East. But I would dispute the statement made by the Senator from North Carolina that somehow aid was given to Jordan and nobody knew about it. This was discussed by Prime Minister Rabin, by King Hussein, by President Clinton, and by Members of Congress, whose statements were made on the floor. It was in every newspaper that I read at that time. And when it was passed, it was in every newspaper. It was discussed in the House when the conference report came back up, and it has been discussed here.

We do have a stake and a commitment in bringing about a lasting peace in the Middle East. We have secured the existence of Israel from the time that State was founded. It has been a commitment of Republican and Democratic Presidents and Republican and Democratic controlled Congresses since the time of President Harry Truman in the forties when Israel came into existence.

It is a commitment of mine, and it is a commitment of most Members of this body.

This is a step, one initial step, and both Democrats and Republicans agree that it would help promote the peace process in the Middle East. Certainly the Prime Minister of Israel and others in the Israeli Government felt it would help increase their security, and certainly the King of Jordan thought that it would help him in the steps he had to take, steps that have been seen just in the last few days of opening access, of improving travel, and in the exchange of people between the two countries.

So, frankly, Mr. President, while I would have been glad to have had more advance notice, as we all would have, before the bill came up, so we could have debated it, I am willing to bet that there would have been an overwhelming vote in favor had it come to a vote on this floor.

But in one way, it will come to a vote tomorrow, and anybody who disagrees with it or disagrees with the aid to Israel or disagrees with the aid to other countries can vote against the conference report.

Mr. President, the Senator from Texas [Mr. GRAMM] said that we should spend more money in the former Soviet Union in those countries that promote democracy and a market economy. I am glad he and I agree on that. He can probably understand why we are a bit hesitant to give a blank check to the Ukraine until we see exactly what they are going to do.

Mr. President, I ask unanimous consent that the vote on the adoption of the conference report on H.R. 4426 occur without any intervening action or debate upon the disposition of H.R. 4606, the Labor-HHS appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, if I have any remaining time, I yield it back.

Mr. HELMS. Mr. President, the Senator from Vermont [Mr. LEAHY] has described an agreement that, we are told, was made around midnight during the all-night foreign operations conference regarding one of my amendments to the foreign operations appropriations bill.

By a vote of 94–0, the Senate agreed to require that the President of the United States certify to the Congress that Colombia is indeed investigating corruption allegations against senior officials and is continuing its counternarcotics cooperation.

Mr. President, the Senate is entitled to know both context of the agreement and what the agreement was that Senator LEAHY has mentioned. The Senator is correct in noting that some House conferees objected to the amendment, particularly the provision asking that Congress be given assurances that the corruption allegations emerging from Colombia are in fact being seriously investigated.

The House-Senate conferees modification would have gutted the Senate provision. The modification would have required a report by the Secretary of State on Colombian human rights, operations against the drug cartels, and eradication efforts.

The real issue—corruption—was not addressed, Mr. President. Apparently, someone did not want to require assurances that narcotics corruption is being investigated by the Colombians. Having nothing is preferable to having the provision gutted and rendered meaningless.

What is the alleged agreement to which Senator LEAHY referred? It was simple and related solely to the foreign operations conference. I would not object to dropping the Colombia language provision on the foreign operations conference report in exchange for acceptance of another of my amendments which requires certification that Russia is in compliance with their biological and chemical weapons agreements.

According to the Senator from Vermont, dropping the Colombia amendment in conference forbids my right—or any other Senator's right—to raise the issue again on another bill. That is absurd. How did the Senator from Vermont or his staff reach the conclusion that any Senator must forfeit his right to offer a similar amendment on the same subject to a different piece of legislation? It simply is not so.

The Senator from Vermont is perhaps discontented that there was some sort of breach of faith. I do not know what he is talking about—there were no assurances whatsoever that this matter would not be revisited. No such demands were made, nor would I—or my staff—ever consent to such a demand.

If anything, I should be the one expressing my dissatisfaction with what happened in the conference. The Senator from Vermont apparently assumes, because the foreign operations conferees decided to drop a 94–0 Senate-passed provision, that this issue should never be revisited.

I suggest the Senator from Vermont read the amendment I offered yesterday. The amendment is different in several respects. It is based on a letter I received from Colombia's President-elect Samper after the Senate first voted on my provision, and it was prompted by recent corruption allegations against the head of the Colombian National Police.

Mr. President, as I said earlier, the real issue here is not the foreign operations conference report or the DOD appropriations bill. The issue is corruption in Colombia.

If Senator LEAHY wishes to reverse his position on this amendment, he is certainly free to do so. I bear him no ill-will for changing his position—that is his prerogative. But I cannot countenance his implying that I acted in bad faith—nor can I accept his curious interpretation of the Senate rules.

Mr. HARKIN. Mr. President, I would like to take this opportunity to commend the Clinton administration for helping to foster peace in the Middle East. Every Member of this Congress, Democrats and Republicans alike, were moved by the signing of the Declaration of Principles by Yitzhak Rabin and Yasser Arafat at their historic meeting on the White House lawn on September 13.

Leading Arab-Americans and American Jews met at the old Executive Office building in the hours following that signing. Vice President GORE attended that session and urged that these two communities agree to work together to further the peace process. The Vice-President's concept led to the formation of a new organization called Builders for Peace.

The co-presidents of Builders for Peace are former Congressman Mel Levine and Dr. James Zogby, the president of the Arab-American Institute. Its boards are composed of leaders from these two communities which had been hostile for so many years who are now willing to work together on behalf of peace.

Builders for Peace is designed to assist Americans to invest in the newly autonomous territories to assist in job creation and support for the peace process among the people who matter the most—the people who actually live in the region.

The new organization is a good example of how private sector-government cooperation can contribute to the cause of peace. Its success will go a long way toward assuring the overall success of the peace process.

At this point, I would request that Congress express its support for this important nongovernmental approach to economic development as a meaningful contribution to the Middle East peace process.

RECESS UNTIL 2:15 P.M. TODAY

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:35 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate was called to order by the Presiding Officer [Mr. KERRY].

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I——

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. BRADLEY. I am prepared to yield.

Mr. STEVENS. Mr. President, I ask unanimous-consent amendment No. 2466 be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. BRADLEY. Mr. President, I reserve the right to object.

I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I am going to send an amendment to the desk, momentarily, that will reform the appropriations and budget process.

I have been trying, along with a number of Senators, to reduce taxpayer funding wasted on unnecessary programs and to reduce the budget deficit. Last year, over 20 separate specific cut proposals were voted on in the Senate and only 3 were passed—3 out of 20 separate spending cut proposals. Clearly, any attempt to cut programs on the Senate floor is a long shot—20 were offered and only 3 passed.

The prospects are obviously discouraging. Unfortunately, the Senate's own rules work against any attempt to cut spending. My amendment targets these rules and substantial procedural obstacles faced by any legislator who dares to cut appropriations and to cut specific Federal spending.

Every time one of us offers a cut, we face the charge that these amendments do not lead necessarily to any cut in the budget deficit. Less than a week ago, these exact points were made to discourage Senators from supporting an amendment to the HUD–VA appropriations bill. Instead of criticizing the cuts on a substantive basis, opponents simply reminded Senators that these budget cutters are just tilting at windmills.

The problem is that this argument is valid. The rules governing the budget and appropriations process, in fact, make it nearly impossible to cut a program and to reduce Federal spending. In reality, any attempt to do so would almost certainly require a three-fifths supermajority to succeed, and the cuts, even if agreed to by the Senate, can be easily reversed in conference. The amendment I am offering would create three key spending reforms, which I will describe in detail.

The amendment, first, creates real opportunities to establish or redirect spending priorities; second, guarantees Members an ability to cut spending with a majority vote; and third, constrains the appropriations conference to retain spending cuts agreed to in both Houses of Congress.

Consider how we allocate spending in this body. After Congress approves a budget, the appropriations committees are allowed to determine discretionary spending within the budget resolution targets. While we debate functional categories during consideration of the budget, the fact is that these categories, with the possible exception of defense, are almost entirely irrelevant to the appropriations process. Constrained only by an overall discretionary spending cap, the Appropriations Committee distributes spending authority to its 13 subcommittees.

Based on virtually no guidelines, tens of billions of dollars are allocated to the subcommittees. The rest of Congress never knows how this was done or how their constituents' money can be spent until they have been handed the results by the Appropriations Committee.

We need to return this power to the voters by allowing all of their representatives to determine how to distribute the money within the budget targets and subcommittee jurisdictions.

That means nothing more than requiring a vote by each House on how much money each subcommittee should get. This is the first element of the amendment that I am offering.

Unfortunately, this step alone does not solve the problem. When the appropriations bills come to the floor, there are different complex rules, but the same problem: The ability to cut spending is greatly limited.

Here is how it works on the House and Senate floors: If you offer an amendment to cut a specific spending item, such as, let us say, Lawrence Welk's childhood home, and it is adopted, you succeed in an amendment that reduces spending for the purpose of purchasing Lawrence Welk's home. However, the category that the money came from remains intact and the money you saved can be spent somewhere else in that category. If you want to avoid the trap that I just described, you also have to get approval to cut the overall allocation and lock in that cut.

These allocations and caps are very important in Congress. We have rules that say you need 60, not 50, votes to reduce these privileged entities, the spending caps. You can raise taxes with 50 votes, but to cut spending, you need 60 votes.

The second part of my amendment would straighten this out. If you have the support of a majority, you can then cut spending. You do not need 60. You can cut spending with 50 votes.

But there is one last problem. Even if the House and Senate agree on similar program and allocation cuts, the conference committee that creates the final bill is virtually free to reinsert whatever funding might have been cut. This could not happen under the terms of the third part of my amendment.

These problems are real. And I know firsthand. It happened last year in a spending cut amendment that I offered. After the Senate agreed to cut $22 million from the high temperature gas reactor the conference committee scaled that reduction down to $10 million, half a loaf but still $10 million in deficit reduction. Right? Wrong. The energy and water appropriations bill, which cut funding for the high-temperature gas reactor by $10 million, actually increased in size during the conference, gaining an extra $20 million out of thin air.

So here we had a Senate bill that cut the high-temperature gas reactor by $20 million, the conference committee agreed to cut it $10 million and then the overall appropriation went up $20 million.

Let me make an analogy of the difficulty between cutting spending under the present system as if that applied to basketball.

Imagine, for example, you make a free throw. In other words, you cut a specific program. But it does not count. Unless you go back to the 3-point line and make the shot from there, too; that is, cut the allocation or cap with 60 votes. But it does not count again unless you go back to the half court line and sink a shot from there; and that is, keep the cuts in a conference report, all of that in order to get credit for a single free throw or single specific spending reduction.

Mr. President, we have created this maze, and we can straighten it out. We have to turn the process around so that it is as easy to cut spending in the future as it is to protect spending now.

We need a new system which would be created by the adoption of the reforms that I am suggesting. Again, there are three key elements to the proposal. First, we need to give Congress the right to debate and set priorities for discretionary spending. These are the most fundamental decisions, and they are out of reach of most in Congress. I propose we put these decisions before Congress for approval or modification by majority vote.

The bill would require a separate resolution to allocate spending among appropriations subcommittees. Both Houses would have to agree beforehand on how much could be spent by each House's subcommittee.

Second, we need to change the rules that prevent cuts in the appropriations spending from being actual budget cuts. These obstacles, which were put in place to hinder an increase in spending, represent bad policy when the goal is deficit reduction. The legislation that I have introduced would allow cuts in programs and cuts in spending. There would be several options. First, follow the present status quo. Cut the money for a specific program but allow it to go back to the Appropriations Subcommittee for reallocation elsewhere. Second, cut the program and cut the current year's allocation, thereby reducing the budget deficit. Third, cut a program, cut the current budget, and force a reduction in future budgets. All of these approaches would require only a majority vote, not the current supermajority of 60 votes.

Third, real accountability is needed in conference committee where expensive deals are often cut. Even when the House and Senate each cut programs, the compromise may turn out to be that no program is cut. The amendment I offer would change Senate rules to prohibit an appropriations conference committee from reporting a bill that cut spending less than either the House or Senate language. Even if the House and Senate cuts are in different programs, the conference will have to reduce spending by at a minimum the smaller of the two amounts.

In other words, if the House agrees to $100 million in cuts in a particular appropriations bill, and the Senate agrees to $200 million on the same bill, the conference would be constrained to produce a report with at least $100 million in cuts included.

Are these budget reforms the answer to the deficit crisis? No, clearly not. Entitlement and tax expenditure outlays are both growing rapidly and neither can be addressed by changing congressional procedures. Even as we tighten controls on discretionary spending, we must move forward to confront the huge growth in the other two-thirds of the budget.

Americans are right when they think that we are truly inspired when it comes to spending. We need to bring the same zeal to cutting spending. We need basic reforms which assure that spending cuts are spending cuts, not just reason for another press release.

Mr. President, I know this amendment is not exactly germane to the defense appropriations bill. However, the Budget Committee does not appear to be moving this legislation this Congress, and I believe it is critical that these procedures be revised prior to the next budget cycle. We cannot continue as we have been. We have to create a better balance between those who seek to cut spending and those who wish to retain spending. It is really that simple. To create that balance is the purpose of the amendment.

Mr. President, if I could have the attention of other Members in the Chamber, this is a very critical amendment. When we did the budget bill last summer, in August, everybody stood on the floor and made big speeches, saying, "I believe we ought to cut spending. I believe we need to cut Federal spending." Then after we passed that budget resolution, we had appropriations bills that came before the Senate. Appropriations bills are where the spending actually takes place, in discretionary spending. That is where the money goes from the taxpayer to the project or purpose designated by the Congress, the appropriations process. There were 20 separate amendments on that appropriations process last year to cut spending. Only three of them succeeded. Only 3 of the 20 actually passed. But the catch is that even on those three, when they passed, they did not cut spending.

Now, I know that is hard for the American people to understand. Here is a Senator in the Chamber of the Senate. He stands up and says: I offer an amendment to cut spending for Lawrence Welk's home, for some boondoggle in Massachusetts or Arkansas or New Jersey, or wherever. I offer an amendment to cut spending for that purpose.

The amendment passes—51 votes. Is spending actually cut? No. Why not? Because the rule says that you do not actually cut spending unless you cut the overall budget cap. But to cut the overall budget cap requires 60 votes—not 50 votes, 60 votes—which means that if I offer an amendment to cut spending for what I think is a pork barrel project, I need 60 votes to actually reduce what the Federal Government spends by that amount.

Now, if I wanted to raise taxes, I would only need 50 votes. If I wanted to raise taxes, I could stand up and do an amendment; 50 votes is all I need to raise taxes. But if I wanted to cut spending on an appropriations bill, I would need 60 votes.

I say it is about time we end that and we allow someone to stand up in the Senate Chamber during an appropriations bill, identify what he or she believes is excessive spending, propose an amendment to cut that spending, and successfully cut the spending if 51 votes is achieved.

Now, that is a modest but important reform. But then we have another situation. Let us say a proposal gets to conference. The subcommittee can come out of conference with a higher overall budget number than when it went into conference. In my view, that should not be permitted. Why do we want to have a system where I can cut a proposal over here and the House can cut the same bill by the same amount, and then we come out of conference with more than either House originally included? It is incredible, but that happens. It happened to me last year. We ought to be able to say, if you are going to cut spending, you actually cannot spend more in conference than either the House or the Senate spent. That is common sense. And yet that is not permitted.

Mr. President, of course, then the question is, well, how do you prevent the shifting of priorities—the decision taken to decrease spending for children and increase spending for defense or the decision to increase spending for transportation but decrease spending for the Congress.

Right now, all of those decisions are not made by the Senate. They are made by the Appropriations Committee, which has the authority to allocate under the overall budget cap for discretionary spending among its various committees. So the Appropriations Committee makes decisions which, rightfully, all of us have been sent to Congress to make.

Now, people say, well, you always have the budget debate. That is right; we have a budget resolution. But there, of course, you do not cut spending programs. In the budget resolution, you only cut the overall cap, not the specific spending program. So the only way around this is to say in addition to a budget resolution and before the appropriations process actually works, there should be a subcommittee resolution for appropriations in which the whole Congress decides what it wants to spend for the Transportation Subcommittee, for the Defense Appropriations Subcommittee, for the Health Appropriations Subcommittee. Now, within that particular category or area under the jurisdiction of that subcommittee there is wide discretion. But let us stop shifting priorities within the Appropriations Committee. Let us shift priorities within the Senate as a whole.

So, Mr. President, that is the amendment I would be offering at the appropriate time. I have not offered the amendment at this time because I would like to hear from the distinguished manager or another interested party about this amendment.

So I would be prepared to yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I have been advised that the distinguished chairman of the Appropriations Committee wishes to be heard on this amendment. I suggest the absence of a quorum.

Mr. BREAUX. Mr. President, will the Senator withhold.

The PRESIDING OFFICER. Will the Senator withhold.

Mr. INOUYE. I withhold.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Will the Chair state the pending business before the Senate.

The PRESIDING OFFICER. The pending question is the committee amendment to the pending bill, H.R. 4650.

AMENDMENT NO. 2483

Mr. BREAUX. Mr. President, if there is no objection to the distinguished managers of the bill, I ask unanimous consent that the pending amendments be set aside and that I be allowed to send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes an amendment numbered 2483.

Mr. BREAUX. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41 on line 9 after "(1744)" insert: ": *Provided further*, That the Secretary of Defense shall provide a recommendation for additional funding from the Department of Defense to finance shipbuilding loan guarantees under Title XI of the Merchant Marine Act of 1936 (46 App. U.S.C. 1271)"

Mr. BREAUX. Mr. President, I thank my colleagues and the distinguished managers of the bill. We have discussed my suggested amendment, and I would start by commending both the distinguished Senator from Alaska and the distinguished Senator from Hawaii. In the defense appropriations report that is presented to this body there is the language on page 349 dealing with maritime reform and the committee in its wisdom states that:

> The submission of the administration's initiative to revitalize our national merchant marine and domestic shipbuilding industry is now pending before the committee of jurisdiction. The committee believes that the Department of Defense has a central stake in the viability of our national maritime industry and should be a participant in this initiative. The committee hopes that action on the maritime reform initiative will be completed this year and that the Department of Defense role will be further defined.

Mr. President, I would say that my suggested amendment is an effort to try to give some sense of direction to the Department of Defense about this very important endeavor. It is clear as we talk about how we spend money for our national defense that it is appropriate that this country have the ships to carry the men and the women into areas of conflict around the world in which we find ourselves engaged. We need the ships and the maritime industry in order to deliver the supplies, the equipment, and the food that is necessary to maintain a strong fighting force for this country.

In addition, Mr. President, it is very clear that we should also have a very strong shipbuilding base in this country with shipbuilding installations around the country that can turn out the necessary vessels which will carry the men, the manpower—men and women—as well as supplies to meet our national defense concerns. So I think what is clear is that the Defense Appropriations Subcommittee is on the right track as we see the cut back in military installations.

I saw in the paper this morning, in the Washington Post, the potential prospect—I say "potential" only—of the Navy moving to close Norfolk Naval Shipyard, a major installation for building naval vessels in this country. If we move in that direction, it is therefore even more important that the civilian shipyard capability be strengthened.

The bottom line is that my own personal recommendation is that the Department of Defense contribute to the maritime industry which is so important to their success. My amendment merely says that the Secretary of Defense shall recommend additional funding from the Department of Defense to finance shipbuilding loan guarantees under title XI of the Merchant Marine Act. This is an appropriate, a proper, and I think a very wise way for the Defense Department to be involved in helping the U.S. maritime industry.

I point out that just this past week the administration approved approximately $1 billion in title XI loan guarantees—loan guarantees—to build vessels in private U.S. shipyards. These vessels that are built for U.S. companies would be on call by our national defense, by our military, in times of a national emergency. Many of these vessels are the type of vessels that the Navy would need in times of national emergency: transportation vessels, vessels that can carry containers; vessels that have tanker capability that could carry fuel, and supplies for our military needs.

So it is very important that the Department of Defense have a strong shipbuilding capability in this country to meet the needs of the future, for the Navy and for the rest of the national defense. It is important as well that we have vessels built in America that we can call on in times of national emergency.

So what this amendment does is merely to recommend to the Department of Defense—and actually require them—to make recommendations as to how we can obtain additional funding for the title XI program.

I commend both the Senator from Alaska, Senator STEVENS, and the distinguished chairman of the subcommittee, Senator INOUYE, for their good work, strong support, and for recognizing that a strong maritime industry is critical to a strong national defense.

Mr. INOUYE. Mr. President, the managers of this bill wish to commend the distinguished Senator from Louisiana for his leadership, and for his creative and innovative approach to this crisis that we face today.

Like the Senator from Louisiana, we are very much concerned about the ability of our shipyards to survive the current drawdown and downturn in shipbuilding.

I think we should remind our colleagues that this bill contains funds for just four Navy combatant ships. This is the first time in the past five decades where the Congress of the United States is appropriating funds for only four ships.

The amendment offered by the Senator from Louisiana offers a very creative approach to our industrial base problem. As he has stated, while it may be difficult to find the funds to meet his proposal, I am supportive of his overall approach.

I recommend the adoption of this amendment. We have no objection to the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. STEVENS. Mr. President, I join the distinguished Senator from Hawaii in commending our friend from Louisiana. I, too, support the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Louisiana.

The amendment (No. 2483) was agreed to.

AMENDMENTS NOS. 2484, 2485, AND 2486 EN BLOC

Mr. INOUYE. Mr. President, I ask that the committee amendment be set aside. We would like to take up three amendments that have been cleared by the managers and leadership of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, the first amendment is by the Senator from Nevada [Mr. REID] to provide funding for the common automatic recovery system; the second is by Senator PRESSLER to require quarterly reports on DOD costs incurred in implementing Security Council resolutions and U.S. foreign policy resolutions; and the third is by Senator GLENN to provide up to $10.5 million for procurement of equipment for the Joint Training, Analysis and Simulation Center for the U.S. Atlantic Command.

All three measures have been cleared by the leadership. I ask unanimous consent that they be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments (Nos. 2484, 2485, and 2486) were agreed to.

The amendments were agreed to as follows:

AMENDMENT NO. 2484

Mr. INOUYE offered an amendment No. 2484 for Mr. REID.

The amendment is as follows:

(Purpose: To provide funding for the common automatic recovery system)

On page 34, line 2, strike out the period at the end and insert in lieu thereof ": *Provided*, That of the amount appropriated in this paragraph, $7,000,000 shall be made available only for the procurement of the Common Automatic Recovery System for the Pioneer Unmanned Aerial Vehicle System.".

Mr. REID. Mr. President, I rise today to ask the Senate to provide funding to use the common automatic recovery system—commonly referred to as CARS—in the Pioneer unmanned aerial vehicle system—commonly known as the Pioneer UAV system. I would like to first explain what a UAV is, then I will explain what CARS is and why it is a wise investment.

Unmanned aerial vehicles [UAV's] are used by the military to gather intelligence behind enemy lines during combat. A UAV can be launched from a runway on land or a ship off the coast of hostile territory. The UAV then flies over enemy held areas to gather information. Because it is unmanned, there is no risk of losing a pilot to the enemy. After collecting information, the UAV returns to friendly territory and is recovered by either landing on a short runway or being flown into a net on the back of a ship. UAV's were successfully used during Operation Desert Shield/Storm.

The currently deployed Pioneer UAV's are recovered by a ground or ship based pilot who uses a remote control to guide the UAV into the recovery runway or net. This process is particularly difficult when trying to recover a UAV into a net on the back of a ship in heavy seas. In addition, pilots cannot recover UAV's at night or in bad weather. Even with extensive pilot training, damage has been very high, including total losses at sea, during UAV recovery operations.

Because of the high rate of damage and operational limitations at night and in bad weather, the Congress previously directed the research be done on improved methods of recovering UAV's. As a result, the Common Automatic Recovery System [CARS] was developed. This system will automatically control the UAV during its final approach to the recovery runway or net. It eliminates the need for extensive pilot training for recovery operations. CARS can be used at night and in bad weather, thus greatly increasing the capabilities of the UAV system and, at the same time, drastically reducing the risk of damage to the UAV's.

The Department of Defense is planning to incorporate CARS into all UAV systems that are now under development. However, they do not plan to retrofit it into the Pioneer UAV System that is currently in use. Instead, they will continue to experience unnecessary damage losses and be operationally limited by weather and darkness. I find this to be unacceptable.

A modest investment in retrofitting CARS into the Pioneer UAV System will pay for itself in about a year, particularly if used on ship-based UAV's. Therefore, I have offered this amendment to require that DOD make this investment.

AMENDMENT NO. 2485

Mr. INOUYE offered an amendment No. 2485 for Mr. PRESSLER.

The amendment is as follows:

(Purpose: To require quarterly reports on Department of Defense costs incurred in implementing Security Council resolutions and United States foreign policy resolutions)

On page 142, between lines 7 and 8, insert the following new section:

SEC. 8121. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the appropriate congressional committees setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

(c) As used in this section, the term "appropriate congressional committees" means—

(1) the Committees on Appropriations of the House of Representatives and the Senate;

(2) the Committees on Armed Services of the House of Representatives and the Senate; and

(3) the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

AMENDMENT NO. 2486

Mr. INOUYE offered an amendment No. 2486 for Mr. GLENN.

The amendment is as follows:

(Purpose: To provide up to $10.5 million for procurement of equipment for the Joint Training, Analysis and Simulation Center for the United States Atlantic Command)

On page 29, line 15, before the period, insert: ": *Provided*, That of the funds appropriated in this paragraph, up to $10,500,000 may be used for the procurement of command, control, communications, and computer equipment for a Joint Training, Analysis and Simulation Center for the United States Atlantic Command."

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendments were agreed to en bloc.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INOUYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask that the pending amendment be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2487

(Purpose: To allocate funding to the Integrated Product and Process Development Program)

Mr. INOUYE. Mr. President, I send to the desk an amendment by Senator HARKIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE], for Mr. HARKIN, proposes an amendment numbered 2487.

The amendment is as follows:

On page 39, line 2, to add after the word "section", the following: "*Provided further*, that, of the funds made available under this heading, $5.6 million shall be available for the Integrated Product and Process Development Program".

Mr. INOUYE. Mr. President, this amendment is to allocate funds to go to the Integrated Product and Process Development Program. It has been studied and approved by the managers of this bill.

We have no objection.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there is no further debate, the question is on agreeing to the amendment.

So the amendment (No. 2487) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2488 TO THE COMMITTEE AMENDMENT ON PAGE 2

(Purpose: To express the sense of the Senate regarding the congressional timetable for considering health care reform)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The Senator is advised the pending amendment is the committee amendment to the bill.

Mr. HELMS. This is an amendment to that committee amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2488 to the committee amendment on page 2.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . RESPONSIBLE HEALTH CARE REFORM.

(a) FINDINGS.—The Senate finds that—

(1) health care reform proposals to be considered in August 1994 in the Senate and the House of Representatives will significantly affect the health care received by each and every American;

(2) such health care reform proposals impose many new and increased taxes which will be borne by all working Americans;

(3) all health care reform proposal that require employers to purchase and pay for health insurance for their employees will result in hundreds of thousands of Americans losing their jobs;

(4) most Americans oppose having the Federal Government force everyone to buy a standard package of health insurance coverage that is the same for everyone, regardless of age, gender, or religion;

(5) an overwhelming majority of Americans believe that Congress should change only those parts of the health care system that do not work and avoid getting the Federal Government more involved in health care than it already is;

(6) an overwhelming majority of Americans have stated their belief that health care

reforms being considered by Congress will lead to health care rationing;

(7) by a wide margin, the American people prefer that rather than rush to enact a health reform bill in 1994, Congress should take time to debate this issue and do it right, even if the means putting off passing bill until next year;

(8) despite the wishes of the American people, the congressional leadership has imposed arbitrary deadlines on the consideration of health care reform by both Houses of Congress;

(9) in our democracy, the American people should have maximum input into the manner in which health care is reformed; and

(10) the mid-term congressional elections will provide the American people with a means to express their voices on the shape that health care reform should take.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that major health care reform to too important to enact in a rushed fashion, and Congress should take whatever time is necessary to do it right by deferring action until next year to give Congress and the American people ample time to obtain, read, and consider all alternatives and make wise choices, unless the Senate has had the full opportunity to debate and amend the proposal after the Congressional Budget Office estimates have been made available.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, this is the identical amendment that I offered to the Labor-HHS bill except for the addition which we tried to offer to the amendment on the Labor-HHS bill before, and there was an objection to it.

So in order to get the additional modification in, I am offering it on this bill and tomorrow, when the Labor-HHS vote occurs, or the vote on my amendment, I intend to move to table my own amendment so that this amendment can be considered by the Senate.

I shall move to table my same amendment, virtually, on Labor-HHS, and urge all Senators to vote to table it and let this pending amendment be the amendment in question.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, is the bill open for amendment?

The PRESIDING OFFICER. With consent to set aside the pending amendment, the bill will be open for amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending amendment be set aside in order to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2489

(Purpose: To reduce the amount for procurement of Trident II missiles)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. CONRAD, Mr. FEINGOLD, Mr. KOHL, Mr. HARKIN, and Mr. DORGAN, proposes an amendment numbered 2489.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted at line 8 on page 25, add the following: "$1,418,470,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds appropriated in this paragraph, none may be obligated or expended on the Trident II Missile program."

Mr. BUMPERS. Mr. President, it should not take long to debate this amendment, but I want my colleagues to know that we are talking about $2.2 billion. That is roughly how much I was proposing to save this morning on Milstar. So I have done my civic duty today by giving the Senate an opportunity to cut $4 billion in unnecessary spending.

The thing that makes this rather poignant in my own mind is that we are getting ready to take up health care this very evening, probably the most defining moment in the history of the Congress, the most complex legislation I have ever seen in my 20 years in the Senate.

We would like to do more, except the cost of doing more is prohibitive. I would love to see universal coverage. I would love to see every man, woman, and child in the country get a good night's sleep in the knowledge that if anything happens to them physically, they have adequate health care to take care of themselves.

Mr. President, I was covered by Blue Cross/Blue Shield in 1964. I was a country lawyer. You are at this very moment being addressed by the entire South Franklin County Bar Association. I was the only lawyer in a little town of 100 people.

Suddenly, we have a cataclysm in our household, and I wind up taking my daughter from this little country town in Arkansas to Boston Children's Hospital, which will always be to me the finest children's facility in America, and I do not denigrate the others because I know they are wonderful. But my daughter is now 32 years old—she was 4 then—a cum laude graduate of Georgetown Law School.

But we spent 6 weeks in Boston. The health care policy I had covered virtually everything. I had just won a $83,000 verdict, the biggest verdict ever rendered in my home county, and had just settled that lawsuit and we had to take off to Boston with my daughter.

Now she is going to get mad at me when she hears I told this story.

All the time I was there, I bet you my wife Betty and I had 10 conversations about what happens to the poor people.

We were not affluent. If I had not just gotten a $20,000 fee, I do not know what I would have done. I would have robbed a bank if I had to. Fortunately, I did not have to.

But we were there 6 weeks. The cost of staying there was pretty exorbitant by our standards. I never will forget when they told me that my daughter's room would be $44 a day. I almost fainted. Fifteen dollars a day is the highest price I had ever heard of in Arkansas.

And then I lost all that practice, being in Boston for 6 weeks.

But, as I was about to say, Betty and I had innumerable conversations about what poor people do when their children have this kind of condition. I will tell you what they do. They watch them die.

And now, we are getting ready to take up a bill—and a lot of people do not want any kind of reform.

On Saturday morning, I was riding in a parade—15,000 people on both sides of the street—and the only thing I heard was from about three different people along the route, saying, "Senator, vote no on health care. No universal coverage. No health care reform." That seemed strange to me.

Considering the experience I have had, I know that 85 percent of the people in this country are covered. I assume that a good big portion of them are well covered.

But, as I said, earlier this morning in another debate, we spent $200 billion a year on Medicare to make sure that our elderly, over 65 years of age, are taken care of. We have 11 million children in this country of working parents who work where there is no health insurance. The most vulnerable among us, the 11 million children, have no coverage. Senator MITCHELL's bill tries to address that.

He also says no pregnant woman should go unattended. What is so bad about that? What is this country so upset about on this? Are those not highly laudable, humane provisions that all of us should champion?

Well, the reason we cannot do more, Mr. President, is because we do not have the money. And one of the reasons we do not have the money is because we keep spending money on things like this.

Completely aside from health care, I am not suggesting that you take the $2 billion or $4 billion I am trying to save and transfer it over to health care; I am saying go ahead and leave it in defense.

They say they are destitute down at the Pentagon. They say they are going to have to cut the sailing days of our ships, they are going to have to cut the number of leave days of our sailors, and they are going to have to cut this and that.

The chairman of the subcommittee, my good friend from Hawaii, the manager of this bill, says this is a barebones bill. There are only 17 or 18 combat aircraft in it and no tanks.

One of the reasons is because we keep spending money like this. What is this? This is the D-5 Trident II missile.

Let me give just a short lesson on what we are talking about. Many years ago, we decided we would build 18 Trident submarines. Each submarine would have 24 tubes to accommodate 24 missiles. Each missile would carry 8 warheads.

Now, Mr. President, as of this moment, 14 of those Trident submarines have been delivered to the Navy. The other four will be delivered between now and 1997. We will take delivery on the 18th Trident submarine in 1997. It is a magnificent submarine—without peer.

Further, Mr. President, of those 18 submarines, 8 of them are in the Pacific Ocean, called our Pacific Submarine Fleet. The other six on which we have taken delivery are in the Atlantic. The remaining four, which are going to be delivered over the next 4 years, will also go into the Atlantic Fleet. So we will have 8 Trident submarines in the Pacific and 10 in the Atlantic.

Mr. President, under the START I Treaty that we executed with the Soviet Union, we are permitted almost 3,500 submarine launched warheads. Actually, the 18 submarines, each carrying 24 missiles with 8 warheads, 192 warheads per submarine, comes out to about 3,450 warheads.

But, under the START II Treaty, that gets halved. We are only permitted a total of 1,750 warheads on submarines, or half the capacity we have on these 18 Trident submarines.

This is a separate debate and I will not belabor it. But instead of halving the number of warheads on each missile from 8 to 4 in order to reach the 1,750 level, I would prefer to put 12 missiles on each submarine and leave 8 warheads and get the 1,750 and save all the costs; namely, 12 missiles per submarine. But I lost that debate.

The President of the United States took issue with my proposal to simply put 12 missiles on each submarine, fill the others with concrete or something, and save ourselves about $7 billion. That is what we should have done. History will record that old Senator BUMPERS was right when he proposed that on the floor of the U.S. Senate. But that debate is over.

The debate now is thusly: The Navy first said they wanted about 600 D-5 missiles. Then they wanted 428. Bear in mind, one thing I forgot to mention, these eight submarines in the Pacific have what are called C-4 missiles. They are good missiles, they have a long range, they are almost as accurate as the D-5. And the Atlantic Fleet of 10 submarines will carry the D-5 missile, which has a little longer range and is more accurate and also has what they call a hard target kill capability. In other words, it can bust a silo and a command center that has been hardened.

We have 400 W-88 warheads and the rest of them are what we call W-76, which is what all of our Pacific Fleet carries and what a good big portion of the Atlantic Fleet will carry, something—that is another debate.

But what I am saying is the Navy originally wanted over 400 D-5 missiles. I do not know what on Earth they were going to do with 400 but that is what they wanted. They wanted to flight test six missiles a year. Those suckers are expensive. The Air Force, which is in charge of the Minuteman missile in this country, the Minuteman III—the Air Force says they feel perfectly comfortable testing three missiles a year. But the Navy said they wanted to test six a year. That is blowing up a lot. A lot of missiles. There is a saying, "that is an awful lot of sugar for a dime." Well, this is a little bit of sugar for a lot of money. So then the Navy decided they could get by on 389. And now they think they can get by on 347. They keep coming my way.

But this amendment would allow them 319 missiles. It would stop the production of the D-5 at 319 and save $2.23 billion between now and the turn of the century, the year 2000.

I can just hear some people around here saying what are you talking about? Torpedoing the D-5 line? We are going to be short a few missiles sometime between now and the next 17 years. Some of those 10 submarines, all of which carry 24 missiles—some of those 10 may have only 23.

Let me tell you what my amendment would do. If we adopted this amendment to stop the D-5 procurement right now at 319, between now and the year 2011 we will be able to fill 96.6 percent of the tubes on our Atlantic Fleet submarines and save $2.23 billion. You give up less than one missile per submarine during 3 years.

Is that a risk worth taking over the next 17 years? Look at this chart right here. Over the next 35 years, the worst-case scenario would be that in the year 2018 we would have a shortfall of 132 warheads. That is 33 missiles. That means each submarine instead of carrying 24 missiles would carry 20. You think about that. All of us in this body—most of us will be dead and buried by then. We will only have 3,364 warheads. Is that not enough to ruin your whole afternoon? If we were to fire those 3,364, what do you think will be left of this planet? Nothing. Let me repeat, for a 4-percent reduction in readiness you save $2.2 billion. And this still allows the Navy to test four missiles a year.

In all fairness, they make a pretty good case for flight testing four because in the submarine fleet you fire from different places at different targets and it is important, I suppose, to do those four tests. Mr. President, look at this. There it is, the total requirements in 1998, 4 years from now: 320 missiles and we will have delivered 319. We will be short one missile. And you save $2.3 billion.

I could rant and rave all day long about how foolish it is to continue buying these missiles. Cold war rhetoric is still with us. People still think if we have a submarine out there with 23 missiles instead of 24, that is going to be the deciding factor in the nuclear war with the Russians. Here the Russians are, trying to get the United States to give them the money to dismantle their missiles and we continue to build them as though the cold war is going at full blast.

I want you to look at this. Let us assume for argument purposes just a moment that we had a 33-missile shortfall or 132-warhead shortfall and we were left with only 3,364 warheads. Under START II, we are allowed 1,750 on our submarine fleet and roughly 1,750 in our Minutemans and bombers. So with my amendment we are going to be down to 3,364 warheads. What does that do?

Look at this hypothetical list of targets: 500 on Russian silos, bases and command centers; 300 on industrial centers, which destroys 70 percent of their industrial base. Every Russian city with over 50,000 people, 579 warheads on those cities; 1,000 warheads on China; North Korea targets and anything else you want. And you still have about 1,200 warheads left over. We have destroyed the planet—certainly we have destroyed everybody that is a potential enemy; we still have 1,200 warheads left over. And yet my amendment will fail because people will say if we have a submarine with space for 24 missiles you ought to fill it up.

Let me belabor one more point I made this morning. I have not had an answer to it. I will repeat. Last weekend there was a story in the Post on military downsizing.

The Pentagon was talking about how terrible it is, how awful it is going to be to get by on $250 billion. Bear in mind that the Defense Department gets more than all the other domestic discretionary spending combined. Health care, education, transportation—everything—all of those programs that are called domestic discretionary spending—national parks, you name it, dozens of them—the Pentagon gets more than all of those put together. Education is a disaster in this country right now. Crime is out of control. We cannot pass health care because we cannot afford it. We just go merrily along doing the same thing we have always done. And I come over here every

August and September and beat my head against that wall trying to cut some spending.

But in addition to that article on downsizing, the General Accounting Office comes out last Thursday and says the Pentagon has understated the cost of what they want to do by $150 billion over the next 5 years. I am trying my best to help them find that $150 billion, and they will not let me.

Mr. President, I invite my 99 colleagues, and particularly those who are going to vote no on this, to come to the floor of the Senate and tell us their solutions to finding that $150 billion.

Les Aspin said last year they had understated the Pentagon's needs by $20 billion, but he felt sure he was going to find it. And one of the places Secretary Aspin said they were going to find it is to not give a cost-of-living increase to the military. That is going to save a lot of money, he said.

Do you know how long it took the U.S. Senate to reverse that and provide that cost-of-living to our military people and our retirees? It took just long enough for the Senator from Virginia [Mr. WARNER] to offer the amendment; that is how long it took to reverse that decision. So that is gone. That leaves Les Aspin, and now Secretary Perry still trying to find not $20 billion but $150 billion.

I tell you what I will do. I not ought make this offer. I was going to say I will stand on my head on the dome of this Capitol for every dollar that is cut out of this bill. We do not ever cut anything here. We come over here and shout to the rooftops trying to make sense, save a little money, trying to help the Defense Department come up with what they have to come up with, and them kicking, screaming and fighting every step of the way.

So, Mr. President, I know what the votes will be when they are finally counted. As I said, I have come over here every fall and fought these battles, and won a couple pretty good ones. We did not win in the Senate. The House killed a couple of them. We have never killed anything in the Senate in the 20 years I have been here. But I have a pretty good time, it keeps me up to speed on what the Pentagon is up to and how they are spending the money.

One of the amendments I offered last year and the year before was to cut $1 billion out of the intelligence budget. I made up my mind this year, I am not going to take that one on. The press says that $28 billion is spent on intelligence in the country. You would think the KGB was going to be in the Senate Chamber sitting in one of these seats if we cut a dollar of that budget. God knows they almost made it—that guy Ames.

The more you learn about Ames over at the CIA, the more you realize how inefficient the CIA is. That is the most bizarre chapter I ever read, and I am telling you what I have read in the papers and not what I have heard in classified briefings.

Warning after warning. This guy is driving a Mercedes, or a Porsche, bought a $500,000 home and paid cash for it. They ought to have checked him out back in 1987, and they finally checked him out in 1993. Meanwhile, he has compromised about half the secrets of the CIA.

I thought, well, I am just tired of beating my head against the wall on that one, and this morning I pick up the paper and they are building a $310 million building out at Dulles Airport that nobody seems to know about. The chairman of the Intelligence Committee said he had never been told about it. Members of the committee say, "I've never been told about it." There are two or three Senators brave enough to stand up and say, "I think they did mention that to me one time." But it is only $310 million—what is that?—and a health care bill that requires billions.

So, Mr. President, I have expended most of my thoughts and most of my energy on this. I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, I have listened to my friend from Arkansas, and I agree with the Senator that we have enough warheads in our arsenals to destroy this planet 10 times over. We do not disagree on that.

And so I can understand the anguish and the questions in the minds of my fellow Americans when they ask the question: Why is it that this country must maintain an arsenal when the Berlin Wall has crumbled? It crumbled 5 years ago. The Soviet Union is no more. Why should we maintain a force of this magnitude?

Mr. President, I think a brief review of the history of that period might help us.

A year before the walls came tumbling down, the Soviets had 10,555 warheads and 2,684 platforms or delivery vehicles—10,555. The latest count is 9,569, a reduction of about 1,000. And as my colleagues are well aware, we have already by previous funding spent the sum of $1.2 billion to assist the Soviets, the former Soviets, to dismantle warheads. In this bill, we have an additional $400 million for that purpose—a total sum of $1.6 billion—$1.6 billion—and for that amount the Russians have dismantled about 100 warheads.

I think all of us should realize that all of these missiles, 9,569 warheads, are operational at this moment. They are not dismantled. Some may have been retargeted. They may not be aimed at Washington, DC, or New York City, or Los Angeles, or San Francisco. But it is a simple matter to target them again. Just a flick of the computer will do that.

We have two treaties, START I and START II, but neither treaty has been ratified.

We were all pleased when the walls came tumbling down. We were all pleased when the Soviet Union found itself crumbling. But then we began to ask ourselves the question: Will the new arrangement be stable? We should have asked the question: How stable is the Government of the new Russia? Will Mr. Boris Yeltsin be around a year from now? Or, for that matter, will he be around 6 months from now?

The Russian security apparatus is so unstable that we, the people of the United States, must spend funds to send our FBI there to assist them to deal with crime.

Mr. President, I wish I could tell myself and my colleagues that Mr. Yeltsin will succeed in bringing about democracy; that Mr. Yeltsin will be in charge a year from now. But all of us who have taken time to follow the press reports know very well that what is happening in Russia today is rather frightening. I am certain most of us recall the bombardment of the Parliament building. It was quite a sight to see—Russians shooting at Russians. We saw the Vice President of Russia being arrested. What happens to the 9,569 warheads? Mr. Yeltsin tells us today they are not targeted to the United States. What if we have a new leader there?

I wish I could come before my colleagues and say, "This year, we are cutting defense by half, and we are going to use that money to help the poor, to help our educational system." But then, if we had done that 10 years ago, I am certain all of us will agree that the walls would not have crumbled; that the geopolitical situation would be different today. Somehow, mankind with all its wisdom is not smart enough to know. We have not found the secret to prevent confrontation, as much as we want to. Every major religion tells us the secret to success. We have the Ten Commandments. Yet, if we ask ourselves: Do we live up to the terms of the Ten Commandments? If we are honest with our ourselves, we will have to say possibly every Wednesday; one day out of seven we may do that.

Mr. President, the millennium has not arrived. Someday, I hope it will. When the time comes, I would be standing next to my friend from Arkansas, not to do away with two or three missiles, but to do away with all the missiles. But today is not that day.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I ask unanimous consent that we lay aside the pending amendment so that I might offer an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2490

(Purpose: To amend the Congressional Budget Act of 1974 to require that the allocations of budget authority and budget outlays made by the Committee on Appropriations of each House be agreed to by joint resolution and to permit amendments that reduce appropriations to also reduce the relevant allocation and the discretionary spending limits)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposes an amendment numbered 2490.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE ___—APPROPRIATIONS PROCESS ACCOUNTABILITY ACT

SECTION ___1. SHORT TITLE.

This title may be cited as the "Appropriations Process Accountability Act".

SEC. ___2. JOINT RESOLUTION ALLOCATING APPROPRIATED SPENDING.

(a) COMMITTEE APPROPRIATIONS RESOLUTION.—Section 302(b) of the Congressional Budget Act of 1974 is amended to read as follows:

"(b) COMMITTEE SUBALLOCATIONS.—

"(1) COMMITTEES ON APPROPRIATIONS.—(A) As soon as practical after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House shall, after consulting with Committee on Appropriations of the other House, report to its House an original joint resolution on appropriations allocations (referred to in the paragraph as the 'joint resolution') that contains the following:

"(i) A subdivision among its subcommittees of the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution.

"(ii) A subdivision of the amount with respect to each such subcommittee between controllable amounts and all other amounts.

The joint resolution shall be placed on the calendar pending disposition of such joint resolution in accordance with this subsection.

"(B)(i) Except as provided in clause (ii), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of joint resolutions reported under this paragraph and conference reports thereon.

"(ii)(I) Debate in the Senate on any joint resolution reported under this paragraph, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

"(II) The Committee on Appropriations shall manage the joint resolution.

"(C) The allocations of the Committees on Appropriations shall not take effect until the joint resolution is enacted into law.

"(2) OTHER COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to every committee of the House and Senate (other than the Committees on Appropriations) to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made—

"(A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction; and

"(B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this paragraph.".

(b) POINT OF ORDER.—Section 302(c) of the Congressional Budget Act of 1974 is amended by striking "such committee makes the allocation or subdivisions required by" and inserting "such committee makes the allocation or subdivisions in accordance with".

(c) ALTERATION OF ALLOCATIONS.—Section 302(e) of the Congressional Budget Act of 1974 is amended to read as follows:

"(e) ALTERATION OF ALLOCATIONS.—

"(1) Any alteration of allocations made under paragraph (1) of subsection (b) proposed by the Committee on Appropriations of either House shall be subject to approval as required by such paragraph.

"(2) At any time after a committee reports the allocations required to be made under subsection (b)(2), such committee may report to its House an alteration of such allocations. Any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.".

SEC. ___3. AMENDMENTS TO APPROPRIATIONS BILL.

Section 302 of the Congressional Budget Act of 1974 is amended by—

(1) redesignating subsection (g) as subsection (h); and

(2) inserting after subsection (f) the following:

"(g) AMENDMENTS TO APPROPRIATIONS ACT REDUCING ALLOCATIONS.—

"(1) FLOOR AMENDMENTS.—Notwithstanding any other provision of this Act, an amendment to an appropriations bill shall be in order if—

"(A) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill; or

"(B) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill and the 4 succeeding fiscal years.

"(2) CONFERENCE REPORTS.—(A) It shall not be in order to consider a conference report on an appropriations bill that contains a provision reducing subcommittee allocations and discretionary spending included in both the bill as passed by the Senate and the House of Representatives if such provision provides reductions in such allocations and spending that are less than those provided in the bill as passed by the Senate or the House of Representatives.

"(B) It shall not be in order in the Senate or the House of Representatives to consider a conference report on an appropriations bill that does not include a reduction in subcommittee allocations and discretionary spending in compliance with subparagraph (A) contained in the bill as passed by the Senate and the House of Representatives.".

SEC. ___4. SECTION 602(b) ALLOCATIONS.

Section 602(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

(1) SUBALLOCATIONS BY APPROPRIATIONS COMMITTEES.—The Committee on Appropriations of each House shall make allocations under subsection (a)(1)(A) or (a)(2) in accordance with section 302(b)(1).".

Mr. BUMPERS. Mr. President I wonder if the Senator from New Jersey will yield for just a moment?

I was just wondering, does the Senator from Hawaii have any additional debate on my amendment? If I may just take 30 seconds, we will finish the debate on my amendment and we will proceed with the other amendment.

I just want to say that we have been told many times we are going to have years of warning if there is any change in the strategic balance. So I do not think you lose anything, even in the worst-case scenario.

And the other thing is I might say this saves $2.23 billion. If we were to take that $2.23 billion and use it to dismantle all those warheads in the Soviet Union, which they have asked us to do, we would be a lot safer.

Now, Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There does not appear to be a sufficient second.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the vote on this amendment occur immediately after the first Bumpers amendment tomorrow.

I do not think there is anything in between those two; is there, Mr. President?

So I ask unanimous consent the vote on this one immediately follow the vote on the Milstar amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Will the Senator yield for 10 seconds?

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there objection to the Senator being in order to ask for the yeas and nays? If not, without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. I thank the Senator for his courtesy.

Mr. BRADLEY. Mr. President, the amendment that is before the Senate is the amendment that I described earlier today in my remarks on the floor.

The intent of the amendment is to make it easier to cut discretionary spending and to change three provisions in the process to enable it to be easier to cut spending. Under the current procedure, if you are to cut a specific spending program, such as to cut Milstar or such as to cut a water project, or such as to cut anything, and you offer that amendment in the appropriations process and you get 53 votes, you do not actually cut spending. You need 60 votes to cut spending. You have simply eliminated the spending for that particular project, and that amount of money goes back to the subcommittee, which then can allocate it to some other spending under its overall discretionary budget cap.

(Mr. BUMPERS assumed the chair.)

Mr. BRADLEY. So what I would do, first, in this amendment is to allow someone to stand on the floor during the appropriations process, offer an amendment to cut spending, to cut a specific spending program, and be required to get only 50 votes in order to not only eliminate or cut the particular program, but reduce spending by the same amount.

It only takes 50 votes to raise taxes. I think it should only take 50 votes to cut spending. The first part of this amendment assures that result. The second part of the amendment deals with the situation that has occurred from time to time where the Senate will cut a particular program by, say, $100 million and the House will cut that same program by, say, $50 million. And we will come back with no spending cut whatsoever in the program. Or we will come back with the overall spending in the subcommittee increased.

In other words, you could have the Senate vote to cut a particular program by $100 million, and the House vote to cut that program by $50 million in which case you would say the House and Senate both voted to cut spending by a minimum of $50 million because both of them agreed to cut spending in that program by $50 million. But the subcommittee reports back that the subcommittee has increased spending; not decreased but has increased.

So the amendment that I offer says simply that a conference cannot report a spending item that is greater than the amount that was in either the House or the Senate.

The third provision in this amendment is really a process provision. How do you achieve this? And the only way to achieve it—and I have tried to think if there were other ways to do so—but the only way to do that is to establish a process where the whole Congress determines what will be the appropriation subcommittee caps.

So that the whole Senate, not just the Appropriations Committee, decides what shall be spent in the Transportation Subcommittee, or the Agriculture Subcommittee. As it is now within the overall appropriation discretionary budget cap, there can be allocations. That will be made only in the Appropriations Committee, not on the floor of the Senate. I would require them to be made on the floor of the Senate, that Congresswide resolution that would State spending levels by subcommittee across the Congress, and then to go to the normal appropriations process.

For all three of these I have the purpose of making it easier for us to actually cut spending. We have given a lot of speeches about reduced spending. But somehow or another the spending does not go down as much as we would like. This would make it easier for any Senator to stand on the floor of the Senate during the consideration of an appropriations bill, not unlike the distinguished Senator from Arkansas, and offer an amendment. If he got 51 votes, the spending is cut. If he cut it by $50 million and the House cut it by $100 million, you would have to at least cut spending in that appropriations by $50 million, and to do so by setting an overall subcommittee cap on spending at the subcommittee level of the Appropriations Committee, and doing it Senatewide.

That is the amendment that I have offered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, the amendment by Mr. BRADLEY is a well-intentioned amendment. He has spoken to me previously about it. We discussed it later by telephone. I thank him for the courtesy in calling my attention to the amendment somewhat in advance of his offering it. But as well-intentioned as the amendment is, it would, if enacted, create total chaos in the annual appropriations process. Furthermore, if this amendment were enacted the American people would hear a great sucking sound. This is not Ross Perot talking. That will be the sound of the power of the purse being siphoned from the Congress to the White House.

The amendment in section 2(b)(1) would require the enactment of a joint resolution on appropriations allocations. In other words, this amendment would require that the annual 602(b) allocations among appropriations subcommittees be enacted into law. In so doing, the amendment would require a Presidential signature, and this would enable the President to veto any joint resolution that he did not like. If he did not like a particular allocation then made to a particular subcommittee, then he could exercise his veto. In other words, after Congress has completed action on each year's budget resolution, which does not require a Presidential signature, and thereby has set the congressional budget priorities in place—after all that has been done and the Senate and the House has spent hours and hours in deliberating on—this amendment would thereafter require a joint resolution to be signed into law before any appropriations bill could be considered in the House or Senate.

The amendment attempts to expedite consideration of the joint resolution in the Senate by limiting debate on it, and all amendments thereto and debatable motions and appeals in connection therewith to not more than 20 hours.

Mr. President, I have just about had my bellyful of these fast-track agreements that we put into law. I think that the Senate did a very unwise thing last year in voting for fast track on GATT. I voted against fast track. I sense that we are going to get into somewhat of a habit of putting fast-track language in various and sundry controversial, comprehensive and difficult, and far-reaching legislative measures.

This amendment would limit all of these things: The motions, debatable motions, amendments, and appeals to not more than 20 hours. But there is no mention of conferences on these joint resolutions; not in this one. There is no mention of conferences. What happens if the conferees cannot agree on the differences in subcommittee allocation? Everything would be put on hold. No appropriations bills could be taken up in either House until the joint resolution is enacted into law. Yet, there is nothing in the amendment, however, which would require conferences on these joint resolutions to be completed.

So what do we do in the meantime? What happens if the conference cannot be completed? Do we shut down the Government? Probably not. What would probably occur would be the enactment of a governmentwide continuing resolution. This would be the likely outcome of this amendment—the return to Government by continuing resolution.

This year in this particular session the Appropriations Committee in the Senate had before it all of the appropriations bills. They came over from the House early. And the two leaders have arranged for the consideration of these bills. They have helped to expedite action on the bills.

If this amendment were to become law, we would not see that kind of deliberate, careful, prompt action on the appropriations bills that we are experiencing here in the Senate this year. In another scenario, let us assume that congressional action on the joint resolution goes quickly and smoothly—the joint resolution setting Appropriations Subcommittee allocations then goes to the President for his signature. But, the President does not like the allocations. He wants more money for his priorities and less for congressional priorities. One President may, for example, feel that the VA-HUD Subcommittee's allocation is too low to fund the space station. Another President might feel that the Defense Subcommittee's allocation was too low. In any case, for whatever reasons that suit him, any President under this amendment would have veto power over these annual subcommittee allocations of appropriations. Surely Senators are not willing to hand over such power to this President or to any President—any President, not just this President.

The very impetus of the Congressional Budget and Impoundment Control Act of 1974, which this amendment seeks to change, was to provide a way for congressional priorities to be set and followed through annual concurrent budget resolutions. President Nixon, at that time, was engaged in the practice of impounding appropriated funds that did not meet his priorities. Congress responded by enacting the Congressional Budget Act to provide for the necessary expertise and tools to set annual congressional budgetary priorities.

During the Reagan years, the debate over annual appropriations bills was not over the level of appropriations spending, but over executive versus congressional spending priorities. One of the few successful overrides of a Reagan veto was on the fiscal year 1982 supplemental appropriations bill. That bill appropriated less—less—than President Reagan requested, but did not meet his priorities. So he vetoed the bill and, as I said, the Senate overrode his veto by a vote of 60 to 30.

Mr. President, this amendment is also misguided if its purpose is to reduce the deficit. With all due respect to the Senator from New Jersey, and I have great respect for Mr. BRADLEY, this is not the way to go about considering budget cuts. The time for that debate is in connection with the annual budget resolutions. I voted against the amendment by Senators EXON and GRASSLEY to this year's budget resolution because I felt that it cut too deeply into discretionary appropriations over the next 5 years. Despite my opposition, the Exon-Grassley amendment was adopted by the Senate. In conference, the Exon-Grassley cuts were compromised with the House. But, the result was a cut in outlays totaling $13 billion over the next 5 fiscal years below what was agreed to last summer in OBRA 93.

So I say to all Senators you need not worry about whether you have cut discretionary spending. I am here to tell you that you have cut discretionary spending. I told you that when we passed the budget resolution. You have cut discretionary spending. You set a level above which the Appropriations Committee will not go. You have frozen discretionary spending. So you have cut. You can go back home now after this resolution is adopted, and you can tell your folks and you can look them in the eye, and look in a mirror and look yourself in the eye and say: "Oh boy, we cut discretionary spending. We have done it." Dizzy Dean says, "You can brag if you've done it." You can brag. You have done it. You have cut.

So where we have not cut, as Senator BRADLEY also says, is in entitlements and mandatory spending.

As this chart shows, the chart to my left, as this chart shows discretionary spending totaled $543.4 billion in fiscal year 1994. For fiscal year 1995 it goes down, down, Newton's law of gravitation. He did not create the law. He discovered the law of gravitation. And this follows Newton's law of gravitation. It goes down. For fiscal year 1995, it goes down to $540.6 billion. Over the 6-year period 1994 to 1999, we are capped by the budget resolution to levels that will allow only $6 billion above 1994 to spend over the entire 6 years, $6 billion over all those years. We are allowed to spend and appropriate in the Appropriations Committees and in the two Houses with respect to appropriations we are allowed only $6 billion above 1994. By contrast mandatory spending on Social Security, Medicare, Medicaid, Federal retirement and other programs, veterans' pensions, veterans' compensation, child nutrition, food stamps, which are all on automatic pilot, will grow by a total of $824 billion above what would be spent if we froze those programs over the next 6 years. So we have frozen discretionary spending to a level of $6 billion over the next 6 years, but we have not frozen mandatory entitlement spending over the next 6 years. It grows by $824 billion.

Finally, I will briefly mention one other area of Federal spending that escapes annual scrutiny and by all accounts is growing without any limitations. That is the area of tax expenditures. Senator BRADLEY recognized that, and he would take action to do something about it.

The General Accounting Office issued a report in June 1994 entitled "Tax Policy—Tax Expenditures Deserve More Scrutiny." In that report, on page 34, GAO estimates that aggregate tax expenditures for 1993 were about $402 billion, or 31 percent as large as the Federal Government's total direct outlays for both mandatory and discretionary spending.

On page 3 of the report GAO has this to say:

> Tax expenditures can be a valid means for achieving certain federal objectives. However, studies by GAO and others have raised concerns about the effectiveness, efficiency, or equity of some tax expenditures. Substantial revenues are forgone through tax expenditures but they do not overtly compete in the annual budget process, and most are not subject to reauthorization. As a result, policymakers have few opportunities to make explicit comparisons or trade-offs between tax expenditures and federal spending programs. The growing revenues forgone through tax expenditures reduce the resources available to fund other programs or reduce the deficit and force tax rates to be higher to obtain a given amount of revenue.

Perhaps the expertise of the distinguished Senator from New Jersey in matters of tax expenditures and mandatory spending would prove more fruitful in improving the congressional process as it relates to controlling these areas of the budget.

As for the pending amendment, I urge all Senators to join in rejecting the amendment.

The Senate has acted. The House has acted. The budget resolution was enacted. We all worked hard, and we took difficult action when we reached our decisions in connection with that resolution. We made cuts in discretionary spending. We applied a freeze.

Now, if we come along and with any amendment that cuts an appropriation we also lower the caps, then we have put more of the squeeze upon the Appropriations Committees so that we will be operating below a freeze rather than having a tiny $6 billion, tiny in comparison to the $824 billion by which mandatory entitlement spending will increase over the next 6 years. We will have tightened the vise around the appropriations process with respect to discretionary appropriations.

Senators ought to stop, look, and listen before contemplating making deeper cuts in discretionary spending.

We have cut discretionary spending off the bone for the last dozen years prior to the Clinton administration. So old Mother Hubbard's cupboard is pretty bare. And we are talking about your parks. We are talking about your public lands in the West. We are talking about your Indian programs. We are talking about bridges, highways, education, environmental cleanup, conservation, all of the items in the discretionary budget that touch the lives of every man, woman, boy, and girl in this country every day.

So I hope that Senators will join in rejecting the amendment, I say with respect to the distinguished Senator from New Jersey.

I again thank him for the courtesy which he always accords me in letting me know in advance when he contemplates offering an amendment.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I will make only a few points in response to the distinguished chairman of the Appropriations Committee.

I think he is absolutely right on target when he points to the real villains of spending being exploding entitlements, the largest of which and the fastest growing of which is health care; and tax expenditures, which have exploded even faster in the last 5 years than the entitlement programs themselves.

I hope that the distinguished Senator from West Virginia would join with me, when we begin to deal with the budget resolution next year, to try to change the way we treat tax expenditures.

As you know, under the current rules, if I want a special program and I can get it by simply saying if somebody does this, we will tax them less, that is not a spending program. But if I go to the Appropriations Committee and appropriate money to do the same thing, that is called a spending program.

I believe that spending, whether it is through the Tax Code or spending, whether it is through the appropriations process, should be treated the same way. And the only way that we will do that is by amending the budget process, because now if you eliminate a special loophole, it is called increasing taxes. In effect, it is eliminating spending that we do through the Tax Code.

So I agree very much with what the distinguished chairman said about the exploding entitlements—we need to control those entitlements—as well as his strong statement about the exploding tax expenditure side.

With those agreements, I would also say that I do think we need to get control, even though we have done a good job in reducing some discretionary spending, I would make it much tighter and I would make it much easier for any Senator to come to the floor and offer an amendment to reduce spending.

Every appropriations bill is filled with literally hundreds and hundreds of items that, if given the full light of day, might not be supported by the entire Senate. Unfortunately, Members do not come to the floor to raise questions about particular spending items in discretionary spending because they, by and large, know that if they succeed and get 53 votes, they are not going to actually reduce spending by that amount and the amount of money that they have cut will simply go back to the Appropriations Committee to reallocate.

And so I would simply want to treat spending cuts the same way we treat tax increase. If you can raise taxes with 50 votes, you ought to be able to cut spending with 50 votes, as well.

I would have only one final comment in response to what the distinguished chairman said, and that is whether a President would veto a resolution that placed caps on subcommittees. I think that, under the amendment, it is possible for a President to do that, just as it would be possible for a President to veto a continuing resolution or possible for a President to veto an appropriations bill. I think that that is highly unlikely that that would happen, however.

So, on balance, I would argue that we should err on the side of putting tighter restrictions on spending and that is a process to do that, and that is really what was behind my amendment.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr. BRADLEY. I am pleased to yield to the distinguished subcommittee chairman.

Mr. INOUYE. Mr. President, I have listened to this debate with great care, and would like to join my chairman of the Appropriations Committee in commending the Senator from New Jersey for his amendment. His intent and purpose has great merit.

But, I believe the proper place for debate of this importance would be at the time of the annual budget resolution. So, that is my only comment.

Mr. BRADLEY. Mr. President, I thank the distinguished subcommittee chairman for his observation.

I, too, would agree that the best place for this kind of debate to occur would be on a budget resolution, because it deals with an examination of the budget and appropriations.

But the only reason that I raised it at this time is this is the last appropriations bill. In order for my amendment to prevail, since it is a not a germane amendment, it would require 60 votes. But that is the same amount of votes that would be required for any spending cut on an appropriations bill to prevail.

So, I simply wanted to raise it on an appropriations bill at this time to make that point and to urge that, when we get to the budget resolution next year, other Senators will have at least been alerted to this and will have the opportunity to study it over the coming months and, hopefully, join in the effort to reduce spending by changing some of the appropriations process.

With that said, Mr. President, I would be prepared to withdraw the amendment and look forward to next year's budget resolution when this could very well be an amendment. And I hope I would be walking shoulder to shoulder with the chairman of the Appropriations Committee to make spending through the Tax Code also count as spending.

The PRESIDING OFFICER (Mr. PRYOR). The Senator has a right to withdraw the amendment.

The amendment is withdrawn.

The amendment (No. 2490) was withdrawn.

Mr. BYRD. Mr. President, I thank the distinguished Senator for withdrawing the amendment. I hope that he will have the opportunity and will take the opportunity between now and the time we take up the budget resolution to think carefully about his proposal, and perhaps modify it to some extent. But, in any event, that would be the proper place for the debate.

I again thank him.

Mr. President, I have a few remarks on another matter that I would like to make.

REFUGEE RELIEF IN RWANDA

Mr. BYRD. Mr. President, it seems safe to say that all Members of this body, and all Americans, have been appalled at the carnage that has been visited upon the people of Rwanda, and the refugee crisis that has resulted. I commend the President for his decisive action in bringing the unique expertise of the Department of Defense to bear on the situation, bringing vital relief to hundreds of thousands of needy people in camps in nations bordering on Rwanda, particularly in Zaire. The Appropriations Committee, in this bill, has included a provision, which I offered at the full committee markup, to provide the necessary funding for the U.S. humanitarian aid operation and at the same time put specific parameters around the operation in terms of scope, cost, duration, and security matters. The Committee amendment—which was supported by the distinguished chairman of the subcommittee, Mr. INOUYE, and the ranking member of the subcommittee, Mr. STEVENS, and by the ranking member of the full committee, Mr. HATFIELD—the committee amendment fully endorses the President's humanitarian actions, and recommends $170 million in fiscal year 1994 supplemental appropriations to provide the funds necessary for this effort. This $170 million is in addition to the $50 million that has been included in the foreign operations conference for emergency aid relief to Rwanda refugees, so the grand total is $220 million.

The sudden influx of massive numbers of refugees, escaping from the violence of a civil, tribal war in Rwanda created a crisis requiring immediate response. Only the United States has the airlift and logistical capability, as well as recent experience in this type of operation in Iraq and Bosnia, to provide the needed relief. The appropriations, as requested by the administration, are required to establish and operate airport services at Goma, Zaire; Kigali, Rwanda; and other locations; to provide fuel, logistics support, maintenance of vehicles, and equipment for distribution of water, food, supplies, and medical items; to establish and operate an air distribution facility in Uganda, for the collection, storage, and forward movement of relief supplies; transport supplies and equipment; to provide safe water, and to deploy and sustain approximately 4,000 United States troops.

There has been some discussion of inserting United States troops into Rwanda to help entice Hutu refugees back into the country to begin the rebuilding process. Certainly there is not a permissive, benign environment inside Rwanda which would permit United States forces to play an exclusively humanitarian role there. The prospects for further violence are substantial. Indeed, there are rising tensions in neighboring Burundi, where Hutu and Tutsi groups are again the ethnic mix, and where there are reports of killings. The New York Times of yesterday, August 8, 1994, editorialized that:

> It has begun to dawn upon policymakers, if not yet the public, that the crisis in Rwanda may take years to resolve. Relief workers in Zaire, where a million Rwandans have fled, see little hope for a prompt return home for Hutus fearing reprisal massacres by Tutsis, who now dominate the new Government in Kigali. Indeed, instead of getting better, matters could become worse, spreading conflict, hunger and uprooted peoples through an entire region. It would be wise for the Clinton Administration to prepare Americans for what may be a very long haul in Central Africa.

And I shall ask at the close of my remarks, Mr. President, an editorial from the New York Times, the excerpts from which I have just read, be printed in the RECORD.

This amendment that I offered in full committee and which was adopted by the full Committee on Appropriations says that the massive relief effort by the United States is not promised for the "long haul," certainly not past this fall, as the funding for it is terminated on October 7, 1994. The rebuilding of the society of Rwanda and the stopping of the spread of ethnic strife in Central Africa is a matter for the international community, and particularly for African nations. We are now providing the extent of aid which I believe the American people will support and tolerate, but it is no blank check and it is no indefinable "long haul."

While the committee fully supports this noble, humanitarian action, we are nevertheless concerned about the lack of burdensharing among the international community; about the security of our troops and civilian personnel in an area where the hatred and violence associated with the warfare between the Hutus and Tutsis is far from over, according to reports; and about any costs and actions that might be needed after this funding runs out at the end of the fiscal year. The committee is concerned about avoiding any pressure to expand the humanitarian mission into new roles, such as security of the Rwandan population, safeguarding the rebuilding of the societal fabric ripped apart by the warfare, about any pressure to engage in "nation-building" in Rwanda. How long should the United States bear the load, and when can the unique aspects of what we have done in a time-urgent response to the crisis be handed over to the United Nations, and other nations and international relief agencies?

Thus, while fully supporting this operation, the committee is, nevertheless, concerned about the lack of burdensharing among the international community, excepting the French, who have safeguarded the southwestern portion of Rwanda. The French have announced their intention to leave by the end of August, opening up new possibilities for tribal violence in Rwanda. The committee does not support expanding our relief mission into a security or peacekeeping or peaceenforcing role in Rwanda. That assignment has been given by the United Nations to a special peacekeeping organization composed of African States, UNAMIR, the United National Assistance Mission in Rwanda.

To address the committee's concerns, it has included a section in the bill which requires certain reports and actions. First, it provides that the Secretary of State provide a report to the Congress no later than September 1 of this year as to the burdensharing arrangements in the Rwanda relief operations that have been negotiated and implemented with other nations and international public and private organizations, as to both cost and personnel participation, including Armed Forces participation. Second, regarding the troublesome question of security, the Secretary of Defense is to provide assessments to the Congress by September 1, 1994, as first, any threats to the security of U.S. personnel and, second, the extent to which the UNAMIR peacekeeping operation has established a security system within the country of Rwanda. The committee strongly believes that we must avoid becoming involved in the competition for power in Rwanda, and that peacekeeping, the establishment of protected zones, or other forms of nation-building that will suck the United States into the politics of Rwanda for a lengthy period of time.

The expansion of our humanitarian role was a cardinal mistake in Somalia, and I think we are all wary of repeating that mistake in Rwanda. I do not think there is any stomach in the American people for risking United States casualties to rebuild the nation of Rwanda. Therefore, Mr. President, the amendment that I included in the bill before the Senate provides that "any change in the mission from one of strict refugee relief to security, peace-enforcing, nation-building or any other substantive role, shall not be implemented without the further approval of the Congress." If any such mission change is contemplated—and I do not see any sign that it is contemplated—then I think it would be wise for the President to bring the Congress on board in an affirmative way. In particular, the insertion of United States forces into the countryside of Rwanda would risk such mission creep or change, and so the amendment provides that:

> United States armed forces shall not participate in relief operations inside Rwanda until and unless the President has certified to the Congress that the security situation in the countryside has stabilized to the extent that United States forces will not play a peacekeeping or peaceenforcing role between the warring factions inside Rwanda.

Mr. President, I believe the administration should attempt to wrap up this mission by October 7, 1994, around the time that the Congress is scheduled to adjourn, and thus the amendment provides that the President give us a plan by September 15, 1994, as to how he will

> * * * terminate United States involvement in the Rwanda operation by October 7, 1994, unless an extension of time is approved by the Congress, and what arrangements have been made for other nations and international public and private organizations to replace United States resources and personnel.

If the President wishes to extend the U.S. mission beyond October 7, that would certainly be considered, but in that event the Congress would have to debate and decide on that extension before adjournment.

Mr. President, while these timelines may be looked upon as strict by some, the world has been attuned to the Rwanda crisis for some time now, and the United Nations has created an organization, UNAMIR, to deal with the security aspect of it. Logistical roles which needed to be provided by the United States, because of the short time-urgent nature of the need, can be handed over in an orderly manner to others who should be prepared and be preparing to pitch in. This is an international crisis and demands an international response. I am proud of the role that we have played, and I hope that the rest of the world will step up to the plate so that the goals that we have set forth in this legislation can be met.

Mr. President, I ask unanimous consent that the editorial from the New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 9, 1994]

RWANDA'S VERY LONG HAUL

It has begun to dawn on policy makers, if not yet the public, that the crisis in Rwanda may take years to resolve. Relief workers in Zaire, where a million Rwandans have fled, see little hope for a prompt return home by Hutus fearing reprisal massacres by Tutsis, who now dominate the new Government in Kigali. Indeed, instead of getting better, matters could become worse, spreading conflict, hunger and uprooted peoples through an entire region.

It would be wise for the Clinton Administration to prepare Americans for what may be a very long haul in Central Africa. A small contingent of U.S. troops is already assisting the United Nations operation in Rwanda, and Washington has promised to come up with $270 million in new aid. If the case is fairly made, if burdens are fairly shared with others, and if civil peace can be maintained, this is an effort that Americans can be persuaded to support.

The immediate, compelling consideration is humanitarian. It affronts decency to do nothing as children starve in squalid refugee camps. But other interests are affected when four million people flee their homes, half of them across frontiers, in a country of just under eight million people where, today, no food grows in vacated farms. Desperation will breed new wars, sending shock waves through tense neighboring states, notably

Burundi and Zaire. The fearful prospect of more upheavals calls out for energetic preventive diplomacy.

The place to start is Kigali, where a new Government lacking even telephones, desks and offices rules a country lacking people. Creditably, the victorious Rwanda Patriotic Front has established a multi-party Cabinet that is led by a President and Prime Minister who are both Hutu. But real power is held by minority Tutsis, notably Vice President and Defense Minister Paul Kagame, who was the chief strategist of the rebel victory.

The new regime is speaking the right words about reconciliation. Yet these have to be set against the scattered killings of returning Hutus, as reported in The Times by Raymond Bonner, and Government plans to try thousands of civilians as war criminals. There could also be another nightmare if 500,000 Rwandans, most of them Hutu, flee a security zone created by French peacekeepers, who are due to depart by Aug. 22.

Keeping to that timetable is a problem, since the French are supposed to be replaced by 5,500-strong U.N. peacekeeping force. But less than a thousand Canadian and African troops are now in Rwanda, with the rest still to be trained to protect convoys and reassure returning villagers. A small contingent of U.S. troops is under direct U.S. command in Kigali.

By any measure, the prospects are grim: an untested new Government, a collapse of basic services, reprisal killings, an improvised international force and a depopulated country, with the planting season supposed to begin next month.

Meantime, mingling with two million refugees in Zaire and Tanzania are remnants of the defeated Rwandan Army, including units responsible for the worst massacres. Commanders talk of regrouping and of border war from sanctuaries in Zaire; they also threaten to shoot foreign relief workers who dare urge Rwandans to return home. And the same despicable radio station that clamored for Tutsi blood before the rebel victory continues its broadcasts from a mobile base.

What could make an enormous difference is a real international presence in Rwanda, to reassure and to witness. Now there are reports of killings in adjacent Burundi, with a similar ethnic mix and with the same history of strife. The world had neither the means nor the will to respond in April, the critical early stage of Rwanda's descent into genocide. It has been a terrible learning process, and yet crueler lessons may lie ahead.

Mr. BYRD. In closing, Mr. President, this is the last regular appropriations bill for this year and, of course, the largest of the bills in terms of dollars that will come before the body this year for fiscal year 1995. It is earlier than usual for the DOD appropriations bill but the authorization conference is nearly complete and I believe will be completed this week.

The amendment on Rwanda that I have described I think is a responsible one and appropriate to the task, as well as the dangers we are all aware of. If, however, it is going to be relevant to the situation, we are going to have to get this bill passed and into conference, and conclude the conference report before the Senate goes on its August recess, if and when it goes on the August recess.

The time lines in the amendment for reporting and certification all occur in early and mid-September, and if we are not going to pass the bill, we will be frustrated in effecting the will of this body and the Nation's policy toward Rwanda because it is financed with 1994 money. So there are some steep foreign policy costs to be associated with delaying the Department of Defense appropriations bill.

I encourage my friends on the other side of the aisle who are concerned about the amendments to this bill, to help move the bill forward so that its provisions can take effect in a timely manner.

I congratulate the chairman of the subcommittee and the ranking member of the subcommittee for their valiant efforts to expedite the action on the bill. It is through their excellent efforts and their skills and good work that the bill is at the present stage.

Mr. President, I yield the floor.

AMENDMENT NO. 2480

Mr. LEAHY. Mr. President, I want to speak on an amendment concerning Colombia offered by the senior Senator from North Carolina yesterday to the Defense appropriations bill. I understand a vote on the amendment is planned for tomorrow.

The Senator's amendment would cut off military aid to Colombia unless the President certifies that certain conditions have been met concerning allegations of corruption by Colombian officials.

Let me say that I, like every Senator, am concerned about corruption in any government that receives U.S. foreign aid. It is a fact of life, and that is why we go to great lengths to protect our aid dollars from being diverted or misused. I have supported efforts to cut off aid to governments that were diverting it for the wrong purposes.

This amendment is based on allegations that there is corruption in the Colombian Government. Of course there is. But the Senator from North Carolina makes no claim that our aid, which goes to combat drug traffickers there, has been stolen or diverted by Colombian officials.

I have been a critic of our international counternarcotics program. We have spent billions of dollars and there is little to show for it. I have also been concerned about reports of human rights abuses by the Colombian military. But the new President of Columbia was just inaugurated this week. He says he will give a high priority to fighting the drug traffickers. He deserves a chance to show if he is serious.

But the other reason I am concerned about this amendment is that it is very similar to an amendment to the Senate version of the foreign operations bill, which has already been through conference.

In the House-Senate conference on the foreign operations bill 2 weeks ago, the Senator from North Carolina's amendment met with stiff opposition from several House conferees. I and Senator MCCONNELL, the ranking member of the subcommittee, were seeking to find a compromise that would retain the guts of the Senate position.

Before we reached agreement, a staff member for the Senator from North Carolina informed us that if we resolved another amendment of the Senator from North Carolina concerning Russia, we could recede on the Colombia amendment.

That is what we did, when the House agreed to a provision on Russia's compliance with the biological and chemical weapons treaties, and we receded on the Colombia amendment.

Now the Senator from North Carolina is seeking to amend that same foreign operations bill after the conference is over, and after we reached an agreement with him on his amendments in conference.

Mr. President, we are going to find ourselves in a real quagmire here if we agree to the disposition of an agreement 1 week and then find we have to deal with it again 2 weeks later on another bill.

I would ask the Senator from North Carolina to limit the scope of his amendment to the funds in the Defense bill to which it is being offered to. As written, this amendment goes far beyond that by amending the foreign operations bill. I would hope that the Senator from North Carolina would modify his amendment.

THE INSTRUMENTED FACTORY FOR GEARS AT THE ILLINOIS INSTITUTE OF TECHNOLOGY

Ms. MOSELEY-BRAUN. Mr. President, as we consider the fiscal year 1995 defense appropriations bill, I would like to discuss a unique technology transfer program that is critically important to the U.S. gear manufacturing industry, the instrumented factory for gears, also known as INFAC. I would like to take a moment to share with my colleagues some background on this unique industrial initiative.

INFAC is an in-place, fully equipped experimental teaching facility that provides research, education and industrial extension in the field of gear manufacturing technology. Located at the Illinois Institute of Technology [IIT], the program features a hands-on shop floor with state-of-the-art precision machine tool equipment. Researchers and students at INFAC provide consulting and seminar services to small and medium sized manufacturers to develop methods to keep these firms competitive and up-to-date with current technologies. The unique training and extension activities at the INFAC complex are a successful, working example technology transfer.

This program was awarded to the Illinois Institute of Technology Research Institute in October 1989 as a result of a competitive procurement. As awarded by the Defense Logistics Agency, the 5-year INFAC contract calls for 25 percent cost share of the core program, and full funding of separately awarded research and development tasks. The Government has insisted that the minimum of 25 percent core cost share requirement remain unchanged through the current contact period. In addition, INFAC is requiring, and has begun to receive dollar-for-dollar cost share on funds for cooperative research projects with industry.

This program is strongly supported by the U.S. Army Aviation and Troop Command. The Army program manager has indicated that $8.5 million is needed for a full program year. However, it is my understanding that, as a matter of practice, the committee has tried to avoid earmarking funds for specific manufacturing technology projects. Given the millions in Illinois and Federal funds that have been invested in this program to date, it is important that adequate resources be provided in conference to allow the Department of Defense to support continued operations of the INFAC Program. I urge appropriators to provide adequate funding for fiscal year 1995 that would allow the program to be responsive to Army direction and continue through the next fiscal year.

Mr. INOUYE. I thank the Senator from Illinois for her comments regarding the instrumented factory for gears. The Senator is correct in stating that the committee has tried to avoid earmarking service manufacturing technology programs. However, I agree with the Senator that the Department of Defense should consider the past investment and the potential benefits in making decisions about continuing the gear INFAC Program in fiscal year 1995. I will give every consideration to the Senator's request during conference.

ACCOUNTING FOR DOD COSTS

Mr. PRESSLER. Mr. President, I offer an amendment today which would help Congress account for all incidental costs incurred by the Department of Defense in conjunction with U.N. activities. This is a simple amendment. It merely would require the Secretary of Defense to report quarterly to appropriate congressional committees on costs incurred by the DOD resulting from U.S. support or implementation of U.N. Security Council resolutions. Additionally, in the same quarterly report, the Secretary of Defense would be required to detail DOD efforts to obtain compensation from the U.N. for such costs and DOD efforts to seek credit against U.S. assessments to the United Nations.

As my colleagues know, I have been concerned for years about the enormous amount of U.S. taxpayer dollars spent in support of multilateral operations. While I support the United Nations and want desperately for this organization to function effectively, I hesitate to spend U.S. money supporting ineffective operations—operations in which the United States often has no national interest.

I offer this amendment today because I want everyone to be acutely aware of the elephantine size costs incurred by the DOD in support of U.N. operations. There are enormous amounts of incremental costs charged to the DOD which are not accounted for in DOD reports. Congress needs to know how much the DOD spends over and above what the United States is assessed in our U.N. peacekeeping dues and our regular U.N. budget contributions.

At the end of this year, we will have budgeted over $1 billion for support of U.N. operations. We deserve to know how much the DOD contributes to those operations which is not budgeted. I believe my colleagues would be amazed to learn just how much is being spent incrementally by the DOD in conjunction with U.N. resolutions. Yet, currently, we do not have an adequate accounting system for assessing incremental costs. My amendment calls for just such an accounting. Additionally, my amendment would require the Secretary of Defense to report on DOD efforts to receive credit from the United Nations for unbudgeted support for operations and activities. We owe it to U.S. taxpayers to account for the money spent by the DOD. I urge my colleagues to support this fiscally prudent amendment.

THE NEED FOR CONTINUED RESEARCH INTO THE CAUSES OF AND TREATMENT FOR GULF WAR SYNDROME

Mr. RIEGLE. Mr. President, I would like to engage the distinguished chairman of the subcommittee, Senator INOUYE, in a colloquy regarding the research required to identify the causes of and treatment for a disabling syndrome experienced by many Persian Gulf war veterans that may be related to exposure to hazardous chemical, biological, and radiological agents, other hazardous substances, and endemic illnesses during their service in the Persian Gulf War.

Mr. INOUYE. I welcome this opportunity to discuss this important issue with the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs who has devoted a great deal of effort to the well-being of the veterans of the Persian Gulf War. I share in his concern for the need to address this issue.

Mr. RIEGLE. As the chairman is aware, the Senate version of the Defense authorization bill for fiscal year 1995 contains language authorizing independent, expert research at a total funding level of $20 million. In conference, however, the conferees combined the funding for this research with funding for research into brain and spinal cord injuries, an artificial neural network research program for cancer detection and treatment, lyme disease research, and diabetes research at a combined funding level of $40 million. The Defense authorization bill does not, however, specify how the funding shall be allocated among these programs. Further, I have been informed that while the agreed to authorization level for all of this research is $40 million, the amount appropriated by the Senate for Cooperative Department of Defense/Department of Veterans Affairs Research is only $20 million.

As we established in the Defense authorization bill, I believe $20 million is needed to properly initiate research into this problem—a problem that as we have learned has expanded in scope. Last year, while $5.7 million was authorized by the Senate for this purpose, less than $2 million was appropriated. Over half of this amount has still not been spent by the Department.

Mr. INOUYE. I agree that Congress needs to reevaluate the amount of funds necessary to deal with a problem that has grown in scope and now appears to affect these veterans of the Persian Gulf war and their families. And I am troubled with the reports that the Department has not disbursed moneys specifically appropriated by Congress to address an immediate medical problem such as this.

Mr. RIEGLE. Mr. President, hundreds of veterans and members of the Armed Forces, from both the officer and enlisted corps, who served in the gulf, have reported to us that chemical agents were detected with the onset of the air war, after Scud attacks, after explosions, in Iraqi and Kuwaiti minefields and in bunkers.

In July 1993, the Czech Government announced that Czechoslovak chemical detection units assigned to the gulf detected chemical agents there. In December 1993, the French Government confirmed that they too detected chemical agents during the Persian Gulf conflict. There have been thousands of reports that camels, sheep, goats, birds, and insects in Iraq, Kuwait, and Saudi Arabia began suddenly dying shortly after the initiation of the air war suggesting that whatever exposures may have caused a cross-species contamination of mammals, birds, and insects, might have also been harmful to humans.

I have also learned that there is good reason to be concerned about the long-term health consequences of the administration of the cholinesterase inhibitors in the nerve agent pretreatment program—as a result of both their direct effects and the reported studies of the possible potentiating or synergistic effects of these drugs when combined with exposures to organophosphate nerve gases and pesticides.

I believe we must also continue to examine the hazards associated with other environmental and occupational exposures such as depleted uranium, chemical agent resistant coating or CARC, pesticides, smoke from the oil fires, and others.

Gulf war syndrome, contrary to previous reports has not only affected U.S. veterans. I have also been contacted by members of the Canadian, British, and Australian military all complaining of similar symptoms. Eighteen members of the 169-person Czech chemical decontamination unit are also reportedly complaining of similar symptoms.

Mr. INOUYE. I understand that since September 1993, the number of veterans who have signed up for the VA Persian Gulf registry examination has increased from 5,400 to over 24,000.

Mr. RIEGLE. That is right, Mr. President. And I have received calls and letters from thousands of these veterans from throughout the United States. They uniformly complain of ineffective treatment within both the VA and Department of Defense medical systems for their undiagnosed disabling illnesses. Regrettably, I have also received reports of many young men and women who have—after initially experiencing these symptoms—died from cancers or unexplained heart failures.

I have been contacted by hundreds of active duty members of the U.S. Armed Forces who are sick. Many are reluctant to seek medical care for their illnesses fearing that they will be discharged. Others are fearful of coming forward because many of those who previously came forward were referred for psychiatric examinations. As the U.S. armed services are now all-volunteer forces, this is an issue of some concern since their careers and ironically, maintaining their health care coverage, depends on their remaining on active duty. Many members of their families are also ill.

Mr. INOUYE. I understand that the VA Persian Gulf registry does not include any of the sick spouses and children.

Mr. RIEGLE. That is correct. Over 75 percent of the spouses and 25 percent of the children conceived before the war by the sick vets who have contacted me are experiencing many of these symptoms. Sixty-five percent of their children conceived after the war are also experiencing health problems. Most commonly noted among the health problems of these infants are respiratory infections, ear infections, and rashes. In some cases, severe birth defects have been noted.

Nor does the registry include the sick Department of Defense civilians and contractors who served in the gulf, nor the DOD civilians in the United States who became sick after decontaminating or cleaning equipment that was returned from the theater of operations.

These patterns of illnesses and exposures, along with reported observations of tens of thousands of dead sheep, goats, camels, birds, and insects suggest that immediate and extensive peer-reviewed, expert, competitively awarded research is required.

The research authorized in the Defense authorization bill for fiscal year 1995 requires the conduct of an epidemiological survey on veterans, armed services personnel, and Department of Defense civilians who served in the Persian Gulf war, as well as their spouses and children; the conduct of research into the long-term medical hazards of the administration of pyridostigmine bromide in the chemical nerve agent pre-treatment program during the Persian Gulf war; and establishes a research program to fund independent peer-reviewed research into the illnesses, treatment of the illnesses being experienced, and into determining if and how the illnesses are transmitted. This is desperately needed research.

Ultimately, we will only learn the true scope and consequences of this issue when appropriate epidemiological testing and basic scientific research is conducted to determine the nature of the illnesses that these veterans, civilians, and their families are suffering. I am asking today that the chairman support this research and do no more or no less for the men and women who served this country in the Persian Gulf war, than we have done when other unidentified illnesses have surfaced. The conduct of this research could ultimately result in a savings of billions of government and private-sector dollars in misdirected health care, disability and compensation benefits, and other social costs over several generations.

Mr. INOUYE. I agree with the Senator that more needs to be done in this area. The committee has included funds to study gulf war syndrome under the Defense Health Program account in the bill before us.

Mr. RIEGLE. I believe that in order to ensure that expert, competitively-awarded, independent research into gulf war syndrome is conducted, a specific amount should be appropriated only for that research. Further, the Senate authorization bill recommended amount of $20 million is the amount desperately required to initiate this medical research into the cause of the disabling and sometime-fatal syndrome experienced by Persian Gulf war veterans.

The language in the Senate Defense authorization bill is consistent with both the scope of the problem and the type of information needed to be gathered in order begin to properly determine the causes and appropriate treatment for this disabling illness. But, if the funds are not appropriated specifically for this research, it may not be conducted.

Mr. President, we cannot continue to let the men and women who served this country down—I am asking for your support in conference to obtain funding to conduct scientific research at or near the levels authorized by the Senate. This amount that I believe is needed, $20,000,000, is well below what we spend on research into other undiagnosed illnesses. We spent tens-of-billions of dollars to finance the conduct of the war. We must come to understand that the expense of war also includes our obligations to care for our soldiers and our veterans.

Mr. INOUYE. I thank the distinguished Senator for his efforts on this matter. I agree that this is a serious issue which must be thoroughly and rapidly researched and we will seriously consider these recommendations when the bill is being considered in conference.

Mr. RIEGLE. I again thank the distinguished chairman for his work to make sure that the Department of Defense is both ready for the future conflicts they may be forced to confront, and willing to take the necessary efforts to ensure that those who serve during these conflicts receive proper medical care.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

HEALTH CARE REFORM AND PRESCRIPTION DRUGS

Mr. DORGAN. Mr. President, yesterday I was in the chair when one of our colleagues brought to the floor a very large poster with a telephone number of how citizens could reach their Senator. It was a poster that only had 1-(202) and the telephone number of the Capitol switchboard. I was thinking, as I looked at that, that it is preemptive television. In fact, that poster has to compete with a lot of other things on television these days and probably will not compete very well.

The person who was asking people to call the U.S. Senate wanted them to call us because they wanted citizens to tell Senators that we should delay responding to the issue of health care reform.

As I said, that is preemptive television, just putting a chart on. It does not compete with the dizzying disorientation, as it is called, and future shock of what we now see in the pop culture.

Walk outside this building and talk to the first person you see, and they will be conversing about things totally irrelevant to our lives but things that have become relevant by virtue of television. Ask them about Tonya Harding. Ask if they know the whole story. Ask them about Lorena Bobbitt and her husband and, they will know the whole story. They will know it from Peoria to the west coast. Ask them about O.J. Simpson and they can debate the whole story. Ask them about Joey Buttafuoco, or maybe the Menendez brothers.

It is part of our pop culture. We are told kids go to school and graduate from high school these days and they have spent 12,000 hours in the classroom and watched television for 20,000 hours. They are much more a product of what they watched than what they read.

Unfortunately, if you take a look at all the things we read, see, and hear and become fixated on with our periodicals and television sets, you get the feeling in this country we often treat the light far too seriously, and the serious far too lightly. That is why I want to talk today about the question of should we delay the debate on health care reform.

Should we delay the debate on health care reform? We are told —in fact an amendment is offered; I think it is still pending before the Senate—that it is really in the country's best interest for us not to respond to the issue of health care reform. It is not necessary, they say; there is a better time to do this; we do not know enough; we are not ready.

Let me try to think through just a little bit what has caused this. If you take a poll and ask people about health care, you will find that most Americans think health care costs too much and prices are too high. It is not just that they think that, that is the plain fact. We spend much more on health care in the United States than any other country in the world, by far. It is not even close. We spend over 14 percent of gross domestic product—everything that we produce in goods and services in this country. We will spend over 14 percent of our GDP on health care this year. The next nearest country is Canada which spent 11 percent, and no other country in the industrialized world spends more than 10.

The point is, we spend far more than any other country, by far more than any other country. And the American people know it because they are paying the bill.

The other point is—the American people well know this—health care prices are increasing, double and triple the rate of inflation. They have come down a little in the last year or so, but that is because there is a threat of health care reform. That is double or triple the rate of inflation for every year, for something that is not a luxury, but something that is a necessity.

It is not unusual these days for peoples' monthly insurance payments to be twice as much as their car payment—$400, $450, $500 a month for a family policy is not that unusual in my part of the country. And that is what has driven middle American families to say to the Congress: Do something, do something because health care prices are out of control.

In the rest of our economy, we have something called competition. And in competition, prices are a competitive regulator. In health care, it is not. At least not in my State. I represent a State of 640,000 people. Guess what. We have six separate locations where you can get open-heart surgery in my State. Do we need six? Of course not. Is that competition? One hospital does it, the other wants to do it. One gets an MRI, the other hospital wants an MRI. One has a cardiac surgical unit, the other wants a cardiac surgical unit.

Duplication? Waste of money? Of course it is, but it is competition.

In health care, competition means duplication and higher prices, and that is a sad fact. Competition simply has not worked to bring down prices in health care.

Lest anyone wonder where we are and where we are going, here is what happened to health care prices in the United States, and here is what is going to happen.

You can see this bar graph, and it is alarming. What has happened is health care prices have risen out of control. It has devastated the Federal budget because we have a heavy amount of spending in Medicare and Medicaid. But more than the Federal budget, State and local budgets, and more than that, family budgets and business budgets, especially, have been devastated by the increasing cost of health care every single year.

To those who say we should do nothing, let us delay, let us wait, it is not the time, I say what about this? How do you address this? It is one thing to say let us not do anything, but we have an obligation on behalf of American families to address this.

What do we do about prices running out of control? Let me take just one aspect of prices, and I do this recognizing the Senator in the chair currently, Senator PRYOR from Arkansas, has done an enormous amount of work on this. He will know these charts easily because these charts describe a problem he has discussed for years.

To those who say let us do nothing, I say to them, take a look at this chart, if you will. I have taken the price of prescription drugs, one part of health care, an expensive part, and shown what they cost.

The same manufacturer of the same drug puts the same pill in the same bottle, seals it up and sells it. They sell it in the United States, Canada, England and Sweden.

Here is a drug called Premarin. This is the number one selling drug in the United States. It is used for estrogen replacement. The same drug put in the same bottle sealed up by the same manufacturer is sold in Sweden for $93. They sell it in the United Kingdom for $100 and $113 in Canada. Guess what they charge the U.S. consumer for it—$297.

To those who say let us wait, I say justify this. You tell me how you can justify asking a 60-, 70-year-old American who buys Premarin to pay that kind of overcharge.

I just brought a couple of these charts about what happens with a range of drugs.

Zantac, a drug for the treatment of ulcers. There are probably plenty of uses for ulcer drugs in the United States Senate these days as we fix to confront health care; $64 in Sweden, $84 in England, $102 in Canada and $133 in the United States.

By what justification do they say to the United States consumer, "Here is the identical pill. We will charge you twice as much for it as we charge the Swedes."

Xanax, for anxiety: $10 in Sweden, $56 in the United States.

Here is one well recognizable. This country consumes a lot of this. It is Valium, another drug used for anxiety.

Guess how they charge Valium?—$4 for Sweden, $4 for the United Kingdom, $9 for Canada, and $49 in the United States. So to those who say, "Let's wait. What's the hurry? There is no problem here," just take this small sliver of health care cost, just this, and justify it for me. Tell me the market system works. Tell me it is fair and reasonable to do this to the American consumer.

Well, we are going to discuss health care now at some great length. We are going to discuss policy, and we are going to discuss terms that a lot of people probably will not understand very easily. It may best be described, however, in more human terms. And let me describe just a few of the people I have been around.

A woman in central North Dakota in her mideighties has diabetes and heart trouble, and her doctor prescribes medicine for her to take for her diabetes and heart trouble. But this woman, like a lot of women, is living alone and has very little money, lives only on her Social Security check. She says, "I can't afford the prescription drugs, so you know what I do?" A woman in her mideighties takes half the dose her doctor prescribes, and that is the only way she can afford the prescription drugs that are necessary to keep her alive.

Or a woman from Texas who testified before a committee I was on some while ago, a woman from Texas who was pregnant and broke, no money. She was going to have her neighbor help deliver the baby because she did not have money to go to a hospital. During the delivery, it turns out to be a difficult delivery, and they discover this is going to be much more trouble than they can deal with.

They put her in a car, take her to a hospital, and the hospital says, "Do you have insurance?"

"No."

"Do you have money?"

"No."

"Well, we are sorry; you cannot be admitted."

Two hospitals during delivery denied admission. The baby was born at the third and the baby had the umbilical cord wrapped around its neck. The baby is alive, but the baby will be institutionalized the rest of the baby's life, damaged from that difficult pregnancy because this woman did not have money.

I mentioned the other day I was in Minot, ND, a week or so ago, and a waitress at a place I was eating said, "I know I shouldn't do this to interrupt your meal, but," she said, "I want you to know I am 23 years old and I have seizures occasionally. And you are going to hear from a lot of big interests, a lot of insurance companies, doctors, and others when you talk about health care. But will you just understand when you deliberate about health care, I am 23 years old and can't get insurance and can't find a job that pays benefits? So I walk around with no insurance not because I want it that way, but because I simply do not have the opportunity to get insurance and be covered for health care."

Now, in my home State right now there is a blitz of advertising. They have had television commercials. We have had radio commercials. We have had overlapping commercials by different interests. And the disclaimer on the commercials is always some innocuous title like "Paid for by Americans for Decent Health Care" or "Paid for by Americans for" this, that or the other thing.

It is interesting; I had a call from a woman in North Dakota who called me because there is one organization that is advertising in North Dakota that is partially funded by the pharmaceutical industry, and they invite the person, once they have given their 30-second ad on radio to call this number, the 1-800 number and then they transfer the call to my Senate office. So this woman was calling my Senate office as a result of the radio ad that she heard. She did not have the foggiest idea that she had been asked by a pharmaceutical manufacturer in effect to lobby on their behalf for health care reform. That is just a plain fact.

There is a complete disconnection these days because the biggest economic interests are able to spend an enormous amount of money to affect this debate.

I have had senior citizens say to me, "As a result of the ads running in North Dakota, we don't think the Government ought to be involved in health care in any way." These are people on Medicare, people on the Medicare Program. I had a fellow in his midseventies stand up and talk about what an awful health care system we have and how terrible it would be if Government were involved and how much money the Congress spends. And it turns out he just had open heart surgery paid for with Medicare.

There is somehow a complete disconnection. Those same interests are now spending millions of dollars, and they have spent at least, as I understand it, some $100 million in concert in an attempt to influence this health care debate.

From Ed Raymond, in the Gadfly—he writes a column in the Midweek Eagle, a tiny newspaper—let me read a couple excerpts. I thought he got it right. He does not have anything good to say about Congress, I might add, but he says of these interests that are spending all this money that this is the same crowd that is trying to hide the fact that the average salary for doctors is now near $180,000 a year against a per capita income of $22,000.

It is the same crowd, he says, that pays its executives millions of dollars in annual salaries topped by one insurance company he names who has a CEO paid $52.8 million.

He says that, of course, if they can defeat health care reform, that CEO will be worth every cent they pay him. This is the same crowd that paid one fellow from another health care institution, a private company, $12.7 million when that same company said that 37 million Americans do not need health insurance because the system just cannot afford it.

This is the same crowd that, he says, charges patients $40 for 15 milliliters of atropine sulfate that it gets wholesale for $1.12.

This is the same crowd that bought more MRI's for Atlanta, GA, than exist in all of Canada.

This is the same crowd that thinks it is fine for private health insurance companies to take 20 percent of the premiums for administrative costs, but then yells that Medicare administrative costs of 2 to 4 percent are wasteful.

Finally, he says that this is the same crowd that charged my daughter $300 for three stitches in her index finger.

"Yup, it sure would be disastrous to have the government involved in health care," he concludes.

Well, I am not standing here today as part of a forum or a caucus. I am not part of a mainstream group or upstream group. I did not sponsor the Clinton health care plan because I had some concerns about it. But I do not believe that this is the time for us to decide we should not address health care. This is exactly the time for us to be dealing with health care reform issues.

I would hope that in the next couple of weeks we find a way to build a bridge across this Chamber and decide that this is not and cannot be a partisan issue and the question of whether some young child who is sick gets health care is not answered differently by Republicans or Democrats or Conservatives or Liberals. I would hope that will be the case.

Likely, it will not start out that way, but who knows where we end up.

We have people who come to the floor and say, "Don't worry; be happy; no problems; do nothing."

I wish to tell just a brief story that I may have mentioned before that reminded me for the first time of part of our heritage.

I was on a helicopter that ran out of gas in Nicaragua one day some years ago, and I discovered when you run out of gas in a flying machine, you are going to be landing right soon. And we did, and we were not injured, fortunately. But a lot of campesinos came up in the mountains through the jungle to talk to us as we were stranded out there, and one of the things that impressed me, talking to a young woman, perhaps in her midtwenties, through an interpreter who was with me on the helicopter, I said, "How many children do you have?"

She just came from a campesino family somewhere in the mountains of Nicaragua, had never seen anybody from the United States. She said, "Only four," in a disappointed way.

Later, I asked the interpreter, "Why would she be disappointed, having only four?" She was in her midtwenties.

He said, "You don't understand the culture. They don't have any Social Security System in Central America. There is no Social Security Program. In a circumstance like that, it is not unusual to believe that you ought to have as many children as you can have during childbearing years, hoping that if you are lucky enough to live a long life, that some kids will survive and be of help to you in your old age as Social Security."

It was really the first time out in the jungle of Nicaragua that I understood what we took for granted. We take Social Security for granted. It adds such an enormous amount of strength to this country. We just take it for granted. You go back to the 1930's and take a look at that debate on Social Security, and you will find that we will replay that debate in the next 2 weeks. Then skip ahead. Skip ahead to Medicare, and review that debate in the early 1960's and mid-1960's. We are going to replay that debate again.

There were people then in the 1930's who said Social Security would ruin this country. It will be the ruin of this country's economy. We were told in the 1960's that Medicare would be a disaster for America. The fact is we have always had people willing to say no. There is the story about a radio announcer who interviewed one day an 80-year-old man, and said to the man, "You know, I bet you have seen a lot of changes in your life." He said, "Yep, and I been against every one of them." We have people like that in this Chamber, and people who serve in public life. I say to them, look to the challenge of what to do about this problem.

No one can possibly stand on the floor of this Senate and say that health care prices are not a problem. Health care prices have increased so substantially that it has raised the price of health care above the reach of far too many Americans. And for those who are still hanging on to their policies, as I have said before, they are paying in some cases double their car payment. And they simply cannot afford it. They want us to do something about it.

We have been treated in this debate to a massive amount of institutional money that is put on television and radio to try to change the focus of the debate. We now have a circumstance in which I saw a poll yesterday that two-thirds of the American people say let us wait. Well, in the second question the poll, as I understand it from a colleague of mine who saw it, exactly the opposite was achieved. What if Congress did nothing about health care. Do you think they should act or do nothing? The answer is we do not want them to do nothing. The question is, then do what?

I have been watching Harry and Louise now until I am just tired of Harry and Louise. It is interesting that it sort of reduces to theatrics. Harry and Louise are not really Harry and Louise. We all understand that. They are paid actors by the insurance industry to send us a message on behalf of the insurance industry. Since when has the insurance industry been an institution that most families can rely on to hold down prices? The fact is they are responding to prices. The providers are passing them on with their profit, and the little guy always gets stuck.

I would say, if I could, to Harry and Louise that they become the symbol, I guess, of everything that is wrong with what is currently being proposed. And they I suppose are probably the symbol of that which says call your Senator and tell them to do nothing.

I would ask Harry and Louise, if I could, Well, Harry and Louise, do you think we should do nothing about escalating prices in health care? Nothing? Or do you think we ought to address escalating prices that price something this essential out of the reach of the American family?

I would ask Harry and Louise, What do you think of this? Why do you think an American consumer should be charged 10 times the price for the same drug in the same bottle by the same manufacturer as the consumer in Sweden or Canada or the United Kingdom?

It seems to me, as we start this evening on the eve of this health care debate, that what we ought to try to find a way to do is join together in a bipartisan effort and fix these problems.

I am reminded of a fellow from North Dakota as I conclude, Mr. President, who came to see me some while ago. He is an astronaut, a young, handsome man. His name is Rick Heib. In fact, he had just finished the latest flight, and was up over 2 weeks. He is from Jamestown, ND. After he had finished his previous flight in space on the Shuttle *Endeavor*, he came to see me.

The reason I was kind of interested was that he had been up on the Shuttle *Endeavor*. And they were trying to fix the Intel satellite which needed repair. They pulled it into the bay, as I recall, or got it into the shuttle bay. It had stuck with some arm and they could not figure out how to get it loose. They went out to try to get it loose. They could not. They came back in, and it was trumpeted as a big failure.

The second day they went back out with the procedure, sort of on a basis of, if they could not get it the first time, they would set up procedures they had never practiced, and they would do it another way. They went back out in space, and the world watched them. They were unable to solve that problem. They went back in that shuttle and continued to circle the Earth. Then they went back out a third time about a day and a half later to try to do something they had never practiced before.

This is a 10,000-pound satellite up in a weightless environment. Three astronauts traveling 16,000 miles an hour went out for the third time, having failed the first two, to try something that had never been tried before, to unlatch and fix this satellite.

I remember watching at home sitting on the davenport as I watched Rick, this young man from Jamestown, and his two friends, standing out there outside that shuttle bay holding that Intel satellite, and then trying to work on it to see if they could get it loose. It took them 5 hours. They solved their problem.

They came to see me a few weeks later after they landed, and confident. I said, "Were you worried when you went back out?" They said, "Of course. We had no idea we could do it. We never tried that before, never practiced it. It was not in our plan. But we were up there in space, and we had to try to figure out how we were going to deal with this."

Think of it. If they failed the third time, guess what? We would have trumpeted their failure on the front page. But the failure in my judgment, and I think in this young man Rick Heib's judgment, would have been the failure to try.

There is no disgrace in trying and failing. But there is certainly disgrace in my judgment in failing to try when you know something ought to get done. Everybody in this Chamber ought to understand that we need to do something about prices in health care, and also about access because prices are too high. It would be a failure, in my judgment, for us not to address that at this point.

Those who want to certainly call, I respect your opinion. Do you want to call based on the chart and say delay this, do not do this? Everybody has every right to waive on this question. But in my judgment, we ought to join together, and not to construct a big Government solution, but to construct a solution to make health care available at an affordable price in a quality way to every single American who needs it, day or night, anytime throughout the year. That is what we ought to have in this country.

I hope that as we begin this evening this important debate that we can drive to a conclusion at the end of which would be some sort of celebration that finally, finally, after month after month after month we could have achieved something in a bipartisan spirit that we think makes sense for this country's future.

Mr. President, I yield the floor.

THE CONFERENCE REPORT ON MILITARY CONSTRUCTION APPROPRIATIONS

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER The Senator from Arizona.

Mr. McCAIN. Mr. President, it is my understanding, under a previous unanimous consent agreement in relation to the military construction appropriations bill, that I was allowed 30 minutes to speak, with the sponsors having 20 minutes each, with a series of votes now contemplated to start at 10 o'clock tomorrow morning, one of those being on the military construction appropriations bill. Is that a correct description?

The PRESIDING OFFICER. The Senator from Arizona is correct.

Mr. McCAIN. Mr. President, I would then want to use 25 minutes of my allotted time at this time, or until the majority leader seeks recognition. If the majority leader seeks recognition, then I would be glad to yield at that time. If not, I would like to use 25 minutes and reserve 5 minutes, which I would yield back if the managers of the bill yield back their time tomorrow morning. In other words, if they utilize their time, I would like to use 5 minutes of my time tomorrow. I ask the Chair to tell me if and when I use 25 minutes of my allotted time.

The PRESIDING OFFICER. The Senator may proceed.

Mr. McCAIN. Thank you, Mr. President.

I am here to speak on the fiscal year 1995 military construction appropriations bill which has emerged from conference of both Houses. I am in opposition to the bill. I have serious concerns about the continued wasteful and unnecessary spending of American tax dollars that are earmarked for defense.

Mr. President, I would like to begin by noting the fact that, over the past 5 years, the defense budget in this Nation has declined by nearly 40 percent over the last 10 years. In that same time, Congress has added over $4.4 billion in unrequested military construction projects to the defense budget.

This year, as we know, the Exon-Grassley amendment was passed, which mandated a reduction in appropriations over the next 5 years, of which some $500 million will apply to fiscal year 1995. I am trying not to make this too complicated. It was the decision of the appropriators, the members of the Appropriations Committee, to take that $500 million out of the defense budget—nowhere else. No project in any of the 12 other appropriations bills deserved any cut. All of it had to come out of defense spending.

At the same time, after the $500 million was taken out of the defense budget, we turned around and added $490 million to the military construction subcommittee. It was another decision of the appropriators. So we are talking about a billion-dollar turnaround there.

The Congress fully utilized the additional funds allocated to military construction. The House added $731 million in Members' projects. The Senate added $718 million for Senators' requests, and the 1995 military construction conference agreement before the Senate today contains $987 million in unrequested projects. That is nearly $1 billion taken from other high-priority military programs to fund congressional pork barrel projects.

It is also interesting to note, Mr. President, the General Accounting Office came out with a report that was released in July that the Department of Defense future years defense plan is underfunded by $150 billion. The report calls into question the Department of Defense's claim that the 5-year defense plan is only $20 billion underfunded.

While we are adding unrequested military construction projects, there are two things happening: One, next year, we are going to have the largest base closing announcement in the history of this country. We will close more bases next year as a result of the Base Closing Commission than the other two closings combined. So we know there are going to be draconian measures taken as a result of our overall declining defense budget, and we will close bases.

I guarantee you, Mr. President, we will have bases being closed while military construction projects are being carried out on those bases. We will be treated to the humorous—if it were not so sad—spectacle of hundreds of millions of dollars in military construction projects being built while the base closing process is going on.

At the same time, in the entire 1995 defense appropriations bill, the whole bill—not the military construction bill—we will fund 17 fixed-wing combat aircraft and 4 ships; that is 17 planes, 4 ships, and $8.8 billion in military construction projects.

Something is seriously wrong, including the fact that readiness is declining throughout our military. The Defense Science Board task force report on readiness, dated June 1994, makes cautious statements concerning how to avoid a hollow Armed Forces. It refers to pockets of unreadiness and states: "We have observed enough concerns that we are convinced that unless the Department of Defense and the Congress focus on readiness, the Armed Forces could slip back into a hollow status."

Meanwhile, the Air Force depot maintenance backlog is $868 million. The Marine Corps is suffering cutbacks in combat training; funds and time are being redirected to support peacekeeping operations. Navy afloat inventories are reduced by 40 percent. Army aviator training is funded at only 76 percent of requirements. A cut in base operations funding has reduced the standard of living of our troops, which puts men and women on food stamps. The administration proposed a 1.6-percent pay increase, but we obviously increased that.

These numbers are meaningful to many scholars. But I guess it is better to mention a graphic demonstration of where we have come to. There is funding next year for 4 combatant ships and 17 airplanes.

A few weeks ago, the USS *Inchon*, loaded with Marines and Navy personnel, returned from 6 months duty off Somalia—6 months sitting on ships, the *Inchon* and others, off the coast of Somalia. They returned to the United States and spent 10 days with their wives and families. Remember, we are talking about an All Volunteer Force. They spent 10 days with their wives and families, and then the Haitian crisis arose, and guess what? They had to go out to sea again. They are still at sea. We do not know how long they are going to remain there, if or until we invade Haiti, because we do not have enough ships.

Meanwhile, we can add on about 30 armories, $70 million worth, four reserve centers, $34.5 million worth, direct the inclusion of specific projects in next year's budget request, and include other earmarks for specific unrequested projects, such as construction of an entomology facility using unspecified minor construction funds; Philadelphia Naval Shipyard; Fallon Naval Air Station, $800,000 for a dining facility. It goes on and on.

All of these, Mr. President, were not requested by the Department of Defense. So here we are—and this should surprise no one who knows how we do business here—with the following statistics: 29 percent of the Senate got 66 percent of the added dollars, the dollars that were added in military construction; 14 percent of the House of Representatives got 72 percent of the added dollars, and they just happen to match up with membership on these committees.

Does anybody think that it is a coincidence that the unfunded military construction projects most critical to our national security just happen to be in the States represented on the Appropriations Committee? What a surprise.

Mr. President, the Citizens Against Government Waste say:

> Coincidentally, at the moment we were asked by your staff to review your amendment to delete $1 billion in pork-barrel spending from the fiscal year 1995 Military Construction Appropriations conference report, we were finishing a letter to Senators concerning the pork-laden crime bill conference report.
>
> The Council for Citizens Against Government Waste endorses your effort * * *
>
> In only one respect would we disagree with you. In the talking points prepared for the bill, you say the add-ons and earmarks are "an embarrassment for the Congress as a whole." Senator, in the 10 years since Peter Grace gave to the American people his report on Government waste, and founded this organization, the one thing that is clear is that Congress sadly seems to be beyond embarrassment when it comes to pork-barrel spending.

A letter from Citizens for a Sound Economy said:

> Citizens for a Sound Economy, a 250,000-member grassroots organization that promotes free market economic policies, supports you in your opposition to the pork-barrel spending contained in the fiscal year 1995 Military Construction Appropriations conference report.
>
> The conference report eliminated language in the Senate bill that established criteria for making military spending more fiscally responsible. Moreover, it added a slew of unrequested and expensive new projects to the bill, most of which would simply funnel money to specific States and congressional districts. Although it purports to cut $137 million from the original bill, the report prohibits the Department of Defense from eliminating any project—including the new pork-barrel items—to make this cut.
>
> The unnecessary new spending items included in the conference report constitute yet another burden on American taxpayers. As an advocate of fiscal responsibility in all areas of government, CSE urges the members of Congress not to pass the conference report on the military appropriations bill until all unnecessary spending has been removed.

Mr. President, in the Senate's consideration of the military construction bill, the simple criteria that Senator GLENN and I worked out were included in the authorization bill.

(Mrs. FEINSTEIN assumed the chair.)

Mr. MCCAIN. Madam President, we asked and had included in the Senate military construction appropriations bill the following criteria:

The project had to be consistent with past actions of the base realignment closure process. The project had to be included in the 5-year military construction plan of the military department concerned. The project was necessary for reasons of national security, and a contract for construction of the project could be awarded in that fiscal year.

In addition, the Senate position required consultation with the Secretary of Defense to obtain his views concerning the relative merits of military construction projects which were not included in the Department of Defense budget request. The Secretary would have been asked to comment on the four criteria that I just mentioned and would also have been asked to provide an offsetting reduction from another military construction project or from any other program in the defense budget.

Madam President, it does not seem to be outrageous to ask if a project is consistent with the actions of the base closing process, that a project is included in the 5-year defense plan, that the project is necessary for the national security of the United States, that a contract for construction of the project could be awarded in that year, and that the Secretary of Defense would be asked to give his views.

The conferees dropped the criteria. They dropped it. Why would they do such a thing? There is only one answer. There is only one answer as to why they would drop that criteria. It is because they do not want to be restrained by national security requirements as outlined by the President of the United States in his budget submissions and the Secretary of Defense in his evaluation of what is in our national security interests.

That is how we get billions of dollars in pork added to military construction bills at a time when we are funding a grand total of 4 combatant ships and 17 fixed wing aircraft.

Madam President, not too long ago, there was a poll taken and 13 percent of the American people believed that the Congress of the United States can be counted upon to do the right thing some of the time. I have not met any of that 13 percent, I might add, but the fact is once they get a load of this bill and what is in the defense appropriations bill, that 13 percent will disappear.

All I ask for and all Senator GLENN asks for and all that was accepted by this Senate was a set of reasonable criteria for military construction projects, a set of reasonable criteria.

I would like to hear from the conferees what was unreasonable about that criteria that made them drop that criteria for future military construction projects.

So what did the conferees do? They not only did not accept that criteria, but they earmarked a bunch of projects for next year so that they will make sure they are included in the budget request next year and not be guided by any criteria.

So, we find important projects such as Fort Bragg, NC, SOF Company Operations Complex; New Orleans, LA, Naval Support Facility; Niagara, NY, fuel maintenance hangar; Fort Campbell, KY, aircraft maintenance hangar and tactical equipment shop; Scranton, PA, organizational maintenance shop; Tacoma, WA, family housing at McChord Air Force Base; and on and on. Those are required by this bill to be included in the budget request next year. They are required to be included next year as a result of this bill.

Is this a request by the Department of Defense? No. Is there any evaluation process being followed? No. Is there any reason for these projects to be put in except that they happen to be favored by certain Members of the House and the Senate?

Madam President, it is wrong. We have 20,000 young Americans, military people and their families, now on food stamps. The number gets larger every day. We are now seeing in the All-Volunteer Force a reduction in retention. We are seeing a greater inability to recruit qualified men and women into the military. And, meanwhile, the pork barreling goes on. It goes on and on, and sooner or later, sooner or later—probably later—we are going to wake up, and we are going to find out, when we spend so many billions and billions of dollars on unneeded projects with an ever-shrinking defense budget, we are going to find out that we are not ready to defend this Nation's vital national security interests, nor do we have the qualified men and women to carry out the mission.

When you send a ship to Somalia for 6 months and then you bring that ship back and allow those people to be with their wives and families only 10 days, and then send them out again for an undetermined length of time, you are not going to keep good people in. You are not building enough ships and not building enough airplanes. But we are facing the most draconian base closing in the history of this country and we add a billion dollars to military construction projects.

I am going to be urging people with cameras to go around to the bases that are going to be closed and photograph the military construction projects that are being built on these bases.

And, by the way, Madam President, you cannot go to a base in America today where something is not being built on it. But you can go to a shipyard and find ships not being built; and you can go to aircraft manufacturing companies and find planes not being built; you can go to tank manufacturing facilities and find tanks not being built. But, by golly, we can sure find lots and lots of military construction projects that are mandated by the Congress of the United States, which have nothing to do with national security requirements.

Madam President, I would hope that we will have a significant number of votes against this bill. We may not. I would hope that the American people are aware of where their tax dollars are going, and I hope that they would sooner or later make their feelings felt—that we cannot continue in this fashion and expect to have a military that can defend this Nation's vital national security interests.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Hawaii.

Mr. INOUYE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRYOR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE

Mr. PRYOR. Madam President, we are within a very short time about to begin the debate on health care and health care reform that we have all been anticipating for a very, very long time.

We have worked untold hundreds and perhaps thousands of hours in meetings, committees, subcommittees, and task forces, Democrats, Republicans, liberals, and conservatives. We have seen some $50 to $80 million, it is predicted, to be spent on this issue of health care reform in an attempt by various groups within our country to influence this body and our colleagues in the other body to do one thing or another in this regard.

I daresay, Madam President, that there is not a Senator in this body who is not met almost on a daily basis with constituent groups relative to proposals that are in some of these plans and relative to proposals that are left out of some of these plans.

Whatever we pass, however we conclude this debate, when and if it is concluded, Madam President, I daresay that not everyone is going to be happy with its conclusion.

Madam President, I would just like to say that I think the time is now, the time is now for us to proceed and to begin this debate, to take it out of closed meetings, to take it out of small task forces, and to take it out of those areas where perhaps the public did not get to see how the decisionmaking process was actually achieved.

It is time now to bring this debate to the U.S. Senate and to the House of Representatives, so that all the people throughout our country may have the opportunity to watch their legislative bodies look at this legislation section by section and page by page.

Madam President, I have two observations as this debate begins. The first observation is, I truly believe, as one of my colleagues, Senator DODD of Connecticut, expressed last Thursday, when he asked a rhetorical question, when he asked in that question, why not? Why can we not, as 100 Members of the U.S. Senate, for at least a period of 2 or 3 weeks, drop the partisan concerns, political labels, and look at what is best for this country?

Madam President, I have great concerns that on the floor of this U.S. Senate, we are going to see what I truly believe is going to happen—I wish I did not have to say this—but I believe that we are going to see a tremendous number of half-truths spoken, a tremendous number of statements that are made that are not backed up by fact.

Then we wonder why, and why again, do we see the true American public's feeling for this political institution on the downward slide.

I hope, Madam President, that today, as this debate begins, whichever side of the aisle—Democrat or Republican; liberal or conservative; those who want to move now and those who want to wait until later—all of us will pledge one thing: that whatever we say and however we say it, it will be the truth. Maybe it will not help our position, our respective positions, at all times to tell the truth, but in the long run, Madam President, I truly believe that the American people will respect us, and respect us more, if they know that we are telling the truth about this extremely complex and volatile issue.

The other request I would have, Madam President, is that on the floor of this body we would not use fear tactics; that we would not try to scare the American public; that we would level with the American public; that we would state our position and ultimately have an up or down vote, resolve the issue, resolve the issue as thousands and thousands of other issues have been settled by this body, by a legitimate debate, by a constructive debate, by debate which states different points of views, and then ultimately decide on a yes or no vote, up or down, whether we believe that we should put this section in or have that section out. I think that is the way, Madam President, that we should proceed.

But, regardless of all of that, I think it is very important tomorrow, on the vote on the amendment offered by the Senator from North Carolina, for us to realize that we have at this moment an opportunity that may not come to us in our lifetime again, an opportunity to do something regarding one of the number one problems of American society, and that is to provide universal, affordable health care, with a new partnership of local, Federal, State, private industry, private citizenry, business, all of us together working together to provide that partnership which will provide universal coverage for all of our citizens.

Madam President, tomorrow, the amendment of the Senator from North Carolina is going to be phrased something like this, and I am paraphrasing: Let us wait until next year. Let us postpone any action that we might be thinking about taking now.

Madam President, this morning, driving to work, I started thinking of myself just a moment or two. And I said, "You know, DAVID PRYOR, you have been in the U.S. Senate for now 15 years and during those 15 years, you have heard each year someone say that we need to take a look at reforming health care."

We came close to some reform in catastrophic coverage. That was repelled. We came close to really examining our health care system during the Pepper Commission days, of which I was a member, and our fine colleague, the Senator from West Virginia, Senator ROCKEFELLER, chaired with great dignity and great honor.

I said, "Well, I have been here 15 years and yet we have seen no real changes in health care. Nothing. No real changes.

Every year we get to a point and we say, "Well, let's back away. Let's wait until next year. Things will be better. Let's wait until after the next election."

But there is always a next election, Madam President.

Then I got to thinking, "Well, if I have been doing this 15 years, what about my colleagues in the Senate? We have all been waiting our time for this opportunity to come."

Then I started to think, "Well, you know, I wonder how many collective years we have had in this body."

And so this morning I asked a very enterprising intern to do a little research. I said to this individual, "How many Democratic man or woman years do we have in the U.S. Senate?" The answer, 692.

"How many Republican man or woman years in the U.S. Senate of those of us who now serve in this body?" The answer, 544.

I added those two together, Madam President, and there are 1,236 years represented in service in the U.S. Senate of the presently seated 100 Senators—1,236 years that we have been waiting, postponing and not meeting our obligation.

It is time, Madam President, that we met that obligation. It is time we started this debate. It is time that we fulfilled our commitment to debate, and debate honestly, debate out in the public where our people can watch us, watch these decisions being made, and to ultimately call the roll.

It is time, Madam President, that that roll be called. It is time that these 1,236 years represented in the U.S. Senate at this time be called to service and called to action and to decide that now is the time to begin, now is the time to proceed, and above all, Madam President, now is the time to decide.

Madam President, I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

UNIVERSAL HEALTH CARE IN HAWAII

Mr. INOUYE. Madam President, listening to my friend from Arkansas, he inspires me to say a few words myself.

Madam President, Hawaii became a State 35 years ago. It is the 50th and the last State of the Union. We are located very far away from Washington, DC. There is an ocean that separates us from the mainland.

But we knew that health care was very important to Hawaii and to this Nation. When we became a State we said to ourselves, "I am certain Congress will pass a national health law." And we waited. Finally we decided we could not wait any longer, so 22 years ago the legislature in Hawaii started the debate on health care. It went on for about a year. It was a rather contentious debate, and the words we hear today bring back memories of the past: Employer mandate—that was a big term in the Hawaii debate—small businesses, taxes, bankruptcies.

Madam President, being so far away, the cost of living in Hawaii is about the highest in the Nation. With everything we purchase there is a cost of transport, it is either flown in or shipped in. Our real estate is so limited because of our insular situation that it is very expensive. I chuckle to myself when I see real estate prices in Bethesda, which is considered expensive: $3 a square foot in Bethesda. A comparable in location in Hawaii would cost $15 to $20 a square foot. The average cost of a new residence, and I am not talking about a castle: $235,000. Everything is expensive with one exception: Health care. For 20 years we have had universal coverage.

It has been said that the costs of small business will rise and you will see bankruptcies. In Hawaii the insurance premiums for our small business is 30 percent less than the national average. We have the lowest premiums in the United States. Everything else is expensive. The exception, health care.

We know it works. We know that universal coverage is not a dream, it is a reality—in Hawaii it is. Employer mandate is nothing that we should be afraid of. Oh, yes, in the early days our business community fought it and all these dire predictions were made. But we are prospering in Hawaii. We do well. And our people are healthy.

The most recent report of the Department of Health indicates that folks living in Hawaii will live longer than folks living in any of the other 49 States. That is the difference. We would like to see our brothers and sisters in the other 49 States benefit from a national health program. Because in this bill we have insisted that whatever you pass—we know that it will not exceed the benefits of Hawaii, and we feel sorry for you—but we want to make certain that our program that we adopted 20 years ago be the law of Hawaii.

Someday we hope that you will catch up with us. I hope the time will come soon.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 539, S. 2351, the health care reform bill, for 4 hours of debate only, equally divided between the two leaders, or their designees; that upon the conclusion of the votes ordered to occur beginning at 10 a.m. tomorrow, the Senate resume consideration of S. 2351 for 4 hours for debate only, equally divided between the two leaders, or their designees; and that upon the conclusion of that time, the Senate resume consideration of H.R. 4650, the Defense appropriations bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Madam President, I say to Members of the Senate, I will shortly make an opening statement on the health care bill, following which the distinguished Republican leader will be making an opening statement.

Under the provisions of the agreement just entered into, there will be a total of 4 hours for debate this evening, equally divided, followed by 4 hours of debate tomorrow, equally divided.

The debate tomorrow will begin following the completion of a series of votes now scheduled to begin at 10 a.m. That means that at approximately 11:30 tomorrow morning, depending upon how many votes are scheduled and how many occur, the debate on health care will resume.

We have had a lengthy series of meetings during today to discuss the handling of the schedule for completion of action on the health care bill and a number of other matters, including the pending defense appropriations bill. And although we are not able to reach final agreement on that, I think it is fair to say—and I will invite the distinguished Republican leader's comments after my remarks—that I believe we will be able to reach agreement on those other matters either during the evening today or tomorrow. I expect to have a further announcement in that regard.

Before I proceed to make my opening remarks, I invite the distinguished Republican leader to make any comments he wishes with respect to the agreement that we have just entered into.

Mr. DOLE. Madam President, the majority leader is correct. There are still a number of, I would say, fairly minor issues that we have not resolved. We think we can resolve those. So that in accordance with the wishes of both the majority leader and the minority leader, once we are on health care ready for amendment, we will stay on health care with the exception of any privileged matter that might come, and my view is that we will have that resolved either later tonight or sometime tomorrow.

If we could reach that agreement, that would indicate we might complete the DOD appropriations bill and some other minor measures.

HEALTH SECURITY ACT

The PRESIDING OFFICER. The clerk will report the bill, please.

The assistant legislative clerk read as follows:

> A bill (S. 2351) to achieve universal health insurance coverage, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Madam President, I yield myself such time as I may require.

As noted earlier, I designated Senator MOYNIHAN to control the remainder of the debate time this evening and tomorrow.

Madam President and Members of the Senate, tonight we begin debate on health care reform legislation. We will undertake no more important task in this Congress. What we do will affect every American family.

In preparing this legislation, I was guided by one principle: The purpose of health care reform is the well-being of American families. The insurance industry and health professionals are important parts of the system. But they are a means to an end. The end—the real goal—is the well-being and peace of mind that Americans should have with respect to their health care.

Health care reform is a matter of simple justice. Human beings are born unequal in ability and in strength. None of us chooses our family circumstances. None of us is immune to bad luck. We are all susceptible to accident and illness. We all grow old.

Health care takes 14 percent of our gross domestic product, more than in any other developed nation. Americans pay the highest medical bills in the world. Thirteen years ago, the average family paid about $145 a month for health insurance. Today, that family pays over $430.

If we do not control costs, in 6 years' time, that family will be paying more than $900 a month for health insurance.

All that expense might be worth it if America led the world in adult life span or in low infant mortality. But it does not.

Some people cannot get coverage for the health condition for which they need care. Some people stricken with serious illnesses find that so-called lifetime insurance limits are used up long before their condition improves. Some families whose children have medical needs find themselves redlined out of insurance coverage, so a sick child's healthy brothers and sisters are put at risk. Some families whose parents suffer disabilities as they age face years of providing in-home care, or the bankrupting costs of long-term care because there is no affordable alternative.

Everyone engaged in the health care reform effort has heard firsthand the stories of people, ordinary working people, middle class professionals and high school football stars whose health bills are ruining their lives and limiting their futures.

Senator REID told us of a man in Nevada who is able and is willing to pay for insurance for his college student daughter, but he cannot because there is not an insurance company in the country that will insure his daughter. She was born with a malfunctioning adrenal gland and is a victim of juvenile diabetes. She takes medication every day to control her symptoms and sometimes she needs hospitalization.

Her father wants to pay for insurance coverage. He can afford to pay for insurance coverage. But he cannot find anyone willing to sell it to him. He told Senator REID, and I quote,

> Neither Laura or I are looking for a government handout. We are willing to pay even at a premium price. * * * Isn't it ironic that we mandate automobile insurance companies to pool their assets and provide automobile insurance to high risk drivers but we do not require the same for health insurance companies. Health is far more important than driving.

So said a man from Nevada.

And he was right. If the States can demand that auto insurers cover the risks resulting from bad driving behavior—behavior that can be controlled and influenced and prevented—it is not beyond our ability to require health insurers to cover those whose conditions do not arise from behavior but from circumstances and bad luck.

My bill will do this.

Insurers will not be able to reject a person because that person had the bad luck to be born with a malfunctioning gland or to contract a disease in childhood or to suffer an accident with long-term effects, or for any other cause.

Senator KENNEDY told us about a small company in Massachusetts, a family-run company with five workers whose owners have four active boys of their own.

They have been forced to limit the sports their sons can play because they cannot afford potential injuries. They have to pay more than $1,400 a month for three family policies for themselves and workers. They have been forced to delay payments on bills and use personal credit cards for business expenses.

Health insurance costs are in effect running their company. Health insurance costs are dictating to the people who own the company what they do, how they do it, and when.

These are typical small business people, trying to create their own stake in society, building their own enterprise and doing what the rhetoric of entrepreneurship is all about. And yet their efforts are being devastated by something entirely beyond their control.

If this family were running the same business in Germany or Japan, they would be able to concentrate on their business, and their sons could play football or ice hockey or whatever other sport they wanted. Their lives would not be dominated by insurance company policies.

They are not alone. In every State in our country, there are literally thousands of small business owners caught in the vice of spiraling, unaffordable costs for health care and unavailable, unaffordable insurance coverage for health care.

Senator BOXER told of a Californian, a young 19-year-old boy who had been a high school football star in Sonoma County. Stricken with cancer, a terrible disease that every American fears, his only chance of overcoming the cancer was a bone-marrow transplant, but his health insurance did not cover it.

Sick, dying of a cancer, he and his family were forced into the all-too-common spectacle of advertising their need and fund-raising to meet the costs.

Sick people and their families should not have to make a public appeal for money so they can have the medical treatment they need.

Americans are generous and these fund-raising appeals often succeed. But ask yourselves, what price do they demand of the sick people forced to undertake them? What kind of a society demands public pity and charity for its own people when they are most in need of rest, comfort, privacy and personal strength? High costs are driving ordinary Americans to choices that no civilized society should tolerate.

A retired nurse in Rapid City, SD, living on a fixed income, said the costs of her heart medication controlled her life: "You really have to choose. Do I eat or do I take my medicine?" If we do not change this system, more and more Americans are going to be forced into that kind of choice. Is that what we want? Is it what people deserve after a lifetime of honest work? I do not think so.

A working woman in Cleveland, OH has a form of emphysema that requires IV infusions four times a week at the cost of $2,300 a week. Who can afford that? She cannot.

She lost her job and with it her insurance. She had to file personal bankruptcy to be eligible for Medicaid. This is a person who worked all of her life, paid her bills, played by the rules, but in the end, when she needed the help for which she paid premiums for decades, it was not there.

Why is our society willing to allow people to experience the degradation and the humiliation of begging for care after a lifetime of work and personal responsibility? It is not fair and it should not continue. There are too many people forced into this kind of choice.

There is a crisis in American health care. It is a crisis of affordability and price. It has to change.

I have proposed legislation which I believe will meet the need, which will make the change with the least disruption to the parts of the system that work well for millions of us.

The problem is that the money we all pay into our system does not deliver to those who need it the care they need when they need it at a price they can afford.

People with secure comprehensive coverage—Members of Congress, or Federal workers, and State employees, or the employees of most large corporations—are well served by our system.

But for other Americans the situation is very different. For them the difference between financial security and destitution can be as simple and dramatic as an auto accident or a weak heart valve.

The difference between secure coverage and an unaffordable policy can be as heartbreaking as one sick child.

That is not fair or right. That is why we need reform.

My approach is to build on the existing American health care system of private insurance and expand it to those not now included—Americans who cannot afford insurance, people with an illness that insurers will not cover, people between jobs.

My plan would move most of the persons now covered under Medicaid into the same system of private insurance and care as the rest of us. Put another way, my plan would reduce one of the largest Government programs—Medicaid—and encourage those in that system to buy private insurance policies.

My bill includes all of the insurance market reforms on which there is broad agreement: Insurance companies will not be allowed to reject applicants for pre-existing conditions. Insurance will travel with the person, so Americans will not be locked into jobs. Policy renewal will be guaranteed, so people who fall ill are not cut off from coverage when they need it most.

My bill creates incentives for cost control through the competitive pressures of employers and consumers looking for the best priced coverage.

Private price competition among insurers is the best way to find out where the fat lies in insurance coverage. As long as there are incentives to look for price economies, the private system will shake out those who cannot compete by price. My bill is designed to encourage that process without compromising the quality of care.

As a backup cost containment mechanism I have included an assessment on high-cost insurance plans whose prices rise too quickly.

This will make insurers more price-sensitive, because high-cost plans will be unattractive to the middle class which is the principal market for their product.

My bill will create universal coverage through a voluntary approach. Based on discussions with the Congressional Budget Office, I am confident that its provisions will assure that 95 percent of all Americans will be covered by guaranteed, portable, renewable insurance over the course of the next 6 years.

I have included a backup mechanism in the bill if, for some unforeseeable reason, fewer than 95 percent are covered by them. But I believe the CBO estimate—that this bill will achieve 95 percent coverage in a deficit-neutral way—is sound.

Health insurance for all Americans is the key to reform. Without it, we face continued cost-shifting.

We now have a system where some have coverage and some do not. Those who have health insurance are subsidizing those who do not. That is cost-shifting. Doctors, hospitals, clinics, and all other health care providers compensate for unpaid care by charging more to the people who have insurance.

That added charge is not paid by the insurance companies. They add it to the premiums that are paid by every insured family and individual. As a result, insured Americans pay as much as 30 percent more for their coverage to pay for cost-shifting.

The only way to stop cost-shifting is to cover everyone.

To make insurance more affordable, my bill provides for the States to create voluntary regional or statewide health purchasing cooperatives. These coops will not be allowed to turn down qualified applicants, and they will be required to offer a choice of plans to all buyers.

Any American in a community-rated insurance pool will be able to enter the Federal Employee Health Benefits Plan. It offers many different plans among which to choose.

Many Americans believe they should have the same health care Members of Congress get. My bill provides that opportunity.

My plan reaches the millions of Americans who are self-employed, the millions more who are out of work or between jobs, and those covered by Medicaid. My plan integrates all of these people into a national system of private insurance. With the end of acute-care Medicaid, there will be less government involvement, not more.

Many working people will need a subsidy to afford health care coverage. Employer-paid health insurance is subsidized today through the tax system at a cost of almost $74 billion. My bill makes direct subsidies to those who qualify. It includes tax benefits for the self-employed beyond what is available to them today.

These subsidies, direct and indirect, will not be an entirely new obligation on the Federal or State governments. They are largely financed by reorganizing obligations that taxpayers already shoulder through Medicaid.

A major strength in our system is the element of choice. My bill will expand choice and will increase incentives to compete by price and quality to those offering insurance coverage.

Today, most people's health care choice are limited to one plan that their employer offers. My bill requires every employer to offer at least three plans. The employer will not be required to pay any part of the costs of coverage, but will be required to make at least three plans available to everyone.

At least one plan will have to be traditional fee-for-service. Other plans could be health maintenance organizations or other group practice programs. The goal is to assure that each worker has the choice of a lower-cost plan as well as higher cost options.

A lot of attention is focused on the role of employers in our system.

For small companies, the current health care system is a nightmare of unfairly allocated administrative costs, unaffordable rates, and medical redlining, where all the workers in the company are refused coverage because one of their coworkers has a health condition. As much as 40 cents of every health insurance dollar paid by a small company goes to administrative costs. Smaller firms face rates 30 to 35 percent higher than larger firms for the same coverage.

Despite that, many small companies provide health insurance for their employees. Let us give some attention to them, the substantial number of small businesses that do provide health insurance for their employees. Let us help them with their problems. Those who do not want to provide insurance will not be forced to do so by my bill. But surely they should not dictate the terms for those who do provide insurance to their employees. To sum up, let us help deal with the problems faced by small businesses who do provide health insurance to their employees and encourage those who do not to do so.

Because primary and preventive care is the key to solving enormous cost problems in our health care system, I have designed my program to focus in particular on pregnant women and on those people 18 years of age and younger.

The costs of low-birthweight babies in this country are astronomical. Many infants weighing a few pounds at birth cost all of us hundreds of thousands of dollars for immediate intensive care, and many more thousands of dollars every year through their lives for the physical or developmental problems that accompany low birthweight.

Much of this additional care and its costs are preventable. The General Accounting Office found that 63 percent of women on Medicaid, or without insurance, do not get proper prenatal care. About 1 in 8 has a low-birthweight baby as a result. The annual cost was estimated to be $3.3 billion 10 years ago. It is higher today, and it will climb even higher if we do nothing.

So my bill focuses on this need, because correcting the lack of preventive care for young, pregnant, at-risk women is right and cost effective.

In addition, because preventive and primary care reduces costs for everyone, my bill's benefits package will not require copayments for preventive care. It creates an incentive for people to have regular annual checkups and to seek earlier care.

The keys to health care reform are access, affordability, and universal coverage. Those who say the problem is access and not price are mistaken. It is both access and price.

There is agreement on access. All of us agree that it is wrong for insurers to redline sick people, to refuse to cover preexisting conditions, and double, triple, or quadruple premiums when an insured person becomes ill.

I know of no Senator willing to defend these now commonplace insurance tactics.

No Senator will stand here on the Senate floor and tell Americans directly that he or she thinks it is fine for insurance companies to throw sick people off their rolls, to refuse to cover diabetes or epilepsy, to turn down children with asthma, or people with cancer.

Madam President, this should not be a political debate. It should be a debate about the best way to deal with the real life problems of real life Americans when they fall ill, when their children fall ill, and when their parents age and need care. There is nothing political about that. Those who are trying to inject politics into it will find themselves on the wrong side of history, just as the opponents of Social Security did, just as the opponents of Medicare did. Many of the arguments used today against health care reform are the same arguments used against Social Security and Medicare when they were debated. Some of the words are the same. Yet, despite fierce opposition, they became law. And who among us today opposes them? Not one. Not one Senator has stood on this Senate floor and said: I favor the repeal of Social Security. Not one Senator has stood on this Senate floor and said: I favor the repeal of Medicare. And I predict not one will. That is because Social Security and Medicare work, and Americans know they work, and Americans support them.

As a result, Americans could not be persuaded to repeal Social Security and Medicare by the same arguments being made now against health care reform. Human beings are made anxious by change. It means uncertainty. So it is that every major change in our Nation's history has been bitterly fought. Those who oppose change have tried to transform people's natural anxiety into fear. It sometimes worked for a while. But then when fully informed, Americans have looked to the future with the same optimism and courage that have been our Nation's distinguishing values. I believe it will be so with health care reform, as it was with Social Security and Medicare. They are so strongly supported now that across the distance of history it is hard to figure out what all the fuss was about. And once we pass health care reform, I believe the same thing will happen. Let us be clear about that.

The arguments being made today against health care reform are the same arguments as those made against Social Security and Medicare. To the extent that they now work against health care reform, they do so because of the public's uncertainty and anxiety about change. But those arguments would not work at all against Social Security or Medicare now, because there is no uncertainty about them. To the contrary, there is knowledge and certainty, based on the experiences of millions of Americans over many years. Americans know and understand Social Security and Medicare, and they support them. And that is why no one will stand and propose that they be repealed. I believe that Americans will feel the same way about health care reform once it occurs and they experience the improvements it brings.

Madam President, as we begin this debate, I want to say again what I have said several times previously—that I look forward to constructive suggestions to improve the bill I introduced last week. Democratic and Republican Senators have been active in the health care debate for well over a year. Many have valuable contributions to make.

It is my goal that the Senate pass the best possible health care reform bill, not a bill with a Democratic label, or a Republican label; not a bill with my name on it, or the name of any Senator on it, but simply the best possible bill that will reach the goal we all should share, guaranteed private health insurance to provide high-quality health care for every American family.

I believe my colleagues in the Democratic Party want to achieve that goal. I believe many of my colleagues in the Republican Party want to achieve that goal. And American families do not care about our party labels. In this health care debate neither should any of us, because health care reform goes to the heart of the quality of life of all Americans. If families have to spend a larger and larger share of their income to pay higher and higher health care costs, all the productivity increases, the hard work, the effort they make, will be swallowed up in the years ahead because health care spending will erode all of their wage increases. That is why I urge and encourage my colleagues, Democrats and Republicans alike, to join in the debate, to offer constructive suggestions to improve my bill.

The future quality of life of millions of Americans depends on how firmly we put aside partisanship now and concentrate instead on crafting the best possible reform legislation that we can.

My bill has been criticized as too weak by some and as too strong by others. Some say it goes too far. Others say it does not go far enough. Some say it moves too fast. Others say it does not go fast enough.

That is what happens when you are in the middle, where this bill is.

But I emphasize that despite our differences I believe that we share a common goal, all of us—the well-being of American families today and the high quality of life for their children in the future.

And that should be the central issue in this debate.

There is a crisis in American health care. It is a crisis of affordability and access to care. It must change.

I have proposed legislation which I believe will meet the need for change and which will make it with the least disruption to the parts of the system that work well for millions of Americans. We have the ability and today, thanks to President Clinton's efforts, we have the public's attention as well.

I say to Members of the Senate that it is time to act. I believe my bill is a good starting point for action. I welcome constructive suggestions and alternatives to it. I look forward to the debate. Let us debate. Let us amend. But in the end let us all do what is right for the people of this country.

STATEMENT UNDER SECTION 27 OF THE CONCURRENT RESOLUTION ON THE BUDGET

Mr. SASSER. Mr. President, on behalf of the Committee on the Budget, under section 27 of the concurrent resolution on the budget, House Concurrent Resolution 218, I hereby submit revised budget authority and outlay allocations to the Senate Committee on Finance and revised aggregates in connection with S. 2351, the Health Security Act.

Section 27 of the budget resolution states, in relevant part:

> **SEC. 27. DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE.**
>
> (a) * * *
>
> (2) BUDGET AUTHORITY AND OUTLAY ALLOCATIONS AND REVENUE AGGREGATES.—In the Senate, budget authority and outlays may be allocated to a committee (or committees) and the revenue aggregates may be reduced (as provided under subsection (c)) for direct-spending or receipts legislation in furtherance of any of the purposes described in subsection (b)(2) within that committee's jurisdiction, if, to the extent that this concurrent resolution on the budget does not include the costs of that legislation, the enactment of that legislation will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—
>
> (A) fiscal year 1995; or
>
> (B) the period of fiscal years 1995 through 1999.
>
> * * * * *
>
> (b) * * *
>
> (2) PURPOSES UNDER SUBSECTION (a)(2).—Budget authority and outlay allocations may be revised or the revenue floor reduced under subsection (a)(2) for—
>
> * * * * *
>
> (B) to make continuing improvements in ongoing health care programs, to provide for comprehensive health care reform, to control health care costs, or to accomplish other health care reforms;
>
> * * * * *
>
> (c) REVISED ALLOCATIONS AND AGGREGATES.—
>
> (1) UPON REPORTING.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on that legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised aggregates to carry out this section.
>
> (2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (b)(2)(B), upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised aggregates, if the enactment of that legislation (as proposed to be amended) will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—
>
> (A) fiscal year 1995; or
>
> (B) the period of fiscal years 1995 through 1999.
>
> (d) EFFECT OF REVISED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates submitted under subsection (c) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this concurrent resolution on the budget.
>
> (e) REPORTING REVISED SUBDIVISIONS.—The appropriate committee may report appropriately revised subdivisions of allocations pursuant to sections 302(b)(2) and 602(b)(2) of the Congressional Budget Act of 1974 to carry out this section.

On August 2, 1994, the Committee on Finance reported S. 2351, the Health Security Act. Within the meaning of section 27(a)(2) of the budget resolution, the Health Security Act constitutes legislation "to make continuing improvements in ongoing health care programs, to provide for comprehensive health care reform, to control health care costs, or accomplish other health care reforms."

The Health Security Act also meets the other requirement of section 27(a)(2) of the budget resolution that,

> the enactment of that legislation will not increase (by virtue of either contemporaneous or previously passed outlay reductions) the deficit or aggregate outlays in this resolution for—
>
> (A) fiscal year 1995; or
>
> (B) the period of fiscal years 1995 through 1999.

As the Health Security Act complies with the conditions set forth in the budget resolution, under the authority of section 27(c)(1) of the budget resolution, I hereby submit to the Senate appropriately revised budget authority and outlay allocations under sections 302(a) and 602(a) and revised aggregates to carry out this subsection.

I want to note, as well, that I shall in all probability be submitting further revisions of these allocations and aggregates for amendments to the Health Security Act, as required by section 27(c)(2) of the budget resolution, which states:

> (c) REVISED ALLOCATIONS AND AGGREGATES.—
>
> * * * * *
>
> (2) ADJUSTMENTS FOR AMENDMENTS.—If the chairman of the Committee on the Budget submits an adjustment under this section for legislation in furtherance of the purpose described in subsection (b)(2)(B), upon the offering of an amendment to that legislation that would necessitate such a submission, the chairman shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised aggregates, if the enactment of that legislation (as proposed to be amended) will not increase (by virtue of either contemporaneous or previously passed deficit reduction) the deficit in this resolution for—
>
> (A) fiscal year 1995; or
>
> (B) the period of fiscal years 1995 through 1999.

As these reserve fund submissions shall accommodate amendments, I shall make them for the time that the amendment is either pending or adopted (if the amendment is adopted). If the Senate rejects the amendment, the reserve fund submission for that amendment shall lapse, and the allocations and aggregates shall revert to the levels they would have in the absence of that reserve fund submission. I have worked out this procedure in advance in consultation with the ranking Republican member of the Budget Committee and the Senate Parliamentarian. We hope that it will allow deficit-neutral floor amendments to the Health Security Act to proceed in a fashion similar to deficit-neutral amendments reported by the committee of jurisdiction.

I ask that an explanatory table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RESERVE FUND FILING PURSUANT TO SECTION 27 OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FY 1995—RESERVE FUND FILING FOR S. 2351, THE HEALTH SECURITY ACT

[Adjustments to aggregates and allocations; dollars in billions]

	1995	1996	1997	1998	1999
AGGREGATE TOTALS					
Budget authority	1.400	1.800	13.900	26.500	25.500
Outlays	1.400	1.800	13.900	26.500	25.500
Revenues	1.400	1.800	13.900	26.500	25.500

	1995	1995–99
FINANCE COMMITTEE ALLOCATIONS		
Budget authority	1.400	69.100
Outlays	1.400	69.100
Revenue	1.400	69.100

The PRESIDING OFFICER (Mr. REID). The Republican leader is recognized.

Mr. DOLE. Mr. President, before I make a formal statement, of course this is only preliminary because we are going to have a lot of debate on this issue and I assume there will be hours and hours and days and days and weeks and weeks of debate, so we are not getting into the sort of the guts of anybody's particular bill.

But I listened very carefully to the distinguished majority leader, a friend of mine, and we work together. We do not always agree, but we have to work together—we do not have to. We do work together. We are friends. We understand the necessity for the leaders to try to keep things moving.

I do not doubt for a moment his commitment and his sincerity. But we have different views from time to time, and I think in this area at least at the moment we have different views.

I listened particularly to the cases he cited, because without any doubt there are people in great need in America. We are trying to figure out, all of us or most of us, how we can assist those people without damaging the best health care system in the world.

We all receive a lot of letters on health care and every other issue, and probably the most eloquent one I have seen so far on this issue was passed on to me by Senator GREGG and written by Dr. John Schermerhorn, a constituent of his.

I would like to share a portion of that letter with you now.

> Recently, my ten year old son was a victim of a near drowning. Thanks to the intervention of people at the scene, he survived the initial incident and was transported to a nearby hospital where he received superb care and treatment, was stabilized, and then sent to the Children's Hospital in Boston—about an hour away from where we were.
>
> With God's help and the outstanding care and treatment that he received in the intensive care unit at Children's, my son is awake, alert, and sitting up in his room—surviving with virtually all his physical and mental faculties intact* * *
>
> After the initial crisis had passed, I sat in quiet reflection of the entire episode, and it dawned on me with chilling clarity that, had the Clinton health plan been in effect, the outcome could have been drastically different.
>
> In the scheme of things that (the President) proposed, we would not have been able to send our son to Boston, but would have been relegated to some other hospital, if any. The penalty for "going against the plan" would be a ten thousand dollar fine, and possible jail sentence* * *
>
> I have no feelings of rancor—just fear that events could have been taken out of my control and put into the hands of some unseen, uncaring, bean counting bureaucrat, whose only concern was compliance to a Government policy that only leads to mundane mediocrity.

And Dr. Schermerhorn concluded his letter by writing—

> The choice comes down to a simple question: If you were in my place, would you want the freedom to determine your child's care and outcome, or would you rather be forced to accept whatever the Government will give you* * *

I think that is what this debate is all about.

America has the best health care delivery system in the world. America has the best health care delivery system in the world. America has the best health care delivery system in the world. And I repeated it three times because I am concerned that actions we might take in this Chamber the next couple of weeks or so will mean those words are no longer true.

I was on a talk show last night in my home State in Wichita, talking back and forth to business people, working people, and they are afraid. I do not know their politics. I never know who calls in on radio talk shows. You do not know their party affiliation. You know they are probably hard working people.

They were very determined in their view that the one thing we do not need is more Government, more Government control, more agencies, and some national board somewhere that is going to make their life miserable.

A lot of people have experienced miracles in health care in America, and I have been fortunate to be one of those. And had I returned from World War II to any other nation I am not certain what would have happened to me. But in America at the time, in my view, I had the best treatment possible.

I am not here to talk about myself, because it was large to me, but mine was just one small miracle among the millions who are saved and their lives prolonged as are the lives of Americans every day, week, and year.

What makes those miracles possible is the American commitment to the freedom of individuals, the freedom of markets, and not the Government.

There is something else I know from firsthand experience. The fact is there is nothing worse than not being able to afford health care for yourself and your family, and I think that it is very important we understand that there are many people out there, as the distinguished majority leader pointed out, who have that problem today.

And Republicans know very well there are people in need. Republicans want to help. In fact, we have been working for a year and a half on a bipartisan plan under the aegis and leadership of the distinguished Senator from Rhode Island, Senator CHAFEE. We were probably into the health care debate before President and Mrs. Clinton.

The plan sponsored by myself, Senator PACKWOOD, and 38 other Republican Senators as we introduce today will make our system more affordable and more accessible to millions of Americans. It is 619 pages. All these bills are lengthy. We will also introduce an analysis of the bill, a section-by-section analysis. If anybody will read it carefully instead of passing judgment without reading it they will find it does a great deal. And we will be talking about this particular bill later on.

I think the White House and perhaps some of my colleagues on the other side think only they want to improve the system and only they are for the little guy and Republicans are for the status quo, that we do not want to do anything.

Again, I just suggest you carefully read the summary of our health proposal and find out precisely what it does. It is about 30 pages. It is a very comprehensive package. We did not put it together overnight, and it was not a cut-and-paste job. We spent a lot of time on it and had a lot of debate. It took months to get the consensus, and we are proud of it. We are not defensive about it at all.

It is our hope that, before this debate ends, some of our colleagues on the other side of the aisle will take a look at it—just as some of our colleagues on this side of the aisle are taking a look at Senator MITCHELL's bill—because we think it has a great deal of appeal, and for the right reasons. It has good provisions, deals with Americans' problems, deals with real problems Americans are having when it comes to health care.

Affordability and accessibility, in my view are the important two words. Forget all the others—affordability; accessibility.

Everybody wants to help those who are blocked from getting insurance because of a preexisting condition.

We believe we can make health care more affordable and more accessible and we can take care of the preexisting condition and portability and malpractice reform and pooling for small businesses and probably 25 other things that if you had a vote in this Chamber, it probably would be 99 to 1; there would be probably 1 that did not get the message, but it would be almost unanimous.

We believe we can do that without new taxes, without having the Government tell you what will be included in your health insurance, and without, in many areas, putting Federal bureaucrats in charge of your health care system.

And my colleague from Maine, the majority leader, talked about Social Security. It was 32 pages long; Medicare was 137. Senator MITCHELL's bill is 1,410 pages; ours 619. They were not as complicated. Maybe times were not as complicated.

Mr. President, it seems to me, this debate is just too important, as has already been stated by the majority leader, to degenerate into false accusations and partisan bickering. And it is too important to be completed in any rushed or haphazard manner.

There are a lot of questions that are going to be asked by Members on both sides over the next week or several weeks. If we stick to the facts, we may find the facts and we may agree on some changes and we may come out of here yet with something that the American people would accept.

But what I see developing now is a 51-vote strategy, where we are asked to clean up the bill so others can vote for it. I am not certain that is a strategy. I am not certain that is a strategy.

So we ask ourselves questions: Will we trade in a health care system based on individual freedom, for one based on Government control? That is a legitimate question.

Will countless small businesses be forced to close their doors and countless more working Americans lose their jobs because of Government mandates? That is a serious question. I do not care what you say about mandates, it is a serious question.

And if you live in a State like Kansas, where 90 percent of our employers have 10 or fewer employees, it is a serious question. Most of them have five or six, and most provide all the care they can. They should.

But there comes a time when you have to make choices: Do I have fewer employees or do I go into some other line of business? Or what do I do with or without subsidies and with or without other efforts to attract employers?

Are you going to be able to choose a policy that fits your budget and your needs—that is very important—or is somebody going to tell you you are going to get this mandate and you cannot buy any less? That is what you are going to be told.

If you are young, no children, unmarried, you have to buy a basic benefits package. You cannot just buy catastrophic. You cannot have a medical savings account. You cannot do that, even though you would like to spend that money somewhere else.

And what about all the people who are self-insured and all the businesses that are self-insured? Sixteen million are going to be let out under the proposal of my colleague if you cut off this 500; so that adds up to about 16 million that are going to see their insurance rates maybe skyrocket.

And what about new taxes or increased taxes? Some count 17 new. I only count 16. I do not count part B Medicare as an increase in taxes because I have long believed if you can afford it, you ought to pay a little more.

And how much is it going to cost? We just received a copy of some of the figures from the Congressional Budget Office.

And it is rather strange, the day after, I guess the very day, maybe this morning, I read in the Washington Post about entitlements and about the entitlements commission and about their dire predictions, and we are about to create more new entitlement programs. We have not learned anything. We appoint this commission and they tell us if we do not do something by the year 2005 or 2010, we are going to double our taxes. So we set out to say, "Well, that is a terrible problem. Let's create some more entitlement programs right now."

And we create a new one in our bill—low-income subsidies. But we do not include prescription drugs, or long-term care, or early retirees, or some of the other entitlement programs that have been talked about.

So somebody has to explain all of this to us. Maybe we have overlooked something. We appoint one commission that says there are too many entitlement programs that we ought to do something about, then we bring out a bill that creates three or four more big ones. These are big ones. Maybe 100 million more Americans are going to be subsidized; 100 million or more, much bigger than Social Security or Medicare combined.

Some of us live in rural areas and we have to ask a question: Are hospitals or inner cities going to have the resources to survive? Will there be enough specialists trained in our medical schools? Will you be free to seek them out, wherever they may be? Legitimate questions. Are we going to have quotas?

We do need more primary care physicians. In our bill we do it through incentives. In others, they do it through quotas.

You cannot be a cardiologist, you cannot be a specialist, because we do not need you anymore. Well, we do not need you right now, but if we need you next week, you are not going to be trained for it.

We need to ask these questions of the Senate Finance Committee.

But I guess, the bottom line is quality of care—the quality of care that Americans have come to expect. And what is going to happen to the quality of care? What is going to happen to the ability of our doctors and hospitals and research facilities to produce the miracles that have made our system the envy of the world? No doubt about it, it is the envy of the world.

Now my point is—and there are hundreds of other questions; I may not even have the important ones—but all of these questions deserve lengthy debate, because I am certain my colleague from Maine is going to say, "No, that is not quite right," or whatever, and he may want to ask us some questions, which is certainly fair.

But we are talking about all these questions and more and more and more.

Mr. President, before a patient has surgery or is given some new experimental treatment, the doctor must explain in plain English the treatment's benefits, the risks, the costs, and alternatives.

This is called informed consent, and it is crucial to the trust between the patient and the doctor.

Health care reform is an experimental treatment, too. If there is going to be any trust between our Government and the public, then the public must have a chance to grant or not to grant their informed consent.

And I think we could ask a very legitimate question. Maybe the public should not have a right to know, but I think the public does have a right to know. Has the American public had an opportunity to offer their informed consent on the majority leader's bill or any other bill, the Labor Committee bill, the Dole-Packwood bill, the Finance Committee bill, and other bills that have been introduced? And I do not think anybody can honestly say the answer is yes.

There have been no hearings on this particular bill—well, on the one pending, but there have been no hearings on the majority leader's bill. We are told by the CBO that changes are being made as we speak, and that is not unusual. We probably will make changes in ours as other people speak. So it is hard to nail it down: What does it cost? What does it do, precisely?

I hope we do not have developing here a fear that the American people are going to learn too much about health care if we debate it. My view is the American people want to know precisely what is in this bill. It is a lot different than car insurance. We are talking about your children, your family, and you want to be very careful.

Maybe it is different in Kansas, but many people from Kansas, when they come to see me here or when I am in Kansas, say: "BOB, why don't you just fix the 15 percent and not worry about the 85 percent, or not try to change the 85 percent that people are fairly satisfied with? Why don't you fix the 15 percent?"

It is not a bad question. I have not got the answer yet. But that is where most Americans, who are satisfied with what they have, are concerned their premiums are going to go up. I think that is a legitimate question. Are they? And how much, if any?

Once the American people had what we called informed consent on the President's bill it went down and down and down. Regardless of the efforts by many in the liberal media who bought into the program and tried to sell it every chance they had—on the evening news, in the newspapers—the American people were not buying because they understand that little tilt out there in the media sometimes. They are all good people, but they have a little different view.

So the American people said, "Wait a minute." And it was not Harry and Louise. It was not the Republicans. They said, "Wait a minute, I don't understand the President's bill."

If you walk into a drug store or grocery store and read the label on some product and you do not understand it, I will bet you walk on. You do not pick it up. You do not buy it. And the American people did not buy the Clinton health plan because it was too complicated, too bureaucratic, too many taxes, too many controls, too many mandates, and mandates are taxes. I cannot recall any piece of legislation in my memory that got as much media attention as the President's bill. It was discussed and debated and dissected in townhall meetings and kitchen table discussions all across the country.

Despite the fact that the President and the First Lady had the full use of the White House bully pulpit, and despite the fact they were both very eloquent, they just did not have a good product. But they tried hard. They went out there every day, but public support went down and down and down. And finally, as we all know, just a few weeks ago Senator MITCHELL and Speaker FOLEY and Congressman GEPHARDT went to the White House. I do not know what they said but in effect: We have to come up with something new. So now we are going to focus on Senator MITCHELL's bill.

I repeat, again, my good friend, Senator MITCHELL—your name is on it so I have to refer to it that way. When you go after my bill, I will understand that, too, if you find anything wrong with it—which you probably will.

So we are being asked to trade in the best health care system in the world for a 1,410-page bill that we are now in the process of analyzing. I will stipulate those of us on the Finance Committee probably have an edge on other Members in the Senate. There are only 20 of us and there are 100 Senators. We know pretty much what is in the leader's bill because we had extensive hearings. Senator MOYNIHAN and Senator PACKWOOD did an outstanding job. We had a lot of hearings. I do not know how many.

Mr. MOYNIHAN. Thirty-one.

Mr. DOLE. Thirty-one—I need that for my next speech; 31 hearings. And they were long and they were extensive and we learned a lot.

So, what we are going to try to do on our side of the aisle is try to invite Americans to take a look at all these proposals. The American people have a right to know, and I agree with Senator MITCHELL, we are not going to rush anything. What we are going to do, I guess, as Ross Perot said, is we are going to kick the tires and look under the hood and we are going to discover whether or not this is really a new plan or whether it is the Clinton plan with a new coat of paint and a rolled back odometer. If it is, it is in trouble, because the American people are not buying.

I will tell you what Herman Cain, the CEO of Godfather's Pizza said about delaying mandates. He said, "It doesn't matter whether you kill me now or whether you phase in death over a period of time." And he had it about right.

President Clinton said, "Well, just raise the price of pizza."

It does not work that way.

We would like to do something about job-killing mandates. There have been estimates from 600,000 to 3.8 million. The truth has to be somewhere in the middle, I assume.

We have to worry about taxes. As I said, there are different estimates. Some say 17, some say 16 new taxes totaling billions of dollars—maybe less, maybe more.

I have already talked about the entitlements, and 100 million Americans, and who is going to pay for them, and nobody knows for sure. But I think probably the underlying point is that all these plans—with a few exceptions—are based on the principle that Government knows best; that somehow, when people have a problem the Government ought to be there to help them. It is very compelling. You watch the news, you watch television, you know of personal cases, you know people who need help, and I think there ought to be ways to do that. That is why many of us agree on many of these things—without creating a new Federal bureaucracy and a new proposal where the Government would have broad, sweeping new powers in almost every aspect of health care.

We are going to have a one-size-fits-all standard benefits package. The Government is going to have the power to say, whether you are young or you are old, you are going to pay the same price. Everybody wants to be fair to senior citizens.

But what about their children or their grandchildren? Maybe the Senator from New York will comment on this, but in New York—maybe there is another reason—25,000 young people have dropped out of the program because they were paying four or five times as much as they should have. Is that fair? Talk about fairness—every State has young people. They do not have lobbyists around here. Nobody is around to talk about their special interests. We do not have anybody saying, "I am here to represent the 18-to-25-year-olds, and we have to tell you what we do not like about your bill or this bill or the other bill," because nobody speaks for them. We figure it is fair because when they get old somebody will pay higher premiums and they will pay lower premiums, so it just all works out that way.

So you are going to pay the same price whether you are young or old or healthy or not so healthy. And for a lot of people that means higher rates—for a lot of people it means higher rates.

As I said earlier, the Government is going to have the ability to tell medical schools how many specialists they can train each year. Maybe there ought to be a change in the mix. We put a lot of money into those programs, as the chairman of the Finance Committee knows. I think there are ways to create some incentives without creating dictates or quotas.

Then we are going to have the seven-member board. I do not know how they are selected. They are not elected. They are not accountable, I guess, to anybody. They are going to have the power to determine "medical necessity." That means, I think to many Americans—we are not certain what it means, yet. We want to get into the Q and A. It probably means many Federal bureaucrats—not you and your doctor—will determine what type of treatment you receive and whether you will receive it at all.

Senator MITCHELL's bill is not all bad. Parts of it do make our system more affordable and more accessible. And therein lies, I think, the seeds of some agreement if, in fact, that is what we want.

We believe in our bill. Some may say it is all bad or does not do enough. We call our bill The American Option. Not the Democrat option or the Republican option. We tried to avoid it being just a partisan Republican proposal. We have contacted Democrats. We have suggested to our colleagues who were talking to Senator MITCHELL, why do they not talk to us? "Are there not similarities in our bill that you can support?"

We are speaking with House Democrats and House Republicans because we believe there is a lot in our bill and a lot in Senator MITCHELL's bill and a lot in the other bills and that we can go in the back room and in 2 or 3 days, have a bill that I say may be 99 to 1.

I discovered in the years I have been here, Congress meets every year. The American people are not too happy about it. If we ever put it to a vote, we might not meet at all. Go back and check Social Security, read the history of Social Security, read the history of Medicare. They did not do it all at one time. They added farmers, they added different workers, they enriched the benefits. They did a lot of things over the years.

Later in the debate, I am going to bring out the list of all the things we have done in the Senate Finance Committee on health care, and I know other Members on both sides of the aisle have been very active in health care.

We just have not waited for 20 years to deal with health care. We passed a lot of good legislation. It cost a lot of money. It did a lot of good things for people in need in America, and we want to let the American people know we have not stood still for 20 years. We did not stand still on Social Security in 1983 when the system was about on the brink of disaster. I was proud to join my colleague from New York, Senator MOYNIHAN, in putting together what we thought was a rescue effort. The system is much, much better now. But I think we have to go back and look at the history of Medicare and how far it has come, not just what happened initially.

I want to say about our bill—and I want to yield the floor and introduce our bill along with the summary—again, I would like to think that at least before people reject it, they read the summary of it. It helps those Americans who are unable to afford health care insurance. We cut off 150 percent of poverty.

It is my understanding there is a similar bill now being put together on the House side where it may go to 200 percent of poverty. It is a question of finances. If you have the money, obviously, you can go higher. Ours cuts off at $22,200; 240 percent of poverty is $35,500 for a family of four. We also have a fail-safe mechanism in our bill that if you do not have the money, you cannot pay the benefits, you just cannot keep running up the deficit.

We take care of preexisting conditions. It makes insurance more affordable for small business, and it does much more. We will be talking about the American option throughout this debate.

I do not want to be misunderstood. There are quite a few things you will find in the majority leader's bill which you will not find in our proposal.

You will not find the National Health Board. You will not find price controls. You will not find mandates, and you will not find new taxes. You will not find these because our bill is not based on the principle we have to get more Government. I think it is based on the principle that the American people know best.

Let me make it clear that Government is into health care now—Medicare, Medicaid, Veterans Administration, Public Health Service, CHAMPUS, you name it. So it is in pretty deep right now, and I think most Americans will say, "Wait a minute, maybe that is 40 percent; let's not go the other 60 percent. Let's not turn one-seventh of our national economy over to the Government and say, OK, you run the health care system."

So I renew my plea to the President and anybody else: Why are we not sitting down together; why are we not making that list we talked about 6 months ago? In fact, he mentioned it one night at a White House dinner. Why do we not make a list of all the things we agree on, Democrats and Republicans? You would have a pretty long list. I bet you would have 20, 30, 35 items that would do a lot for millions of Americans this year and next year. Why not make that list? And then why not come back and say, "OK, we would like to add A, B, C, D, whatever, and see if we can negotiate." Put in 10 things you can agree on and see what you can negotiate.

That would make insurance more accessible and more affordable for millions of Americans. We could have done it a year ago, 6 months ago; and we can do it today or next week or the next week. And next year, when the Congress is here, and the year after that, and the year after that, we can take a look again.

Now we are told that universal coverage is 95 percent. And we are told, I think accurately, you are never going to cover everybody. We do not do it in Social Security; we do not do it in Medicare; we do not do it in food stamps; we do not do it with a lot of these Federal programs, even though that may be a goal, and I do not quarrel with everybody being covered. It is how do you get there; what does it cost in jobs and dollars?

If 95 percent is where we want to end up, and we are told by some we can get to 92 percent without mandates, without the other things, we are fighting over 3 percent. We go from 95 to 92 or 93 percent, and then in 4 years maybe say, "OK, how do we get the other 2 percent, 3 percent, 4 percent," or whatever we can, on the way to 100 percent.

Go back and read Social Security, go back and read Medicare. We will read some of it for everybody later in the debate on how it progressed through the years. It did not all happen at once. And they are good programs.

I thought there was a better program, but they are good programs.

I hope we are not just going to roll the dice here and say, "OK, this is it. If we can squeeze 50 and 51 votes, this is it. Maybe pick off two or three Republicans, this is it."

I do not believe the President would turn down a bill that 90 of us voted for or 85 of us voted for that did not have anything he wanted, but that had maybe the goals he wants. So we are ready to make health care more accessible and more affordable.

But I think we have to say one thing, in conclusion—we will say a lot of things before it is over—somebody has to pay for all this sooner or later. Maybe if we pass it this year, we might sneak through this year's election because it is not going to take effect.

Many of these provisions in the majority leader's bill do not take effect until the year 1997. So there is not much cost up front. But somebody is going to figure out that sooner or later we cannot do all these things without costing some money in our bill or in any of the other bills. Somebody has to pay.

If you have a fail-safe mechanism, as we do, if you cannot pay, you do not get the benefits and people are not going to like that. The self-employed would like to deduct 100 percent, not 50 percent. Ranchers, farmers, small businessmen, small businesswomen, why should they only deduct 50 percent, in the majority leader's plan? Why not 100 percent? Because it costs money, and I assume the majority leader determined you cannot do everything.

So my view is that as we start this debate—and this is preliminary only, and I hope we have 4 hours of debate tomorrow and maybe, if we work out the agreement, 4 hours of debate on Thursday before we get into the bill. But we have a number of Members on this side who wish to speak, and I am certain many Members on the other side who wish to speak, because I think every constituent—they do not agree with all of us, but they are going to expect us to be here and to be participants. I do not think this is one on which you can be a spectator. You cannot be a spectator in the health care debate. We are not going to please everybody once we get into the arena. Somebody is not going to like what you say or how you vote.

But I cannot recall any more important legislation than this particular legislation, any more important problem.

So, Mr. President, I now send to the desk—I have not had ours weighed, and I will be happy to do that later, but it is more than zero. It is a meaningful piece of legislation.

I ask unanimous consent that the analysis be printed in the RECORD. I do not think I want the bill printed in the RECORD. It costs too much money.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows;

SUMMARY OF DOLE/PACKWOOD HEALTH REFORM PROPOSAL

I. GUARANTEED ACCESS TO COVERAGE

A. Insurance reforms

1. There are two health insurance market sectors:

a. Individuals and small employers size 1 to 50.

b. Large groups (employers with more than 50 employees or members, and associations and MEWAs with at least 500 participants).

2. The insurance market reforms apply to all health plans, including self-insured plans, with the following exceptions:

a. Accident, dental, vision, disability income, or long-term care insurance;

b. Medicare supplemental policies;

c. Supplements to liability insurance;

d. Workers compensation insurance;

e. Automobile medical-payment insurance;

f. Specific disease or illness policies; or

g. Hospital or fixed indemnity policies.

3. Guaranteed issue and guaranteed renewal:

a. A health plan may not deny, limit, condition, or refuse to renew a health benefit plan except as indicated in (c) below.

b. A self-funded health plan sponsored by an employer cannot deny, limit, condition, or refuse to renew coverage for any employee (and family) except as indicated in (c) below.

c. Exceptions:

i. Pre-existing condition limitations can be imposed on individuals who do not maintain continuous coverage as described in (4) below.

ii. Failure to pay premiums;

iii. Misrepresentation of information to the insurer, or fraud;

iv. The health plan doesn't serve the area;

v. The health plan withdraws the health benefit plan from the market entirely.

vi. The health plan does not serve the market sector to which the person or group belongs.

vii. The health plan has insufficient capacity to enroll new members.

d. A health plan that has approached its capacity limitations can refuse to accept new enrollment, or limit enrollment based on a first-come, first-served basis.

e. Individuals will have an annual open enrollment period of at least 30 days prior to the expiration of their health plan policy, during which individuals can change health plans without being subject to pre-existing condition exclusions. Individuals can make changes between open enrollment periods for certain qualifying events like changes in family status, employment, residence, etc.

f. Newborns are covered automatically on the parent's policy at birth.

g. Insurers or employers cannot impose waiting periods for coverage beyond a reasonable time necessary to process enrollment, except in accordance with the standards for pre-existing condition exclusions described in section 4 below.

4. Portability and Pre-existing Conditions:

a. Health plans may not impose pre-existing condition limitations on individuals enrolling as a member of a group, except in cases where the individual has not been insured during the previous 6 month period.

i. The maximum allowed pre-existing condition exclusion for a condition diagnosed or treated during the 3 months prior to coverage is 6 months.

ii. The maximum is reduced by one month for every month the individual had coverage during the preceding 6 month period.

b. Health plans may not impose pre-existing condition limitations on individuals who are not enrolling as a member of a group, except in cases where the individual has not been insured during the previous 12 month period.

i. The maximum allowed pre-existing condition exclusion for a condition diagnosed or treated during the 6 months prior to coverage is 12 months.

ii. The maximum is reduced by one month for every month the individual had coverage during the preceding 12 month period.

c. Amnesty period.

i. Each state will set an initial 90 day open enrollment period during which individuals who have not previously had health benefit coverage can enroll without being subject to pre-existing condition limitations.

ii. A state may establish a limit on the number of new enrollees a health plan must accept during the amnesty open enrollment period. The limit should correspond proportionately to the total number of enrollees the plan has in that market sector.

5. Modified community rating (applies to all products in the individual and small group market only):

a. Uniform age and family classes will be defined by the National Association of Insurance Commissioners (NAIC).

b. NAIC will recommend allowed discounts for health promoting activities.

c. The ratio of rates between the highest and lowest age factor (ages 18–64) may not exceed 4:1 for the first 3 years after implementation, and 3:1 for years thereafter.

d. NAIC to recommend allowed variations in administrative costs (not to exceed 15 percent of premium) based on size of group.

e. States will define community rating areas subject to the following:

i. Minimum area population of 250,000.

ii. May not divide metropolitan statistical areas within a state.

iii. May cross state boundaries if states agree.

6. Every health plan selling in the individual and small group market sector must offer the FedMed package:

a. An insurer must at least offer one of the following versions of the FedMed package:

i. Fee-for-service,

ii. Preferred Provider Organization (PPO), or

iii. Health maintenance organization (HMO).

b. Health plans may offer any other health benefits packages in addition to the FedMed package.

c. Health plans may offer supplemental packages to the FedMed package, but may not require an individual or a group to purchase supplemental coverage or link the pricing of a supplemental benefit package to that of the standard package.

7. There is no restriction on the number of different benefit packages that can be offered by a health plan. However, the rates for all of the health benefit packages offered by the health plan must be based on the health plan's total enrollment in the individual and small group sector. Rating variations are allowed only to the extent of the difference in actuarial value of the specific benefit variations for that same population.

8. Health plans and purchasing cooperatives may require payment of premiums through payroll deductions. Employers must comply with employee request for payroll deduction and remittance of premium.

9. Risk adjustment (applies to the individual and small employer market only.) States are to risk adjust community-rated health plans and reinsurers of health plans for small employers who self-insure. All self-insured small employers are required to carry "stop-loss" insurance.

10. Standards developed by the NAIC for the individual and small groups market shall be uniform for all carriers.

11. Each state will publish annually and disseminate a list of all of the health plans in the state offering the FedMed package and their modified community rate for the package. This effort will be coordinated with the information on health plan quality.

12. Neither the states nor purchasing groups would be permitted to interfere with the ability of health insurers to establish and pay adequate compensation to licensed agents and brokers.

13. Taft-Hartley health plans, rural electric and telephone cooperative health plans and church association health plans shall be subject to the insurance reforms applicable to large employer plans.

B. Purchasing cooperatives, FEHBP, MEWAs and association plans

1. Nothing in this bill required the establishment of a purchasing group—nor prohibits the establishment of more than one—in an area.

2. Purchasing groups established to serve the individual and small employer market must be open to all individuals and small employers who wish to join.

3. Any health plan offering a benefit package through a purchasing cooperative must offer at least the FedMed benefit package through the cooperative.

4. Insurers are prohibited from establishing a purchasing cooperative but may administer one under contract with the purchasing cooperative.

5. Federal Employees Health Benefit Plan:

a. Self-employed individuals and small employers (sizes 2 to 50) may purchase health benefit plans offered through FEHB program.

b. Insurers shall offer self-employed individuals and small employers the same benefit plan(s) that are available to federal employees at the same premium price (government and employee share) plus an administrative fee.

c. Health plans may impose group participation requirements as long as they are standard for all groups.

6. MEWA and Association Health Plans:

Limited rules are applied to existing MEWAs and Association health plan offering health plans on 1–1–94 (i.e. "Grandfathered plans") and a more comprehensive regulatory scheme is applied to all new MEWAs and association plans. Grandfathered plans and all new plans that meet the following rules shall be treated as a large employer for insurance reform purchases.

a. Grandfathered plans (both insured and self-insured) must have at least 500 participants. In addition, grandfathered plans cannot:

i. Condition its membership on health status or health claims experience of a potential member.

ii. Exclude an employee or dependent of a member based on their health status.

b. Grandfathered plans that self-insure must:

i. File written notification with the Secretary of Labor that:

(1) includes a description of the plan; and,

(2) names a plan sponsor.

ii. Meet minimum financial solvency and cash reserve requirements for claims established by the Secretary of Labor.

iii. File annual funding reports (certified by an independent actuary) and financial statements with the Secretary of Labor and all participating employers in the plan.

iv. Appoint a plan sponsored that would be responsible for operating the plan and seeing that it complies with all federal and state laws.

c. All new MEWAs and association health plans must:

i. Cover at last 500 participants.

ii. Complete a certification procedure established by the Secretary of Labor.

iii. Meet all the requirements in 6.a. and if self-insured, meet the additional requirements in 6.b.ii. through iv. above.

iv. Be formed and maintained for substantial purposes other than obtaining or providing health insurance to members.

v. Be offered or sponsored by a permanent entity which receives a substantial majority of its financial support from its active members.

vi. Not be owned or controlled by an insurance carrier.

vii. Has a constitution, bylaws, mission statement or other similar governing documents.

viii. All persons involved in operating, administering and/or handling money with respect to plan would have to be bonded for theft and other intentional acts.

ix. Pay a $5,000 certification fee to the Secretary of Labor. The Secretary may also charge a reasonable annual fee to cover the cost of processing and reviewing annual filings.

d. The Secretary of Labor shall develop regulations implementing the requirements of this section including expedited registration, certification, review and comment procedures.

e. The Secretary may enter into agreements with states to enforce the provisions of the section to the extent that the delegation does not result in a lower level or quality of enforcement. Such delegation may include certification and registration of MEWAs and association plans.

f. Associations and MEWAs must provide written notice to each contributing employer as to whether it has met the applicable requirements of this section 6.

g. All individuals operating or administering or involved in the financial affairs of association health plans or MEWAs must be bonded.

h. Taft-Hartley health plans, rural electric and telephone cooperative health plans with 500 or more participants and church association health plans with 100 or more participants are exempt from all requirements described in section 6 and are subject to the insurance rules applicable to large employer plans.

C. Affordable coverage

1. Tax Deduction for Self-Employed: Self-employed individuals and other individuals who do not get health insurance from their employers would get a deduction equal to 100 percent of the cost of insurance phased in as follows:

1994 and 1995—25 percent
1996 and 1997—50 percent
1998 and 1999—75 percent
2000 and after—100 percent

2. Medical Savings Accounts:

a. Medical savings accounts (MSAs) are linked with the purchase of catastrophic health insurance converage (health insurance policy with a minimum $1,000 annual deductible for single, and $2,000 for family coverage).

b. Employer contributions to MSAs are excludable from an employee's income and not subject to payroll taxes. Employer can deduct its contributions.

c. Contributions by self-employed and individuals (whose employers do not provide employer-subsidized insurance) are deductible from income and excludable from payroll taxes.

d. Annual limit on contributions—$2,000 single person and $4,000 for families (one account per family).

e. No lifetime limit on amounts contributed.

f. Distributions from the account would be tax-free and penalty-free if used for medical expenses not reimbursed under the catastrophic policy, premiums for catastrophic coverage during "COBRA" continuation coverage, and for premiums and medical expenses for long-term care. Premiums for catastrophic coverage cannot be paid out of MSA unless the individual qualifies for COBRA continuation coverage.

g. MSAs subject to prohibited transaction, reporting and certain other rules applicable to IRAs.

h. Tax-free rollovers between MSAs but not between MSAs and IRAs.

i. Non-qualified withdrawals are taxable and subject to a 10-percent penalty.

j. Not transferable at death and taxable to decedent.

k. No tax-free build-up.

l. Distributions on account of divorce to follow rules applicable to IRA's.

3. Low-income Subsidies:

a. Creates a new safety net subsidy program for low-income individuals and families not covered by employer-provided insurance or public programs. Subsidies would be financed by the Federal government consistent with the Budget Fail-Safe mechanism (described later).

b. Subsidies would not be provided to:

i. Individuals/families who are not U.S. citizens or permanent resident aliens;

ii. Medicaid eligibles;

iii. Medicare beneficiaries; or

iv. Individuals who receive employer-financed coverage.

c. An employer that finances health care coverage for any employee would not be allowed to discriminate against any employee based on his/her eligibility for a low-income subsidy. Employers who violate this rule would be assessed a penalty equal to the maximum subsidy amount for the geographic area multiplied by the number of affected individuals.

d. In the case of an employee working for an employer providing employee-only coverage (not including the employee's dependents) and whose family is otherwise eligible for a subsidy, the employee would have the option to take the employer's coverage or subsidized family coverage.

e. Subsidies will be applied only to the purchase of the FedMed package defined by the Secretary of HHS. By regulations, the Secretary shall establish a FedMed benefits package that includes, at a minimum, the categories of benefits described in Title 5 of the United States Code for the Federal Employees Health Benefit program and in the HMO Act of 1973 (Section 1302(1) of the Public Health Service Act). In so doing, the Secretary shall take into account, the following priorities:

i. Parity (with respect to cost-sharing and duration of treatment) for mental health and substance abuse services, managed to ensure access to medically appropriate treatment and to encourage use of outpatient treatments to the greatest extent feasible;

ii. Consideration for needs of children and vulnerable populations, including those in rural, frontier, and underserved areas; and

iii. Improving the health of Americans through prevention.

f. In general, health plans will determine the medical appropriateness of specific treatments. Coverage decisions about new procedures and technologies will be made by health plans, which may refer to criteria for medical appropriateness developed by the Secretary.

g. The Secretary shall vary cost sharing arrangements to accommodate different delivery system models through which subsidized individuals may receive health care services. All versions of the FedMed package shall have reasonable cost-sharing (including an out-of-pocket limit) appropriate to the delivery system.

i. For a moderate cost sharing version, cost sharing shall be similar to the health plan in the Federal Employees Health Benefit program with the highest enrollment that uses a fee-for-service delivery system.

ii. For a low cost sharing version, cost sharing shall be similar to the HMO plan in the FEHB program with the highest enrollment.

iii. For plans with provider networks, higher cost-sharing sufficient to encourage use of the network shall be allowed for out-of-network, nonemergency services.

h. In defining the initial benefits package, the Secretary shall ensure that the actuarial value of the package in its fee-for-service version be equal to the actuarial value of the highest-equal enrollment plan offered under the Federal Employees Health Benefit program in 1994, assuming a national population under age 65. Managed care health plans shall offer the same set of services defined by the Secretary for fee-for-service health plans.

i. Subsidies would be provided for premiums only, up to a maximum amount. The maximum subsidy amount would be the amount the Federal government uses to calculate its maximum (75%) contribution for Federal employees' insurance under FEHBP, calculated without the population 65 and older. The maximum amount would be determined annually. Nothing shall be construed as preventing an individual or family from buying a health plan covering the FedMed package that is more expensive than the maximum subsidy amount. The individual would have to pay the difference between the health plan's premium and the maximum subsidy amount.

j. The Secretary of HHS will specify maximum subsidy amounts for each geographic market area for the same age groups and family composition classes in the Small group market. The Secretary would use appropriate factors to adjust the maximum amount for:

i. Geographic differences in health care costs;

ii. Age; and,

iii. Family composition (there would be no poverty adjustment for family size greater than 4).

k. Individuals and families with income below 100 percent of the Federal poverty level (if funding is available) would receive a full premium subsidy.

l. If additional funding is available, individuals with income above the poverty level would receive a partial premium subsidy. Individuals above 150% of poverty would not be eligible for a subsidy.

m. For individuals with income above the poverty level, but below 150%, the subsidy percentage would decline on a stepped basis as income increased. The amount of the subsidy would be a percentage of the maximum subsidy amount for individuals below poverty.

n. Eligibility for subsidies will be calculated on an annual basis. Tax return information will be used in determining eligibility to the extent possible.

o. An individual or family that has an approved application for a subsidy must file an end-of-year income reconciliation statement. Failure to do so will result in ineligibility for subsidies until the statement is filed, unless there is good cause.

p. States would determine eligibility for subsidies. States will be liable to the Federal government for subsidy payments made in error. The Federal government would share the administrative expense of determining eligibility for subsidies at a rate of 50 percent Federal/50 percent state.

q. States would designate appropriate agencies/organizations that would determine eligibility and enroll individuals in health plans on-site. States would be required to provide information on all health plans offering the FedMed benefit package in the geographic area.

r. The Secretary of HHS will develop standards to assure consistency among states with respect to data processing systems, application forms, health plan information, and other necessary activities to promote the efficient administration of subsidies.

s. The Secretary will study and make recommendations to the Congress regarding use of state-adjusted poverty level guidelines instead of the Federal poverty level guidelines when determining eligibility for subsidies.

D. Report on Health Care System

By January 15, 1998, the President must submit to the Congress findings and recommendations on each of the following:

1. Characteristics of the insured and uninsured, including demographic characteristics, working status, health status, and geographic distribution.

2. Steps to improve access to health care and increase health insurance coverage of the chronically uninsured.

3. Effectiveness of insurance reforms on access and costs.

4. Effectiveness of federal assessments of new technology on the cost and availability of new products.

5. Effectiveness of cost containment strategies at the federal and state level and in the private sector.

6. Effectiveness of efforts to measure and improve health care outcomes in the public and private sector.

7. Effectiveness of new federal subsidy programs, including recommendations to restrain future growth.

8. Effectiveness of initiatives targeted to underserved urban and rural populations.

II. IMPROVED HEALTH CARE DELIVERY SYSTEM

A. Consumer value in health plans

1. A "Consumer Value" program will be developed by the states for the purposes of:

a. Assuring minimum quality standards for health plans;

b. Making available comparative information about health plan offerings; and

c. Establishing certain consumer protections.

2. The Secretary of Health and Human Services will assist the states in carrying out these activities by:

a. Consolidating research activities for quality and consumer information areas;

b. Developing minimum guidelines for use in certifying health plans in the areas of quality assurance, consumer information, consumer protections, and financial practices and performance; and

c. Requiring states to establish a consumer value program that results in comparative information on health plan offerings and quality distributed to all consumers.

d. Offering grants to states to set up the consumer value program.

3. Consolidating Research Functions for Quality and Consumer Information:

a. Current federal research activities supporting quality and consumer information will be consolidated within HHS and called the Agency for Quality Assurance and Consumer Information. The agency will carry out its activities in close consultation with expert private and public entities in quality and consumer information. Research priorities will be set in consultation with expert groups.

b. The focus of the new consolidated research area will be to support activities in the areas of:

i. Effectiveness and appropriateness of health care services and procedures;

ii. Quality management and improvement;

iii. Consumer information and surveys concerning access to care, use of health services, health outcomes, and patient satisfaction;

iv. Development, dissemination, applications, and evaluation of practice guidelines;

v. Conduct effective trials in the private sector in partnership with expert groups;

vi. Assure the systematic evaluation of existing as well as new treatments and diagnostic technologies in a continuous effort to upgrade the knowledge base for clinical decision-making and policy choices;

vii. Recommend minimum guidelines for quality measures, consumer information categories, and access (to health services and practitioners) for use in health plan certification;

viii. Recommend standards and procedures for data and transactions related to quality, consumer information, access, effectiveness, and other areas as appropriate to assure a smooth coordination with the administrative simplification framework; and

ix. Oversee basic and applied research, with equal attention to each.

c. Funding will be $250 million a year by the year 2000 (phased in). Spending will be split to support research and the application of research in the private health care delivery system.

4. Process for Certification:

a. Secretary of HHS Responsibilities

i. The Secretary, in consultation with NAIC and expert groups in the areas of quality assurance (such as the Joint Commission on Accreditation of Healthcare Organizations, the National Committee for Quality Assurance, and the Peer Review Organizations) will set minimum guidelines for the certification of health plans. The Secretary is to complete the guidelines within 6 months of enactment of the bill.

ii. Special Federal rules would apply to self-insured multi-state employer plans and MEWAs.

iii. The Secretary will approve certifying organizations that are qualified to complete health plan certifications in any state.

b. States' Responsibilities

i. States will be responsible for implementing the guidelines;

ii. States are expected to coordinate public health department and insurance commissioner offices' (and other relevant agencies) responsibilities in designing the certification process (and enforcement procedures);

iii. States shall consult with expert private entities in designing their certification and enforcement processes;

iv. States may contract with private entities (giving them deemed status) for carrying out the certification activities; and,

v. Health plans must absorb the costs of certification, however, the State and/or the Secretary may provide monies for technical assistance for health plans serving vulnerable populations to pay for certification or to assist these plans in preparing to be successfully certified.

5. Minimum Guidelines for Health Plan Certification: The Secretary of HHS will develop minimum guidelines for certification of health plans in these areas:

a. Quality Assurance Guidelines

i. Quality management

ii. Credentialling

iii. Utilization management

iv. Governance

v. Policy and quality processes

vi. Provider selection and due process

vii. Guidelines and protocols

b. Consumer Protections

i. Comparative consumer information

ii. Marketing-agents and materials

iii. Non-discrimination

iv. Continuation of treatment (in the event of insolvency)

v. Grievance procedures

vi. Advanced directives

vii. Financial practices that interfere with quality of care

c. Reasonable access

i. Assuring access to services for vulnerable populations-ProPAC will complete recommendations within one year, including:

(1) Anticipated impact of health reform on access to services for vulnerable populations; and

(2) Safeguards required to assure continued access to services and reasonable payment for services for vulnerable populations.

ii. Anti-redlining rules

iii. Provider non-discrimination (e.g., discrimination solely based on the provider's academic degree)

d. Financial standards (using NAIC model standards)

i. Solvency

ii. Other financial standards including liquidity, accounting, and reporting

iii. Guaranty fund participation

In establishing minimum guidelines, the Secretary (in consultation with the NAIC) will address the issues (and recommend customized guidelines for each) of certification for various models of health plans, taking into consideration:

a. Multi-state insured plans,

b. Frontier, rural and inner city considerations (and other start-up issues for small delivery systems in underserved areas), and

c. Commercial insurance, managed care plans, and delivery-system (provider-based) plans.

6. Consumer Value Program:

a. States shall begin immediately, upon enactment, to establish a consumer value program that results in the distribution of comparative information on health plan offerings and quality outcomes to consumers;

b. States may designate an independent organization to carry out the consumer value program (giving it deemed status);

c. The Secretary of HHS will provide to states the minimum guidelines for the consumer value program (see minimum guidelines for comparative consumer information (5.b.i.), including a model "report card" to assure a level of standardization to allow state to state comparisons;

d. States may exceed the minimum guidelines-federal grants will be available to states for demonstrations experimenting with guidelines beyond the federal minimum;

e. If the Secretary determines that states have not established a consumer value program within six years, the Secretary may implement such in the state.

7. Pre-emption of State Anti-Managed Care Laws: State anti-managed care laws are preempted, such as:

a. "Any wiling provider" laws;

b. Corporate practice medicine;

c. Health benefits mandated;

d. Cost-sharing mandates;

e. Utilization review mandates; and,

f. Involuntary denial of life-saving medical treatment.

8. Administrative Simplification:

a. Secretary of HHS will adopt standards for health data and transactions (from common practices in the private sector). Categories of standards may include:

i. Financial, administrative transactions;

ii. Enrollment information;

iii. Financial and administrative data;

iv. Unique identifiers (subject to strict patient confidentiality requirements).

b. Use of and access to standard transactions and standard data through the National Care Data Network.

i. Health plans, providers must keep data available for authorized access and comply with transmission standards set by the Secretary. Clearinghouses may be used to comply.

ii. Penalties apply for noncompliance to standards.

c. State "Quill Pen" laws are preempted.

d. Entities operating in the national health care data network. Secretary develops standards for the Health Care Data Clearinghouses. Private entities may be designated to certify such systems and clearinghouses.

e. The Secretary of HHS will set standards for providers and health plans to access information from the network, including standards for privacy. Only minimum data necessary will be disclosed and only when authorized by privacy laws..

f. A Health Care Date Advisory Panel will be established to assist the secretary in all standards and processes, including standards for privacy.

g. Secretary may authorize grants for demonstration projects.

h. Administrative simplification standards and processes will coordinate with the quality and consumer information process and certification areas.

i. The Medicare/Medicaid data bank (from OBRA93) will be repealed once the administrative simplification system is operational.

Authorization of Appropriations: This bill would authorize appropriations for the activities described above.

10. Fraud:

a. The Secretary of HHS and the Attorney General shall jointly establish and coordinate a national health care fraud program to combat fraud and abuse in government and certified health plans.

b. Monies raised from anti-fraud and abuse penalties, fines, and damages will be dedicated to an account to pay the costs for anti-fraud and abuse efforts.

c. To give greater guidance to health care providers (so they can comply with fraud and abuse laws), there will be established:

i. New safe harbors;

ii. Interpretive rulings; and,

iii. Special fraud alerts.

d. The current Medicare and Medicaid penalties for health care fraud and abuse will apply to all health care fraud affecting Federal subsidies or other Federal outlays. These include exclusion from participation in Federal health programs and the imposition of civil money and criminal penalties.

e. The Secretary will comply with certain requirements to communicate violations anti-fraud and abuse laws.

f. A new health care fraud statute will be developed modelled after the mail and wire fraud statutes.

B. Building Primary Care Capacity in Underserved Areas

1. Purpose:

a. Safeguards to assist vulnerable populations to access local health services and practitioners;

b. Funding in certain areas to assist providers and health plans to reconfigure services and establish networks to compete in the changing market;

c. Funding to increase primary care capacity in underserved areas; and

d. More flexible Medicare rules for providers in underserved areas.

2. Redefining Underserved Areas in the Changed Market: States to designate frontier, rural and urban areas as underserved taking into account:

a. Lack of access to health plans; and

b. Lack of access to quality providers and health care facilities in such areas.

The designations must be approved by the Secretary of HHS. Underserved areas do not need to meet MUA or HPSA definitions. The designation is for no longer than three years. Underserved areas receive priority for special funding included in this section.

3. Network Development Funds:

a. Planning funds:

i. Medicare and Medicaid waiver demonstrations to form health care networks; and,

ii. Grants to private entities and states for use in planning and development of networks of providers and plans.

b. Technical assistance funds—to comply with health plan certification guidelines, administrative simplification data and transaction standards, quality assurance activities, consumer information programs, insurance reforms, and other reform requirements; and

c. Capital (low interest loans) assistance for the reconfiguration of facilities, start-up capital, establishing reserves, and setting up information systems for entities in networks.

4. Increasing the Numbers of Services, Practitioners, and Plans:

a. Loan repayments for primary care practitioners in geographic areas recognized by the Federal Office of Shortage Designation.

b. Tax incentives:

i. A physician who provides primary health services in underserved areas would be eligible for a nonrefundable credit against Federal income taxes of up to 60 months.

ii. A physician who provides primary health services in underserved areas would be eligible to take an additional $10,000 per year as section 179 deduction for health care property placed in service during the tax year.

c. Increase Federal support for primary and preventive health care services aimed at segments of the population most likely to be uninsured and at high risk:

i. Comprehensive Maternal and Child Health coordination aimed at improving health;

ii. School-based Health Education—Increase assistance for pre-school and elementary programs that provide comprehensive health education to children; and,

iii. Special grants to frontier areas for preventive health services.

d. Increase Public Health Act funding for:

i. Grants to Community Health Centers, Migrant Health Centers, FQHCs and look-alikes;

ii. Increase funding for AHECs through 2000; and

iii. Fully fund the National Health Service Corps;

e. Funding for telemedicine and related telecommunications technology support for frontier and rural areas; and

f. Funding for medical transportation in frontier and rural areas.

5. Payment Flexibility:

a. Extending EACH/RPCH to all states and making technical corrections;

b. Creating the REACH program;

c. Extending Medicare Dependent Hospital classification through 1998;

d. Extend the MAF demonstration to all states; and,

e. Increase Medicare reimbursement to physician assistants and nurse practitioners in rural and urban areas.

6. Studies, Responsibilities:

a. ProPac will make recommendations within six months on the need for any transitional provisions to assure access for vulnerable populations;

b. The Secretary will study the need for and design of a "supplemental rural benefits package" within six months of enactment; and

c. An Office of the Assistant Secretary for Rural Health will be established (elevates an existing position) to advise the Secretary on all rural provisions in reform.

7. Anti-Trust Clarifications:

a. Mechanisms for clarification of antitrust treatment for providers:

i. Certificates of Review—providers may apply to the Attorney General for certificates of review to be granted case-by-case.

ii. Notification—providers may file a notification of their joint venture activities with the Attorney General. Certain rule of reason analysis and damage rules shall apply in any subsequent suits.

iii. Guidelines—the Department of Justice shall issue guidelines clarifying legitimate collaborative activities of health care providers responding to community needs.

iv. Safe Harbors—The Department of Justice shall develop "safe harbors" in certain health care delivery areas by soliciting input through notice and comment procedures. The safe harbors shall help to reduce both the costs and administrative burdens of antitrust regulation reviews. Certain rules of enforcement and defense shall apply for organizations and ventures falling within the safe harbors. Certain areas must have safe harbor clarifications by the Justice Dept.

C. Health Professionals

1. Education:

a. Oversight:

i. Establish Independent, Advisory Commission on Workforce—

(1) Federal oversight will be limited to an independent, non-governmental advisory council to the Congress, modeled on ProPAC and PPRC. COGME will be discontinued, with its funds used to partially finance the new Commission.

(2) The composition of the board will include experts in medical education, teaching hospitals, health plans, and other relevant parties.

(3) Sets in law the role of the Commission and a timetable for reports on specific questions of workforce policy and payment, including but not limited to:

(a) Profile the composition of the physician and non-physician workforce and address how the composition (numbers and mix) fits market needs;

(b) Amounts and process for funding;

(c) Future payment policy for Medicare for graduate medical education;

(d) Incentives for primary care and underserved areas;

(e) Foreign medical graduates' policy;

(f) Future direction and coordination of grants, demonstrations, and other funding affecting the workforce.

b. Increasing Primary Care Practitioners and Ambulatory Training:

i. Consortia demonstrations to increase primary care. The Secretary will conduct 10 Medicare demonstrations for the purposes of increasing the numbers of primary care practitioners trained (graduate education). The demonstrations may be multi-state. All Medicare DME funds historically used in the geographic area may be distributed to consortia. Criteria for consortia will be established by the Secretary. Additional incentives dollars may be paid to consortia from any savings from IME reductions.

ii. Non-hospital-owned ambulatory sites will be eligible to receive DME payments.

c. Biomedical and Behavioral Research. A voluntary check-off on individual income tax returns will be established to contribute dollars to a national research fund.

2. Malpractice:

a. Cap on Non-Economic Damages at $250,000, with entity established to study a schedule of caps for congressional consideration.

b. Several Liability for non-economic and punitive damages.

c. Periodic Payments for damages of over $100,000, with judge given discretion to waive in interests of justice.

d. Collateral Source Rule—collateral sources are deducted from award to plaintiff.

e. Limits on Attorney Fees—Limited to 33⅓ percent of the first $150,000 and 25 percent of amount over $150,000, after taxes.

f. Statute of Limitations—two years from date of discovery and no later than 5 years after occurrence. Claim may be initiated for minors under age six if two years from date of discovery and no later than six years after occurrence or before minor turns 11, whichever is later.

g. Clear and Convincing Standard for first seen obstetric cases.

h. Punitive Damages Reform. Includes Clear and Convincing Standard of proof; elements of proof; pleading and process requirements; cap on punitive damages (lesser of 2x compensatory damages or $500,000); dedication of 50 percent of award to health care quality assurance program.

i. Right of Subrogation or Automatic Subrogation under Collateral Source Rule.

j. Prohibition on Vicarious Liability.

k. All provisions cover all defendants in any Health Care Liability Action.

l. Consumer Protection—Require Risk Management by health care professionals, providers and insurers; permits licensure boards to enter agreements with professional societies to license and review health care professionals; liability protection for state licensure boards.

D. Long-Term Care

1. Tax clarification:

a. All long-term care services are treated as medical expenses under the tax law, meaning that—

i. Long-term care expenses and insurance premiums above 7.5 percent of AGI would be deductible from income; and,

ii. Payments under long-term care insurance policies would not be taxable when received.

b. Insurance companies can deduct their reserves set aside to pay benefits under long-term care insurance policies.

c. Permit long-term care riders on life insurance policies and treat like long-term care, not like life insurance.

d. Do not permit tax-free exchange of life insurance contract to long-term care.

e. Exclude certain accelerated death benefits from taxable income.

2. Minimum Standards for Long-Term Care Insurance: In order to receive favorable tax treatment, long-term care insurance policies would have to meet certain consumer protection standards. These standards include provisions based on the NAIC Model Act and Regulation (as of January, 1993) and supported by the insurance industry.

3. A nonrefundable tax credit of up to 50 percent of an employed individual's personal assistance expenses of up to $15,000 per year will be provided.

4. Modifications to Medicaid long-term care (see below).

5. Acute/LTC integration demonstration project.

III. IMPROVED FEDERAL HEALTH PROGRAMS

A. Medicaid

1. Acute Care:

a. Beginning 1/1/00, all AFDC and non-cash Medicaid recipients will be integrated into the low-income subsidy program. These individuals will no longer be entitled to acute care benefits under Medicaid, but would receive private health insurance through the low-income subsidy program. Supplemental benefits will be provided under a capped entitlement to the states. Nothing in this section should be construed as affecting an individual's eligibility for long-term care services under Medicaid.

b. Individuals eligible for AFDC and non-cash Medicaid recipients whose income exceeds the income thresholds of the low-income subsidy program would be grandfathered, i.e., deemed to have income below 100 percent of the Federal poverty level, and therefore eligible for a full premium subsidy.

c. Like all other individuals eligible for the low-income subsidy program, AFDC and non-cash Medicaid recipients would receive premium subsidies, up to a maximum amount, for the purchase of a certified health plan covering the FedMed benefit package.

d. Medicaid acute care (non-long-term care) services not covered by the FedMed benefit package would be provided as supplemental benefits under a capped entitlement program to the states, based on historical Medicaid spending for these services, plus a growth factor.

i. States could provide these supplemental benefits to any individual qualifying for the low-income subsidy program.

ii. States may give priority for the supplemental benefits to children, pregnant women, and individuals in medically underserved areas.

iii. At the end of each Federal fiscal year, states may apply for any Federal funds for supplemental benefits not allocated to other states.

e. SSI and SSI-related (e.g., state SSP) recipients would generally remain eligible for services under the traditional Medicaid program. However, states would be given additional flexibility to enroll SSI and SSI-related recipients in Medicaid managed care programs, or in certified health plans covering the FedMed benefit package at a negotiated premium rate. The number of individuals electing to enroll in a certified health plan will be limited to 15 percent of the eligible SSI and SSI-related Medicaid population in the state in each of the first 3 years (beginning 1/1/97), increasing by 10 percentage points (e.g., 25, 35, 45, etc.) in each year thereafter.

f. State maintenance of effort:

i. States will make "maintenance of effort" (MOE) payments to the Federal government in an amount equal to each state's spending on acute care services covered by the FedMed benefit package for AFDC and non-cash recipients under Medicaid in the year prior to integration.

ii. Each state's MOE payment will be increased annually from the previous year by the weighted average increase in the maximum premium subsidy amounts in the state under the low-income subsidy program, plus the change in the state's population.

iii. Federal spending for the supplemental benefits will be based on Federal spending for AFDC and non-cash recipients for non-long-term care, non-FedMed-related Medicaid acute care services in the year prior to which the state's AFDC and non-cash recipients become eligible for the low-income subsidy program. Federal expenditures will increase annually from the previous year by the weighted average increase in the maximum subsidy amounts in the state under the low-income subsidy program, plus the change in population.

iv. At least 3 months prior to the date AFDC and non-cash recipients are integrated into the low-income subsidy program, the state must have an integration plan approved by the Secretary of HHS. The final plan will specify the state's MOE obligation.

g. Transition:

i. The bill establishes a Medicaid risk contract program which would allow states (at their option) to enter into risk contracts with organizations that meet Federal standards for access, enrollment, and quality assurance.

ii. Upon enactment, states would be permitted to:

(1) Enroll any groups of Medicaid recipients in Medicaid risk contract programs or private health plans (states would be required to offer recipients a choice of at least 2 plans); or,

(2) Apply for 1115 demonstration waivers.

iii. States with existing 1115 demonstration waivers would be allowed to continue until the state or the Secretary terminates the waiver, or until 1/1/00, whichever is earlier.

iv. At any point after enactment, states may apply for a waiver from the Secretary of HHS to integrate its AFDC and non-cash recipients into the low-income subsidy program when the low-income subsidy program begins (1/1/97). All states must integrate their AFDC and non-cash recipients into the low-income subsidy program by 1/1/00.

v. Beginning 1/1/97, Federal and State expenditures for FedMed-related acute care services would be capped on a per capita basis at the Federal and state matching rates multiplied by the weighted average maximum premium subsidy amount in the state. Federal expenditures for non-long-term care, non-FedMed-related acute care services would become a capped entitlement to states, based on Federal expenditures for such services in the state in the base year, increased annually by the increase in the weighted average maximum premium subsidy amount in the state.

vi. For states that integrate AFDC and non-cash recipients into the low-income subsidy program before 1/1/00, states will make "maintenance of effort" (MOE) payments to the Federal government in an amount based on each state's spending for acute services covered under the FedMed benefit package for AFDC and non-cash recipients in the year prior to which the state's AFDC and non-cash recipients become eligible for the low-income subsidy program.

vii. Each state's MOE payment for the FedMed-related services will be increased annually from the previous year by the weighted average increase in the maximum premium subsidy amounts in the state under the low-income subsidy program, plus the change in the state's population.

h. Federal Medicaid DSH expenditures will be reduced by 25 percent. The Secretary shall make recommendations regarding phasing out the DSH program or integrating the DSH expenditures into the per-capita amount as coverage increases.

i. Federal match rates would not be changed except to fix inequities for Alaska.

2. Long-Term Care:

a. Eliminates the need for waivers to provide home- and community-based long-term care services under Medicaid (i.e., make them a state plan option).

b. Codifies that the "cold bed rule" does not apply (i.e., states can provide services to more individuals than there are nursing home beds in the state).

c. Allows On-Lok/PACE to expand sites and to be afforded provider status under Medicare/Medicaid.

d. Allows states to pursue public-private partnership programs that link Medicaid eligibility to the purchase of a qualified private long-term care insurance policy. Policies would have to meet Federal standards described in the tax code (see also "Long-Term Care").

B. Medicare

1. Medicare remains a separate program.

2. The Secretary of Health and Human Services will make recommendations to Congress, with one year of enactment, on the following:

a. Allowing Medicare beneficiaries the option of:

i. Enrolling in private health plans; and,

ii. Establishing Medical Savings Accounts.

b. Allowing Medicare-eligible military retirees to enroll in health plans sponsored by the Department of Defense or other appropriate federal health programs.

3. Improve risk contracts:

a. The Secretary shall provide Medicare beneficiaries information on Medicare options available in a beneficiary's area.

b. Improvements in Medicare risk contract payment methodology:

i. The Secretary shall establish Medicare rating areas to replace the current county based system. Metropolitan Statistical Areas may not be divided into different rating areas.

ii. In determining the amount of payment for Medicare risk contracts, the Secretary shall use a direct calculation methodology applied to each rating area, adjusted to reflect the use of military, veterans, and other federal health program services.

c. HMOs will have the option of requiring Medicare beneficiaries that enroll in risk contract plans to disenroll only during an annual enrollment period. HMOs choosing this option must inform Medicare beneficiaries of the disenrollment limitation prior to enrollment.

d. The Secretary of HHS may waive 50/50 rule (at least 50 percent of enrollment be non-Medicare) for Medicare risk contractors that meet certain quality standards.

4. Medicare Select will be a permanent Medigap option in all states.

5. The Social Health Maintenance Organization demonstration project is extended for two years.

C. Veterans Affairs

1. Grants VA sufficient flexibility to enable the VA to respond rapidly and effectively to Federal and state market reforms.

2. Grants the Department of Veterans Affairs the necessary legal authority and resources to respond effectively.

IV. FINANCING

A. Spending Savings

1. Medicare Savings:

a. Reduce Hospital Market Basket Index Update. This proposal reduces the Hospital Market Basket Index Update by 1 percent. Currently Medicare changes the inpatient per-discharge standardized amount be a certain amount every year to reflect input costs changes in Congressional direction. OBRA 1993 reduced the Index in Fiscal Years 1994 through 1997. This proposal would reduce the updates by 1 percent for Fiscal Years 1997 through 2000.

b. Adjust Inpatient Capital Payments. This proposal combines three inpatient payment adjustments to reflect more accurate base year data and cost projections. The first would reduce inpatient capital payments to hospitals excluded from Medicare's prospective payment system by 15 percent. The second would reduce PPS Federal capital payments by 7.31 percent and hospital-specific amount by 10.41 percent to reflect new data on the FY 89 capital cost per discharge and the increase in Medicare inpatient capital with a 22.1 percent reduction to the updates of the capital rates.

c. Revise Disproportionate Share Hospital Adjustment. This proposal phases down, but does not eliminate, the current disproportionate share hospital adjustment over five years.

d. Indirect Medical Education (IME). This proposal lowers the IME adjustment for teaching hospitals from 7.7 percent to 6.7 percent. (The IME adjustment recognizes teaching hospitals' higher costs for offering a wider range of services and technologies, caring for more severely ill patients, and providing more diagnostic and therapeutic services to certain types of patients than other hospitals.)

e. Partially Extend OBRA 93 Provision to Catch-up after the SNF Freeze Expires Included in OBRA 93. Sets SNF cost limits at 106 percent of the mean. OBRA 93 established a two-year freeze on update to the cost limits for skilled nursing facilities. A catch-up is allowed after the freeze expires on October 1, 1995. This bill allows a partial catch-up for nursing homes while still realizing savings.

f. Partially Extend OBRA 93 Provision to Catch-up After the Home Health Freeze Expires. Sets cost limits for home health at 106 percent of the mean. OBRA 93 eliminated the inflation adjustment to the home health limits for two years. This bill allows a partial catch-up for home health after the freeze expires on July 1, 1996.

g. Moratorium on New Long-term Care Hospitals. This proposal eliminates new designations of PPS-exempt long-term care hospitals.

h. Change the Medicare Volume Performance Standard to Real Growth GDP. This changes the formula that is used to calculate the target rate of growth for Medicare physician services. This change directly connects the growth in physician services to the growth of the nation's economy.

i. Establish Cumulative Growth Targets for Physician Services. This changes the formula used to calculate the target rate of growth for Medicare physician services. Under this provision, the Medical Volume Performance Standard for each category of physician services would be built on a designated base-year and updated annually for changes in beneficiary enrollment and inflation, but not for actual outlay growth above and below the target.

j. Reduce the update in the Medicare Fee Schedule Conversion Factor by 3 percent in 1995, except Primary Care Services. The conversion factor is a dollar amount that converts the physician fee schedule's relative value units into a payment amount for each physician service. This provision reduces the 1995 annual update by 3 percent.

k. Establish outpatient prospective payment system for hospital outpatient departments. The Secretary of HHS is directed to establish a prospective payment system for hospital outpatient department services by January, 1995. If such a system is not established by that time, the Secretary would reduce hospital outpatient department payments sufficiently to achieve the anticipated savings.

l. Extend the requirement that the Part B premium cover 25 percent of Part B costs.

m. Extend OBRA 93 Medicare Secondary Payor Data Match with SSA and IRS. OBRA 93 included an extension of the data match between HCFA, IRS and SSA to identify the primary payers for Medicare enrollees with health coverage in addition to Medicare.

n. Extend OBRA '93 disabled provisions. Extends the OBRA '93 provision making Medicare the secondary payor for disabled Medicare beneficiaries who have employer sponsored coverage.

o. Extend the End-stage renal disease secondary payor provision. Makes Medicare the secondary payer for ESRD patients with employer sponsored health insurance for 24 months, instead of the current 18 months.

2. Medicaid Savings:

a. Federal Medicaid expenditures will be reduced by integrating AFDC and non-cash recipients into private health insurance plans, with a capped entitlement for supplemental benefits.

b. Medicaid payments for disproportionate share hospitals (DSH) would be reduced by 25 percent (starting in 1997) to help pay for subsidies for low-income individuals and families without health insurance.

B. Budget "Fail-Safe" Mechanism

1. To ensure that new spending for health insurance subsidies for low-income persons and the Health insurance tax deductions (including MSAs) do not exceed projections and increase the federal budget deficit, a fail-safe mechanism is included.

2. A baseline consisting of current projected spending for Medicare and Medicaid expenditures is established in the bill.

3. In any year that the Director of the Office of Management and Budget (OMB) notifies Congress that total federal spending for:

a. Medicare,

b. Medicaid,

c. Low-income health insurance subsidies, and

d. New tax spending for health insurance deductions (including MSAs)

will exceed the statutory baseline, the following will occur:

a. The phase-in of the tax deductions will be frozen at whatever percentage it is;

b. The deduction for contributions to MSAs will be reduced; and,

c. The low-income subsidy phase-in will be slowed or rolled back to the extent necessary to assure no deficit spending.

4. Congress may enact alternative savings measures to avoid the automatic reduction in subsidies.

The PRESIDING OFFICER. The bill will be introduced as in morning business.

Mr. DOLE. We will be explaining that bill in detail as the debate develops in the next several days.

Thank you.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have opened a historic debate in a historic manner. I have been 18 years now in the U.S. Senate. I have never seen an issue of this sensitivity addressed by the respective leaders with as open and welcoming a suggestion of compromise and accommodation.

If I could say to the Republican leader, my distinguished friend, there are the seeds of agreement in this Chamber, and there is legislation that could command 99 votes. And let us not forget for a moment that we begin this debate with the Republican leader talking about making a list of things we agree on, and the Democratic majority leader saying he welcomes constructive suggestions.

If I could just say one last thing, Mr. President, we are now, for the moment, on Calendar 539, a bill reported from the Committee on Finance in a bipartisan way, with many provisions which I think by definition we have found have support on both sides. I think we will find more of them. I think we recognize—and if I again can cite the Republican leader—there have been a great many events on the way to this moment in the area of health care. They go back to 1935 and the Social Security Act when President Roosevelt charged Frances Perkins, the Chair of his Committee on Economic Security, with undertaking a study of national health care reform then and there. That is 1934. And here we are 60 years later with a very great deal accomplished and within reach of the goals we set forth in the Finance Committee bill which for the moment is before us.

I would take the liberty, Mr. President, of reading you those goals.

Short title: "Health Security Act."

It is the purpose of this Act to achieve universal health insurance coverage through—

(1) subsidies for the purchase of health insurance;

(2) affordable standardized health insurance;

(3) elimination of exclusionary practices by health insurance companies;

(4) a permanent National Health Commission which, beginning in 1996, will make recommendations every two years to the Congress on how to increase the number of people covered by health insurance;

(5) reduction of health costs through more open competitive markets and continued advances in medical education and research; and,

(6) health care provided under the medicare and medicaid programs and health programs of the Department of Defense, Department of Veterans Affairs, and Indian Health Service.

Mr. President, we are already well on our way to these goals. We learned a very great deal in the Finance Committee, in the course of half a year's hearings, and most importantly we established that our health care problems in this country really are at one removed health care itself, that indeed we are in the great age of medical discovery in health care. I have remarked to colleagues at what physics was at the beginning of this century when the nature of matter was finally discovered, a great moment. It all took place in Europe, or almost entirely. The great discoveries in health and in biology, health technology, nature of human life are taking place in this country now—ours.

I had occasion last January, on the Evans and Novak television show to comment that "American medicine is the best medicine on Earth and in the history of mankind. Our insurance system is klutzy and complex and inadequate and incomplete."

And very shortly thereafter, our First Lady, Hillary Rodham Clinton, who has been so extraordinarily devoted to this enterprise, put the matter in almost the same words. She said, "We are confusing the fact that we have the finest physicians and hospitals in the world with the fact that we have the stupidest financing system for health care in the world."

Now, that is a distinction we can make, and to great advantage. Both the majority leader and the Republican leader have pointed out that almost the first thing we must do is address insurance matters. Many of the heartbreak cases you hear about, we have been shown on television, we have read about, are cases of persons who are denied insurance coverage for health care which did not exist 30 years ago.

I believe the majority leader spoke of a person in California who required a bone marrow transplant. Bone marrow transplants did not exist 30 years ago. The whole field of oncology has come into being in the last 30 years. And finding the financing for it, finding insurance for it is our first challenge. The majority leader's bill meets that challenge. It is time we did it. Indeed, Mr. President, we did it 2 years ago in H.R. 11, did we not, when it passed the Senate?

Now, the majority leader has made clear that his measure is open to constructive suggestions, and in that spirit and to demonstrate that we are not a monolith on this side of the aisle at all, I would like to respond to the Republican leader, my friend, Senator DOLE, the question he raised about the provisions which have been in all the bills so far reported as well as the one which I introduced last November on behalf of the President, the question of providing a ratio between primary care practitioners and specialists, and then also providing that the present ratio of residents to medical graduates drop from 134 percent to 110 percent. And I would say, and open to discussion on both sides, that I think those are wrong, those are mistakes.

I think my distinguished friend and comrade in all this, Senator PACKWOOD, agrees.

And I will give you a simple example here, the most important one, which is that we are making a mistake—it is easy to do if you do not pay attention but easy also to comprehend when you do—that the number of primary care physicians ought to be and is basically determined by demography, population. You need about 60 to 70 per 100,000 persons, and we have just about that. And most advanced countries have just about that. That is based on population, how many doctors need to be around to serve normal health care.

Now, the number of specialists is an independent variable that has nothing to do with primary care. It is driven by science. It is driven by discovery of new possibilities that did not exist before science came along. I give you an example, if I may, Mr. President.

In 1960, you arrived in a hospital, and your heart had stopped beating. The diagnosis was death. Today, the diagnosis is cardiac arrest. And you go to a cascade of treatments that did not exist 30 years ago. You can go to a defibrillator. You can go to cardiac catheterization.

You can go to angioplasty, you can go to heart transplant, things that did not exist. They change by the hour, and specialties arise in consequence. And you have to have them. Dr. Peter Budetti, who is on the floor tonight, has worked with our Finance Committee staff, noted that when he did his residency at Columbia Presbyterian in New York, there were no intensive care units for children. The kinds of things you can see today are miracles of medicine for premature babies, and children. They did not exist. Neither did the specialties that now have arisen in providing that care.

Oncology. There was no oncology in this country 30 years ago. It began in 1964 with the discovery of chemotherapy. It goes on to extraordinary prevention. There are high-risk measures now which become more routinized and less problematic. Who knows but that we will have cures for Alzheimer's disease on the edge. That again will be a specialty, or will likely be. Perhaps it will just be a pharmaceutical. Just as medical science brings in new procedures, it also gets rid of old ones. Fifteen years ago, a quarter of the operations performed in American hospitals were for one or another form of ulcer disease. One pharmaceutical took all of that away.

Just so, Mr. President. One of the great features of American medicine at this point is that it is at the center of medical discovery in the world; that medical graduates come from all over the world to take their residencies here. Some stay, and others return to their country. There are some things which, if you want to learn, you can only learn in an American hospital, in an academic health center.

So the idea of fixing the number of foreign residents trained in this country seems self-defeating. If we are concerned about health cost containment, surely we do not want to limit the number of doctors, and particularly doctors trained in the high academic centers of the country. So we want to take up issues like that.

The New York Times remarked this morning that Washington did not know how many surgeons the country needs now, let alone 10 years from now.

So we will proceed. But I hope we proceed in a sense of how much we share, how many ideas we have worked through, and understand and can agree on.

President Clinton established a goal of universal health coverage, and we have been working very hard for months to craft an approach to meet these challenges. Even an affluent country does not have resources to do this overnight. We get closer by the day. Insurance coverage is falling off to be sure, largely in my view because of cost displacement when we decide our Medicare program for example will not pay the true costs of the treatments.

But there are other matters to be dealt with. There are issues. Senator DOLE raised one. He pointed to the State of New York where we have stipulated, required, community rating citywide, and statewide. Indeed, a fair number of young persons dropped out of the insurance system altogether because benefit costs were raised.

Under the legislation Senator MITCHELL has introduced, under the legislation in our Finance Committee bill right there, we provide subsidies for young persons in that situation. The Finance Committee bill, Mr. President, is a bipartisan bill, and would provide subsidies for about 8 million New Yorkers alone. Being sensitive to the costs and the consequences is entirely appropriate. But to many of these seeming dilemmas, there is an answer. I think that answer will be found in the majority leader's bill as we collaborate, as we exchange views, and we come to similar conclusions.

Mr. President, I am hugely hopeful on this moment. And I am equally looking forward, as I see my dear friend, the ranking member of the Committee on Finance, the former chairman, has risen. I propose to sit down at this moment in order to hear and listen to him.

Thank you, Mr. President.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Oregon.

Mr. PACKWOOD. Mr. President, Dr. Garfield reached through the open window of his car, opened the glove compartment, and he took out a bandanna. He sat down on the running board. He wrapped the bandanna around his head as a sweatband, a trick he had learned from the construction workers earlier when he had been working on the Los Angeles aqueduct. As he sat looking at the Columbia River—he had never seen the Mississippi—he thought to himself. "That is some big river." He also thought to himself, it is hot. God, is it hot. It has to be 110 degrees. Then he thought to himself about the debate that went on in the Corps of Engineers about whether or not they could build a dam this big across the river, the Grand Coulee. Well, that was not his problem. He was not an engineer. He was a doctor.

He had an interesting background. While he had been a medical student, he had managed an apartment house. When he was a resident, he had a Buick dealership. He was an entrepreneur. He thought there was a way to meld management and business and medicine. He had a little tryout on it on the Los Angeles aqueduct project. He had been hired as the medical officer.

It was an interesting situation. It is a long ribbon from the Colorado River to Los Angeles, but a long, thin ribbon. He wondered how he was going to provide medical service for this construction crew. He juryrigged a little six-bed hospital on skids, and skidded along with the construction.

He was very conscious about worker safety, and even spent some of his own money teaching the workers about worker safety and preventive medicine, preventive health. But in comparison, what he was now about to undertake was a goliath.

He had never met the boss, the principal contractor on the dam, Henry J. Kaiser. But this is what he had to do with 15,000 workers, dependents, and families. The nearest big town was Spokane, 90 miles away. There were no significant medical facilities in that summer of 1938 as he was looking out over this river in that 110 degree weather. He thought to himself, had he undertaken more than he could achieve?

A few days later he met Mr. Kaiser. He admitted he was nervous. He explained his plan. He said what it would take. He had to argue with Mr. Kaiser about whether there would be air conditioning in the hospital. He knew from the aqueduct in the desert that this was not a luxury, this was a necessity. Mr. Kaiser thought this was a luxury, that they were not going to have air conditioning in eastern Washington in the summer. So he paid for it himself, and in one way or the other he got the money out of Mr. Kaiser.

He actually could not use the hospital in Spokane except for extraordinary circumstances. So he had to go to the couple smaller towns, in the middle of the Depression, in 1938. The hospitals were bankrupt. He had to do the best he could to more or less renovate the hospitals. But most importantly, he knew that he had to take 15,000 people—men, women, and children—who were going to be living in this area for 3 years in what would probably be close to a tent city and give them health care.

Second, he had problems with the union. The union did not trust any of its employer providers. They would figure out some way to do it. So Sid Garfield went directly to the men. There were no women workers of any consequence in those days, in the construction days. He explained what he wanted to do and they listened.

Within a month of starting, 90 percent signed up. Fifty cents a week for complete coverage. Pretty soon, the men were asking about their wives and children, and with no actuarial experience to go on, he convinced Mr. Kaiser to say, "OK, 50 cents for the wife, 25 cents for each kid." There was an immense sign up. And then pretty soon, he discovered that rather than—and he learned this from the aqueduct, and should have realized, except there he had changing work force personnel as they moved west, and here he was going to have a consistent work force for 3 years.

The wives and kids and others began coming to him, not in the later stages of breast cancer but in the early stages, because this was capitated, this was paid for ahead of time. He was able to convince the other doctors in the area, who had always had a suspicion about this kind of prepaid medicine, that it would be good for them, because with what he was discovering, they would get increased business.

Pretty soon, the townspeople in the areas were allowed to join the plan. They heard about it from their neighbors and wanted to know if they could get in.

It worked, by and large, pretty well. But what you had was basically a company town on the project. Almost everybody there was a Government employee or part of the Government contracting, or part of the Corps of Engineers.

They finished. World War II started, and Sidney Garfield was drafted into the Medical Corps, but soon received a phone call indicating that he was going to be immediately discharged if he was willing to go out and meet with Mr. Kaiser again and set up the medical facilities in Richmond, CA, and in Portland, OR. This was not going to be 15,000. Richmond grew from 25,000 to 125,000 in 9 months. It became an immense naval construction facility. In Portland, OR, he had three shipyards. At the height of World War II, they employed 40,000 people. They were 30 percent of the entire adult work force in Portland during World War II.

Well, the experience in the aqueduct, and the experience on Grand Coulee, and what Mr. Kaiser said when they first met, "Young man, if your plan is as good as you say it is, it is not only good for my company, it is good for this country." When the shipyards closed at the end of World War II, the workers wanted to continue coverage; hence, the start of the Kaiser Health Plan, as we know it, and as it is known much more in the West than in the East.

In the late 1950's and the early 1960's, I was a labor lawyer. I was low man on the totem pole in a large Portland law firm, the lowest person in the labor law section. They were contracting with Kaiser for their health care. I was impressed, first with the fact that most of the employees seemed satisfied. Secondly, I was impressed with the fact of what Kaiser would attempt to do. They would bring their little mobile clinic out to the factory and run people through an annual physical, the kind of things people just do not do.

I remember what one of the Kaiser people said at the time. He said, "We do not really have any cheaper hospital costs than anybody else. What we try to do is avoid hospitalization by preventing it." Kaiser was not popular, and I do not mean Henry himself, but the plan was not popular with community doctors. Believe it or not, Dr. Ernest Saward had an ethical misconduct charge brought against him by the State Medical Society when he put up a sign in the shipyard that said "A Community Medical Center, the Kaiser Plan." That is all it said. Unethical conduct.

In 1961, doctors that worked for the Kaiser Permanente Clinic were not allowed to join the Multnomah Medical Society. They were pariahs, inferior medicine. There was a threatened antitrust suit, and that soon ended. But they, by and large, were not welcome.

Now, today, in Oregon, Kaiser has 400,000 enrollees. But to put it in perspective, Blue Cross/Blue Shield has about 1.1 million. Our population is 2.9 million. In California—here is Blue Cross the biggest health coverage organization in the United States—in California, Blue Cross has 3 million enrollees, Kaiser has 4 million enrollees, to give you an idea of the dominance and success they have had. To put it in perspective in Oregon, Kaiser now has two hospitals, 17 outpatient clinics, 12 dental offices, 545 physicians, 99 dentists, and 7,441 employees. These are all employees. It is managed care at its best. Sid Garfield was an absolute prophet when he said competition can work.

You might ask, "Does managed care work?" People will give you examples to prove that it does not. But you must be careful when you are trying to do any kind of comparative health costs in the market system for this reason: We have had a market system in health in the United States for barely a decade. Realize that it is only about 10 years ago that Medicare quit reimbursing hospitals for cost. What is your cost? Here is the payment. No wonder you had no cost control. I mean, that was World War II, cost plus. What does it cost you to do it? Here is your 10 percent, here is the cost.

We really have not had a market system in the United States for health care until the last decade. There may be a few exceptions in some areas, in some States. So you have to be very careful in comparisons, especially when you study costs in different States. You have to ask yourself, "Where did the State start from 10 years ago?" If it was a high-cost State 10 years ago and it got into managed care—and California did, and it is still, relatively speaking, a high-cost State; it is coming down, doing better, but it started way up here—and if you compare that against a low-cost State 10 years ago that has no managed care, they are still probably lower in cost. But they are closing. They are closing because the managed care works.

So you have some low-cost States, such as Montana, Idaho, and Maine, but they are basically low-cost everything. Wages are lower, costs are lower, health services are lower. We can almost say as a rule of thumb—and it is not always true, but almost as a rule of thumb—the bigger the area the more expensive the health costs.

Maybe it should not be true, but this on average is true. In a bigger city like Albuquerque, I bet it costs more than a smaller town in New Mexico. I am just taking a guess.

The bulk of the studies that have been done recently, though, pretty much conclude that managed care works to reduce the increase in costs. I do not want to say reduced costs. I have yet to see any studies that say we have gone down. But reduced cost.

In Dr. James Robinson's study "HMO Penetration and Hospital Inflation in California," the conclusion in California is the areas with the highest health maintenance organization penetration had the slower growing and lower hospital costs.

The recent Lewin-VHI study concludes managed care is cheaper. The best I have seen, and it has not been published yet, Dr. Glenn Melnick, Ph.D., with the UCLA study, "Health Care Expenditures Under Competition and Regulation—1980–1991." It has not yet been published, but it is available. It came out in July. Dr. Melnick studied five States, one of which was a managed-care State, and that is California. The president of the UCLA Medical Center, when testifying, said for all practical purposes, there is no indemnity payment left in southern California. It is all managed care. Dr. Melnick studied California, and then to compare it, he studied four States with regulated hospital costs: Maryland, Massachusetts, New Jersey, and New York.

Now, they did not all start from the same base in 1980. That is what you have to remember. But far and away, the increases from 1980 to 1991 were much, much lower in California than any of the regulated price-control States. And two of those states, New Jersey and Massachusetts, have now abandoned price controls.

I will give you just one other chart—per capita growth in hospital expenditures, 1980–1991, for the United States; 54 percent is the aggregate. California, 27 percent; Maryland, 34 percent; Massachusetts, 45 percent; New Jersey, 85 percent; New York, 57 percent. That is the increase for those years.

So every study I have seen indicates that where there is competition it works, if we will give it a chance to work, and not throttle and strangle it with a bill that wants to see it stillborn.

We are all conditioned by our own experiences, so I will take Oregon, having lived all of my life there. Our per capita health costs are the lowest in the country. We are tied with Utah for the lowest, at 15 percent below the national average. Our Medicare per capita cost is the lowest in the country, tied with Wyoming, 30 percent below the national average, and our indemnity health plan cost in Portland—we still have it—is 15 percent lower than the national average. On hospital stays, Oregon's hospital stays are less than one-third the national average, 281 days per 1,000 population versus the national average of 872 days. Our average length of stay in a hospital is 2 full days below the national average: 5.1 in Oregon; 7.1 in the Nation.

If the rest of the country did nothing more than manage its hospitals—not the rest of its health care, just managed its hospitals—as efficiently as Oregon, you would have 5.5 million fewer hospital admissions and $50 billion a year in savings on just hospital costs.

It can be done. And Oregon is one of the leading managed care States.

I am going to take just a moment to explain what managed care is, because for those who are watching, we often speak in acronyms and speak in terms that to the public are arcane, justifiably arcane, to the public.

Managed care is a system of health delivery that tries to gather patients and doctors and bring them together in more or less of a collective manner. There are a variety of ways of going about it.

The principal one, best known perhaps, is the health maintenance organization, HMO. Kaiser is a classic example of that. The patient pays a fixed dollar amount. You must use the health maintenance organization's facilities and doctors, but they take care of all of your health needs for a fixed amount.

So it is of great interest to the provider while providing good health care, and Kaiser does, to restrain their costs. They have a fixed amount. They are not going to get any more money out of you. Here is the contract. I will pay $250 a month whether I am sick or healthy. You take care of me whether I am sick or healthy. And Kaiser has to live with that or go bankrupt. That is one kind of managed care.

Another is the so-called PPO, the preferred provider organization. Here, an insurance carrier selects a panel of doctors who are preferred, and they say of the 1,000 doctors in the area, we have 600 on our panel and if you go to those doctors, we have worked out contractual relation with them, and they will do an appendectomy for $1,000. Or if you go to the other 400 doctors, and they may charge you more, we are not going to pay any more. If you go outside the network, you pay more. That is a preferred provider organization.

The third one is called point of service. This is sort of like a health maintenance organization, but you are allowed to go outside the organization and use other doctors. But the HMO pays a much smaller percentage then of our health costs, and you pay more of it yourself. You can do it if you want, and the health maintenance organization will let you do it so long as you understand it is going to cost you more money.

It is your choice. Those are the three principal kinds of managed care.

The reason I say it needs to be given a chance—remember what I said earlier—we have not had competition in the health industry in this country for much more than the last 10 years. We really are only getting at it. In Oregon again, Blue Cross/Blue Shield, in a State with a population of 2.9 million people, Blue Cross/Blue Shield, of the 2.9 million people in the State, enrolls 1.1 million. Ten years ago, in 1984, they had zero enrollees in managed care. None. Today, 10 years later, they have 65 percent in managed care. They expect by 1998 to have 90 percent in managed care.

Kaiser, of course, is complete managed care, and it has 400,000 enrollees. In Oregon, we have today eight major health maintenance organizations competing against each other. We have 19 preferred provider organizations. No wonder it is a dog-eat-dog competition, and I use that in the best sense of the word. We have even in Portland managed to get 56 percent of our Medicare population to sign up for managed care. And three of the five Medicare health maintenance organizations in Oregon have had no premium increase for the last 4 years. That is the kind of competition Oregon has. It is working.

In California, California even exceeds Oregon in terms of its membership in health maintenance organizations. And, as I said, the president of the Medical Center at UCLA says there is no more indemnity payment. And here is the funny thing that happened. Doctors still do not like this kind of practice. They still have some misgivings about group practice.

I was intrigued that just last month, the D.C. Chapter of the American Medical Association has sued the regional Blue Cross/Blue Shield, claiming that doctors are being arbitrarily excluded from the Blue Cross/Blue Shield preferred provider organization. They will not let us all in.

I might just quote:

> The lawsuit, filed in the U.S. District Court here, represents the latest salvo in the widening battle between doctors and insurance carriers in the Washington area and across the country over whether insurers should have the power to nudge patients toward certain doctors.

The same thing happened in Multnomah County in Oregon. Doctors were worried about unethical conduct when they put a sign up for a community health plan. They still do not like it.

But within the same week that this lawsuit is filed, the same week, along comes this story about D.C. area doctors setting up their own managed care.

> Dozens of Washington area physicians are forming their own health care network, saying they want to free themselves from insurance companies and other large health plans that try to tell them how to practice medicine.
>
> To ensure the quality of care . . . the group is enrolling doctors on an invitation-only basis, adopting its own variation of the exclusive postures other health plans have taken.

The same thing. It reminds me of Russell Long. He does not want to have anything to do with any conspiracy he is not a part of. Let him in. Let them in.

But let them in. It is all right.

This is why we are having this tremendous battle about the so-called "any willing provider" clause.

What that means is, if the doctors can have their way, that every health maintenance organization, every Kaiser Health Plan, every Blue Cross/Blue Shield preferred provider plan has to let any doctor in that will agree to meet their prices. At the very same time the doctors want to set up an organization that says, "We are not going to let everybody in."

Well, you are not going to have managed care if the Kaisers of the world, if the Blue Crosses of the world cannot have some discretion as to who they let in and who they do not let in. They may not need every doctor from the area, they may not need every thoracic surgeon in the area. So that battle continues.

Now I do not know how much evidence we need that the market works, but there is more in the newspapers.

Here is another one from the New York Times. Here is the story. It is about an Israeli doctors' strike.

> Both the striking doctors and leading health administrators want a system of graduated fees in place of the current arrangement, which provides free medical care and medicine at Government hospitals and at over 1,000 neighborhood clinics.
>
> "Israelis have been exploiting the medical system because it is free," said Asher Yadlin, the director of * * * the Israeli equivalent of Blue Cross, in which more than 70 per cent of the population is enrolled.
>
> "* * * During the strike, Israelis have either gone to hospital emergency rooms for medical attention or sought out the striking doctors in their homes or private offices. In either case, they have had to pay a fee, ranging from $8 to $12 a visit. * * *"
>
> A result of this arrangement has been a drastic reduction in the number of Israelis seeking medical attention.

If they have to pay for it, they might slow down.

This is Mr. Yadlin again:

> The fact that they have had to pay a few pounds for visits during the strike has been enough to discourage most Israelis from seeing their doctors. * * * And yet there has been no increase in the number of serious illnesses.
>
> It proves what we have suspected all along—that most of these visits were unnecessary. They merely went because it was free.

Now here is my favorite sentence:

> During the strike * * * death had decreased more than 20 percent.

Market forces work.

The Washington Post, last July:

> The two broad alternatives for containing costs are market forces * * * and government controls * * *. Congress * * * seems disposed to try market forces * * *. Rather than try to control costs itself, the government will try to strengthen the ability of the market to do it. That's an all right place to start; let's see how it works * * *.

Competition works.

The New York Times again. Wonderful story. This is involving New York Medicaid recipients. As my good friend from New York knows, some years ago New York passed a law that allows Medicaid recipients to join managed care organizations if they wish to join. This is the story:

> New York law allows Medicaid recipients, if they want, to purchase managed care coverage through private carriers.
>
> "New York City's public hospital system is losing some of its Medicaid patients—patients nobody else used to want * * *."

> "Of the more than 300,000 New Yorkers who have signed up for Medicaid managed care—about 13 percent of the state's Medicaid population—almost all have chosen H.M.O.'s aligned with private hospitals.
>
> Only 8 percent have joined the public hospital system's managed care program, the Metropolitan Health Plan, Dr. Siegel said: "And that's horrible news for us."
>
> "We used to have a monopoly on poor people, and we're losing it," said Dr. Siegel. "We're seeing our patients being recruited into H.M.O.'s that don't use our hospital, so for the first time we're competing."

They are going to spend over $1 million on advertising to try to bring patients back. The system works. This is Medicaid. This is for the very poor.

You know, the poor are not dumb. They are just poor. They understand a good deal when they see it. And they understand they are getting a better deal from a private carrier in a health maintenance organization in New York City than they are getting from the free New York City hospital that pays no taxes to anybody. They are smart. They understand.

Do we have any other evidence that the market works; that when people are given a choice, they might choose something that either saves them money, or they will not choose something that will cost them money?

Medical saving accounts, which the leader's bill has totally written out. They are gone. They are not allowed.

Medical saving accounts—and I am going to refer to it as the Golden Rule Insurance Co. That is where we first heard it, in the Finance Committee. There is an insurance company in Indiana called the Golden Rule Insurance Co. Their president testified. This is what they did and other companies are now following them.

You basically have two kinds of health insurance policies, what we call a traditional policy—you may have a $200 or $300 deductible and then maybe you pay 20 percent of the first $1,000 and 10 percent of the second $1,000 and the policy pays the rest. It is what we call a traditional policy.

Then you have what is known as a catastrophic policy. In a catastrophic policy, you agree to pay all of the costs yourself up to a certain amount, then the catastrophic policy pays everything else after that.

It is really what insurance means. Insurance is to insure you against the things you cannot afford. Insurance is not meant to pay for everything you can afford.

So the question is, what do people choose?

When given the option at the Golden Rule Insurance Co.—and you have to understand, this is cheaper for the company, also. Catastrophic insurance, catastrophic anything, catastrophic fire insurance, catastrophic auto insurance is not very expensive to underwrite. Not many people actually go to hospitals during the year and not many people have $100,000 or $200,000 hospital stays. That is usually what we read about. We read about the poor devil who crashes his motorcycle and costs the hospital $500,000; we read about the premature birth that costs $500,000. Those are the exceptions. Most people do not have catastrophic costs.

So the Golden Rule Insurance Co. made this deal with their employees.

Now I am going to round off the figures and I am going to use it for purposes of illustration. I have not taken the exact dollar amount. I mean, I am very close, but I will round it off. I am going to use only a policy that would involve a single person.

For the traditional policy, you are a single person, this is the one with a little copayment, few deductions and what-not, costs the company about $1,600 a year; single person.

The catastrophic policy has a $2,000 deductible. That is not very high. Catastrophic, $2,000, you pay everything up to $2,000, after that the policy pays everything.

That costs the company only $400, because not many people have bills over $2,000. So the company saves $1,200 in the difference between the policies—$1,200.

Now the company therefore agrees to put $1,000 in your medical savings account. They are still saving $200, because otherwise it would cost them $1,200 more. So they have put $1,000 in your medical savings account.

Now here is the double intriguing thing.

If a company buys you health insurance, buys you a traditional policy for $1,600, that is a total deduction for the company and none of it counts as income to you. If the company, however, buys you a catastrophic policy, $400, that is deductible to the company and it is not income to you. But if they put $1,000 in your account and you do not spend it for health, that is income to you. You have to pay taxes on it.

I would assume an insurance company would have a lot of people they are paying $15,000 to $20,000 a year. Let us assume they are in the 20 percent bracket.

So you have $1,000. Right away, $200 is gone for taxes if they do not spend it. Given that, with this $1,000 and paying taxes on it, the average employee was taking out $602 a year out of their account at the end of the year, which means they spent a couple hundred dollars for health, a couple hundred dollars in taxes and took $600 out. When given a choice between having the money and not having the money, they chose the money.

Now the argument might be made, "Well, they did not undertake the health services they needed. They don't know any better."

Baloney. What this company found was that people began to shop around. They would be talking at the cafeteria and one of them would say, "Well, the doctor wanted to charge me $9,000 and I asked around and I found a hospital that would do it for $5,500."

Even the president of the company says he had a medical condition that required him to get a prescription, as I remember, that was $55 or $60 a month, and he found he could get it for $12.

This is the kind of thing people will do when they are given the chance to do it. And this bill does not allow them.

Unfortunately, this is the bill we are going to consider. This is Senator MITCHELL's bill and the medical savings are not in it.

Other companies do it. I will use only one other—Forbes, Forbes Publishing. We are all familiar with that company: 425 employees. Their medical savings account works slightly differently but it is the same theory. They call it bonus dollars, and at the end of the year they match your bonus dollars. They put a certain amount of money in your account and if you do not spend it they will match it.

The company saves money. In 1992, Forbes spent—they only have, bear in mind, 425 employees—they spent $398,000 less in 1992 than 1991, and $417,000 less in 1993 than 1992 on bonus payments to employees; $204,000 in 1992, $320,000 in 1993; 166 employees, 40 percent of the entire work force participated in this program and received bonus payments.

Does the system work? You bet it does. When you are given an option. And the Clinton-Mitchell bill eliminates this alternative.

What does the Clinton-Mitchell bill promise? I do not have time to go through this entire bill. I am going to zero in on just one major thing. During the rest of this debate I will zero in on some other major things. What it does promise is more regulation, more Government price control, more Government bureaucracy, less freedom of choice. I am going to take the issue of price controls right now. Price controls do not work. I have not found anybody who says price controls work. We thought they would work in Medicare. Do you know what the two biggest, most rapidly, continually growing programs are? The two that are under Government price controls: Medicare and Medicaid. That is price control for you. And it is no wonder. It is no wonder.

Remember I said the poor are not dumb. The rich are not dumb either. You tell a doctor we will give you $1,000 under Medicare for a physical exam. All right. How much will they give me for a blood test, $50? How much for an EKG, $150? It is amazing how many tests you can add up, that are not part of the physical, that are added up. The well educated are smart, too.

I do not know why we have to learn this over and over. I could come here with a litany from Barry Bosworth. He used to support price controls. Remember Jackson Grayson during the Nixon price control days? It does not work. He says, "Things crop up you cannot imagine, you cannot control it. It is like putting your finger on mercury."

But the Clinton bill wants to try it. The Clinton-Mitchell bill. What did Dr. Reischauer say? I remember DAVE DURENBERGER so clearly the day Dr. Reischauer was testifying. He says, "If we enact the Clinton bill"—this is before we had the Mitchell bill—"If we enact the Clinton bill we'll reduce our health expenditures by 1 percent. We will reduce them from 20.5 percent to 19.5 percent of gross domestic product." Senator DURENBERGER says, "But they are at 14 percent now. That is going in the wrong direction." Then Dr. Reischauer adds, "That is if the Clinton bill works perfectly." That is if the price controls work. That is if the subsidies do not cost more than we think. That is if everything went right. We try to regulate, regulate, regulate and you cannot regulate enough. You cannot get your arms around it.

Why do we not learn? Did you ever read the first appropriations bill this Congress ever passed—not this Congress, the country ever passed: The 1789 appropriation bill?

Be it enacted by the Senate and the House of Representatives of the United States in America in Congress assembled, That there be appropriated for the service of the present year, to be paid out of the monies which arise, either from the requisitions heretofore made upon the several states, or from the duties upon impost and tonnage, the following sums, vis. A sum not exceeding $216,000 for defraying the expenses of the civil list under the late, and present government;

That is the salaries of the employees.

a sum not exceeding $137,000 for defraying the expenses of the Department of War;

a sum not exceeding $190,000 for discharging the warrants issued by the late board of treasury, and remaining unsatisfied;

That is paying off the debt. I wish we would do the same thing now.

and a sum not exceeding $96,500 for paying the pensions to invalids.

Approved, September 29, 1789.

That is it. We ran the Government on that bill for a year. We did not have written in here how much each person working in the executive branch is going to get. We did not have departments with regulations. This is how we ran the Government for 1 year, and we left it to the President pretty much to determine how much different people got paid in his department. I do not know what Senators got paid in those days.

Now what do we have? The chairman referred to it. What do we have now? Thank God, not in the chairman's bill. This bill—this bill, S. 2357, which we only got—and as I understand the cost estimates that we have today are not the cost estimates for this bill, as I am told. It is the cost estimates on new things that are being drafted that we have not seen that will go as amendments to this bill; 62 pages of this bill relate to this allocation of residents-in-training programs. Or as we call them, "academic health centers"—62 pages. We could run the whole Government on one page.

Let me read you some of this gobbledygook.

CHAPTER 1—OPERATION OF APPROVED PHYSICIAN TRAINING PROGRAMS

SEC. 3031. FEDERAL FORMULA PAYMENTS TO QUALIFIED ENTITIES FOR THE COSTS OF THE OPERATION OF APPROVED PHYSICIAN TRAINING PROGRAMS.

(a) IN GENERAL.—In the case of a qualified entity that in accordance with section 3032 submits to the Secretary an application for calendar year 1997 or any subsequent calendar year, the Secretary shall make payments—

And it goes on.

(2) ENTITIES INCLUDED.—The term "qualified applicant" may include an approved physician training program, teaching hospital, medical school, group practice, an entity representing two or more parties engaged in a formal association, a community health center or another entity operating an approved physician training program.

(d) TREATMENT OF PODIATRIC AND DENTAL RESIDENCY PROGRAMS.—Except as provided in section 3034, for the purposes of this subpart, an approved physician training program includes training programs approved by the Commission on Dental Accreditation or the Council of Podiatric Medical Education of the American Podiatric Medical Association. This subsection shall not apply for purposes of subpart B.

SEC. 3032. APPLICATION FOR PAYMENTS.

And as specified by the Secretary—meeting the condition as specified by the Secretary—as the Secretary may require. As the Secretary determines.

And "Certain entities—If an applicant under paragraph (1) is an entity representing two or more parties, (A) the application"—on it goes, 62 pages of this stuff.

Mr. MOYNIHAN. Will my friend yield for a question?

Mr. PACKWOOD. On that subject? I will try to.

Mr. MOYNIHAN. We are not going to have that section.

Mr. PACKWOOD. All right. We are not going to have that section. I hope we are not going to have that section.

But think what we have come to in this country if that is what we have to do to make sure that some medical student is willing to live in Mingo County, WV. Why do we just not have a doctors' draft? Why do we not just draft them and say you are going to Mingo County, WV? It is a lot cheaper than this system.

Now I want to go to cost containment. I tell you I spent all weekend on this section of the bill, trying to figure out how it works. I went on the Finance Committee 20 years ago. I introduced President Nixon's bill 20 years ago. I spent 20 years dealing with Medicare and Medicaid. I have a reasonable knowledge—reasonable—of this subject. And I could not grasp exactly how this cost containment section works.

I thought, well, maybe the Democrats will help me. So I got this book, "Health Care Reform Briefing Book," put out by the Democratic Policy Committee, dated yesterday. I turned to the cost containment section. Do you know what it says? "No contents were included for this section." No wonder, they cannot understand it either.

So here goes, here is my understanding of it as best I know. And it relates to a concept called "community rating." Before we go any further, we should understand sort of what community rating is. Let us take automobile insurance, for example. Let us say you have a wild 20-year-old who has three driving while intoxicated convictions and seven wrecks and 31 tickets. And you have a 55-year-old teetotaling grandmother who has never had a ticket and never had a wreck. Under community rating they would get the same insurance. That is pure community rating.

Mr. DOMENICI. Same cost.

Mr. PACKWOOD. The fact that he is going to cost an insurance company $15,000—if they are lucky—a year and the grandmother is going to cost them nothing means they will each pay $7,500. That is community rating. We do not do that with auto insurance. What we say is that the kid is going to pay a lot more than the grandmother. And not only do we say that, we have different rates within States. We pay a lot more in Washington, DC, than you pay in Richmond, VA. You pay a lot more in New York City than you do in Elmira. We do not have pure community rating. We do not even have it within States because we say it is not fair. And, if we had pure community rating on health—pure—what we would say is a healthy 20 year old—to be very frank, young males on average are not very expensive.

There are the occasional ones you read about, they crash their motorcycle. But the average 20-year-old is pretty healthy. He does not cost people much. He does not cost insurance companies much if he's insured.

But if you had pure community rating, you would take this healthy 20-year-old and you would take a sick 50-year-old and you would say—and it is about a 4½-to-1 ratio in insurance adjusting now. If the kid cost you 1,000 bucks, the 50-year-old cost you about $4,500. Round it off to six and we have a total of $6,000. We charge each $3,000. That would be community rating for health.

We do not do that. We charge older people more than we charge younger people. We do not even do it in the health provider area. It costs more to get health care in Miami and New York City than it does Minneapolis and Portland, and their rates reflect the different geography. So here is what this bill, I think, has tried to do with price controls.

First, they come to the community. You are going to have a community rate. Everybody with 500 or fewer employees, every association, every multiple employer welfare association—MEWA's as we call them—are swept into this community rate. About 30 million people now have insurance they like. They may be self-insured. They may be companies smaller than 500 but buying from Continental Casualty, Aetna, or somebody else. They are swept into this community rate whether they like it or not.

Now, the Clinton-Mitchell bill lets each State set up its own communities, geographic areas. And for all of you and all of us—we all do it here—that have ever served anyplace, one of the great games, legerdemains of legislating, is how do you carve out and save your little area from having to share the expenses of some other area.

Florida, which has its own State health system, has 67 different community rating areas. They have one for each county—67. This bill says a community has to have at least 250,000 people. But that means California could have 120. I do not think they would have that many, but I guess California could have 40 or 50. New York could have 72; Texas could have 72; Pennsylvania could have 48.

I do not think they are going to have that many, but I am telling you, you are in a State, you are the Governor, you are in the legislature, every one of us knows that the smaller, less expensive areas do not want to be lumped in with the big city.

I would wager in my own State of 2.9 million people, we will have five to seven geographic areas. Portland, the metropolitan area, is about 1 million people. That would be one. The rest are what we call the Willamette Valley, south of Portland but reasonably populous, will be another; the coast will be another; southern Oregon is a fourth one; eastern Oregon is a fifth, and you might split that in two because it is a big area. So five to seven in a relatively smaller State.

I do not know how many of these geographic areas we are going to have in the Nation, because each State will get to choose their own, but I am going to take a guess at hundreds in the Nation.

Now, in each geographic area, the Secretary of the Treasury, in conjunction, in consultation with the Secretary of Health and Human Services, is to community rate six different classifications: Single adult, single adult with children, married couple without children, married couple with children. And then we added two new ones because of an amendment from the Senator from Michigan: Single child and two or more children. The reason we have this is because in the Mitchell bill, we go up to, I recall, 200 percent of poverty for a family, but for this particular amendment Senator RIEGLE covers, we go to 240 percent of poverty. Therefore, you can have a family above the 200 percent, but they have a child and the child is eligible, so you have to have a class for that child.

Here are six classifications. The last two have never had insurance policies written for them. Never. These are brand new. You have six of these in each geographic area and then—I love this:

> The Secretary—
>
> In determining these classifications—
>
> shall use information of the type described in subparagraph (B), establish an adjustment for each community rating area which takes into account the differences among community rating areas, including variations in health expenditures, in rates of uninsurance and underinsurance, and in the proportion of expenditures for services provided by academic health centers.
>
> (i) information on variations in premiums across States and across community rating areas within a State (based on surveys and other data);
>
> (ii) information on variations in per-capita health spending by State, as measured by the Secretary;
>
> (iii) information on variations across States in per-capita spending under the medicare program and in such spending among community rating areas within a State under such program; and
>
> (iv) area rating factors commonly used by actuaries.

What is that? We now have six different plans we have to rate. We now have several hundred different geographic community areas. You are going to have different rates in different States.

Then you know what else we are supposed to do? Now we are supposed to take each plan that an insurance company writes and age-adjust it. So that if Aetna has a policy and their average person is 52 years of age, and Met Life has one and the average person is 41 years of age, Aetna's is going to be more expensive because the people are older. And you have to adjust for that variation in every area on every plan.

Now what happens? If an insurance company sells a policy that exceeds the permissible rate—the permissible rate is this blended premium that you have finally come to after all of these figures have been thrown in for every one of these geographic areas. Let us say that the policy for a married couple without children in Portland is $2,700. In Eugene, OR, it is $2,400. In Burns, OR, it is $1,900. These are all in different areas.

Now you are Metropolitan Life, or you are Prudential. What do you do? You pay 25 percent of the difference between what this blended average rate is supposed to be and what you charge. There is a tax of 25 percent.

So let us say you are in Eugene and it is $2,400 and you sell a policy for $3,000, $600 too much, 25 percent tax, $150 to be split between the insurance company and the providers on every policy: $75 from the providers—Dr. Jones, Dr. Smith, Sacred Heart Hospital, the local chiropractor, if they are included—and you as the insurance company are to pay the whole tax. You are then to go back and get it from the hospital or get it from the doctor. If they do not pay you, you can sue them.

Now you are a doctor and you are treating people. You are an appendectomy specialist. You are treating people. You charge $1,000. You do not realize, you poor dumb fool, that Aetna can pay $1,000, but if Prudential does, you are going to have to be taxed on it because they have a different policy and a different base. That is what is in this bill on cost containment alone.

I could go on the rest of the night on this subject. This bill is full of this kind of mischief.

If we would just sit back and let the market work—it is going to work well for the next 5 to 6 years. The competition is just setting in. The reason I say for the next 5 or 6 years is because at some place you are going to reach an irreducible minimum below which a hospital cannot operate and it goes bankrupt. You are going to reach an irreducible minimum in which a doctor says, "I'm no longer going to practice medicine, I'm going to be a plumber and make more money." He goes out and becomes a plumber.

At that stage, competition cannot squeeze any more out. No bill—not the Mitchell bill, the chairman's bill, not Dole-Packwood—addresses the ultimate problem which is really a theological problem. It is not a medical problem. How much of our gross domestic product do we want to spend on medicine?

The doctor can tell you, in all likelihood, how long you are going to live or how long your parents might live. The decision whether to keep them alive for 3 months or 9 months, and maybe the difference in 6 months is a couple hundred thousand dollars, is not a medical decision. Maybe it is a financial one for you or a theological decision.

America has not come to that yet. Interesting, most of the socialized medicine countries have. They cannot afford not to. In England, you might not get kidney dialysis if you are over age 65. They have better things to do with the money.

I plead with this Congress, this Senate, do not pass a bill that attempts to regulate us into what cannot be regulated.

And the danger is, once we start down this road, as every other country has learned, trying to undo it becomes almost impossible.

Mr. President, in the remainder of this debate, I will have other examples like cost containment. I do not want to trouble this Senate any more tonight, but I wanted to use that as an example of the folly and foolishness we will perpetrate on this country if we pass this bill.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I ask unanimous consent that the following individuals be permitted access to the Senate floor during consideration of the Health Security Act: Sheila O'Dougherty, employee of the Department of Health and Human Services, who is on detail to the Committee on Finance; and Drs. Bill Braitwaite and Karen Hein, who are assisting the Finance Committee during the consideration of the health care legislation.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, nobody, no person in the Senate, few persons in American history, have given as much of their time and intelligence, energy and conviction, to the question of health care reform than the senior Senator from Massachusetts, my good friend, the Honorable EDWARD M. KENNEDY.

I yield to him such time as he may require.

Mr. KENNEDY. Mr. President, I thank the Senator from New York very much for his very kind and generous comments. We have had a long and continuing friendship. I have, as do all the members of our family, great respect for the Senator's contributions not only in the Senate but in the public life of this country.

Mr. President, I know we will have an opportunity to respond to some of these points that were made at some length a little earlier, but I think before we get into a discussion of the alleged problems of community rating, you ought to understand that all Medicare is community rated.

And when we start talking about how we are going to encourage medical schools to try to provide family physicians necessary to treat working families in this country, we should understand that much of medical education is paid for by the public and they ought to be able to have some voice in the decision.

When we are talking about all those young, healthy people we are so concerned about, in listening to our minority leader saying that tonight I speak for all those young Americans who are not covered, let us understand that when they do get in that automobile accident, they only pay 21 cents out of every medical dollar that is necessary for their health care. Who pays for the other 79 cents? It is the working families of this country that are playing by the rules day in and day out.

So we will have a good opportunity to go through many of these points, some of which have been raised and others that will be, and they should be debated and discussed.

Mr. President, I am struck by this historic moment. I think every year the Members of this body cast hundreds of votes. All of them have an impact on the future of the Nation, but few will ever be as significant as the choices we make in the next several weeks.

When President Franklin D. Roosevelt rallied the Nation to deal with the Great Depression, he declared, "This generation has a rendezvous with destiny." This week, the Senate also has a rendezvous with destiny.

This Sunday, August 14, marks the 59th anniversary of the Social Security Act. President Roosevelt's comment on signing the Act applies equally to the work that lies before us:

> Today, a hope of many years' standing is in large part fulfilled. . . . If the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this Bill, the session would be regarded as historic for all time.

This Congress has the opportunity to prove itself worthy of similar praise in the weeks to come.

We stand here today with the health of 260 million Americans at stake. We must decide whether we will guarantee health insurance for every citizen—or whether we will continue to let millions of fellow citizens suffer every year from conditions they can't afford to treat, while millions more worry about losing their insurance.

On a personal level, this is a special moment for me. I introduced my first universal health care plan in 1970, and I have been working on this issue ever since.

One of my strongest memories is a series of hearings we held around the country in the 1970's, where we learned of the health care tragedies affecting Americans all over the country.

I remember, especially, one family, the Corbetts of Massachusetts. The child had spina bifida. The Corbetts' insurance did not cover the costs of therapy for their son, and their unpaid bills mounted rapidly. Hounded by bill collectors, Mrs. Corbett began to worry about the cost whenever her children needed care.

Once, her daughter urgently needed hospitalization after a convulsion. She did what she had to do. But I'll never forget what she told me, "I put my child in the hospital, and I cried. I thought we were going to be wiped out for the rest of our lives."

Think of the pain suffered by the Corbett family almost two decades ago. Multiply it by all the American families who have faced similar crises since then. Hasn't there been enough fear and worry?

Should we study the problem for another year, or another decade, so that more American families find themselves in the Corbetts' shoes? Think of all the suffering of so many millions of Americans that could have been avoided if we had acted before now.

I held another round of hearings around the country in 1989. Whether we were in New York, California, Missouri, or Georgia, the issues were the same. Too many people without insurance. Too many people denied the care they needed.

Too many people bankrupted by the cost of the care they received.

I still remember Joseph Sheppard of Sparta, GA, who endured a great deal of pain, because he had to ignore his doctor's advice that he needed hospitalization and surgery. As he told me, "I am a proudful man, and I did not want to make a bill that I could not pay out of my pocket and would put me in debt for the rest of my life." No American should ever have to make that choice.

Great as the need was for universal health insurance in those years, the need is far greater today. The number of uninsured is higher and rising faster. Costs continue to escalate. No American family can feel secure that the health insurance protecting them today will be there tomorrow if a serious illness strikes. Yet, some still say there is no health crisis in America.

When earthquakes struck California, when floods swamped the Midwest, when hurricanes hit Florida and South Carolina, we called it a crisis.

Senators from those States stood here and called for emergency assistance. We acted swiftly to aid the sick and wounded, to repair the damage, to help devastated families and businesses get back on their feet.

But the crisis we face in our health care system dwarfs these natural disasters. More than 10 million children have no health coverage. They do not get the preventive care they need.

Too often, sicknesses that could be prevented or cured at little cost develop into life-threatening conditions that cost vast sums to treat, if treatment is possible at all.

Every minute, 46 Americans lose their insurance. Should chronic illness happen to strike them, they may never obtain coverage again, due to their preexisting condition. How will they pay for treatment on their own?

Premium costs are soaring out of reach for the middle class.

Since 1980, the average family's health insurance bill has more than tripled. To keep up with the bills, many families are giving up dreams of their own home or college for their children. Others are giving up their insurance, gambling that they will not get sick.

Older Americans on fixed budgets are struggling with the costs of medication.

Too many have to choose between buying food and buying prescriptions.

It is a crisis for them. It is a crisis for the country. If anyone in this body visits a senior citizens' home and asks them to raise their hands about how many of the seniors are paying more than $25 a month for their prescription drugs, 75 percent of the hands will go up. If you ask them $50, or $75, 30 or 40 percent of the hands goes up, and the numbers are increasing.

This crisis is different in one obvious way. It cannot be captured easily on television. Instead of rising rivers and rushing winds, it comes quietly, a little piece of paper in the mail canceling a family's coverage or raising their premiums. But its consequences are just as devastating. People are losing their hopes, their homes, their savings, and even their lives.

Every Member of the Senate I am sure has talked to as many people as I have, people, who through no fault of their own, face crushing health and financial burdens because the health insurance system has let them down.

As we approach each vote, I ask you to remember these individuals. They desperately need your help. They are not Harry and Louise. They have no trade organizations. They have no lobbyists. They cannot spend hundreds of thousands of dollars in advertisements to fight reform. The only power they have lies in our votes and in our commitment to serve the people, not the special interests.

We in Congress are fortunate. We have guaranteed health insurance paid for in large part by our employer. Is it not about time we did the same for the people who employ us?

We heard a Senator yesterday demand that we wait until next year to act. We know the difference it will make if we put health reform off for another year. We have put it off for too many years already. This is not an academic debate. Peoples' lives and health are at stake. Every year we delay, we condemn more American children, women, and men to needless suffering and hardship. The American people know that the time for study is over, and the time for action has come. And no excuses are in order.

It has been 80 years since Theodore Roosevelt first proposed national health insurance as part of the Progressive Party platform in 1912. Franklin Roosevelt considered such a plan again in the 1930's, and Harry Truman called for it in the 1940's. We finally made progress in the 1960's when President Kennedy proposed Medicare and President Johnson signed it into law. Medicare was a large step toward meeting the Nation's health care crisis in those days. That crisis primarily affected the elderly, and it would have been irresponsible for Congress not to have acted. But as important as it was, it did not go far enough because too many were left out.

President Nixon knew that. So did Senator PACKWOOD. That is why they introduced the Comprehensive Health Insurance Program legislation 20 years ago. They based this bill on the principle of shared responsibility, requiring employers to offer and contribute to health insurance for their employees. We had hearings with Elliot Richardson and Joe Califano pointing out what President Nixon suggested with regard to shared responsibility. That was part of the American responsibility and was suggested and recommended by President Nixon a number of years ago.

Unfortunately, the rhetoric of the naysayers has not changed much in all these years. A generation ago they said Medicare was "socialized medicine." And so today they are recycling the same, old, tired charges against the Mitchell bill.

While we have delayed and debated, every major industrial nation in the world, except South Africa, has acted to ensure that all its citizens have health insurance. And President Mandela has pledged to make comprehensive health insurance for all one of his top priorities in South Africa. These countries have already made the fundamental right to health care reality for all of their citizens. If Germany, if France, if Canada, if Great Britain, if Italy, if Ireland, if Denmark, and if Spain can provide coverage for all their citizens, we can do it, too. And we can do it and must do it now.

We have been debating health insurance since the beginning of this century. Now we stand poised to enter a new century, and there are still those in this body who say, "We need more time. We have to study it further. This is so complicated. Can't we just wait another year or maybe the year after that or the next century? Is it really that far off?"

The American people deserve a comprehensive response to this crisis. They deserve it this year, and the Mitchell bill that the Senate is now considering is a serious, substantive proposal to deal with the crisis.

During the course of this debate, the guardians of the status quo will try to mislead the American people about the contexts and consequences of this legislation. They will distort it. They will misrepresent it. The powerful, vested interests opposed to meaningful change have already spent tens of millions of dollars trying to discredit the President's plans. Now that the final decision on health reform is at hand, they will stop at nothing to scare the American people into rejecting it.

We have heard it even in the course of the discussion this evening—talking about bureaucrats, appeals to fear; do not do it now; what we propose is bad; what is in the Mitchell bill is bad; it is complicated; it is going to cost too much; let us just have modest adjustments and not confront the central challenge.

Mr. President, the debate in the House and Senate in the weeks ahead is the best possible antidote to these misrepresentations. The American people will hear the phony objections, and the outright lies. But they will have the opportunity to hear the truth and make up their own minds.

I would like to begin the process right now by outlining clearly for the American people the five biggest myths about the Mitchell bill so that people can recognize them when they are repeated over and over and over and over and over in the weeks ahead.

The first big myth about the Mitchell bill is that it will deny the American people the right to choose their own doctor and hospital. The truth is that the Mitchell plan will guarantee every American the right to choose their own doctor and stay with their own doctor. That right will become as rare as the American buffalo if we do not act now to protect it. It will be lost. It will be gone.

Today, half of all Americans offered coverage by their employers have no choice of health plan. If the plan offered by their employer does not cover their family doctor, they are simply out of luck. Under the Mitchell bill, every worker must be offered at least three health plans by their employer, and at least one of those plans must guarantee freedom of choice of doctor and hospital. No one has that guarantee today. And in the unlikely event that someone wants to bypass their insurance plan altogether and pay a doctor directly out of their own pocket, the bill clearly grants that right as well.

The President's plan was criticized because it required most Americans to buy their coverage through large mandatory health alliances. In the Mitchell bill, mandatory alliances are rejected and replaced by voluntary purchasing cooperatives, like credit unions, and co-ops. No American is required to buy coverage through them if they do not want to.

The second big myth about the Mitchell bill is that it will reduce the quality of American medicine. In fact, the bill will improve quality. The proposal will invest additional billions of dollars in biomedical research, in the academic health centers and medical schools that train doctors of the future, and provide the most advanced care to the American people and in outcomes research so that the most effective treatments can be identified.

The most important guarantee of quality in the Mitchell bill is that most Americans—everyone except those who work for the largest businesses—will be entitled to buy their coverage from the same Federal Employees Health Benefit Program used by every Member of Congress and the President too—10 million Federal employees are in it today. I do not hear any complaints during the course of this debate from any of our colleagues on the other side about their Federal employees' insurance that is shared by 10 million of our fellow citizens, and that the Mitchell bill makes available to the American people.

I have long felt that every American should be entitled to the same standard of care that we in Congress demand for ourselves and our families. And this bill will guarantee it. If it is good enough for the President, good enough for the Senate, and good enough for the House of Representatives, it is good enough for every man, woman, and child in America. That is in the Mitchell bill.

The third myth about the Mitchell bill is that it imposes massive new taxes on the American people. The fact is that the vast majority of the financing in this bill comes from savings in existing Federal health programs. Some of the savings under the bill will be used to finance long-term care and prescription drug benefits that senior citizens need and deserve.

The opponents of the bill propose to cut Medicare, but they do not provide the benefits that the elderly need in return. There are new taxes in this bill, but they are not the major source of financing, and they are a price well worth paying to achieve health security.

The two most important and significant new taxes are a phased-in increase of 45 cents a pack on cigarettes and the 1.75 percent assessment on health insurance premiums.

In view of the $68 billion in health costs that smoking adds to our national health bill and the savings that can be achieved by discouraging young people from smoking, the cigarette tax is one tax increase that I am confident the vast majority of the American people support.

The 1.75 percent assessment is to expand biomedical research and to support the teaching hospitals and medical schools that contribute so much to assuring that America has the world's best quality care. I think it is money well spent.

The fourth myth about the Mitchell bill is that it imposes unaffordable mandates that will damage small business. I support shared responsibility for health care coverage between business and workers. This is the way we finance Social Security and Medicare. Shared responsibility on Social Security. Shared responsibility on Medicare. This is the way most people get their coverage today—shared responsibility. Every American job should carry with it a guarantee of affordable health care. In fact, I would like to see the bill strengthened as the debate moves forward.

But the Mitchell bill is not a mandate bill. It is a universal coverage bill. It is a cautious, moderate bill that follows the recommendations of many conservative critics of the President's program by providing subsidies to low-income citizens while reforming the health insurance market to make it more competitive and attempting to achieve universal coverage in a voluntary manner. Required contributions by business are a last resort, applied only if everything else fails.

The final myth about the Mitchell bill is that it sets up burdensome regulations and bureaucracy that will put the Government too deeply into the practice of medicine. It is utterly nonsense to call this a Government takeover of the health care system. Clearly, there are new regulations in the Mitchell bill. But those regulations are designed to prevent the insurance company abuses that have contributed to the disgraceful state of the health care system today.

Here are some of the things that the regulations in the Mitchell bill do:

No health plan can turn you down because you are sick or unemployed, or because of the color of your skin, or because of where you work or live. I think that is a regulation most American people will support. They cannot turn you down if you are sick, or unemployed, or because of the color of your skin, or because of where you work or live. That is one regulation. Let us hear the opposition to that.

If a health plan is available to some of the people in a geographic area, it has to be available to all of the people in the geographic area. It cannot be just sold in the suburbs and not in the farm communities or in the cities. The American people understand that kind of regulation. I think the American people would feel that that is a fair regulation.

Once you have signed up with an insurance company, they cannot drop you because you are sick. The American people overwhelmingly support that kind of reasonable regulation. Too many of them are being dropped today in every community of this country. We do not permit it, by regulation. Let us hear those that are opposed to that type of regulation.

Every insurance plan must have a time when you can enroll if you want to and must let you know that it is available. They cannot send out their brochures only to the people they think are healthy. They cannot tell you when you ask to enroll that there is no more room in the plan, because they do not like the way you look. We are not going to permit that. Maybe you should not have to have a regulation, but you do because that is the practice today by too many insurance companies and that will be addressed.

I could go on and on. These are the regulations in the bill, but they are regulations to protect the people's right to health care. The special interests may want to continue their current abusive practices without public oversight or control. But that is not what the people want. There is not one word in this bill that would provide any new restrictions on the ability of a doctor and patient to decide together what treatment makes the most sense for the patient—none.

The tactics of the opponents of reform are not new. When I first came to the Senate in 1963, the country was in the middle of the debate over Medicare that finally resulted in the passage of that program in 1965. We heard then from the prophets of doom and division that Medicare was socialized medicine. They said the country could not afford it. They said it would put a bureaucrat in every doctor's office and in every examining room. They said health care would be rationed, and the hospital doors would be shut on December 1 of every year because the money would run out. I have the statements right here. Those preposterous charges were not true then about Medicare, and they are not true about the Mitchell bill today.

As we discuss the Mitchell bill, it is important to understand the two alternatives. The first is to do nothing, and that is simply unacceptable. The second is to adopt the Republican proposal, and that would be equally wrong.

Senator DOLE's proposal has already been cosponsored by 38 of his Republican colleagues even before it was written in legislative language. But the outline of the program makes it clear that the Dole bill will not guarantee universal coverage. It will do little for the hardworking middle class families who cannot afford to insure their families, and who need help the most. It will not control costs. It will cut Medicare while offering nothing to the senior citizens—not long-term care, not prescription drug coverage. It is another example of too little, too late.

It is clear where the American people stand. The vast majority support universal coverage, despite months of irresponsible attacks by those who profit from the status quo. Most Americans support a system that shares costs between employers and employees as well.

The key questions that face the Senate now are these: Are we listening to the pleas of the American people or to the special interest pleaders? Will we guarantee affordable health insurance for all, or settle for partial steps that will only make our current problem worse? Will we remember the people of this country, or will we bow to the special interests? Will we seize this moment to make history and establish a landmark that will rank with Social Security and Medicare, a milestone that will be honored and remembered for years to come? Or will we let the opportunity slip from our grasp because we lack the courage to do what is right for the American people?

Medicare was a defining test for Congress a generation ago. Social security was a defining test in the years of the Depression. This legislation is the defining test for Congress today. This is the job the American people elected us to do, and I urge the Senate to get the job done.

Mr. MOYNIHAN. Mr. President, will the Senator from Massachusetts allow me to thank him for his extraordinary statement that comes out of 30 years of effort in this area? No one else in this Chamber can say as much. I want to thank him.

I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas [Mrs. KASSEBAUM] is recognized.

Mrs. KASSEBAUM. Mr. President, as the ranking member of the Labor and Human Resources Committee, I would like to acknowledge the comments of the Senator from Massachusetts [Mr. KENNEDY]. As chairman of the Labor Committee, he has certainly spent years dedicated to national health care policy. I do not agree with him on his interpretation of what we need in terms of health care policy, but there is no one who has cared more compassionately and passionately about this issue.

As one who introduced, along with Senators DANFORTH and BURNS in the Senate and Congressmen GLICKMAN and MCCURDY in the House, Congress' first bipartisan comprehensive health care reform bill 2½ years ago, I remain deeply concerned about the problems in our health care system—particularly rising costs.

As an outsider I note, Mr. President, that the bill we introduced 2½ years ago, which we believed to be a substantively or, comprehensive bill, was just 190 pages long.

Today we are looking at the majority leader's bill, which is 1,410 pages long. It has grown in strange and mysterious ways.

It is with deepening disappointment that I have watched the evolution of the reform debate in recent months. The leadership legislation that is now before us reflects an unfortunate accumulation of missed opportunities.

We had an opportunity to simplify the current administrative nightmare that is health insurance. Instead, the bill before us is a 1,400-page tangle of new bureaucracy, red tape, and Government regulation.

We had an opportunity to focus on the root of the public's concern, namely, rising costs. Instead, the bill before us, like the Clinton plan that preceded it, has been constructed almost as if cost were no object. Far from streamlining the costly promises in the Clinton proposal, the Mitchell bill would create at least four new entitlements and cost taxpayers a projected $1.1 trillion over the next decade.

Regrettably, the prospects for reasonable reform have been jeopardized, both by those who do not believe any bill goes far enough and by those who believe every bill goes too far. Meanwhile, interest groups of all stripes have spent over $100 million doing their best to arouse the fears and worries of the public.

Mr. President, critics will be spending much time in the coming weeks pointing out flaws and problems in the Mitchell proposal. In particular, the issue of the employer mandate and its accompanying trigger will probably take center stage in some of the debate.

I oppose employer mandates because they would threaten both wages and jobs, and I intend to vote against any provision that would establish such mandates, either directly or indirectly.

However, I do not consider the employer mandate to be the most alarming aspect of the Mitchell bill. Indeed, I worry that heavy focus on the mandate may divert needed attention from other, more serious problems in the bill.

The ranking member of the Finance Committee, Senator PACKWOOD, gave a dramatic illustration of some of those other problems. I think they are enormously important for us to consider.

Far more troubling than the mandate, in my view, is the fact that the Mitchell bill would impose an unprecedented forest of new Government regulations on our health care system, but with little or no consideration of the dramatic changes already taking place in the marketplace, independent of Federal legislation.

Mr. President, the traditional world of free choice of doctor, the independent practitioner, home visits, and the community hospital, is rapidly disappearing, bowing to pressure from ever more sophisticated purchasers of care, especially employers looking to restrain costs.

In its place has come an aggressive expansion of managed care and a seemingly endless progression of mergers and consolidations as insurers, doctors, and hospitals link up in the formation of massive networks of care.

Some of these changes are positive. Many are troubling. But either way, they are redrawing America's health care map just as Congress is struggling to chart a course for reform. The danger is real that Washington may soon pass a bill that could be obsolete before it becomes law.

The startling upheaval in the health care system is very much in evidence in my part of the country. I believe it is very important that we understand, Mr. President, what is indeed happening. This spring, for example, the third-largest insurer in Kansas City, CIGNA, announced plans to terminate its HMO contracts with nine area hospitals and 500 physicians. To many, CIGNA's move was a chilling illustration of managed care's growing power to dictate terms to doctors and hospitals, and to limit patient choice. Defenders counter that such selective contracting with health care providers is essential to a health plan's ability to manage costs and to offer reasonable rates to its subscribers. Ten years ago, managed care represented less than 5 percent of the health insurance market. Today, over 40 percent of Americans are enrolled in some kind of managed system, and the number is growing.

Managed care's main attraction, especially for employers, is its ability to contain costs, mainly by creating integrated systems of care in which participating health care providers share a financial stake with the insurer in managing costs.

Mr. President, the once clear lines distinguishing those who pay for insurance from those who provide it is becoming increasingly blurred. Indeed, even as we in Congress try to write legislation to regulate doctors, hospitals, insurers, and employee benefit plans, it is becoming ever more difficult to determine where one ends and the other begins.

The downside, many say, is that managed care's heightened attention to the bottom line sometimes compromises the personal connection generations of Americans have come to expect from their family doctor, community hospital, or local visiting nurse. The insurance industry's "Harry and Louise" television ads would have us believe that it is legislation in Congress that threatens America's choice of doctor. The truth, however, is that this is already happening as the health care market changes, and it will continue to do so even if Congress does nothing.

Similarly, many of those who complain loudest about the evils of socialized medicine are themselves the pleased beneficiaries of Medicare, which, as many forget, is run by the Federal Government and financed substantially by tax dollars.

Increasing cost pressure is also triggering a virtual frenzy of consolidations and mergers in the health care industry. Perhaps, the most viable example is the case of Columbia/HCA, which has recently moved aggressively in markets across the country. Specifically, a series of acquisitions over the past year has propelled the Louisville-based Columbia into the largest hospital system in the country, with nearly 200 hospitals nationwide and annual revenues of more than $10 billion.

In my State, Columbia has recently purchased five hospitals and several outpatient surgery facilities, and the company is currently exploring further purchases elsewhere in Kansas.

In Kansas City, all of the hospitals in the metropolitan area have now become part of one or another health network or chain. The Government-owned facilities, like the VA, are the only exceptions. Even in Wichita, KS, the transactions have become so numerous that the local paper has published a telephone line asking readers to call in information about impending health care deals.

To some extent, a shakeout of the health care industry is overdue and probably healthy. For years, hospitals and doctors competed not on the basis of efficiency, but rather on who could provide the highest volume of care. The result, unfortunately, has been the creation of significant and expensive overcapacity in the system.

According to some estimates, there are as many as 250,000 underused hospital beds in the United States, about 30 percent of the total. In Kansas City, which has 25 hospitals, some facilities regularly dip below 50 percent occupancy.

On the other hand, no one yet knows what the end result of the current consolidations will be. The power of giants, like Columbia, is approaching the point that in some parts of the country whole markets are becoming dominated by a single health care conglomerate.

What happens if the company goes bankrupt? Who picks up the pieces? In a marketplace of giants, can we have confidence there will be enough competition to keep the players responsive and honest?

Congress is rarely shy about tinkering with things it does not fully understand, and health care is no exception.

Mr. President, I believe caution is in order. We might do well to hold off enacting sweeping reforms we do not understand long enough to see what kind of health care system emerges from the current market changes. We may just find that much of the streamlining and efficiency we hoped to achieve through legislation has happened on its own. If not, we will at least have a clearer picture of the kinds of problems that we need to fix.

The Mitchell legislation is especially Byzantine in the complexity of Government regulation it would impose on our changing health care system. In this regard, it is even more heavy-handed and bureaucratically burdensome than the original Clinton proposal.

I do not quite understand actually how it has come to be so much more complicated, or why.

In talking about health reform, it is tempting to focus on the high-profile questions, such as taxes, mandates, or price controls. In the case of the Mitchell bill, however, it is the bill's extensive regulatory underbrush that is likely to have the greatest impact on the kind of health care average Americans will have to deal with in decades to come.

The leader's bill provides for the creation of more than 30 new Federal agencies or commissions, and establishes a central national health bureaucracy whose specific regulatory functions number well over 500. Some of those were dramatically illustrated, as I said before, by the Senator from Oregon.

This bill also mandates that State governments assume hundreds of new—and largely unfunded—regulatory authorities, from subsidy administration to risk adjustment to enrollment outreach.

One of the most burdensome of these authorities is the administration of the complex individual subsidy scheme in the Mitchell bill. Specifically, the legislation would set up five separate categories of persons eligible for premium subsidies—and each of these categories would come with its own separate income eligibility standards.

These separate subsidy streams include:

General subsidies for low-income individuals and families; separate subsidies at a higher level for pregnant women and children; subsidiaries for AFDC recipients; subsidies for non-AFDC, but Medicaid-eligible individuals; and a new subsidy program for persons who are temporarily uninsured due to unemployment.

States would be responsible for calculating subsidies for individuals and families and making payments directly to health plans on their behalf. States would then apply to the Federal Government for funding for these payments.

In addition, the bill provides for a separate system of subsidies to employers, as an incentive for them to provide coverage to their employees.

Mr. President, to help illustrate the extent of regulatory complexity in this bill—particularly in the area of the individual and employer subsidies—I would like now to walk through just a few of the most troubling provisions.

To begin with, procedures for calculating the subsidy levels are extremely complex. States would first have to determine a subsidy percentage for each individual, which would vary depending upon which of the five subsidized classes to which he or she belonged. Then, and let me read directly from page 1082 of title VI:

> The amount of premium subsidy for a month * * * is—the least of:
>
> I. The subsidy percentage for that individual multiplied by 1/12th of the annual premium paid for coverage under a standard health plan in which the individual is enrolled.
>
> II. The subsidy percentage for that individual multiplied by 1/12th of the weighted average annual premium rate * * * for all community-rated standard plans offered in the community rating area in which the individual resides; or
>
> III. The subsidy percentage for that individual multiplied by 1/12th of the annual reference premium for the community rating area in which the individual resides; minus the amount of any employer contribution made or offered to be made on behalf of the individual for coverage under the standard plan that is available to the individual through an employer.

Am I the only one to think that this might be just a little bit difficult to administer efficiently?

Am I the only one to think that this sounds extremely confusing and would be very difficult for many people to understand?

Also, if I am reading the bill correctly, section 6004 on page 1093 requires individuals and families to notify the State each time there is a change in estimated family income, such as a change in employment status—or perhaps a raise or pay cut. The State, in turn, is required to recalculate the monthly premium subsidy payment to the plan.

Since the size of the subsidy also depends on whether or not a person is pregnant or a child under 18, would individuals and families have to inform the State about pregnancies, the termination of pregnancies, children turning 19, and other very personal information?

Further, would States have to calculate differing subsidy levels for members of the same family, depending on whether they were pregnant or included children under or over the age of 18?

In calculating the subsidies, States would also have to factor in any payments made or offered to be made by employers to health plans on behalf of individuals.

Would this require States to obtain such information—on a per-individual or family basis—from all employers in the State and from multistate employers operating in the State?

Would States not also have to establish a new system to track non-AFDC Medicaid-eligible individuals, since their initial subsidy would last only 6 months and would then have to be redetermined?

Similarly, would States not also have to have in place systems for tracking persons eligible for the unemployed/uninsured subsidy to determine when each individual's 6-month eligibility period has ended, or whether he or she has obtained employment during that period?

In addition to all of these responsibilities, States would also be required to calculate cost-sharing subsidies and make corresponding payments to plans on behalf of individuals and families. This is separate and on top of all of the premium subsidies.

Further, the States are held responsible for collecting against individuals in the event overpayments occur or if a person has filed an inaccurate subsidy application. In effect, this makes the States collection agents for the Federal Government.

Importantly, the bill does not provide any Federal funds to the States for carrying out these many new administrative responsibilities. Instead, States would be authorized to tax insurance premiums in the State to raise the funds needed to pay for the new bureaucracy and management.

Has anyone estimated how much it will cost the States to implement and administer all of these new subsidies and responsibilities? Given the extent and complexity of these requirements, I expect that the premium tax that States would have to impose could well be pretty hefty?

What might sound complicated at this point would only grow even more complex as we move into implementation.

This bill also provides for a separate system of subsidies to employers as an incentive for them to provide coverage to their employees. This system, too, should raise serious concerns about administrative complexity and cost and personal privacy, as well as about fairness.

Beginning in 1997, employers who expand coverage for the standard benefit package to all employees in a class—such as all part-time workers—would be liable for the lesser of 50 percent of the cost of that coverage or 8 percent of each newly insured employee's wage. This subsidy would be administered by the Department of Labor.

The administrative burdens associated with the subsidy may discourage many employers from applying. For example, since the subsidy is paid according to each newly insured employee's wage, the employer must, under section 6104 of title VI—page 1113—of the bill, file a separate application with the Department of Labor for each employee for whom he wants a subsidy.

Second, for this program to work, the employer would have to notify the Department of Labor when an employee received a raise which increased overall income to a point at which 8 percent of that income equaled or exceeded the amount of the 50-percent employer-premium payment.

I wonder how many Americans would be comfortable with the Government's being notified each time they receive a raise?

Third, section 6104 of title VI—page 1113—indicates that the subsidy is paid over a 5-year period. It is unclear what happens if the employee leaves or is terminated during that period. The employer would clearly have to notify the Federal Government in any case, again raising the issue of personal privacy.

Finally, there is a critical issue of fairness here. This subsidy places businesses that currently do provide health insurance for their employees at a competitive disadvantage. Is it fair to reward only those who have chosen so far not to offer insurance?

Mr. President, my purpose in highlighting examples like these is not to nitpick details, but rather to underscore that this bill contains much more than meets the eye in a quick summary or newspaper overview.

There is danger that we will spend the next few weeks debating high-profile issues like the employer mandate. And meanwhile, great tracts of regulatory detail will slide into law without the careful review they deserve and demand.

Also buried in this bill are dozens, if not hundreds, of provisions that may take up little space in the legislation itself, but that will have profound effects on the lives of Americans.

Section 1602, for example, contains a seemingly innocuous requirement that health plans, employers, and providers may not discriminate against persons based on a variety of personal characteristics, including language, income, and sexual orientation.

What may not immediately be apparent to some is that this is a dramatic expansion of current civil rights law. Perhaps such expansions may be justified, but burying them in the middle of health reform legislation is not an appropriate way to consider such an important social change.

More immediately, the antidiscrimination provisions as drafted would expose all businesses, doctors, hospitals, and insurers to lawsuits if there is so much as an inadvertent instance of a person being disadvantaged.

For instance, under this provision, a doctor practicing in a suburban community could be sued because the location of his practice results in a mix of races, languages, or sexual orientations that does not correspond to the mix in the larger metropolitan area. Potentially, this doctor could be ordered by the courts to practice a certain number of hours a week elsewhere in the city to assure that his practice mix is appropriate.

Certainly, the issue of distribution of health care providers in our health care system is an important one, but I believe it is both dangerous and inappropriate to make plaintiffs' attorneys and the local courts the decisionmakers in our health care system.

Mr. President, greater opportunity for litigation is the last thing the American health care system needs right now. In addition to the specific antidiscrimination provisions I have just described, this bill also rejects any cap on damage awards in malpractice cases—a significant factor in driving up everyone's health care costs today.

Even worse, the bill would allow persons to sue for unlimited damages for the perceived wrongful denial of insurance claims. Clearly, appropriate grievance structures are needed, but subjecting every health care decision to a potential lawsuit poses a serious threat to any meaningful restraint of health care costs.

I agree that fair recourse and remedies can and should be made available. However, I am very troubled that virtually every new requirement imposed by this bill comes with accompanying legal rights of action and administratively complex structures for grievance and appeal.

Mr. President, today's issue of the Washington Post carries a box outlining the highlights of the Mitchell bill. Reading only this 4-inch by 5-inch version of the plan, one can hardly find fault with it. Who could quarrel with the concepts of: Striving to provide insurance coverage for at least 95 percent of Americans by 2000; prohibiting discrimination against people with preexisting medical conditions; allowing other Americans to sign up for the same policies offered to Federal workers; offering subsidies to help the poor buy insurance.

In fact, many of these same goals are embodied in other reform proposals—proposals which take approaches that differ dramatically from the Mitchell bill.

Mr. President, there should be a responsible middle ground in this debate, but it isn't found in the bill before us.

Quite simply, there are other ways—better ways—to accomplish health care goals which enjoy broad support.

We all want health insurance available to Americans. However, we need to move toward universal coverage through straightforward subsidies based on income, not through an expensive and rickety structure of complex subsidies and triggered mandates.

We all want to control health care costs. I contend we should do so through market disincentives against high-cost health plans—not by using heavily regulatory limits on prices in the market.

We all want to protect people against discrimination based on health status, and every reform proposal before Congress attempts to address this concern. We do not, however, need to suffocate the market in endless regulation to achieve this goal.

We all want to provide for responsible pooling of purchasers. What we do not need are the mandatory, State established cooperatives required in the Mitchell bill.

We all want to help low-income Americans in need of health insurance, and most of us are willing to commit serious resources to subsidizing those in need. At the same time, we need a firm fail-safe guarantee that expenditures must not exceed available revenues and worsen our Federal deficit.

The Senator from New York concluded that he was optimistic that, indeed, we could reach some agreement. I however, I am not optimistic that a reasonable bill can emerge from the debate we are beginning today. I am committed, however, to doing what I can to pursue the goals of reform I have advocated for many years, many of these are shared by nearly every one of us here. But clearly, it is going to take a lot of give and take that I have not seen in the legislation before us.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I congratulate the distinguished Senator from Kansas, the ranking member of the Committee on Labor and Human Resources, and say I hope she becomes more optimistic as the debate proceeds. But I know how carefully she has thought about this subject.

Mr. President, I yield 5 minutes to the distinguished Senator from Washington, Senator MURRAY.

Mrs. MURRAY. I thank the Chairman for all his work on this bill and for Senator MITCHELL's work.

Mr. President, toady, the American people are reclaiming their Government. After so many years of being ignored, you and I, our friends and neighbors, being asked to speak out on the most important public policy issue of the day—health care reform.

And, as we begin this process on the Senate floor, let us not forget why this debate started. People want a voice. We are tried of someone else always having more say in decisions that affect our lives. We want health care decisions made by ourselves, not by big business, insurance companies, and rich politicians.

Over the next several weeks the American people will hear many personal stories and I know that many of my colleagues do not want to hear these. But I want to share with you my personal story, which will push me throughout this legislation.

I remember the day—when I was growing up back in Bothell, WA—when my father was diagnosed with multiple sclerosis. He had to quit his job, and my mother was forced to take a job as a bookkeeper.

She did not get health benefits with her job, and my parents had to buy their own plan. The premiums were astronomical. The benefits were meager. And, the list of disqualifying preexisting conditions, a mile long.

This experience shaped my life. I remember the struggle. My mother spent all day behind a desk. And, she spent many long sleepless nights caring my father and worrying how my family ever would make ends meet.

My six brothers and sisters and I put ourselves through school. We watched our parents grow old, spending all their disposable income on doctor's bills and escalating insurance premiums. While their friends sail to Hawaii enjoying their golden years, my parents count the number of times a week they eat macaroni and cheese for dinner.

My parents are ordinary people. With simple wishes. They do not want to be a burden on any of us. They do not want their health care costs to bankrupt their children.

And, we only want them to be free of these worries. And, not to pass them on to our children.

But, as long we continue under the present system, my parents will worry.

And, so should all Americans, because the same thing could happen to any one of us.

So, when someone tells you universal coverage and cost containment do not matter, tell them my family's story. Until the time when all Americans are responsible for health care, it will just cost more for those who are being responsible today.

Mr. President, there are many stories but I want to share with you another one because it strikes home in this debate. For many years I was a preschoolteacher and we hear today about the 10 million American children who do not have health care.

Let me tell you how it affects them. Not long ago when I was teaching preschool, I had a 3-year-old child with behavior problems. He was a terror and disruptive to the other 24 kids in the class.

And, he quickly gained a reputation around my school as "the bad kid." This reputation would take many years to overcome. He single-handedly brought the level of instruction down for everyone. Education was being squandered.

Observing him, I noticed the problem was not that he would not listen, but that he couldn't hear. I called his mother. And she cried. She told me he had an ear infection, and agreed to take him to the doctor.

Three weeks later, his behavior remained unchanged. I called the mother, and she was distraught. She told me the family was uninsured and could not afford a doctor. Clearing up his ear infection would have been simple. It would have solved a problem affecting two dozen other children's ability to learn.

But instead, because his family was uninsured, this child's future was jeopardized.

Mr. President, there are millions of children like this around this Nation. The social cost is incredible. The time for this debate is right.

I heard the Republican leader say earlier that we have the best health care system in the Nation and we should not jeopardize it. Yes, we have the best health care system in the Nation, but the problem is fewer and fewer of us believe that we will have access to that health care system. That is what this debate is all about. Those are the people I will remember throughout this debate, and I urge every American to think about the people they know who do not have health care insurance, who are afraid to lose their jobs, who are fearful for their own children and their grandchildren, who will not have the kind of lives that they have had themselves.

I look forward to the debate, Mr. President.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Who yields time? The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Washington for a very graphic description of what we have before us, the opportunity we have before us. Great gratitude.

I yield to the Senator from Minnesota, the very able, distinguished Senator from Minnesota, 5 minutes.

Mr. WELLSTONE. Mr. President, I thank the Senator from New York. I congratulate my colleague from Washington for her fine statement.

I hear voices and I see faces as I speak on the floor of the U.S. Senate tonight in this historic debate:

"Senator, my mother has Alzheimer's disease, and if you don't pass a reform bill, it's going to bankrupt our family."

"Senator, my child is a diabetic, and when she graduates from college and is no longer on our health insurance plan, I don't know whether she can obtain insurance."

"Senator, I lost my job and now I've lost my health care coverage. What am I going to do?"

"Senator, I'm a small business person. I want to be able to cover my employees. I can't afford to. I can't afford to cover myself."

"Senator, we live in rural Minnesota, rural America, and not only can we not afford a doctor, we can't find one."

And "Senator," or rather, "Paul, our son,"—my mother and father, Minnie and Leon—"we both have Parkinson's; we have worked hard all our lives; we never made much money. We want to, Senator MOYNIHAN, leave our savings for our grandchildren to go to college. It is all going to be depleted because of nursing home expenses."

"Senator, I'm a person who is struggling with MS, and I want to be able to live at home in as near a normal circumstance as possible with dignity."

These are the voices that I hear as we debate this reform bill. It is a fact that the vast majority of people in our country are affected by our failure to finance and deliver humane, dignified, affordable health care. Either people are without the health insurance, or they are underinsured, or they are but one job or one illness away from losing their coverage. That is the majority of people in this country. Another formulation, they are not poor enough for Medicaid, which is not comprehensive. They are not well off enough for Medicare, which does not cover catastrophic expenses, and they do not have a job that provides them with the coverage that they can count on.

That is the vast majority of people who fall between the cracks. And to argue otherwise and say we have the best health care system in the world and we do not need any fundamental change is an ostrich-like approach to this issue. I wonder whether or not some of my colleagues perhaps have too much distance from the problems of regular Americans.

Mr. President, this is the standard that I go by: We should not separate the legislation that we introduce from the words that we speak. And I have heard my colleagues over and over and over again say we ought to have as good a health care plan for the people we represent as the plan which we have.

Each and every one of us is covered; it is universal. There is no preexisting conditions because it is universal. Our employers contribute a fair share, and it is fairly comprehensive, good coverage that we can count on. That is what we should be doing on the floor of the U.S. Senate. That is the standard. That is what I am prepared to fight for.

Let me just conclude this way—there will be plenty of time for debate, and 5 minutes does not give me much time—let me just conclude this way: Humane, dignified, affordable health care. Let the children go to school without abscesses, because they cannot afford dental care; let them go to school with decent dental treatment. Let the people who struggle with mental illness no longer suffer from the kind of stigma that they have to suffer. Let middle-income Americans not have to worry about premiums they cannot afford. Let older people live the end of their lives with dignity. Let people with disabilities live with dignity. Let us deliver good primary care, good preventive health care out in our communities, be they urban or rural.

Mr. President, I am not talking about Heaven on Earth. I just turned 50. I just had my second grandchild. I do not know whether I believe in Heaven on Earth. But I do believe in a better Earth on Earth, and I believe that if we pass a significant health care reform bill, we will be making a positive contribution and we will be doing something that vastly improves the lives of the people we represent throughout the United States of America.

I do not want to see this reform effort hijacked. I do not want to see us move away from what I think is bold, important, significant reform. That is what I am going to be fighting for.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I thank the Senator from Minnesota for his passionate statement, and we will hear more of that voice before this debate is over. A good thing, too.

I see the very distinguished chairman, the Senator from Maryland, has risen and, as always, we look forward to hearing from her. Given our constraints, if I can yield 5 minutes to Senator MIKULSKI.

Ms. MIKULSKI. Mr. President, I thank the chairman. I would like my remarks to be associated with his earlier remarks this evening, and with those of the distinguished chairman of our committee on Education and Human Resources.

I rise today to add my enthusiastic voice to the debate and passing of the majority leader's bill, and to pass health insurance reform before the 59th anniversary of the establishment of the Social Security System. In fact, I challenge the United States Senate to pass health insurance reform on the day that Social Security was enacted so that we would have that legacy.

I rise today to say to my liberal colleagues, do not make the perfect the enemy of the good. We need to compromise; we need to synthesize; and we have a core bill in the Mitchell bill that meets, I think, our standards.

And to the naysayers on the other side of the aisle, I urge you to say yes—yes to change, and yes to embrace the future. Because change is here, and we either face it and embrace it or it will overtake us. And here, what we have in the Mitchell bill is a framework for universal coverage by a date certain.

It provides health insurance that is affordable to business and families. It takes steps to assure that the middle class will be better off. It emphasizes prevention, primary care, and personal responsibility. It puts an end to the worst insurance practices that penalize and hurt families. It makes health insurance portable. It rewards work. It ensures that health insurance can never be taken away if you get sick; there are preexisting condition prohibitions; it ensures Americans will be able to choose their own providers; and this bill will help contain skyrocketing health costs.

It says yes to those who believe we must reform health insurance in order to achieve universal coverage. It says yes to Americans who work hard and play by the rules.

I say to those who say the bill does not go far enough, we must remember the history of social programs and of Social Security.

When Social Security was being debated, they said we needed to give it time; we needed to be able to phase it in, and that is exactly what happened. And at the same time there were those who said give the marketplace a chance.

Mr. President, I am going to tell you a story about a guy named Willy. He lived in East Baltimore and was married in August of 1935. That man was my father. When he married my mom, they had just opened a small grocery store and had been proud of the fact that they had voted for Roosevelt. They were strong, unabashed and enthusiastic supporters of Roosevelt. My father believed in Roosevelt, and he also believed in the private market. He was not covered under Social Security until the year I graduated from high school in 1954.

Yes, he bought private insurance. He was a good man. He wanted to take care of my mom. He had an annuity. And then because of the Democrats working with Eisenhower, he had Social Security.

By the time my dear father died of Alzheimer's, while I was a Senator, the annuity had gone, while he was in the nursing home, to the nursing home; it did not go to my mom, and upon his death that annuity was terminated. During all those years, Social Security was there for my mother as were her beloved children.

Now, what would have happened if we had followed the rules of the naysayers, if it only had been for the market? My father would have had the annuity but my mother would not have had the annuity.

We face, as many do with Alzheimer's, I say to the Senator from Minnesota [Mr. WELLSTONE], that difficulty that while we practice family responsibility, our families often face family bankruptcy.

We believe there needs to be a role of Government and a role of the private sector. This is what this bill does.

I will tell you, if we want to have a legacy, if this Congress on the eve of the new century wants to have a legacy, I think the legacy is to pass the Mitchell bill, to say yes to change, to say no to the naysayers, and to be sure on this 59th anniversary of the establishment of Social Security we take one more step in which a democratic society says there is nothing to fear but fear itself because your Congress is not fearful of acting.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I think we are all in the debt of the Senator from Maryland for her good counsel and for her very graphic histories.

It is to be noted—it has not been noted tonight—that a provision in the Mitchell bill which was taken from the Finance Committee bill establishes a trust fund for medical education and for medical research, and the day will come when we will have solved the problem of Alzheimer's disease. That day will come. And we are insuring a flow of resources to bring it about.

We have seen in the last 30 years developments in medical science that you did not have a sentence for 50 years ago, and they are now common practice. There are more to come. This legislation will bring them.

I see the Senator from Connecticut is here, and we very much look forward to his remarks. Five minutes is our practice.

Mr. DODD. Mr. President, first of all, let me thank the distinguished Senator from New York. I commend him and the majority leader for the work that they have brought us, the product of this legislation, as well as the distinguished Senator from Massachusetts, whom the Senator from New York most appropriately described as someone who has spent three decades engaged in the debate over reform of the health care system.

Mr. President, I think it is appropriate to note that some 40 Members of this body, if my count is correct, have been engaged over the past 2 years in a significant set of hearings and markups—roughly 50 percent of the Senate. I heard the distinguished chairman of the Finance Committee mention that there were some 31 hearings which the Finance Committee has held on health care reform. In our Committee of Labor and Human Resources, we held at least 45 hearings on health care. That is 76 hearings. We spent some 9 or 10 days—and I turn to the chairman of the committee—10 days—in the Labor and Human Resources Committee in a markup of the health care bill, Republicans and Democrats working together to fashion a bill. I am told that the Finance Committee spent significant time in their markup—40 Members of the Senate, 76 hearings, and countless hours of markup that brought us to this juncture.

So those who would suggest that this product is somehow a miraculous conception which has occurred out of nowhere have been living someplace other than in this Nation over the past 2 years.

I would argue, Mr. President, after many years—we go back some 7 Presidents, some 30 Congresses and almost 60 years—of debating whether or not we ought to have a health care system in this country that includes all Americans, it is tragic that we arrive at a point in this Nation's history where we exclude 12 million children. Many may argue about adults and their inability or ability to provide for health care coverage. I know of no one in this Chamber who believes that children ought to be excluded from receiving the adequate kind of health care that they need if they are going to mature to adulthood and become productive citizens of our society. And yet the present conditions are such in this Nation that 12 million of the children of our society under the age of 21 are without health care coverage this evening.

As we sit here tonight, there are millions of people who are on welfare. They have health care. As we gather here tonight, regrettably, there are thousands of people in this country incarcerated in our penal system. Every one of them—God forbid that some illness befalls them—gets health care coverage. It has been noted here this evening that Members of this body and the other, as well as some 10 million people under the Federal employee benefit program, are covered.

Now, when people are incarcerated and can get health care, if you are on welfare and can get health care, and are members of the Federal employees benefit program and can get health care—is it really asking too much that 12 million children and working poor should not also be covered with a basic health care package that protects them and their families from the catastrophic problem of a health care crisis?

That is where we really are. We can argue about the peripheral issues of when do we do it, how soon, how late, when do you bring them in, when do you exclude. Those are all legitimate points of debate. But I would hope, Mr. President—I said this the other day—that for 21 days or 28 days we might drop the labels Democrat, Republican, liberal, conservative, moderate, and come together here as representatives of our constituencies, of the citizens of this country, and for a mere 21 days work together to try to fashion a health care bill that serves the needs of the American public.

In 1992, Mr. President, the American people asked for an end to gridlock in this country. They wanted their Congress to work on their problems—not on our problems—on their problems. In the waning days of this Congress, in the waning hours of this Congress, after hours and hours and hours of debate and discussion in fashioning this product, can we not in these remaining 21 days work on this product and fashion a health care bill that serves the overwhelming majority of people's needs in our society?

That is the challenge before us. The decks are clear. Other than one or two other bills, there is no other business before this Congress. My fervent hope this evening is that Democrats and Republicans will come together, that we will shed those labels, and we will, for the first time in this century, craft a health care bill of which all of us can be proud regardless of party, regardless of political persuasion, and do something that the American public has long, long sought—that is a national health care reform package.

Mr. President, we stand now on the edge of history—an opportunity that has defied 7 presidents and 30 Congresses over the past 60 years. I suspect that this is one of the most important debates most of us will ever take part in as U.S. Senators.

The hearings are over. And in this Congress alone there have been 76 such hearings. In the Senate and Human Resources Committee we spent 3 weeks writing our bill. The Finance Committee spent countless days working on their bill—20 Democrats and Republicans working together for one goal.

Mr. President, the interest groups have been heard—and believe me Mr. President, they have been heard and are still being heard. Mr. President, now is the time for us as the Senate to come forward; our turn as a senate to debate tough issues; our turn as a senate to cast tough votes on tough problems. And Mr. President, it is our turn as a senate to finish the job that the American people have given us.

HOW WE'VE GOTTEN HERE

Mr. President, let there be no mistake as to to why we are gathered for this debate. The American people—not the President, not the Congress, and not the interest groups—are the voices calling to be heard, asking for change and reform in our health care system. The families who have lost their homes because of illness have asked to be heard. The children denied needed treatment because they were unlucky enough to be born into a family without insurance have asked to be heard. The small businesses that want to provide insurance but can't afford it have asked to be heard. The employees locked in their jobs for fear of losing their coverage have asked to be heard. The people whose life-threatening conditions have been labeled "preexisting" have asked to be heard.

The affluent and the very poor have not brought us here; they have health care. Working Americans and their families—they are the voices that are crying out for us to address this crisis.

At this point, this cause is about infinitely more than the political fate of a President—and I hope my colleagues recognize that. This cannot be about handing a President a major victory or crippling him with a major defeat—it must be about making health care affordable and accessible for millions and millions of working Americans.

We cheapen and demean those people's needs and ourselves if we look at this debate through a crass political lens. We honor and respect their needs if we—Republicans and Democrats—put our differences aside and set off together on a common journey.

There are a powerful few in this country who are expending every ounce of their energy to prevent that journey from beginning. They are using every scare tactic in the book to frighten the American people away from reform.

I agree that middle-class Americans should be frightened—they should be frightened of what would happen without reform. I base this contention not on scare tactics or propaganda, but on facts:

In 1980, health care cost 9 percent of the average family's income. Now that figure has risen to 13.1 percent. By 2000, without reform, health care will cost the average American family 18.4 percent of its income—that is nearly $1 out of every $5 earned.

The average family in Connecticut spends $8,257 a year for health care.

Without reform, that number will climb to $15,919 by 2000.

There are now 39 million people with no health insurance.

One of four Americans—63 million people—will lose their health coverage at some point during the next 2 years.

Even in Connecticut, which has proportionately fewer uninsured than most other States, 23,000 people lose their insurance every month.

We are not talking about poor people here. We are talking about the middle class.

More than 80 percent of all the people without coverage in Connecticut are part of working families.

It is an irony that in the America of today, if you are on welfare, you can get health care. If you are in prison, you can get health care. If you are a Member of Congress, you can get health care. But if you are a middle-class American who gets up and goes to work every day to a job without coverage, then you can't get health care. That's what this debate is about.

TWELVE MILLION CHILDREN

During this debate, I want to pay special attention to the 12 million children in this country who have no health insurance. They aren't sending us postcards or hiring lobbyists or putting ads on the air. But it is their future, more than anyone else's, that we will be determining in the next few weeks. I don't know anyone who would want to miss the opportunity to see that these children get decent health care.

EXCELLENT STARTING POINT

The bill before us is an excellent starting point for debate. I am disappointed that it has not drawn more bipartisan support because I think it answers many of the criticisms leveled at the Clinton health care plan.

We heard that the President's bill was too centralized. So this bill is much simpler and more flexible. It eliminates mandatory alliances and replaces them with voluntary, competing alliances.

We heard that the President's bill was too expensive. So this bill includes fail-safe measures to protect against budget deficits.

We heard that the cost controls in the President's bill would throttle the market. So this bill includes no cost controls.

We heard that the President's bill was too burdensome on small business. So this bill requires an employer contribution only if other measures fail. And if the mandate is imposed, it would exempt businesses with fewer than 25 employees and would require other employers to pay only half of the premium.

This bill is a moderate, measured approach. It is a compromise. It builds on the best of our private health care system. Yet we still hear from some that it goes too far.

To this point, it looks like trying to find a compromise on health care reform is like chasing a mirage in a desert. Every time we move toward it, it moves further away.

"COURAGE MOUNTETH"

But there is still time for us to put our narrow interests and objections aside and do the right thing for the American people.

For it is when this body faces the greatest challenges that it does the greatest things. Shakespeare wrote in "King John," "For courage mounteth with occasion."

If we hadn't had courage, this country never would have had a Civil Rights Act or a National Highway System or Social Security or Medicare. This is just such an occasion. We must show some courage—both to strengthen health care and at the same time restore some faith in American democracy.

REVERSE THE CYNICISM

For it is widely known that the American people have grown increasingly cynical about their government. They know the problems we face as a nation, but they are rapidly losing faith in their government's ability to do anything about those problems. The principle that our democratic government is the vehicle of our democratic aspirations is eroding.

This health care debate is an opportunity to either restore or further damage that principle. The American people have identified a national goal: When you strip away labels, poll after poll shows substantial majorities in favor of meaningful health care reform and universal coverage. And we now have before us a bill to meet that goal.

The American people are watching and waiting. They want to know if their government is capable of solving a problem they have identified. In short, we now have an opportunity to do our jobs as elected representatives.

IRRELEVANT SIDE ISSUES

I've heard a great deal of discussion over the last few days about the size of this bill, about how many pages are in this bill, even about the weight of this bill. That discussion is completely irrelevant, completely meaningless, completely beside the point for working people all across this Nation who are hurting.

Those who have lost or are in danger of losing their insurance are drowning. They don't want to see us argue about the size of the lifeboat we are going to dispatch. They just want that lifeboat. They need security and peace of mind, and they are demanding our help.

We haven't had a debate like this for decades, and if we fail this year, we won't have another one for decades more.

We simply cannot fail. I look forward to working with my colleagues to get the job done.

Mr. MOYNIHAN. Mr. President, that is exactly the spirit in which it appears to this Senator that we ought to proceed and are proceeding. I thank the Senator from Connecticut for all he said.

And now we look forward to hearing from the Senator from Iowa, who has asked to be joined in the debate this evening, Senator HARKIN, 5 minutes, I say to the Senator.

Mr. HARKIN. Mr. President, I thank the Senator for yielding.

As Senator KENNEDY said earlier, we have debated this issue for decades. We have deliberated, we have cogitated, we have procrastinated, and as we have, Mr. President, the middle-class Americans are sinking. Costs are skyrocketing. More and more working Americans are losing coverage.

In 1980, the average family cost for coverage was $2,500. Now it is $7,000, average per family in America; $7,000 per family. If we do not act by the year 2000, it will be up to $14,000 per family in America. That is what is happening to the middle class.

In Iowa, in my own State, the cost for a working family has gone up to 245 percent faster than wages in the last 10 years. Businesses in my State pay 167 percent more now than they did 10 years ago. And if we do nothing, it will go up an additional 394 percent by the year 2000. That is what is happening to the middle-class American. That is what is happening to businesses.

Now I hear my colleagues on the other side talk about this great health care system we have in America. I want to correct that, Mr. President. We do not have a health care system in America. We have a "sick care system" in America. If you get sick, you get care. And you get care in the emergency room. What we are trying to do is change that system to provide more preventive health care, keeping people healthy in the first place, changing a sick care system into a health care system.

Senator DOLE said earlier tonight that we are going to roll the dice. Never mind that we have debated this bill for years. Never mind the fact that Senator DODD said the Finance Committee and the Labor Committee have jointly held nearly 100 hearings since last September. Never mind. Senator DOLE said we are going to roll the dice.

Mr. President, that is what is happening every day to millions of working Americans throughout this country. They get up in the morning and they roll the dice. They wonder whether or not they are going to be sick. They wonder whether or not they are going to have health care coverage.

Let me read a couple of examples. Jim and Carol Kaplan of Chelsea, IA, are a middle-aged farm couple, 55 or 56 years of age. Carol had a kidney transplant 10 years ago and requires regular antirejection medication. Jim had cancer 5 years ago but he is now healthy. They pay nearly $15,000 a year in health care costs. They have a small farm. They pay $350 a month for prescription drugs. Their Blue Cross health insurance plan costs nearly $11,000 a year. It went up $2,400 just this year. They have looked for other plans. They are told they could get a cheaper plan. But, of course, they would have to exclude all of their preexisting conditions, "don't you know."

Jim got word of this increase right around Christmastime. He said he was so depressed he could not talk to anyone. He told me he does not go into town very much anymore because they cannot afford anything beyond the basics because of health care costs. These are hardworking, good Americans paying for that kind of coverage.

I can read example after example. George and Pat Kadrmas of Traer, IA, small business people paying $2,000 a quarter. Or I can read some other people here. Hank Grant, or Harry Ellis, age 56, worked in Des Moines for a tire company for 26 years, took disability retirement in March of this year because he had heart bypass surgery. He is paying $400 a month in medication, $300 a month for oxygen, and his spouse has no coverage. Guess what happened? The Pirelli Tire Co.—this is a union man—had a contract with their people that if they took early retirement because of disability, the company would continue to pick up the 80 percent of the health care benefits until such time as they could get on Medicare.

So Harry Ellis, 56 years of age, 26 years working at the company, thought he had it made until the Pirelli Tire Co. said, "No, we are taking it all away. We are dropping it all. You pick it up yourself. We are abrogating it." What is he going to do? He cannot afford that.

Another example of Americans every day rolling the dice. Every day in America working Americans get up in the morning and they say a prayer. "Please don't let me get sick today. Please don't let me get injured today." Every day they roll the dice. What we want to do is not roll the dice. We want to pick up the dice. We want to replace the dice with a sure bet, universal coverage that cannot be taken away so these working Americans do not have to roll the dice.

Lastly, Mr. President, Senator DOLE says that somebody has to pay. We are already paying. We are paying at the emergency room doors. People may not have health insurance, but they get health care. They get it at the worst possible time, when we pay the most. As long as we are going to pay it, let us spend smarter. Let us get them early, cover them, get preventive health care, and let us spend the money in a little bit smarter way. That is what we are trying to do with this legislation.

Mr. MOYNIHAN. Mr. President, may I say to the Senator from Iowa that is indeed exactly what we are trying to do and what we ought to do. I thank him for his remarks.

The senior Senator from California has been patiently attending to her notes and her address. I am happy to yield 5 minutes to Senator BOXER.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Thank you, Senator MOYNIHAN, very much. I thank him for his leadership.

I will correct the RECORD. I am a junior Senator. However, Senator FEINSTEIN and I actually were elected on the same day. She was sworn in before. I thought I would explain that to the Senator.

Mr. MOYNIHAN. I stand corrected.

Mrs. BOXER. Thank you very much. I feel very proud to be representing the good people of California in this health care debate. I spent 10 years over on the House side and have been on a number of health reform bills. Now the time has come.

I really feel it is very interesting that our first vote on this health care issue may well be a vote to decide if we are even going to take up this health care matter. It appears that there will be a vote on whether to delay. And I am going to address my comments in the brief time I have to this question of delay.

I said I was proud to be here to debate health care. I found it interesting that my Republican colleague, PHIL GRAMM, said he would be proud to do whatever he could to stop the Mitchell bill from coming forward. And I believe that means health care reform will not come forward because the way we work in this U.S. Senate is a bill is introduced, we work our bill will, we compromise, we discuss it and debate it, and it becomes law. So we have to beat back this call for delay or filibuster.

Mr. President, who is going to get hurt if there is a filibuster or a delay? Seventy-six percent of those of us who have insurance have a lifetime benefits cap. If one of us gets sick, we may reach that cap and have no insurance. We will be hurt. Seventy-six percent of us who have insurance will be hurt because health care reform will take care of that problem.

Twenty-five percent of Americans are stuck in a job lock. That is a new terminology. We are afraid to change jobs because we are afraid we will lose our insurance. So 25 percent of us who work will be adversely impacted by delay or filibuster. Obviously, the 37 million Americans who have no health insurance will continue to have no health insurance. So 37 million Americans will be hurt by a delay or a filibuster. And the decent, good employers who already give their employees health insurance will be adversely affected by a delay or a filibuster because when we have universal coverage, insurance will become affordable for those employers as well as for the rest of us.

What about the elderly? They do not have a prescription drug benefit or long-term care. They will get it with this health reform bill.

So I think it is very clear that the voices of filibuster, the voices of delay are not the voices of the American people. They may be the voices of the special interests. That is true.

Let me read for you a quote from the sixties when this body was looking at the Medicare question—and Senator KENNEDY talked about it. I am going to quote Senator Carl Curtis, a Republican Senator from Nebraska. This is what he said during the debate to create the Medicare system, one of the most cherished systems we have in this country.

> We are not doing something for the people today or this week if we pass this bill. We are doing something to the people. We are not doing something for the people.

He said that about Medicare.

> We are doing something to the people, and I am not going to have a part in this. I am not going to let the children of this country point their finger at me and say I led a parade either in Committee or on the floor to vote for two socialized insurance programs, part A and part B of Medicare.

I raise this and bring this quote to your attention because I think we are going to hear those same voices. Those are the voices of delay. Those are the voices of filibuster. Those are the voices of the special interests. Those are the voices we must stand up and fight. This is going to be a very difficult debate. But I say to you that if we ever had any courage or guts, this is the time to show it.

I, frankly, think that if there is a filibuster, it will be a cowardly filibuster. I thought about it a long time before I used those words. But I think it will be a cowardly filibuster or delay because I think there are some in this institution who do not want to cast the tough votes and hard votes. Well, they cast those votes in both committees, Senator MOYNIHAN's committee and Senator KENNEDY's committee. It is our turn and it is our time. I hope the people will call our offices tomorrow. The number is 202–224–3121. I hope they will call tomorrow when they wake up and they are perky, and I hope they will tell us to fight against delay and filibuster.

I yield the floor.

Mr. MOYNIHAN. Mr. President, the Senator from California raised the question that the first vote we will have will be tomorrow on the question of whether we put this off until next year. In the terminology of "sure bets," which the Senator from Iowa made, I will say to her I will give you a sure bet that that amendment will go down hard, and we will have had an affirmative beginning of this debate.

Mrs. BOXER. I look forward to that.

Mr. MOYNIHAN. To conclude this evening, I can just say that this present cycle that brings us to this floor today began 2 years ago when one of the most distinguished men of his generation ran for the U.S. Senate, and raised the simple proposition that if an alleged criminal has a right to a lawyer, why do you not have a right to a doctor? In that elemental epiphany, we started the journey that brings us here.

I am very happy and honored to yield the remainder of our time to the most distinguished Senator from Pennsylvania.

Mr. WOFFORD. I thank the chairman for all he is doing and has done, and for his good sense of history. Mr. President, I thank the Chair for all he has done in this field; he has worked so hard.

Mr. President, "We cannot escape history." Abraham Lincoln said that. We cannot escape history. We of this Congress and this administration will be remembered in spite of ourselves. But whether we will together rise to the occasion or fall divided, that question remains for us to answer. I would like to believe that in the days and nights ahead we will be guided, as Lincoln said, "by the better angels of our nature," and that those watching us will witness self-government, not civil war. Mr. President, this debate is not about politics, it is about people.

John Heinz, whose seat I filled, was deeply concerned about what our Nation's health care system was doing to people and their lives. "America's health delivery system is fundamentally flawed," he said. "It is absolutely perverse that in a Nation of such great affluence as ours, we operate under a system that is based on ability to pay rather than on medical need."

When I got this job 3 years ago, I vowed to do everything in my power to make something good come out of the tragedy of the loss of John Heinz. When the people of Pennsylvania sent me back here, they did make something good happen—they sent a message to Congress that the conventional wisdom about the politics of health care was wrong. The people told Washington that health reform was not too hot to handle; it was too hot not to handle.

And today, legislation to provide all Americans with affordable, private health insurance is on the floor of the U.S. Senate for the first time in the life of our Nation.

That, in itself, is an achievement that the people of Pennsylvania should be proud of. But to solve the problem, to protect middle-class families from losing the coverage they thought was secure, and from paying more premiums and deductibles and copays than they can afford, we still have far to go.

Pennsylvanians want us to go the distance. They are tired of Washington's finger-pointing and gridlock. They do not want Congress to squander this chance. And they certainly do not want their health security held hostage to anyone's political agenda. The people want action from this Congress.

What action do they want? They want, I believe, the same kind of guaranteed coverage and choice of affordable, private health plans that Members of Congress have arranged for themselves.

Members of Congress do not have Government-run health care; they have a range of private health insurance options. They have a consumer choice system—more choice, in fact, than most Americans get from their employers today.

Our bill will make the Federal employee's plan, that Congress has, available to the American people and make it a model for reform; private health insurance that cannot be taken away; affordable premiums, paid by a shared contribution from employer and employee; a choice of doctor and health plan. That is what the Mitchell bill is, and that is what I am fighting for.

I am going to fight against any so-called reform bill that does nothing to help older citizens and their families, allowing insurance companies to continue to charge a lot more if you are old or have a preexisting condition, failing to include prescription drugs or long-term care, failing to keep promises given to retirees in terms of health care benefits from becoming broken promises. And I am going to fight against any bill that would make things worse for all of the middle-class families who have insurance today, by giving a green light to companies to continue cutting back, by covering fewer workers with less coverage and less choice. That is what I am against.

There are some who are going down a different well-worn path. Their sound bites and slogans have a familiar ring because their predecessors made the same tired old arguments against Social Security and Medicare, against child labor laws and civil rights, against the 40-hour week and the minimum wage, against family and medical leave.

But the scare tactics did not work, and the horror stories did not come true. Freedom did not disappear. Capitalism did not collapse; it got stronger, just as our economy will get stronger when we bring health care inflation under control.

People in this country support the idea of employers contributing something to their employees' health insurance, because that is how most working people get their health insurance today. The only place where that is not understood is in Washington, where special interest lobbyists seem to have more power over the process than the people do.

How dare Members of Congress, who have their health insurance paid for by their employer—the U.S. taxpayers—say it is impossible to provide the same kind of security to the people who sent them here. Why should middle-class Americans, who work hard, pay their taxes, and send their kids to school, not have that kind of security, too? It is a matter of simple justice.

Mr. President, the eyes of the country are upon us. Like the great debates of our history—over war and peace, over civil rights, and over social justice—this debate will say a lot about who we are as a Nation. And it will answer a fundamental question: Who runs America?

Already, the special interests have spent more money on lobbyists and lawyers, on TV and radio ads, campaigns of fear and smear, designed to mislead and misinform, than on any other issues in our Nation's history, more money than the Bush and Clinton campaigns together spent in the entire 1992 election. Who runs America?

At our Nation's founding, Alexander Hamilton took a foreign visitor on a tour of this Capitol and he boasted, "Here, sir, the people govern."

Mr. President, if we are true to our mission and our mandate, we will live up to Hamilton's boast.

But if we do not, then decent, hard-working citizens will point to this place where statesmen once strode and say, "There, friend, the special interests rule."

America deserves better than that, Mr. President. And I have faith that we will prove to be better than that, because this battle that Harry Truman began for guaranteed, private health insurance for all Americans is not about the next election; it is about the next generation.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as a matter of humility, I rise to thank the Senator from Pennsylvania for the extraordinary eloquence in which he concluded this first opening debate.

This is a historic moment. For the first time ever a proposal for universal health coverage is on the floor of the U.S. Senate, on the floor of either body of the Congress.

If we could have the faith, the vision and the tenacity that the Senator from Pennsylvania has shown from the time in the 1960 election and civil rights seemed an impossible dream, he brought a candidate for President to see that it was a necessary imperative, and it came about not least because of the Senator from Pennsylvania.

I thank him, and I thank the Presiding Officer.

Mr. President, I believe all time will have expired now.

If I may suggest just for a moment, if you will be patient with me for one moment, I have some matters to conclude. Is the Senator from Oregon ready to go?

Mr. PACKWOOD. Let me check just a moment.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein for up to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRIME

Mr. DOLE. Mr. President, before rushing to embrace the so-called crime bill, I urge all of my colleagues to review a speech by Prof. John DiIulio of Princeton University, who appeared yesterday at a conference sponsored by the Project for a Republican Future.

Professor DiIulio happens to be a registered Democrat, but it's his view that Congress should reject the crime bill because it's not smart and tough, as President Clinton likes to say, but "dim-witted and weak." Professor DiIulio argues that the crime bill "costs far too much, is much too complicated, contains way too many untested and unwise provisions, and will do nothing to reduce the country's crime problem."

In fact, the professor suggests that the crime bill may actually add to the crime problem as a result of something called the "safety valve" provision. He explains, and I quote:

> The Senate version of the crime bill that was drafted . . . at the Federal level, at least, . . . by permitting certain categories of convicted drug defendants to be invited back to court, to be given a virtual retrial under a retroactive law.

Professor DiIulio estimates that as many as 16,000 Federal prisoners could avail themselves of this safety-valve provision.

So, Mr. President, this may be the first crime bill in American history that could actually lead to the early release of thousands of convicted criminals—a "Get-Out-of-Jail-Free" card brought to you by the U.S. Congress.

In his speech, Professor DiIulio rejects the fallacy that our State and Federal prisons are somehow teeming with hundreds of thousands of nonviolent, first-time offenders. In fact, only 6 percent of all State prisoners are nonviolent offenders with no prior sentence to probation or incarceration. And of the 35,000 persons admitted to Federal prison in 1991, only 2 percent—700 inmates—were convicted of simple drug possession.

Finally, Professor DiIulio highlights the danger of overselling the so-called 100,000 new cops-on-the-street provision. After looking at the fine print, he estimates that the crime bill provides full funding for only 20,000 new police positions, an increase that will be spread out across the country. So, Mr. President: Of course, it is worthwhile to hire more police. More police generally means more security. But, at the same time, let is not deceive ourselves into believing that 100,000 new cops will be hitting the streets anytime soon—crime bill or no crime bill.

Professor DiIulio's speech is a welcome dose of reality. I urge everyone to take a few moments to review it before casting a vote on the crime bill.

Mr. President, I ask unanimous consent that Professor DiIulio's speech be reprinted in the RECORD immediately after my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY JOHN J. DIIULIO

Thank you, Bill. I'm glad to be here, not only as a card-carrying Democrat but also as someone who has somewhat reluctantly and begrudgingly come to the conclusion that this crime bill ought to be scrapped.

Let me begin by saying I think there are some very good things in this crime bill, just as there were many good things in each of the major pieces of federal anti-crime legislation that were passed over the last 10 years. I'm talking here about the Comprehensive Crime Control Act of '84 which established the sentencing guidelines, the anti-drug abuse acts of '86 and '88, the Crime Control Act of '90 and the Brady bill of '93. And as I mentioned, the Brady bill may indicate, not among those who would oppose this crime bill because it fosters further federal restrictions on guns, in particular on certain types of assault weapons, I think that its provisions are wise.

By the same token, I wouldn't number myself among those who oppose this bill because it contains billions and billions of dollars for social programs. There is a fair amount of silly business in this bill on that side. Midnight basketball may be silly business. But prison-based drug treatment is not. And so there's a mixed bag there.

Finally, I wouldn't count myself among those who oppose the bill because of the flaws, the limitations in its more sensible or well-intended provisions. It's easy to deconstruct, if you will, the community policy provisions of this bill. The bill calls for 100,000 new cops. But when you read the relevant titles of the bill, what you discover is that that really means about 20,000 fully funded positions.

And when you further look at how this bill is to be administered, you come to recognize that it's to be administered by the Office of Justice Programs, which is the alphabet soup of agencies left over from the days of the old Federal Law Enforcement Assistance Administration, which is to figure out some way of divvying up this money between 85 percent for more manpower, 15 percent for everything else having to do with policing, so much to jurisdictions under 150,000, so much to jurisdictions over 150,000, and so on.

And if you're stouthearted enough to look at this bill in light of the relevant academic literature, you know that it takes about 10 police officers to put the equivalent of one police officer on the streets around the clock. This is factoring in everything from sick leave and disabilities to vacations and three shifts a day and desk work and so on. So that 20,000 funded positions becomes 2,000 around-the-clock cops. And 2,000 around-the-clock cops gets distributed over at least 200 jurisdictions for an average actual street enforcement strength increase of about 10 cops per city.

Moreover, you learn, when you look at the relevant titles, that these positions are not really even fully funded. The money is really seed money that will run out rather quickly. And I suppose that those big-city mayors, Democrat and Republican, who are supporting the bill simply believe that in the out years the federal government will belly up to this bar again and put up more funds.

Nevertheless, I think the community policing provisions of the bill, many of the prison provisions of the bill, represent tiny, perhaps faltering but tiny steps in the right direction. Why, then, should the GOP or responsible legislators of both parties or concerned citizens generally oppose this bill? My answer is that, in the last analysis, this bill, warts, beauty marks and all, simply costs far too much, is much too complicated, contains way too many untested and unwise provisions. It will do nothing, in my view, to reduce the country's crime problem. In fact, as I'll suggest in a moment, it may actually add to it. The bill is not, as the president, I think, likes to say with sincerity, smart and tough. I think rather it is, taken all in all, rather dim-witted and weak.

There are at least four specific realities about crime in this country that this bill does little or nothing to address, or addresses perversely; Revolving-door justice, the youth crime bomb, the black crime gap, and the real root causes of crime. Now, I am going to try to do the impossible—my Princeton students would not believe it—and stay within my 15 minutes. So I will say as much as I can on each of these scores before turning it over to my colleagues on the panel.

First, let me talk about revolving-door justice. Every major public opinion survey shows that the public has lost confidence in the ability of the justice system to arrest and detain and convict and punish violent and repeat criminals. From a number of recent studies published by Brookings and other institutions, it's clear that the facts and the figures support the public's frustrations and fears on crime.

Let me offer just a little bit of the evidence, and I stress a little bit of the evidence, on revolving-door justice. Sixty-five percent of felony defendants are released prior to trial. That includes 63 percent of all violent felony defendants. Now, what happens to them when they're out on the streets? Well, nearly a quarter of them simply never show up in court, for starters. About 11 percent of murder arrestees and about 12 percent of all violent crime arrestees are on pretrial release for an earlier case at the time of the offense. Over 20 percent have 10 or more prior arrests. Over 35 percent have one or more prior convictions.

Case management, which is a bureaucratic euphemism for plea bargaining, means that over 90 percent of all criminal cases today do not go to court because the offender pleads guilty to a lesser charge. That's true as well for violent offenses. Only 44 percent of murder cases go to trial, 23 percent of rape cases, 15 percent of aggravated assault cases.

Now, we hear a lot about the explosion in the prison population, and it's true that the nation's prison population, federal and state, has increased dramatically over the last 15 years. But it's also true that the probation and parole population has increased even faster. Today you have about four and a half million persons under correctional supervision in this country—four and a half million. Three and a half million of them, roughly, are not incarcerated. Rather, they're under the supervision of probation and parole officers who are handling hundreds of cases and really can't provide effective supervision.

What happens in these cases? Well, a disproportionate number of the three and a half million in probationers and parolees out there circulate in and out of poor minority urban neighborhoods, repeatedly victimizing their truly disadvantaged neighbors. We have data on recidivism that could—probably books and volumes that could fill this room. But just to cite a few of the statistics, within three years of sentencing we know that nearly half of all probationers are placed behind bars for a new crime or abscond.

We know that for parole, the tale is very much the same. If you look on a state-by-state basis, you find, for example, that in Florida between 1987 and 1991 you had over 100,000 prisoners released early. At points in time when they would have been incarcerated were they not released early, these offenders committed over 26,000 new crimes, including some nearly 5,000 new crimes of violence, including 346 murders.

Now, what else do we know about probationers and parolees? Well, we know that with respect to violent crimes, violent crime arrests, 16 percent of violent crime arrestees are on probation and 7 percent are on parole. Now, if you take those two numbers and you add it to a number I gave earlier—that is, 12 percent of violent crime arrestees on pretrial release—you're left with a rather amazing number, that 35 percent of all violent crime arrestees have some criminal justice status at the time of the offense; that is, over a third of all violent crime arrestees are ostensibly in criminal custody at the time of the offense. Now, if that is not revolving-door justice, I don't know what is.

The Senate version of the crime bill that was drafted and put out back in November—November 19th, 1993, to be exact, by a vote of 95 to 4—would, I think, have done something, though I'm not sure exactly how much, to stop revolving-door justice. But now, almost nine months later, we have before us a crime bill that would actually, in my view, grease the revolving door, at the federal level, at least, via such provisions as the so-called safety valve provision, which is essentially a provision that would permit certain categories of convicted drug defendants to be invited back to court, to be given a virtual retrial under a retroactive law.

About 5,000 prisoners would be immediately eligible for this provision and they could get sentence reductions of as much as half or more in some cases of their sentences. Also, the language of the safety valve is quite elastic. I would not be surprised, if this bill passes with this provision, to see the safety valve provision applied to all of the 16,000 or so so-called low-level drug offenders in the federal prison system.

Now, interestingly, the safety valve idea has been supported by a number of Republicans as well as Democrats, including a number of conservative Republicans. And I think I know where they're coming from. I don't think anyone would believe that the federal sentencing structure is perfect. There are lots of sentences, especially, I would say, for drug offenders that are overly harsh. And I myself have taken an interest in some such cases, up to and including joining the clemency petition of one federal inmate who's serving time for a nonviolent first-time drug offense.

But what I would like to point out is that the utterly false argument behind the safety valve provision, and other provisions in this bill like it, is that many, if not most, prisoners are petty first-time offenders with few previous arrests, no previous convictions and no history of violence. The facts, which have been painstakingly put together by the U.S. Bureau of Justice Statistics and by other research organizations and widely published, speak in exactly the opposite voice.

Let me just give you a few of the facts. In 1991, fully 94 percent of state prison inmates had been convicted of a violent crime or had a previous sentence to probation or incarceration. In other words, only 6 percent of state prisoners were nonviolent offenders with no prior sentence to probation or incarceration. Nearly half were serving time for a violent crime and a third had been convicted in the past of one or more violent crimes.

If you look at the state data, you get the same picture. In New Jersey, where I spend a lot of my time, you had in 1992 a prison population in which about half of all prisoners were serving time for a violent crime. Eighty percent had criminal histories involving violence. The average prisoner had nine prior arrests, six prior convictions and so on.

Now, it is true that the federal prison system, compared to the state systems, or most state systems, has relatively fewer violent criminals and more property and drug offenders. But of the 35,000 persons newly admitted to federal prison in 1991, only 2 percent, or about 700, were convicted of mere drug possession. And even in the federal prison system, about half of all prisoners had two or more prior felony convictions and over half of all prisoners in federal penitentiaries had a history of violence.

So one has to understand as well that even these numbers, as depressing as they are, understate the actual amount and severity of crime committed by prisoners when free. For one thing, they don't take into account the effects of plea bargaining. People who may present themselves as first-time nonviolent drug offenders may, in fact, be plea-bargained or violent and repeat offenders.

Second, these numbers don't account for the wholly undetected, unpunished, unprosecuted crimes committed by prisoners when free. There have been a number of large scientific studies, prisoner self-report studies, that have tried to get a handle on this question. And the two most recent such studies indicate that in the year prior to incarceration, the typical prisoner commits a dozen serious crimes a year, violent and property crimes, excluding all drug crimes.

And finally, which brings me quickly, I hope, to my next point, these numbers do not reflect the number of crimes committed by prisoners when they were juveniles. We know that nationally juveniles account for about one-fifth of all weapons offenses. They've committed record numbers of murders in the last several years, several thousand murders a year. Today's high-rate juvenile offenders are tomorrow's adult prisoners, but today's adult criminal records don't comprehend yesteryear's slew of juvenile crimes.

America is facing a ticking youth crime bomb. We have burgeoning numbers of young people who, from all the statistical profiles, are at risk of becoming violent and repeat criminals. The rate of growth in serious youth crime among white teenagers now exceeds the rate of growth in serious youth crimes among black and Hispanic teenagers. Now, given this reality, you might think that this bill would address the problem of juvenile crime in a serious way. But I would submit to you that it does not, not even symbolically.

Let me just quickly mention the third overarching reality which I think this bill ignores, and that is what I would call the black crime gap. Most Americans, most people in this room, are safer today than they were three or four years ago. Crime rates nationally in most categories of crime have dipped down, but not so for black, Hispanic, poor minority inner-city Americans.

In 1992, which is the last year for which we have complete data, the violent crime victimization rate for blacks was the highest ever recorded. You have lots of opinion surveys and polls which show that black Americans find crime as truly the number one issue in their neighborhoods, a majority of black school children afraid to go to and from school, a majority of black school children afraid, believe that they will be shot at some point in their lives.

Now, given this reality, you might think there'd be something in this massive crime bill that would address this problem. Instead, Congress spent a lot of time debating, wasting time with the so-called Racial Justice Act. And without getting into that, at least not getting into it now, we just need to remember that the vast majority of crimes in this country are intraracial. Over 80 percent of all violent crime is intraracial. Over 95 percent of all homicides are intraracial. And we have a series of studies that at a minimum throw into serious doubt the issue of whether, in fact, there are racial disparities in sentencing even in capital cases.

Well, this bill, of course, contains no racial justice provision. But the logic of that provision, I think, informs other provisions of the bill. It informs, I think, a diagnosis in the bill of the root causes of crime, which talk about things like unemployment and so on. Never mind that we have now studies which suggest that that factor is not important. Never mind the basic fact that most prisoners in the year or two prior to incarceration held a job that paid minimum wage or better. This is the diagnosis of root causes in this bill.

Well, where to go from here? To be brief, in closing, I would say that—I would hope that this bill would be scrapped, that Congress would come back in a new legislative season and take another crack at it; in other words, go back to the drawing board, but I would hope not one great big drawing board with $30-plus billion worth of talk, but rather a series of little drawing boards—a prison bill, a cops' bill, if you must, a midnight basketball bill, a prison drug treatment bill. And let's debate the merits and let's have our legislators debate the merits and vote on the merits on each provision separately.

My fonder hope, one that only an academic could bear to speak in a forum such as this, is that Congress would declare a moratorium on federal crime legislation. There is a provision in this bill for a crime commission, a bipartisan commission to study crime. I think it would be much better to have a bipartisan commission that would look at the evolution of the federal government's role in crime control, particularly since 1968, and ask the tough question of what, in fact, has been wrought by the federal government's involvement in making, administering and funding foreign policy, and ask the tough question whether this bill or any conceivable federal crime bill could actually do much to protect the public and its purse better than they're protected by existing policies.

I'll stop there, Bill.

TIME LIMITATION ON VOTES TOMORROW

Mr. MOYNIHAN. Mr. President, on behalf of the majority leader, I ask unanimous consent that the succeeding votes following the first vote in the sequence of votes scheduled to occur tomorrow morning be 10 minutes in duration.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Cal. 1103. Jose A. Cabranes, to be United States Ciruit Judge; Cal. 1104. Paul D. Borman, to be United States District Judge; Cal. 1105. Denny Chin, to be United States District Judge; Cal. 1106. Harold Baer, Jr., to be United States District Judge; Cal. 1107. Denise Cote, to be United States District Judge; Cal. 1108. John G. Koeltl, to be United States District Judge; Cal. 1109. Rosemary S. Pooler, to be United States District Judge; Cal. 1110. Lewis A. Kaplan, to be United States District Judge; Cal. 1111. Blanche M. Manning, to be United States District Judge; and Cal. 1112. Mark W. Bennett, to be United States District Judge.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that upon confirmation, the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Jose A. Cabranes, of Connecticut, to be United States Circuit Judge for the Second Circuit.

Paul D. Borman, of Michigan, to be United States District Judge for the Eastern District of Michigan.

Denny Chin, of New York, to be United States District Judge for the Southern District of New York.

Harold Baer, Jr., of New York, to be United States District Judge for the Southern District of New York.

Denise Cote, of New York, to be United States District Judge for the Southern District of New York.

John G. Koeltl, of New York, to be United States District Judge for the Southern district of New York.

Rosemary S. Pooler, of New York, to be United States District Judge for the Northern District of New York.

Lewis A. Kaplan, of New York, to be United States District Judge for the Southern District of New York.

Blanche M. Manning, of Illinois, to be United States District Judge for the Northern District of Illinois.

Mark W. Bennett, of Iowa, to be United States District Judge for the Northern District of Iowa.

STATEMENT ON THE NOMINATION OF JOSE A. CARBRANES

Mr. MOYNIHAN. Mr. President, may I just note that I take special pride in the elevation of Judge Cabranes to the second circuit, which is, of course, located in Manhattan, and to the other fine New Yorkers who are shortly to become judges.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 103–27

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the Convention on the Conservation and Management of Pollock Resources in the Central Bearing Sea, Treaty Document No. 103–27, transmitted to the Senate by the President today; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and order to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea, with Annex, done at Washington on June 16, 1994. The Convention was signed on that date by the People's Republic of China, the Republic of Korea, the Russian Federation, and the United States. Japan and the Republic of Poland, the other participating countries in the negotiation of the Convention, are expected to sign the Convention in the near future. I transmit also, for the information of the Senate, a report of the Secretary of State concerning the Convention.

This Convention is a state-of-the-art fishing agreement that will aid in ensuring the long-term health of pollock stocks in the central Bering Sea on which the U.S. pollock industry in the Pacific Northwest in part depends. Its strong conservation and management measures will be backed up with effective enforcement provisions. The agreement will require that each vessel fishing for pollock in the central Bering Sea carry scientific observers and use real-time satellite position-fixing transmitters. All vessels of the Parties fishing in the central Bering Sea must consent to boarding and inspection by authorized officials of other States Parties for compliance with the provisions of the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and provide its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 9, 1994.*

Mr. MOYNIHAN. Mr. President, I must confess, as a member of the Committee on Foreign Relations, to be unfamiliar with the injunction of secrecy—covenants openly arrived at, said the learned Senator from Oregon, one of the principles of the Fourteen Points. But we will let it pass, Mr. President.

LEGISLATIVE SESSION

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993 REGULATORY REFORM ACT OF 1993—CONFERENCE REPORT

Mr. MOYNIHAN. Mr. President, I submit a report of the committee of conference on H.R. 3474 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 2, 1994.)

Mr. RIEGLE. Mr. President, I am pleased that the Senate will now turn its attention to the conference report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act of 1994. This conference report incorporates a number of provisions designed to foster community development, encourage lending to small businesses, remove unnecessary paperwork, streamline regulation, and protect consumers. It has already passed the House by a vote of 410 to 12.

The Banking Committee has worked together in a bipartisan fashion in crafting and moving this legislation. We have also worked closely with the Administration. I believe this effort is reflected in the overwhelming bipartisan support that this legislation received both in committee, where the

Senate version of the bill was reported favorably by a vote of 18 to 1, and here on the Senate floor, where it was approved without opposition.

I particularly want to commend Senator D'AMATO, the ranking Republican on the Banking Committee, for his leadership and input in developing this legislation.

COMMUNITY DEVELOPMENT

Title I addresses Community Development and Consumer Protection. Subtitle A aims to help revitalize distressed communities by strengthening the capacity of local community development institutions and improving access to capital in these communities. It creates the Community Development Financial Institutions Fund.

The CDFI Fund will promote revitalization by providing financial and technical assistance to new and existing community development financial institutions. These are financial institutions having a primary mission of community development such as community development banks, community development credit unions, and revolving loan funds. To maximize the impact of the Federal assistance provided to these institutions, each Federal dollar must be matched with a dollar of private funds. We have worked particularly closely with the administration on this portion of the legislation which represents the fulfillment of President Clinton's promise to develop a network of community development banks.

The conference report authorizes $382 million over 4 years to carry out this subtitle. Two-thirds of the funds appropriated will be available to the CDFI Fund to support community development financial institutions.

The other one-third of the funds appropriated will be used by the fund to encourage traditional depository institutions to provide loans and services in distressed communities through the Bank Enterprise Act. The Bank Enterprise Act was passed by the Congress in 1991 and originally was designed to incentivize banks and thrifts through credits toward their depository insurance premiums. Under this legislation, the Bank Enterprise Act will be administered by the CDFI Fund, and will have no relation to the deposit insurance system.

The CDFI Fund will be directed by an administrator appointed by the President and confirmed by the Senate. A 15 member Advisory Board will consist of 9 private citizens with community development finance experience, as well as the Secretaries of the Departments of Agriculture, Commerce, Housing and Urban Development, Interior, and Treasury, and the Administrator of the Small Business Administration.

CONSUMER PROTECTION

Title I also included the "Homeownership and Equity Protection Act." This legislation amends the Truth in Lending Act to provide new consumer protections for certain second mortgages with exceptionally high fees or interest rates.

At a February 17, 1993, hearing before the Banking Committee, witnesses testified that homeowners in low income and minority communities have been targeted for abusive mortgage lending practices. This legislation requires lenders who make high rate or high fee home equity loans to provide a separate disclosure that contains the annual interest rate and monthly payment of the loan, as well as a warning that the borrower could lose his or her home. The disclosure must be provided at least 3 days before settlement, creating an additional cooling off period.

The legislation restricts the use of certain loan terms that have proven problematic in these loans, such as balloon payments on short term loans. The Federal Reserve is given authority to exempt loans from these restrictions, however, if such an exemption is in the interest of the borrowing public. Finally, the legislation transfers liability in connection with such mortgages from the originator to any subsequent purchaser of the mortgage. This provision is essential to make the market police itself.

SMALL BUSINESS

Title II, Small Business Capital Formation, contains two provisions designed to ensure that small businesses have access to the credit they need to grow and create jobs.

First, title II includes legislation based on S. 384, a bill introduced by Senator D'AMATO to facilitate the securitization of small business loans. In 1984, Congress enacted legislation to promote the securitization of home mortgages. Most observers believe that securitization of residential mortgages has increased the amount of capital available for home buyers, ensuring a continuous supply and bringing down the cost.

Under this legislation, financial institutions can originate loans to small businesses, and then sell them to an entity that would issue securities to investors. It makes changes to the Federal securities laws that parallel the 1984 statute. These changes will allow issuers sufficient time to pool and sell securities, and to file a single registration statement with the SEC.

The legislation also changes bank capital requirements for small business loans sold with recourse—that is, where the bank remains liable for a portion of any losses on the loan. We have worked closely with the Federal bank regulators and the Treasury to develop an approach that will facilitate securitization of small business loans while maintaining bank safety and soundness.

In fashioning this legislation, we have been mindful that banks are losing market share in the area of small business lending. We realize how crucial bank financing is to small and startup businesses, and we want commercial banks to continue to be players in this market.

Title II also includes a measure providing Federal assistance for State Capital Access Programs; 14 States have adopted Capital Access Programs. These programs encourage banks to make loans to small and medium-sized businesses that they might not make otherwise.

Lenders may choose to participate in a Capital Access Program. For each loan enrolled in a program, the bank and the borrower contribute to a loss reserve fund. The State then matches the contribution of the bank and borrower. The loan loss reserve fund protects the lender against loss on the loan. Participating lenders assume the risk on their loans, if the losses exceed the total contributions to the reserve fund. Unlike a guarantee program, the Government is not exposed to the risk of the entire loan.

The bill authorizes $50 million in Federal funds to match State contributions to Capital Access Programs. This will help States that already have such programs and encourage other States and localities to adopt such programs. The Federal role would be limited to certifying State programs for participation, receiving reports, and matching State contributions.

PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

Title III of the conference report contains a number of directives to the regulatory agencies to improve the way they carry out their functions. Our goal is to harmonize and simplify the regulatory mandates imposed by multiple agencies. Upon enactment, examinations will be coordinated, and, within 2 years, each institution and its affiliates will receive a unified exam led by one regulator. This will eliminate the costs to banks of duplicative examinations. Also within 2 years, the Federal banking agencies must conduct a top-to-bottom review of regulations, removing inconsistent, outmoded, and duplicative mandates. New regulations won't be issued without scrutiny of the administrative burden that may create—particularly for smaller institutions. The current system, of 4 different agencies adopting 4 different guidelines on the same subject, will come to an end.

The conference report also contains numerous amendments to existing laws that will reduce the paperwork and unnecessary regulatory burden that banks must cope with. For example, institutions with assets of less then $100 million which have received a composite rating of excellent from the bank regulatory agencies are currently exempt from the requirement of annual inspection and instead may be examined on an 18-month cycle. Title II raises that threshold to $250 million for institutions with an excellent composite condition and allows similar treatment for institutions in the good category with assets less than $100 million. Further, the bank regulatory agencies are given authority to raise the $100 million level to $175 million after 2 years if doing so is consistent with safety and soundness.

Other sections of the conference report provide that call reports no longer need be published in local newspapers. Loans that are made for commercial, agricultural, or governmental purposes are exempted from the forms required under the Real Estate Settlement Practices Act. Securitization of commercial mortgages is simplified. In addition, title III calls for studies of risk-based capital standards, sterile reserves, and regulatory impediments in the consumer lending process.

A number of these provisions are drawn from Senate bills 265 and 1124, introduced by Senators SHELBY, MACK, D'AMATO, BRYAN, SASSER, DOLE, and others. I commend them for their leadership in this area.

The measures in the bill reflect a thorough review and balancing to eliminate unnecessary restrictions while maintaining effective supervision, the safety and soundness of the banking system, protection of the insurance fund, and consumer protections. Establishing, ensuring, and maintaining a lasting framework for safety and soundness of the banking system has been my highest banking priority as chairman of the Banking, Housing, and Urban Affairs Committee. Any actions that hinder effective bank regulation, or undermine bank safety and soundness, may save the banks money today, at the risk of causing losses to the insurance fund tomorrow. This legislation is a major step toward eliminating the duplicative and inconsistent regulation that increases costs for consumers and undermines support for essential regulation.

As chairman of the conference, I would like to make clear our intentions in title III regarding OCC and OTS rulemaking. The statutory language states that the Secretary of the Treasury may not intervene in any matter or proceeding before the OTS and the OCC, including enforcement actions, unless otherwise specifically provided by law. Moreover, with specific regard to rulemaking proceedings, the statutory language states that the Secretary of the Treasury may not delay or prevent the issuance of any rule or the promulgation of any regulation by the OTS and the OCC.

It is the clear intention of the conferees that Treasury adhere to the amendments' terms. In the past, under the existing Treasury review and clearance process, Treasury staff has engaged in line by line veto, including modification and insertion into regulations of the agencies. Treasury staff has also delayed important regulations. Such forms of intervention are not consistent with the impartiality required of a regulatory agency.

The conferees clearly did, and intended to, affect and change the existing working relationship between Treasury and the regulatory bureaus in the area of rulemaking. The conference report also makes this clear. The report states that regulations developed by the OCC and OTS shall no longer be subject to a Treasury Department review or clearance process that allows the Treasury to block, delay or rewrite any proposed or final regulation. However, Treasury is not precluded from communicating during a rulemaking process regarding the Treasury Department's policy goals and objectives.

The conference committee voted against an amendment by a House member to eliminate rulemaking from the above nonintervention provisions. The amendment which was agreed to by the conferees specifies that in the rulemaking area, we mean to stop Treasury vetos and delays of proposed or final rules and regulations. These problems occur under the existing review and clearance process. Nothing in this clarifying amendment allows the continuance of the status quo, or the circumvention of the Conference Committee.

MONEY LAUNDERING

Title IV of the conference report contains a comprehensive package of amendments to improve the Nation's system for combating money laundering. These measures will facilitate compliance with the requirements of the Bank Secrecy Act, enable law enforcement officials to make better use of reports that are filed by financial institutions, and ensure that certain types of financial transactions are not used to circumvent anti-money laundering restrictions.

The Bank Secrecy Act requires depository institutions to file currency transaction reports on most transactions above $10,000. The conference report seeks to facilitate compliance by establishing a two-tier system of mandatory and discretionary exemptions from the reporting requirements of the Act. This will not only reduce the burden on depository institutions, but improve the value of the reports that are filed by eliminating an enormous amount of unnecessary information.

The conference report directs the Secretary of the Treasury to designate a single officer or agency to receive reports of suspicious transactions. Currently, depository institutions file multiple forms on such transactions with different law enforcement agencies. Adoption of a standard form and collection point will eliminate duplication and streamline enforcement.

Title IV also includes provisions designed to fill gaps in the current system. Reporting requirements are broadened to cover bank drafts drawn on foreign financial institutions. Likewise, the Comptroller General is directed to study the extent to which cashiers checks are vulnerable to money laundering schemes.

This legislation is an important step to improve the Nation's anti-money laundering efforts. I want to particularly commend Senator BRYAN for his leadership in this area.

FLOOD INSURANCE

Title V amends the National Flood Insurance Act of 1968 to reform the National Flood Insurance Program. The legislation seeks to improve compliance by lenders in mandating purchase of insurance for properties in flood hazard areas. Improved compliance will increase participation by owners of homes in flood hazard areas, thereby strengthening the financial condition of the flood insurance system and the overall protection that it provides to citizens who are victims of floods.

The legislation creates a new supplemental insurance program to reduce the number of properties that do not comply with current flood protection standards. Structures will be rebuilt up to current building code standards, ultimately reducing the risk of future flood damage.

Title V also codifies the current Community Rating System program implemented by the Federal Emergency Management Agency. This program provides incentives, in the form of reduced flood insurance premiums, for communities that voluntarily adopt and enforce measures that reduce the risk of flood damage.

CONCLUSION

Again, I would like to thank all the members of the Banking Committee, for their efforts in developing this legislation. I also want to thank all of the conferees and my colleagues for naming this bill The Riegle Community Development and Regulatory Improvement Act of 1994.

Finally, I would like to pay special tribute to the staff. This bill was crafted on a bipartisan basis and Senator D'AMATO and his staff, under the able leadership of Howard Menell, deserve tremendous credit. Recognizing the Democratic staff, I would like to compliment the outstanding work done by a number of people. Taking the bill title by title I would like to especially acknowledge and thank the following individuals: Title IA, the Community Development Banking and Financial Institutions Act, Jeannine Jacokes, Mark Kaufman, and Matt Roberts; Title IB, Home Ownership and Equity Protection, Mark Kaufman, Matt Roberts, and Glenn Ivey; Title IIA, Small Business Loan Securitization, Mitchell Feuer and Pat Lawler; Title IIB, Small Business Capital Enhancement, Clem Dinsmore and Mitchell Feuer; Title III, Paperwork Reduction and Regulatory

Improvement, Tim McTaggart, Mark Kaufman, Sarah Bloom-Raskin, Kay Bondehagen and Tim Mitchell; Title IV, Money Laundering, Tim McTaggart and Andy Vermilye; and Title V, National Flood Insurance, Jeannine Jacokes, Jonathan Winer, Paul Weech and Tony Orza. I would also like to acknowledge and highlight the contributions of Mitchell Feuer, Marty Gruenberg and Courtney Ward who were especially helpful throughout the process and, in particular, the conference. The Banking Committee also has a terrific professional administrative staff and I would like to express my deep appreciation for the work done by: Amy Kostanecki, Teresa Ho, Tim Mitchell, Cindy Lasker, Sheila Duffy, Stefani Lako, Kris Warren and Emily Frydrych, as well as Kelly Cordes, Joseph Hepp and Paula Garfinkle.

The conference report on H.R. 3474 is an extremely important legislative accomplishment, and I urge its speedy adoption.

Mr. D'AMATO. Mr. President, I urge the Senate's approval of the conference Report on H.R. 3474, the Riegle Community Development and Regulatory Improvement Act of 1994. The conference report contains numerous provisions and titles intended to facilitate the flow of credit to small- and medium-size business through the securitization and sale of loans, protect consumers from abusive lending practices, provide incentives for community development, and provide relief from burdensome regulation for banks and savings and loans without affecting essential safety and soundness protections. In addition, the conference report contains long overdue reforms to the National Flood Insurance Program.

Mr. President, like all legislation that survives the rigors of the legislative process, the bill is the result of extensive collaboration between Senators on both sides of the aisle and colleagues in the House, between consumer interests and business perspectives and between the administration and Congress. Many individual members have played a role in introducing and perfecting the various titles of the bill.

In the Senate, Senators, BOND, MACK, and KERRY have spent countless hours studying, debating, and finally agreeing on, important and balanced reforms in the National Flood Insurance Program. This bill is the culmination of efforts that began in the previous Congress. I want to commend them for their diligence.

Mr. President, thanks to the leadership of Senators MACK and SHELBY, the bill contains dozens of provisions intended to alleviate some unnecessary and costly regulatory burdens from our banking and thrift institutions. The goals of this regulatory pruning are to make it less costly and easier for these entities make loans to consumers and businesses. Our colleagues deserve credit for their efforts. It must also be said that the administration was helpful to this legislative effort as part of its program to alleviate the credit crunch.

Mr. President, the bill also contains many provisions helpful to small business. I am proud to be the original sponsor of legislation, incorporated into this conference report, to increase the capital available to small business by removing impediments to the securitization of small business loans and leases. I want to acknowledge the efforts and support of Representatives JOHN LAFALCE and PAUL KANJORSKI who introduced legislation in the House of Representatives to achieve this same purpose. While the conferees adopted the Senate provision in large part, the final text reflects the close consultation with and the improvements of my House colleagues. I am sure we will continue to collaborate on legislation in the future to aid the small business community. I also want to acknowledge the cooperation and support of the House Committee on Energy and Commerce in working through the aspects of the bill within their jurisdiction.

Mr. President, the title of the conference report dealing with community development warrants special mention. The chairman of our committee, Senator RIEGLE, deserves enormous credit for his initiative and dedication in developing constructive legislation designed to facilitate increased community development activity by traditional lenders and experimentation with new ideas. While the administration sent Congress a proposal in this area, it was Chairman RIEGLE that presided over many hearings, and dedicated himself to forging a compromise capable of achieving bipartisan support and he deserves a great deal of credit for the final provisions. I am especially pleased, and I want to note, that Representative FLOYD FLAKE, my colleague from New York, has also left a strong and indelible imprint on this legislation. Represenative FLAKE'S previous efforts, in the context of the Bank Enterprise Act, demonstrated his strong commitment to these kinds of programs. His district is a living example of what is achievable when innovation and dedication are joined with capital and credit to develop and redevelop parts of communities that have not been reached by traditional institutions of government or finance. Mr. FLAKE has proven once again that he is a leader in Congress as well as in his district.

Finally, as the ranking minority member among the Senate conferees on the CDFI bill, I want to make clear the intention of the conferees with respect to the independence of the Office of Thrift Supervision and the Office of the Comptroller of Currency from the Department of Treasury with respect to rulemaking. Section 331 of the conference report plainly states that the Secretary of the Treasury "may not delay or prevent the issuance of any rule or the promulgation of any regulation" by the Director of the Office of Thrift Supervision or the Comptroller of the Currency. The accompanying narrative spells out the intent of the conferees in this area unambiguously, when it states "regulations developed by the OCC and OTS shall no longer be subject to a Treasury Department review or clearance process that allows the Treasury to block, delay or rewrite any OCC or OTS proposed or final regulation that the Comptroller of the Currency or the Director of the OTS has determined to issue."

There is nothing ambiguous about either the statutory language or the accompanying narrative. Nevertheless, an effort has been made on the floor of the House to reinterpret this provision as if the conferees intended it to have no effect—as if our real intent was for the Secretary to continue to review proposed regulations of the OCC and OTS, continue to rewrite and revise them, continue to delay or block their issuance, and so forth. Some of the conferees may have desired that outcome, but they did not prevail in the conference committee. Their characterization of the conferees' intentions lacks foundation. It directly contradicts both the legislative language and the narrative explanation of that language. Our intention—and I speak as one of the authors of this language—was not to leave the current review process in place. Our intention was to create a new process in which the Treasury Department would no longer review OTS and OCC rules and regulations. We opted for change. We rejected the status quo. The conference report, duly adopted by the conference committee, plainly and accurately describes the choices the conference committee made. It speaks for itself.

Mr. President, in all, this is a significant legislative achievement. For the Senate Committee on Banking, Housing, and Urban Affairs, it will accomplish a major part of the legislative agenda for this Congress. Chairman RIEGLE and I have consulted closely every step of the way in an effort to work together in the spirit of bipartisanship. He has been exceedingly gracious and fair, since I became the ranking member. I believe all the members of the committee appreciate the hospitable environment he has fostered. It enables us to fashion significant legislation, such as the bill before us today, as well as to debate fully measures on which we disagree.

Mr. President, I want to acknowledge my gratitude to all of the members of the Banking Committee, to the staff, and to my colleagues in the House of Representatives.

Mr. DOMENICI. Mr. President, I would like to thank and compliment Senators RIEGLE, D'AMATO, SHELBY, and MACK for the leadership they have exhibited on one or more titles of this bill.

Title II of this conference report will enhance capital availability for small businesses lending and commercial real estate lending. Since we can't bring these small business and real estate buildings to Wall Street, this bill brings Wall Street resources to main street all over America using the process of securitization.

I am very pleased that the conference report includes the Small Business Securitization Act. This legislation will make more funds available for lending to small business. It is a market driven approach that won't cost the Federal Government a single dollar. It significantly removes current legal impediments to the securitization of small business loans.

Securitization is the banking world's version of recycling. A bank makes a loan to a small business, and rather than waiting for that small business to pay back the loan before the bank can make another loan, the bank sells the loan so that it can be pooled, securitized and sold in the secondary market. Once the local bank sells the loan, it receives the proceeds and it is then in the position to immediately make another loan to help another business. That is why I call securitization financial resources "recycling." It means that more small businesses can be provided credit faster.

This title of the bill will bring new sources of funds to small- and medium-sized businesses. It will enable pension funds, insurance companies, trust departments and other institutional and private investors to invest in small business loans made by other financial institutions. Additionally by increasing the number of market participants it will increase competition and lower interest rates. Eventually, this will enable financial institutions to increase their volume of lending to better meet the credit needs of small businesses.

The bottom line is that this bill means more credit for small businesses at lower rates.

Section 347 of the conference report addresses credit availability for commercial real estate by removing impediments to "securitization" of commercial real estate loans. This is the process Wall Street uses to convert relatively illiquid real estate assets into marketable securities that can be purchased by a broad range of investors including pension funds, banks, insurance companies, mutual funds and investment funds. The securities are backed by pools of commercial mortgages or sometimes by a single property, such as a large urban, mixed use complex.

Securitization makes money for commercial real estate lending "recyclable."

A banker makes a loan, sells it, takes the proceeds and lends it out again. Wall Street buys the loans, pools them, securitizes them and enables banks to make more loans without waiting for repayment years in the future.

The same process has made trillions of dollars available for residential lending and has resulted in millions of families getting the mortgage capital they need to become home owners.

Section 347 of this bill are based upon S. 1728, the Commercial Mortgage Capital Availability Act of 1993 which Senator BRYAN and I introduced earlier this Congress. Section 347 amends the Secondary Mortgage Market Enhancement Act [SMMEA] to allow securities backed by mortgages secured by liens on commercial property to qualify as Mortgage Related Securities [MRS] as defined in SMMEA. This confers several significant benefits. It authorizes various federally and State-chartered institutions to invest in committed MRS. It preempts state blue sky laws—subject to a 7 year opt out mechanism. It provides various exceptions to the Securities Act of 1934 to allow for delayed settlements—up to 180 days—to account for the forward delivery nature of the mortgage market. MRS status is conferred on mortgage securities rated by at least two nationally known rating agencies in their top two investment grades. The mortgages themselves must be originated by federally regulated mortgagees. This section eases the margin requirements under the Federal securities laws and provides permission for depository institutions to purchase these commercial real estate backed securities under conditions established by their regulators.

There are strong reasons to confer the benefits of SMMEA on the commercial real estate market. The expected greater credit availability should add stability to the commercial real estate market. While credit availability alone will not correct the effects of overbuilding, at least it would assure that as rents and values stabilize, credit will be more readily available to help assure orderly disposition of REO and assets acquired by FDIC and RTC liquidators.

The Community Development Financial Institutions title of the bill gives the Government a role in selected private microloan fund lending, and low income credit union lending. This is lending that these nonprofits have been pioneering for years.

These private initiatives have shown us that people and a little money can make a big difference. This bill takes the $382 million we are authorizing over the next 4-year period and puts into place the policies that will make the Federal Government a partner in some of these worthwhile endeavors.

In New Mexico, we have two established community development financial institutions: The New Mexico Community Development Loan Fund and the Women's Economic Self-Sufficiency Team, both located in Albuquerque. We also have several CDFI Coalition Affiliates: Home Education Livelihood Program, Inc., of Albuquerque; Siete del Norte Community Development Corp., Embudo, NM; and the Navajo Townsite Community Development Corp. in Navajo, NM.

Let me take one of these programs, the Navajo Townsite Community Development Corp., and tell you about the big difference it has been making with a little money. In the past 4 years, this group has worked with McKinley County, the New Mexico legislature, the U.S. Department of Health and Human Services, the Bureau of Indian Affairs, and the Navajo Nation's Division of Economic and Community Development.

The Navajo Townsite Community Development Corp. has used $5.4 million for social, economic and infrastructure programs to benefit the 3,100 residents of Navajo, McKinley County, NM. It helped finance a shopping center; provided start-up funds for several businesses; and helped fund a day care center. All in all, the program has created almost 100 jobs.

Another New Mexico fund is WESSTcorp which is a nonprofit agency created to help women start and grow their businesses. Over the past 5 years WESSTcorp has helped more than 250 women develop their businesses. The fund has yet to experience a defaulted loan.

The New Mexico Community Development Loan Fund is a private, nonprofit financial intermediary created in 1989, and dedicated to the economic and social empowerment of the people of the State. It currently has $820,000 in capital under management. Its capital has come from Catholic women religious groups, Protestant religious groups, Jewish synagogues, foundation program-related investments, corporations, and Federal economic development programs. It is well underway. It has made 17 loans totaling $284,571. All loans are current and the fund has experienced no losses.

The New Mexico Community Development Loan Fund has helped people from one end of the State to the other. It has financed an organic grower's purchase of equipment; helped finance inventory for a nonprofit store which sells crafts made by low income New Mexican artisans. It has financed a transitional housing project in Santa Fe. It has financed a grassroots organization which provides various health and social services to low income villages near Las Cruces. It helped finance an expansion of a health care facility used by farm worker families and the elderly.

Another interesting project helped finance the Costilla Co-op's purchase of dollmaking materials. The co-op makes and sells Hispanic folk art dolls. Another loan helped a Southwest fashion cottage industry in Costilla and Amalia buy industrial sewing machines. It helped finance land acquisition for the Grant County Cooperative Ownership Development Corp. in Silver City. This small business incubator center will help other small businesses develop by holding down the costs of offering services. Another loan helped the Santa Fe Housing Authority set a renters' fund for single mothers and fathers who needed down payment assistance.

Nationwide, community development loan funds have loaned more than $100 million which has leveraged $760 million in public and private capital to finance 15,000 housing units and to create 3,500 jobs for poor Americans. This bill will make the Federal Government an investor in some of these worthwhile endeavors.

This bill authorizes $382 million over a 4-year period. This isn't a lot of money when you measure it by the need. For this reason I am pleased that a leveraging provision—section 113—that a group of Senate Banking Committee members worked on is included in the bill.

Senator SHELBY and Senator MACK should be commended for their efforts on regulatory burden relief. This is one of the most significant titles in this bill and I am very pleased that Congress took this initiative to reduce the paperwork required of banks and other financial institutions.

I am pleased that the conference bill includes a data collection provision which will in the future help the Banking Committee and lending institutions evaluate lending practices to women and other minorities.

The conference report includes a provision which includes Indian reservations in the definition of an eligible investment area. Senator CAMPBELL and I authored an amendment to insure that the Indian reservations are treated like the urban and rural enterprise zones. These provisions, in conjunction with the provisions included in the Reconciliation Act of 1993 should help spur investment on Indian reservations.

Another title of this bill is the home equity protection title. Predatory lending operates in a credit vacuum created when mainstream banks abandon direct lending in minority neighborhoods. This legislation will put a stop to some of the most predatory practices that equity skimmers engage in.

I am pleased that the Senate is passing this piece of banking legislation.

Mr. MACK. Mr. President, I would like to ask the managers to clarify a point in this legislation. It is my understanding that nothing in this conference report changes the intent outlined by the chairman of the Banking Committee during the initial consideration of this bill in the Senate, that credit insurance will be treated consistently with the current provisions of the Truth in Lending Act.

Mr. RIEGLE. I am pleased to clarify for my friend from Florida, that his understanding is correct.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the conference report be adopted and the motion to reconsider be laid upon the table; and that any statements relating to this conference report be printed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the conference report was agreed to.

AMERICA'S HEALTH CARE OPTIONS ACT

Mr. MOYNIHAN. Now, under rule 14, Mr. President, I understand that S. 2374, America's Health Care Options Act, introduced earlier today by Senators DOLE and PACKWOOD, is at the desk?

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. I ask, then, for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (S. 2374) to improve the United States private health care delivery system and Federal health care programs, to control health care costs, to guarantee access to health insurance coverage for all Americans, and for other purposes.

Mr. MOYNIHAN. Mr. President, I now ask for its second reading.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read the second time on the next legislative day.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees and a treaty.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:51 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 204. Joint resolution recognizing the American Academy in Rome, and American overseas center for independent study and advanced research, on the occasion of the 100th anniversary of its founding.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1631) to amend title 11, District of Columbia Code, to increase the maximum amount in controversy permitted for cases under the jurisdiction of the Small Claims and Conciliation Branch of the Superior Court of the District of Columbia.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4649) making appropriations for the government of the District of Columbia and other activities chargeable in whole, or in part, against the revenues of said District for the fiscal year ending September 30, 1995, and for other purposes; that the House recedes from its disagreement to the Senate amendment numbered 11 and concurs therein; and that the House recedes and concurs with an amendment to the amendments of the Senate numbered 3, 6, 12, 15, 18, 20, 21, and 23.

At 2:27 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 725. An act to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

The message also announced that the House has passed the following bill and joint resolution, each with amendments, in which it requests the concurrence of the Senate:

S. 1703. An act to expand the boundaries of Piscataway National Park, and for other purposes.

S.J. Res. 153. Joint resolution to designate the week beginning on November 21, 1993 and ending on November 27, 1993, and the week beginning on November 20, 1994 and ending on November 26, 1994, as "National Family Caregivers Week".

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1562. An act to amend title V of Public Law 96-550, designating the Chaco Culture Archaeological Protection sites, and for other purposes.

H.R. 2942. An act to designate certain lands in the Commonwealth of Virginia as a National Scenic Area for protection of the watershed and scenic values, recreation use, protection of wildlife and their habitat, and for other purposes.

H.R. 3050. An act to expand the boundaries of the Red Rock Canyon National Conservation Area.

H.R. 3110. An act to designate the United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson, United States Courthouse and Federal Building."

H.R. 3342. An act to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made.

H.R. 3905. An act to provide for the establishment and management of the Opal Creek Forest Preserve in the State of Oregon.

H.R. 3964. An act to expand the boundary of the Santa Fe National Forest, and for other purposes.

H.R. 4230. An act to amend the American Indian Religious Freedom Act to provide for the traditional use of peyote by Indians for religious purposes, and for other purposes.

H.R. 4386. An act to amend title 38, United States Code, authorizing the Secretary of Veterans Affairs to provide compensation to veterans suffering from disabilities resulting from illnesses attributed to service in the Persian Gulf theater of operations during the Persian Gulf War, to provide for increased research into illnesses reported by Persian Gulf War veterans, and for other purposes.

H.R. 4455. An act to authorize the Export-Import Bank of the United States to provide financing for the export of nonlethal defense articles and defense services the primary end use of which will be for civilian purposes.

H.R. 4489. An act to authorize appropriations to the National Aeronautics and Space Administration for human space flight, science, aeronautics, and technology, mission support, and Inspector General, and for other purposes.

H.R. 4543. An act to designate the United States courthouse to be constructed at 907 Richland Street in Columbia, South Carolina, as the "Matthew J. Perry, Jr. United States Courthouse."

H.R. 4545. An act to amend the Federal Railroad Safety Act of 1970, and for other purposes.

H.R. 4653. An act to settle Indian land claims within the State of Connecticut, and for other purposes.

H.R. 4727. An act to designate the Federal building located at 125 Market Street in Youngstown, Ohio, as the "Thomas D. Lambros Federal Building."

H.R. 4751. An act to reauthorize appropriations for the weatherization program under section 422 of the Energy Conservation and Production Act.

H.R. 4752. An act to amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes.

H.R. 4772. An act to designate the Federal building and United States courthouse located at 215 South Evans Street in Greenville, North Carolina, as the "Walter B. Jones Federal Building and United States Courthouse."

H.R. 4790. An act to designate the United States courthouse under construction in St. Louis, Missouri, as the "Thomas F. Eagleton United States Courthouse."

H.R. 4812. An act to direct the Administrator of General Services to acquire by transfer the Old U.S. Mint in San Francisco, California, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

At 4:21 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following joint resolution:

S.J. Res. 178. Joint resolution to proclaim the week of October 16 through October 22, 1994 as "National Character Counts Week."

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 3050. An act to expand the boundaries of the Red Rock Canyon National Conservation Area; to the Committee on Energy and Natural Resources.

H.R. 3110. An act to designate the United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson, United States Courthouse and Federal Building; to the Committee on Environment and Public Works.

H.R. 3342. An act to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made; to the Committee on Commerce, Science, and Transportation.

H.R. 3905. An act to provide for the establishment and management of the Opal Creek Forest Preserve in the State of Oregon; to the Committee on Energy and Natural Resources.

H.R. 4230. An act to amend the American Indian Religious Freedom Act to provide for the traditional use of peyote by Indians for religious purposes, and for other purposes; to the Committee on Indian Affairs.

H.R. 4386. An act to amend title 38, United States Code, authorizing the Secretary of Veterans Affairs to provide compensation to veterans suffering from disabilities resulting from illnesses attributed to service in the Persian Gulf theater of operations during the Persian Gulf War, to provide for increased research into illnesses reported by Persian Gulf War veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4489. An act to authorize appropriations to the National Aeronautics and Space Administration for human space flight, science, aeronautics, and technology, mission support, and Inspector General, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4543. An act to designate the United States courthouse to be constructed at 907 Richland Street in Columbia, South Carolina, as the "Matthew J. Perry, Jr. United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 4545 An act to amend the Federal Railroad Safety Act of 1970, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4727. An act to designate the Federal building located at 125 market Street in Youngstown, Ohio, as the "Thomas D. Lambros Federal Building"; to the Committee on Environment and Public Works.

H.R. 4751. An act to reauthorize appropriations for the weatherization program under section 422 of the Energy Conservation and Production Act; to the Committee on Energy and Natural Resources.

H.R. 4752. An act to amend the Energy Policy and Conservation Act to manage the Strategic Petroleum Reserve more effectively, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4772. An act to designate the Federal building and United States courthouse located at 215 South Evans Street in Greenville, North Carolina, as the "Walter B. Jones Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 4790. An act to designate the United States courthouse under construction in St. Louis, Missouri, as the "Thomas F. Eagleton United States Courthouse"; to the Committee on Environment and Public Works.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent and placed on the calendar:

H.R. 1562. An act to amend title V of Public Law 96-550, designating the Chaco Culture Archeological Protection sites, and for other purposes.

H.R. 3964. An act to expand the boundaries of the Santa Fe National Forest, and for other purposes.

H.R. 4812. An act to direct the Administrator of General Services to acquire by transfer the Old U.S. Mint in San Francisco, California, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 2344. A bill to authorize appropriations for the National Science Foundation, and for other purposes (Rept. No. 103-328).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Michael E. Ryan, 505-54-9889, United States Air Force.

(The above nomination was reported with the recommendation that he be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMON:

S. 2372. A bill to reauthorize for three years the Commission on Civil Rights, and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself, Mr. KERRY, Mr. BREAUX, Mr. STEVENS, Mr. LAUTENBERG, and Mr. GORTON):

S. 2373. A bill to authorize appropriations for fiscal year 1995 for the United States Coast Guard, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for himself and Mr. PACKWOOD):

S. 2374. A bill to improve the United States private health care delivery system and Federal health care programs, to control health care costs, to guarantee access to health insurance coverage for all Americans, and for other purposes; read the first time.

By Mr. LEAHY:

S. 2375. A bill to amend title 18, United States Code, to make clear a telecommunications carrier's duty to cooperate in the interception of communications for law enforcement purposes, and for other purposes,; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMON:

S. 2372. A bill to reauthorize for 3 years the Commission on Civil Rights, and for other purposes; to the Committee on the Judiciary.

CIVIL RIGHTS COMMISSION REAUTHORIZATION ACT OF 1994

• Mr. SIMON. Mr. President, I introduce legislation to reauthorize the U.S. Commission on Civil Rights. The authorization for the Commission expires on September 30, 1994, and the Constitution Subcommittee, which I chair, has jurisdiction over reauthorization.

Since 1957, when the U.S. Commission on Civil Rights was first established, our Nation has made considerable progress in fulfilling the promise of equal rights. But the problems of discrimination have hardly been solved; in many ways, they have just grown more complex. The Nation continues to need a Civil Rights Commission that is true to its original purpose as an independent, nonpartisan, fact-finding agency.

Mr. President, it is no secret that there have been some problems at the Commission over the years, particularly during the 1980's. Many who have worked tirelessly in the civil rights community for years, and who have observed and worked with the Commission during that time, continue to have some skepticism about the work of the Commission. Frankly, the Commission needs to do a better job of reaching out to the organizations and communities with which it has worked closely in the past.

The U.S. Commission on Civil Rights should not just react to the civil rights issues of the day, but should provide leadership on these issues. It is my hope that the Commission can once again raise the consciousness of the Nation on civil rights matters. I believe that the Commission is now headed in that direction.

The legislation I introduce today will reauthorize the Commission for a 3 year period through the end of fiscal year 1997. It retains the mission and organizational structure of the Commission but authorizes the preparation of public service announcements and advertising campaigns to discourage discrimination or the denial of equal protection of the laws based on color, race, religion, sex, age, disability, or national origin.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Civil Rights Commission Reauthorization Act of 1994".

SEC. 2. COMMISSION ON CIVIL RIGHTS.

Section 5(a) of the United States Commission on Civil Rights Act of 1983 (42 U.S.C. 1975c(a)) is amended to read as follows:

"(a) INVESTIGATORY AND OTHER DUTIES.—The Commission shall—

"(1) investigate allegations, in writing, under oath or affirmation, relating to deprivations of civil rights based on color, race, religion, sex, age, disability, or national origin, or as a result of any pattern or practice or fraud, or denial of the right to vote and have votes counted; and

"(2) study, collect, make appraisals of, serve as a national clearinghouse for information on, and prepare public service announcements and advertising campaigns to discourage discrimination or the denial of equal protection of the laws, including the administration of justice, based on color, race, religion, sex, age, disability, or national origin.".

SEC. 3. REAUTHORIZATION.

Section 7 of the United States Commission on Civil Rights Act (42 U.S.C. 1975e) is amended to read as follows:

"SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this Act $9,500,000 for fiscal year 1995.

SEC. 4. TERMINATION.

Section 8 of the United States Commission on Civil Rights Act (42 U.S.C. 1973f) is amended by striking "1994" and inserting "1997".•

By Mr. HOLLINGS (for himself, Mr. KERRY, Mr. BREAUX, Mr. STEVENS, Mr. LAUTENBERG, and Mr. GORTON):

S. 2373. A bill to authorize appropriations for fiscal year 1995 for the U.S. Coast Guard, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COAST GUARD AUTHORIZATION ACT OF 1994

• Mr. HOLLINGS. Mr. President, I introduce the Coast Guard Authorization Act of 1994. This bill provides the core authorization for the Coast Guard for fiscal year 1995. The legislation also contains several provisions which amend existing Coast Guard administrative statutes to improve personnel management. These provisions would authorize: First, an end-of-year military strength level of 39,000, as well as annual training levels; second, child development services for Coast Guard personnel; third, contracts for health care services; and fourth, special programs for recruiting women and minorities into the Coast Guard. Finally, the bill provides the Coast Guard with additional authority to address important marine safety and environmental issues such as recreational boating safety, towing vessel safety, and marine plastic pollution.

The appropriations levels authorized are consistent with the administration's budget request of $3.8 billion for fiscal year 1995, and represent less than a 4-percent overall increase from the level appropriated in fiscal year 1994. Most of this increase would be used to fund growing acquisition costs for major projects, including coastal and seagoing buoy tender replacements, procurement of new motor lifeboats and small patrol boats, continued development of vessel traffic service systems for high-risk ports, and icebreaker-related costs. In addition, over $80 million is needed to fund built-in changes such as pay raises, cost-of-living allowances, and retired pay increases.

As in previous years, the Coast Guard budget does not fully reflect the breadth and complexity of its missions. On any average day in 1993, the Coast Guard: Saved 15 lives; assisted 330 people; responded to 34 oil or hazardous chemical spills; inspected 64 commercial vessels; seized 318 pounds of marijuana and 253 pounds of cocaine with a street value of $7.7 million; serviced 150 aids to navigation; and interdicted 112 illegal aliens. The proposed funding levels in this bill are the minimum needed by the Coast Guard to carry out this impressive array of activities.

On the issue of recreational boating safety, the bill amends the existing funding mechanism for the boat safety account of the aquatic resources trust fund to ensure the availability of grants for State programs to promote recreational boating safety. The legislation builds on provisions of the Clean Vessel Act of 1992 and would make the budget scoring comparable to other State grant programs supported by the trust fund. The bill also would improve recreational boating safety by: First, requiring children under the age of 6 to wear life jackets; second, allocating boating safety grants based on adoption of State laws regarding boating while intoxicated; third, calling for a plan to improve reporting of vessel accidents; and fourth, requiring negligent boaters to complete an approved boating safety course. These provisions respond to a study by the National Transportation Safety Board calling for aggressive action to reduce recreational boating accidents.

With respect to towing vessel safety, the bill authorizes the Coast Guard action to deal with the tragic derailing in

1993 of an Amtrak passenger train near Mobile, AL, that caused the deaths of 47 people. The suspected cause of the accident was poor navigational training and equipment that led a towboat operator to veer off course, ram a railroad bridge, and push the tracks out of alignment. As a result, the Coast Guard and the Federal Railroad Administration initiated an action plan to minimize the risk of any similar tragedy in the future. The plan elements included in this legislation call for stronger licensing requirements for towboat operators, upgraded radar and navigational equipment, reduced accident reporting times, and increased penalties for failure to report accidents.

Finally, the bill would further U.S. implementation of annex V of the International Convention for the Prevention of Pollution from Ships [MARPOL]. Annex V of MARPOL restricts the discharge of garbage from ships and bans at-sea disposal of plastic wastes. The bill before us today would amend existing U.S. statutes that implement MARPOL to strengthen Coast Guard enforcement capability, ensure adequate waste reception facilities at ports and terminals, and encourage public education and reporting programs.

Mr. President, last week we celebrated the 204th birthday of the U.S. Coast Guard. Coast Guard men and women have served our Nation continuously since August 4, 1790, when Secretary of the Treasury Alexander Hamilton ordered the construction of revenue cutters to stop smuggling and enforce tariffs.

Today, Coast Guard active duty, civilian, reserve, and auxiliary personnel perform many more missions than those with which the service was tasked in 1790. Over the past two centuries, the U.S. Coast Guard has built an enduring reputation throughout the world for its humanitarian and lifesaving efforts. We have all watched the valiant and often heroic work of Coast Guard seamen and officers as they rescue desperate Haitian refugees who have taken to the seas in crowded and makeshift boats. On a recent search-and-rescue mission near Humboldt Bay, CA, four Coast Guard helicopter crewmen made the ultimate sacrifice when they lost their lives in an attempt to save others. Even in the remote regions of the world the Coast Guard is present, actively engaged in the enforcement of U.N. embargoes against countries like the former Republic of Yugoslavia and Iraq.

Whether it is search-and-rescue operations or drug interdiction, fisheries law enforcement or marine pollution prevention, the Coast Guard steps forward when called. The men and women of the Coast Guard respond with equal dedication during war and during peacetime. I ask my colleagues to recognize this service by joining me in supporting Coast Guard authorization legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Coast Guard Authorization Act of 1994".

(b) TABLE OF CONTENTS.—

1. Short title; table of contents.

I. AUTHORIZATIONS

101. Authorization of Appropriations
102. Authorized Levels of Military Strength and Training

II. PERSONNEL MANAGEMENT IMPROVEMENT

201. Funds for Recruiting
202. Provision of Child Development Services
203. Hurricane Andrew Relief
204. Dissemination of Results of O-6 Continuation Boards
205. Exclude Certain Reserves from End-of-Year Strength
206. Officer Retention until Retirement Eligible
207. Special Recruiting Authority to Achieve Diversity
208. Contracts for health care services

III. MARINE SAFETY AND WATERWAY SERVICES MANAGEMENT

301. State Recreational Boating Safety Grants
302. Boating Access
303. Foreign Passenger Vessel User Fees
304. Increased Penalties for Documentation Violations
305. Outer Continental Shelf Civil Penalties
306. Amendments to Require EPIRBs in the Great Lakes
307. Inspection of Small Passenger Vessels
308. Penalties for Alteration of Marine Safety Equipment

IV. MISCELLANEOUS PROVISIONS

401. Thacher Island Lighthouse
402. Transfer of Coast Guard Property in Ketchikan, Alaska
403. Florida Avenue Bridge
404. Tuna Fishing Vessels

V. RECREATIONAL BOATING SAFETY IMPROVEMENT ACT

501. Personal Flotation Devices Required for Children
502. Adoption of State Laws to Prevent Intoxicated Boaters
503. Marine Casualty Reporting
504. Recreational Boating Safety Course for Violators
505. Technical Corrections

VI. TOWING VESSEL SAFETY

601. Minimum Navigational Safety Equipment
602. Demonstration of Proficiency in Use of Safety Equipment
603. Reporting Marine Casualties
604. Manning and Licensing Report
605. Report on Satellite Navigation and Electronic Charts

VII. ACT TO PREVENT POLLUTION FROM SHIPS AMENDMENTS

701. Definition of Operators
702. Prevention of Pollution from Ships
703. Marine Plastic Pollution Research and Control

TITLE I—AUTHORIZATION

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1995, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,630,505,000, of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $439,200,000, to remain available until expended, of which $32,500,000 shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in support of search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness, $20,310,000, to remain available until expended, of which $3,150,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $562,585,000.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $13,000,000, to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities, $25,000,000, to remain available until expended.

(b) Section 104 of title 49, United States Code, is amended by adding at the end thereof the following:

"(e) Notwithstanding the provisions of sections 101(d) and 144 of title 23, United States Code, highway bridges determined to be unreasonable obstructions to navigation under the Truman-Hobbs Act may be funded from amounts set aside from the discretionary bridge program. Of the amount authorized for each fiscal year for the discretionary bridge program, not more than $12,880,000 in the case of fiscal year 1995, not more than $14,200,000 in the case of fiscal year 1996, and not more than $17,250,000 in the case of fiscal year 1997 shall be available for such highway bridge projects. The Secretary shall transfer these allocations and the responsibility for administration of these funds to the United States Coast Guard.".

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

(a) The Coast Guard is authorized an end-of-year strength for active duty personnel of 39,000 as of September 30, 1995. The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

(b) For fiscal year 1995, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 2,000 student years.

(2) For flight training, 133 student years.

(3) For professional training in military and civilian institutions, 344 student years.

(4) For officer acquisition, 955 student years.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

SEC. 201. FUNDS FOR RECRUITING.

The text of section 468 of title 14, United States Code, is amended to read as follows:

"The Coast Guard may expend operating expense funds for recruiting activities, including but not limited to advertising and entertainment, in order—

"(1) to obtain recruits for the Service and cadet applicants; and

"(2) to gain support of recruiting objectives from those who may assist in the recruiting effort.".

SEC. 202. PROVISION OF CHILD DEVELOPMENT SERVICES.

(a) Title 14, United States Code, is amended by inserting after section 514 the following new section:

"Sec. 515. Child development services

"(a) The Commandant may make child development services available for members of the armed forces and Federal civilian employees. From funds appropriated to the department in which the Coast Guard is operating, the Commandant may spend such sums as necessary to carry out this program. Child development service benefits provided under the authority of this section shall be in addition to benefits provided under existing programs.

"(b) For purposes of this section, the term 'Coast Guard child development center' includes a 'military child development center', as that term is defined by subsection (b)(1) of the Military Child Care Act of 1989 (10 U.S.C. 113 note), but does not include contractor operated centers or government/contractor cooperatives establishes under section 490b of title 40, United States Code.

"(c)(1) Except as provided in paragraph (2), the Commandant may require child care receipts to be used only for compensation of child development center employees who are directly involved in providing child care.

"(2) If the Commandant determines that compliance with the limitation in paragraph (1) would result in an uneconomical and inefficient use of such fee receipts, the Commandant may (to the extent that such compliance would be uneconomical and inefficient) use such receipts—

"(A) for the purchase of consumable or disposable items for Coast Guard child development centers; and

"(B) if the requirements of such centers for consumable or disposable items for a given fiscal year have been met, for other expenses of those centers.

"(d)(1) The Commandant shall establish a training program for child development center employees. Subject to paragraph (2), satisfactory completion of the training program shall be a condition of employment of any person as a child development center employee.

"(2) The Commandant shall require that each child development center employee complete the training program not later than six months after the date on which the employee is employed as a child development center employee (except that, in the case of a child development center employee hired before the date on which the training program is established, the employee shall complete the program not later than six months after that date).

"(3) The training program established under this subsection shall cover, at a minimum, training in the following:

"(A) Early childhood development;

"(B) Activities and disciplinary techniques appropriate to children of different ages;

"(C) Child abuse prevention and detection; and

"(D) Cardiopulmonary resuscitation and other appropriate emergency medical procedures.

"(e) The Commandant may use funds available to the Coast Guard for operating expenses for Coast Guard child development centers. Such funds shall not be less than the amount of child care fee receipts that are estimated to be received by the Coast Guard during the fiscal year.

"(f) The Commandant may use appropriated funds available to the Coast Guard to provide assistance to family home day care providers so that family home day care services can be provided to uniformed service members and civilian employees of the Coast Guard at a cost comparable to the cost of services provided by Coast Guard child development centers.

"(g) The Commandant shall require that each Coast Guard child development center be inspected not less often than four times a year. Each such inspection shall be unannounced.

"(h) The Secretary shall promulgate regulations to implement this section.".

(b) The table of sections at the beginning of chapter 13 of title 14, United States Code, is amended by inserting after the item related to section 514 the following:

"515. Child development services.".

SEC. 203. HURRICANE ANDREW RELIEF.

Section 2856 of the National Defense Authorization Act for Fiscal Year 1993 (Pub. L. 102–484) applies to the military personnel of the Coast Guard who were assigned to, or employed at or in connection with, any Federal facility or installation in the vicinity of Homestead Air Force Base, Florida, including the areas of Broward, Collier, Dade, and Monroe Counties, on or before August 24, 1992, except that funds available to the Coast Guard, not to exceed $25,000, shall be used. The Secretary of Transportation shall administer the provisions of section 2856 for the Coast Guard.

SEC. 204. DISSEMINATION OF RESULTS OF 0–6 CONTINUATION BOARDS.

Section 289(f) of title 14, United States Code, is amended by striking "Upon approval by the President, the names of the officers selected for continuation on active duty by the board shall be promptly disseminated to the service at large.".

SEC. 205. EXCLUDE CERTAIN RESERVES FROM END-OF-YEAR STRENGTH.

Section 712 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(d) Members ordered to active duty under this section shall not be counted in computing authorized strength in members on active duty or members in grade under this title or under any other law.".

SEC. 206. OFFICER RETENTION UNTIL RETIREMENT ELIGIBLE.

Section 283(b) of title 14, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking the last sentence; and

(3) by adding at the end the following:

"(2) Upon the completion of a term under paragraph (1), an officer shall, unless selected for further continuation—

"(A) except as provided in subparagraph (B), be honorably discharged with severance pay computed under section 286 of this title;

"(B) in the case of an officer who has completed at least 18 years of active service on the date of discharge under subparagraph (A), be retained on active duty and retired on the last day of the month in which the officer completes 20 years of active service, unless earlier removed under another provision of law; or

"(C) if eligible for retirement under any law, be retired.".

SEC. 207. SPECIAL RECRUITING AUTHORITY TO ACHIEVE DIVERSITY.

(a) FINDINGS.—The Congress makes the following findings:

(1) The ability of the United States Coast Guard to perform its functions and duties will be enhanced if the representation of women and minorities in its workforce is increased.

(2) Women and minorities have historically been underrepresented or under utilized in the Coast Guard officer corps.

(3) The number of women and minorities occupying leadership positions in the United States Coast Guard should reflect the proportion of women and minorities in the total workforce.

(4) Women and minorities have historically been underrepresented at the United States Coast Guard Academy.

(5) Notwithstanding intensive application of traditional recruiting programs, the Coast Guard has not been able to rectify the historic underrepresentation or underutilization of women and minorities in the Service and at the Academy and advance beyond the current minority and women recruitment plateau.

(6) Cultural bias in standardized testing or grading procedures may adversely impact on the ability of minorities to compete successfully for admission to the United States Coast Guard Academy.

(7) The education and professional training provided at the United States Coast Guard Academy will be enhanced by the benefits that flow from a diverse student body.

(8) Women and minorities in the United States Coast Guard should be assigned to positions of responsibility that fully utilize their technical, professional and leadership skills.

(9) Because traditional recruiting methods have failed to rectify the historical underrepresentation and under utilization of women and minorities in the United States Coast Guard, it is necessary and appropriate to authorize the use of the special programs for recruiting women and minorities into the United States Coast Guard.

(b) NEW AUTHORITY.—Section 93 of title 14, United States Code, is amended—

(1) by striking "and" after the semicolon at the end of paragraph (t)(2);

(2) by striking the period at the end of paragraph (u) and inserting a semicolon and the word "and"; and

(3) by adding at the end the following:

"(v) obtain research on Coast Guard personnel resource and training needs; and employ special programs for recruiting women and minorities, to include providing financial assistance by grant, cooperative agreement, contract, or otherwise not specifically prohibited by law or regulation, to public or private associations, organizations, or individuals to implement national or local outreach programs intended to rectify underrepresentation or underutilization of women and minorities in the Coast Guard and to meet identified personnel resource requirements and training needs.".

SEC. 208. CONTRACTS FOR HEALTH CARE SERVICES.

(a) Chapter 17 of Title 14, United States Code, is amended by inserting after section 644 the following new section:

"§ 644a. Contracts for health care services

"(a) The Commandant may enter into personal services and other contracts to carry out health care responsibilities pursuant to section 93 of this title and other applicable provisions of law pertaining to the provision of health care services to Coast Guard personnel and covered beneficiaries. The authority provided in this subsection is an addition to any other contract authorities of the Commandant provided by law or as delegated to the Commandant from time to time by the Secretary, including but not limited to authority relating to the management of health care facilities and furnishing of health care services pursuant to title 10 and title 14, United States Code.

"(b) The total amount of compensation paid to an individual in any year under a personal services contract entered into under subsection (a) shall not exceed the amount of annual compensation (excluding allowances for expenses) allowable for such contracts entered into by the Secretary of Defense pursuant to section 1091 of title 10, United States Code.

"(c)(1) The Secretary shall promulgate regulations to assure—

"(A) the provision of adequate notice of contract opportunities to individuals residing in the area of a medical treatment facility involved; and

"(B) consideration of interested individuals solely on the basis of the qualifications established for the contract and the proposed contract price.

"(2) Upon establishment of the procedures under paragraph (1), the Secretary may exempt personal services contracts covered by this section from the competitive contracting requirements specified in section 2304 of title 10, United States Code, or any other similar requirements of law.

"(d) The procedures and exemptions provided under subsection (c) shall not apply to personal services contracts entered into under subsection (a) with entities other than individuals or to any contract that is not an authorized personal services contract under subsection (a).".

(b) The table of sections for chapter 17 of title 14, United States Code, is amended by inserting after the item relating to section 644 the following:

"644a. Contracts for health care services.".

(c) The amendments made by this section shall take effect on October 1, 1994. Any personal services contract entered into on behalf of the Coast Guard in reliance upon the authority of section 1091 of title 10, United States Code, before that date is confirmed and ratified and shall remain in effect in accordance with the terms of the contract.".

TITLE III—NAVIGATION SAFETY AND WATERWAY SERVICES MANAGEMENT

SEC. 301. STATE RECREATIONAL BOATING SAFETY GRANTS.

(a) Transfer of Amounts for State boating Safety Programs.—

(1) TANSFERS.—Section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b); commonly referred to as the "Dingell-Johnson Sport Fish Restoration Act"), is amended to read as follows:

"(b)(1) Of the balance of each annual appropriation remaining after making the distribution under subsection (a), an amount equal to $15,000,000 for fiscal year 1995, $40,000,000 for fiscal year 1996, $55,000,000 for fiscal year 1997, and $69,000,000 for each of fiscal years 1998 and 1999, shall, subject to paragraph (2), be used as follows:

"(A) A sum equal to $7,500,000 of the amount available for fiscal year 1995, and a sum equal to $10,000,000 of the amount available for each of fiscal years 1996 and 1997, shall be available for use by the Secretary of the Interior for grants under section 5604(c) of the Clean Vessel Act of 1992. Any portion of such a sum available for a fiscal year that is not obligated for those grants before the end of the following fiscal year shall be transferred to the Secretary of Transportation and shall be expended by the Secretary of Transportation for State recreational boating safety programs under section 13106 of title 46, United States Code.

"(B) A sum equal to $7,500,000 of the amount available for fiscal year 1995, $30,000,000 of the amount available for fiscal year 1996, $45,000,000 of the amount available for fiscal year 1997, and $59,000,000 of the amount available for each of fiscal years 1998 and 1999, shall be transferred to the Secretary of Transportation and shall be expended by the Secretary of Transportation for recreational boating safety programs under section 13106 of title 46, United States Code.

"(C) A sum equal to $10,000,000 of the amount available for each of fiscal years 1998 and 1999 shall be available for use by the Secretary of the Interior for—

"(i) grants under section 3(e) of the Boating Improvement Act of 1994; and

"(ii) grants under section 5604(c) of the Clean Vessel Act of 1992.

"(2)(A) Beginning with fiscal year 1996, the amount transferred under paragraph (1)(B) for a fiscal year shall be reduced by the lesser of—

"(i) the amount appropriated for that fiscal year from the Boat Safety Account in the Aquatic Resources Trust Fund established under 9504 of the Internal Revenue Code of 1986 to carry out the purposes of section 13106 of title 46, United States Code; or

"(ii) $35,000,000.

"(B) The amount of any reduction under subparagraph (A) shall be apportioned among the several States under subsection (d) by the Secretary of the Interior.".

(2) CONFORMING AMENDMENT.—Section 5604(c)(1) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note) is amended by striking "section 4(b)(2) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(2), as amended by this Act)" and inserting "section 5(b)(1) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(1))".

(b) EXPENDITURE OF AMOUNTS FOR STATE RECREATIONAL BOATING SAFETY PROGRAMS.—

(1) Section 13106 of title 46, United States Code, is amended—

(A) by striking the first sentence of subsection (a) and inserting the following: "An amount equal to one-half of the amount transferred for each fiscal year to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(4)) is available for appropriation for State recreational boating safety programs authorized under the chapter. Subject to paragraph (2), the Secretary shall expend in each fiscal year an amount equal to the total of the amount appropriated from the Boat Safety Account for State recreational boating safety programs for that fiscal year and the amount transferred to the Secretary under secretary 4(b)(1) of the Act of August 9, 1950 (16 U.S.C. 777c(b)(1) in that fiscal year."; and

(B) by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 3710(b) of title 46, United States Code, is amended by striking "24 months" and inserting "5 years".

(c) EXCESS FY 1995 BOAT SAFETY ACCOUNT FUNDS TRANSFER.—Notwithstanding any other provision of law, amounts received by the Highway Trust Fund attributable to motorboat fuel taxes received after September 30, 1995, and after October 1, 1996, that are not transferred to the Boat Safety Account or to the land and water conservation fund provided for in title I of the Land and Water Conservation Fund Act of 1965 shall be made available for use by the Secretary of Transportation for State recreational boating safety programs under section 13106 of title 46, United States Code, fiscal year 1996 rather than being transferred into the Sport Fish Restoration Account in the Aquatic Resources Trust Fund.

SEC. 302. BOATING ACCESS.

(a) FINDINGS.—The Congress makes the following findings:

(1) Nontrailerable recreational motorboats contribute 15 percent of the gasoline taxes deposited in the Aquatic Resources Trust Fund while constituting less than 5 percent of the recreational vessels in the United States.

(2) The majority of recreational vessel access facilities constructed with Aquatic Resources Trust Fund moneys benefit trailerable recreational vessels.

(3) More Aquatic Resources Trust Fund money should be spent on recreational vessel access facilities that benefit recreational vessels that are nontrailerable vessels.

(b) PURPOSE.—The purpose of this section is to provide funds to States for the development of public facilities for transient nontrailerable vessels.

(c) SURVEY.—Within 18 months after the date of the enactment of this Act, any State may complete and submit to the Secretary of the Interior a survey which identifies—

(1) the number and location in the State of all public facilities for transient nontrailerable vessels; and

(2) the number and areas of operation in the State of all nontrailerable vessels that operate on navigable waters in the State.

(d) PLAN.—Within 6 months after submitting a survey to the Secretary of the Interior in accordance with subsection (c), an eligible State may develop and submit to the Secretary of the Interior a plan for the construction and renovation of public facilities for transient nontrailerable vessels to meet the needs of nontrailerable vessels operating on navigable waters in the State.

(c) GRANT PROGRAMS—

(1) MATCHING GRANTS.—The Secretary of the Interior may obligate not less than ½ of the amount made available for each of fiscal years 1998 and 1999 under section 4(b)(1)(C) of the Act of August 9, 1950, as amended by section 2(a)(1) of this Act, to make grants to any eligible State to pay not more than 75 percent of the cost of constructing or renovating public facilities for transient nontrailerable vessels.

(2) PRIORITY.—In awarding grants under this subsection, the Secretary of the Interior shall give priority to projects that—

(A) are likely to serve the largest number of nontrailerable vessels; and

(B) consist of the construction or renovation of public facilities for transient nontrailerable vessels in accordance with a plan submitted by an eligible State submitted under subsection (b).

(f) DEFINITIONS.—For the purpose of this section the term—

(1) "eligible State" means a State that—

(A) completes and submits to the Secretary of the Interior a survey in accordance with subsection (c); and

(B) develops and submits to the Secretary of the Interior a plan in accordance with subsection (d);

(2) "nontrailerable vessel" means a recreational vessel greater than 26 feet in length;

(3) "public facilities for transient nontrailerable vessels" means mooring buoys, day-docks, seasonal slips or similar structures located on navigable waters, that are available to the general public and designed for temporary use by nontrailerable vessels;

(4) "recreational vessel" means a vessel—

(A) operated primarily for pleasure; or

(B) leased, rented, or chartered to another for the latter's pleasure; and

(5) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Marianas.

SEC. 303. FOREIGN PASSENGER VESSEL USER FEES.

Section 3303 of title 46, United States Code, is amended—

(1) by striking "(a) Except as" in subsection (a) and inserting "Except as"; and

(2) by striking subsection (b).

SEC. 304. INCREASED PENALTIES FOR DOCUMENTATION VIOLATIONS.

(a) Civil Penalty.—Section 12122(a) of title 46, United States Code, is amended by striking "$500" and inserting "$25,000."

(b) Seizure and Forfeiture.—

(1) In general.—Section 12122(b) of title 46, United States Code, is amended to read as follows:

"(b) A vessel and its equipment are liable to seizure by and forfeiture to the United States Government—

"(1) when the owner of a vessel or the representative or agent of the owner knowingly falsifies or conceals a material fact, or makes a false statement or representation about the documentation or when applying for documentation of the vessel;

"(2) when a certificate of documentation is knowingly and fraudulently used for a vessel;

"(3) when a vessel is operated after its endorsement has been denied or revoked under section 12123 of this title;

"(4) when a vessel is employed in a trade without an appropriate trade endorsement;

"(5) when a documented vessel with only a recreational endorsement is operated other than for pleasure; or

"(6) when a documented vessel is placed under the command of a person not a citizen of the United States.".

(2) Conforming amendment.—Section 12122(c) of title 46, United States Code, is repealed.

(c) Limitation on Operation of Vessel With Only Recreational Endorsement.—Section 12110(c) of title 46, United States Code, is amended to read as follows: "A vessel with only a recreational endorsement may not be operated other than for pleasure.".

SEC. 305. OUTER CONTINENTAL SHELF CIVIL PENALTIES.

Section 24(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1350(b)) is amended—

(1) by striking "paragraph (2)," in paragraph (1) and inserting "paragraphs (2) and (3),"; and

(2) by adding at the end thereof the following:

"(3)(A) If a person fails to comply with or violates a regulation issued under this Act by the Secretary of the department in which the Coast Guard is operating, that person is liable, without regard to the requirement of the expiration of a period allowed for corrective action, to the United States Government for a civil penalty of not more than the amount provided in paragraph (1) for each day of the continuance of that failure or violation.

"(B) The Secretary of the department in which the Coast Guard is operating is authorized to assess the amount of the civil penalty for which a person is liable for failure to comply with or for violating a regulation issued under this Act by the Secretary of the department in which the Coast Guard is operating. The assessment of the civil penalty shall be by written notice and after an opportunity for a hearing.

"(C) In determining the amount of the penalty, the Secretary of the department in which the Coast Guard is operating shall consider the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and other matters that justice requires.

"(D) The Secretary of the department in which the Coast Guard is operating may compromise, modify, or remit, with or without consideration, a civil penalty under this Act until referring the assessment to the Attorney General.

"(E) If a person fails to pay an assessment of a civil penalty after it has become final, the Secretary of the department in which the Coast Guard is operating may refer the matter to the Attorney General for collection in an appropriate district court of the United States.".

SEC. 306. AMENDMENT TO REQUIRE EPIRBS ON THE GREAT LAKES.

Paragraph (7) of section 4502(a) of title 46, United States Code, is amended by inserting "or beyond three nautical miles from the coastline of the Great Lakes" after "high seas".

SEC. 307. INSPECTION OF SMALL PASSENGER VESSELS.

Section 3307 of title 46, United States Code, is amended—

(1) by striking "and nautical school vessel" in paragraph (1) and inserting ", nautical school vessel, and small passenger vessel carrying more than 12 passengers on an international voyage",

(2) by inserting "and" after the semicolon in paragraph (1), and

(3) by striking paragraph (2) and redesignating paragraph (3) as (2), and

(4) by striking "2 years" in paragraph (2) (as redesignated) and inserting "5 years".

SEC. 308. PENALTIES DEFECTIVE SERVICING OR ALTERATION OF MAINE SAFETY EQUIPMENT.

Section 3318(b) of title 46, United States Code, is amended—

(1) by inserting "(1) before "A person"; and

(2) adding at the end thereof the following:

"(2) A person that knowingly alters lifesaving, fire safety, or any other equipment subject to this part, so that the equipment altered is so defective as to be insufficient to accomplish the purpose for which it is intended, commits a class D felony.".

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. THACHER ISLAND LIGHTHOUSE.

(a) Authority to Convey.—

(1) In general.—The Secretary of Transportation may convey to the Town of Rockport, Massachusetts, by an appropriate means of conveyance, all right, title, and interest of the United States in and to property comprising Thacher Island, except that the Coast Guard shall retain all right, title, or interest in any historical artifact, including any lens or lantern on the property conveyed pursuant to this section, or belonging to the property, whether located on the property or elsewhere.

(2) Identification of property.—The Secretary may identify, describe, and determine the property to be conveyed pursuant to this section.

(b) Terms and Conditions.—

(1) In general.—A conveyance of property pursuant to this section shall be made—

(A) without payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) Reversionary interest.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property pursuant to this section shall be subject to the condition that all right, title, and interest in Thacher Island shall immediately revert to the General Services Administration of the United States of American if Thacher Island ceases to be maintained and used as a nonprofit center for public benefit for the interpretation and preservation of the material culture of the United States Coast Guard and the maritime history of Thacher Island, Massachusetts. In connection therewith, the property may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of this property or with other provisions of this section.

(3) Maintenance of navigation function.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment, and any electronic navigation equipment located on the property conveyed which are active aids to navigation shall continue to be operated and maintained by the United States for as long as they are needed for this purpose;

(B) the Town of Rockport may not interfere or allow interference in any manner with such aids to navigation without express written permission from the United States;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation, or make any changes on any portion of such property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation; and

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property, and an easement for an arc of visibility.

(c) Property To Be Maintained in Accordance With Certain Laws.—The Town of Rockport shall maintain Thacher Island in accordance with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.) and other applicable laws.

(d) Definitions.—For purposes of this section—

(1) The term "Thacher Island" means the Coast Guard property located on Thacher Island, Massachusetts, which is located off the coast of Cape Ann, Massachusetts, within the boundaries of the Town of Rockport, Massachusetts, including the light tower, sound signal building, any other ancillary buildings, and such land as may be necessary to enable to Town of Rockport operate a non-profit center for public benefit.

(2) The term "Secretary" means the Secretary of the department in which the Coast Guard is operating.

SEC. 402. TRANSFER OF COAST GUARD PROPERTY IN KETCHIKAN, ALASKA.

(a) CONVEYANCE REQUIREMENT.—The Secretary of Transportation shall convey to the Ketchikan Indian Corporation in Ketchikan, Alaska, without reimbursement and by no later than 120 days after the date of enactment of this Act, all right, title, and interest of the United States in and to the property known as the "Former Marine Safety Detachment" as identified in Report of Excess Number CG–689 (GSA Control Number 9–U–AK–0747) and described in subsection (b).

(b) PROPERTY DESCRIBED.—The property referred to in subsection (a) is real property located in the city of Ketchikan, township 75 south, range 90 east, Copper River Meridian, First Judicial District, State of Alaska, and commencing at corner numbered 10, United States Survey numbered 1079, the true point of beginning for this description: Thence north 24 degrees 04 minutes east, along the 10–11 line of said survey a distance of 89.76 feet to corner numbered 1 of lot 5B; thence south 65 degrees 56 minutes east a distance of 345.18 feet to corner numbered 2 of lot 5B; thence south 24 degrees 04 minutes west a distance of 101.64 feet to corner numbered 3 of lot 5B; thence north 64 degrees 01 minute west a distance of 346.47 feet to corner numbered 10 of said survey, to the true point of beginning, consisting of 0.76 acres (more or less), and all improvements located on that property, including buildings, structures, and equipment.

(c) REVERSIONARY INTEREST.—In addition to any term or condition established pursuant to subsection (a), any conveyance of property described in subsection (b) shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof, ceases to be used by the Ketchikan Indian Corporation as a Native health clinic.

SEC. 403. FLORIDA AVENUE BRIDGE.

For purposes of the alteration of the Florida Avenue Bridge (located approximately 1.63 miles east of the Mississippi River on the Gulf Intracoastal Waterway in Orleans Parish, Louisiana) ordered by the Secretary of Transportation under the Act of June 21, 1940 (33 U.S.C. 511 et seq.; popularly known as the Truman-Hobbs Act), the Secretary shall treat the drainage siphon that is adjacent to the bridge as an appurtenance of the bridge, including with respect to apportionment and payment of costs for the removal of the drainage siphon in accordance with that Act.

SEC. 404. TUNA FISHING VESSELS.

(a) IN GENERAL.—Transferring to foreign registry any tuna fishing vessel which is an agreement vessel documented under the laws of the United States shall not be treated, for purposes of section 607 of the Merchant Marine Act, 1936, (46 App. U.S.C. 1177), or for purpose of the Internal Revenue Code of 1986 or any other law of the United States, as—

(1) the disposition of an agreement vessel, or

(2) a failure to meet any substantial obligation under an agreement entered into between the owner or operator of the vessel and the Secretary if—

(A) the vessel, before registry transfer, either regularly fished for tuna in the Eastern Pacific Ocean or regularly fished in the Pacific Ocean but did not regularly have a license to fish tuna in the Western Pacific Ocean;

(B) the vessel will, after registry transfer, continue to be controlled directly or indirectly by the last agreement holder of record, as of the time of registry transfer, under section 607 of the Merchant Marine Act, 1936, (46 App. U.S.C. 1177); and

(C) the vessel will, after registry transfer, continue to be operated in compliance with section 307 of the Marine Mammal Protection Act of 1972 (46 App. U.S.C. 1417) and subjected to continuous observer coverage under the arrangements provided by the Inter-American Tropical Tuna Commission or under any such other international arrangements as may be approved by the Secretary.

(b) NON-COMPLIANCE.—Noncompliance with any of the provisions above will, for purposes of section 607 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1177), be treated as the disposition of an agreement vessel and a failure to meet a substantial obligation under any agreement entered into between the owner or operator of the vessel and the Secretary as if this section had not applied and as if the vessel's registry had not been transferred.

(c) DEFINITIONS.—Any term defined in section 607(k) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1177(k)), that is used in this section shall have the meaning given that term in that section.

(d) TREATMENT OF INCOME AND EXPENSES.—All vessel income and expense (including pass-throughs to shareholders and partners, if any) will, after registry transfer, continue to be fully subject to the Internal Revenue Code of 1986 and reported as income and taxed in the United States as if the vessel's registry had not been transferred.

(c) EFFECTIVE DATE.—This section shall apply to any registry transfer effected before January 1, 1997.

TITLE V—RECREATIONAL BOATING SAFETY IMPROVEMENT

SEC. 501. PERSONAL FLOTATION DEVICES REQUIRED FOR CHILDREN.

(a) PROHIBITION.—Section 4307(a) of title 46, United States Code, is amended—

(1) by striking "or" after the semicolon in paragraph (2),

(2) by striking the period at the end of paragraph (3) and inserting a semicolon and "or"; and

(3) by adding at the end the following:

"(4) operate a recreational vessel under 26 feet in length unless each individual 6 years of age or younger wears a Coast Guard approved personal flotation device when the individual is on an open deck of the vessel.".

(b) STATE AUTHORITY PRESERVED.—Section 4307 of title 46, United States Code, is amended by adding at the end thereof the following:

"(c) Subsection (a)(4) shall not be construed to limit the authority of a State to establish requirements relating to the wearing of personal flotation devices on recreational vessels that are more stringent than that subsection.".

SEC. 502. ALLOCATION OF FUNDS BASED ON STATE ADOPTION OF LAWS REGARDING BOATING WHILE INTOXICATED.

Section 13103 of title 46, United States Code, is amended—

(1) by redesignating subsections (a), (b), and (c) as (b), (c), and (d), respectively.

(2) by inserting before subsection (b) (as redesignated) the following:

"(a)(1) Beginning in fiscal year 1998, of the amounts transferred to the Secretary each fiscal year pursuant to section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b)), the Secretary shall allocate for State recreational boating safety programs, $10,000,000 as follows:

"(A) One-half shall be allocated in accordance with paragraph (2) among eligible States that—

"(i) prohibit operation of a recreational vessel by an individual who is under the influence of alcohol or drugs; and

"(ii) establish a blood alcohol concentration limit of .10 percent or less.

"(B) One-half shall be allocated in accordance with paragraph (2) among eligible Stated that—

"(1) prohibit operation of a recreational vessel by an individual who is under the influence of alcohol or drugs; and

"(ii) establish an implied consent requirement that specifies that individuals are deemed to have given their consent to evidentiary testing for their blood alcohol concentration or presence of other intoxicating substances.

"(2) Of the amount allocated under subparagraph (A) or (B) of paragraph (1) each fiscal year—

"(A) one-half shall be allocated equally among all eligible States receiving an allocation under that subparagraph for the fiscal year; and

"(B) one-half shall be allocated among those eligible States so that each such State receives an amount bearing the same ratio to the total amount allocated under that subparagraph for the fiscal year as the number of vessels numbered in that State under a system approved under chapter 123 of this title bears to the total number of vessels numbered under approved systems of all States receiving an allocation under that subparagraph for the fiscal year.";

(3) by inserting "the balance of remaining" after "allocate" in subsection (v) as redesignated; and

(4) by adding at the end the following new subsection:

"(e) A State shall not be ineligible for an allocation under subsection (a) because of the adoption by the State of any requirement relating to the operation of a recreational vessel while under the influence of alcohol or drugs that is more stringent than the requirements for receiving the allocation.".

SEC. 503. MARINE CASUALTY REPORTING.

(a) SUBMISSION OF PLAN.—Not later than one year after enactment of this Act, the Secretary of Transportation shall, in consultation with appropriate State agencies, submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a plan to increase reporting of vessel accidents to appropriate State law enforcement officials.

(b) PENALTIES FOR VIOLATING REPORTING REQUIREMENTS.—Section 6103 (a) of title 46, United States Code, is amended by inserting "or 6102" after "6101" the second place it appears.

SEC. 504. REQUIRING VIOLATORS TO TAKE RECREATIONAL BOATING SAFETY COURSE.

(a) NEGLIGENT OPERATION.—Section 2302 of title 46, United States Code, is amended by adding at the end the following:

"(e) An individual operating a recreational vessel in violation of this section shall complete a boating safety course approved by the Secretary.".

(b) OTHER VIOLATIONS.—Section 4311 of title 46, United States Code, is amended by adding at the end the following:

"(h) A person who operates a recreational vessel in violation of this chapter or a regulation prescribed under this chapter may be ordered to complete a recreational boating safety course approved by the Secretary.".

SEC. 505. TECHNICAL CORRECTIONS.

Section 13108(a)(1) of title 46, United States Code, is amended by—

(1) striking "proceeding" and inserting "preceding"; and

(2) striking "Secertary" and inserting "Secretary".

TITLE VI—TOWING VESSEL SAFETY

SEC. 601. MINIMUM NAVIGATIONAL SAFETY EQUIPMENT FOR TOWING VESSELS.

(a) IN GENERAL.—Section 4102 of title 46, United states Code, is amended by adding at the end the following:

"(f)(1) In prescribing regulations for towing vessels, the Secretary—

"(A) shall consider the characteristics, methods of operation, and nature of the service of towing vessels;

"(B) shall consult with the Towing Safety Advisory Committee; and

"(C) may require, to the extent appropriate, the installation, maintenance, and use of the following equipment on each towing vessel, other than a towing vessel that is used only for towing disabled vessels;

"(i) A radar system.

"(ii) A sonic depth finder.

"(iii) A compass or swing meter.

"(iv) Adequate towing wire and associated equipment.

"(v) Up-to-date navigational charts and publications for the areas normally transited by the vessel.

"(vi) Other safety equipment the Secretary determines to be necessary.

"(2)(A) The Secretary shall establish in regulations under this chapter requirements that—

"(i) any equipment required on a towing vessel under paragraph (1) shall be maintained in effective operating condition; and

"(ii) if such equipment on a vessel ceases to operate, the operator of the vessel shall exercise due diligence to restore the equipment to effective operating condition, or cause it to be restored to that condition, at the earliest practicable date.

"(B) The failure of equipment required on a towing vessel under paragraph (1) shall not, by itself, constitute a violation of this chapter.".

(b) REGULATIONS.—The Secretary of Transportation shall issue regulations by not later than 12 months after the date of the enactment of this Act, prescribing navigational publication and equipment requirements under subsection (f) of section 4102 of title 46, United States Code, as added by subsection (a) of this section.

SEC. 602. DEMONSTRATION OF PROFICIENCY IN USE OF NAVIGATIONAL SAFETY EQUIPMENT REQUIRED.

Section 7101 of title 46, United States Code, is amended by adding at the end the following:

"(j) The Secretary shall require an individual who applies for issuance or renewal of a towing vessel operators license to demonstrate proficiency in the use of navigational safety equipment.".

SEC. 603. REPORTING MARINE CASUALTIES.

(a) EXPEDITED REPORTING REQUIRED.—Section 6101(b) of title 46, United States Code, is amended by striking "within 5 days" and inserting "by as soon as practicable, but in no case later than within 5 days,".

(b) PENALTY FOR FAILURE TO REPORT A CASUALTY.—Section 6103(a) of title 46, United States Code is amended by striking "$1,000" and inserting "not more than $25,000".

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall prescribe regulations implementing the amendment made by subsection (a).

SEC. 604. REPORT ON ADEQUACY AND EFFECTIVENESS OF MANNING AND PROGRESS IMPROVING LICENSING REQUIREMENTS FOR OPERATION OF TOWING VESSELS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Transportation shall submit a report to the Congress on—

(1) the adequacy and effectiveness of manning of towing vessels; and

(2) progress made in implementing improvements in towing vessel operator licensing requirements.

SEC. 605. REPORT ON FEASIBILITY OF ESTABLISHING A DIFFERENTIAL GLOBAL POSITIONING SATELLITE NAVIGATIONAL SYSTEM AND ELECTRONIC CHARTS FOR INLAND WATERWAYS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Transportation shall submit a report to the Congress on the feasibility of establishing a differential global positioning satellite navigation system and creating electronic charts for the inland waterways of the United States.

TITLE VII—ACT TO PREVENT POLLUTION FROM SHIPS AMENDMENTS

SEC. 701. DEFINITION OF OPERATOR.

(a) IN GENERAL.—Subparagraph (b) of section 2(a)(5) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a)(5)(b)) is amended to read as follows: "(b) in the case of a terminal, any person who by law, lease, contract, or other arrangement, provides a berth at a port or terminal or other mooring arrangement for the ship to transfer cargo to or from shore;".

(b) TECHNICAL AMENDMENTS.—Section 6 of such Act (33 U.S.C. 1905) is amended—

(1) by striking "a person in charge" and inserting "an operator"; and

(2) by striking "Persons in charge" in subsection (a)(2) and inserting "Operators"; and

(3) in subsection (c)(2), by striking "person in charge" in subsection (c)(2) and inserting "operator".

SEC. 702. PREVENTION OF POLLUTION FROM SHIPS.

(a) IN GENERAL.—Section 6 of such Act (33 U.S.C. 1905) is amended—

(1) by striking "(2) If" in subsection (c)(2) and inserting "(2)(A) Subject to subparagraph (B), if";

(2) by adding at the end of subsection (c)(2) the following:

"(B) The Secretary may issue a certificate attesting to the adequacy of reception facilities under this paragraph only if, prior to the issuance of the certificate, the Secretary conducts an inspection of the reception facilities of the port or terminal that is the subject of the certificate."; and

(3) by striking subsection (c)(3)(A) and inserting the following:

"(A) is valid for the 5-year period beginning on the date of issuance of the certificate, except that if—

"(i) the charge for operation of the port or terminal is transferred to a person or entity other than the person or entity that is the operator on the date of issuance of the certificate—

"(I) the certificate shall expire on the date that is 30 days after the date of the transfer; and

"(II) the new operator shall be required to submit an application for a certificate before a certificate may be issued for the port or terminal; or

"(ii) the certificate is suspended or revoked by the Secretary,

the certificate shall cease to be valid; and";

(4) by amending subsection (d) to read as follows:

"(d)(1) The Secretary shall maintain a list of ports or terminals with respect to which a certificate issued under this section—

"(A) is in effect; or

"(B) has been revoked or suspended.

"(2) The Secretary shall make the list referred to in paragraph (1) available to the general public.";

(5) in subsection (e)—

(A) by striking "Except in the case" in paragraph (1) and inserting "Except as provided in paragraph (3) and in the case";

(B) by striking "The Secretary" in paragraph (2) and inserting "Except as provided in paragraph (3), the Secretary"; and

(C) by adding at the end the following new paragraph:

"(3)(A) Not later than 18 months after the date of enactment of the Coast Guard Authorization Act of 1994, the Secretary shall, by regulation, establish a procedure by which the Secretary may assess a civil penalty against the operator of a port or terminal in lieu of denying the entry of a ship to the port or terminal pursuant to paragraph (1) or (2).

"(B) The amount of a penalty referred to in subparagraph (A) shall not exceed the maximum amount allowable per day of violation that the Secretary may assess under this Act.

"(C) If a port or terminal remains in violation of an applicable requirement of a regulation referred to in paragraph (1) or (2) on the date that is 30 days after the date on which the Secretary initially determines that the port or terminal is in violation of an applicable requirement of a regulation, the Secretary shall, pursuant to regulations promulgated under subparagraph (D) of this paragraph, revoke the certificate of the port or terminal.

"(D) In addition to carrying out the duties specified in subparagraphs (A) through (C), not later than 18 months after the date of enactment of this paragraph, the Secretary shall develop, and issue regulations for, revocation and reinstatement procedures that the Secretary shall apply in carrying out this paragraph.";

(6) in subsection (f)—

(A) by inserting "(1)" before "The Secretary"; and

(B) by adding at the end of the following new paragraph:

"(2)(A) Not later than 18 months after the date of enactment, the Secretary shall promulgate regulations that require the operator of each port or terminal that is subject to any requirement of the MARPOL Protocol relating to reception facilities to post a placard in a location that can easily be seen by port and terminal users. The placard shall state, at a minimum, that a user of a reception facility of the port or terminal should report to the Secretary any inadequacy of the reception facility.

"(B) The Secretary shall promulgate regulations to carry out this paragraph, including specifications for the placards referred to in subparagraph (A).

"(C) The Secretary shall make available to the general public any report received by the Secretary under this paragraph."; and

(7) by adding at the end the following new subsection:

"(g) THE SECRETARY SHALL—

"(1) establish a program to ensure that the owner, operator, or person in charge of each port or terminal that is not required to apply for a certificate under this section makes available a reception facility that meets the requirements for reception facilities under the regulations promulgated under subsection (a)(2); and

"(2) not later than 2 years after the date of enactment of this subsection, and every 2 years thereafter, submit a report to Congress on Coast Guard activities regarding the ports and terminals described in paragraph (1).".

(b) REFUSE RECORD BOOKS; WASTE MANAGEMENT PLANS; NOTIFICATION OF CREW AND PASSENGERS.—Section 4(b) of such Act (33 U.S.C. 1903(B)) is amended—

(1) amending subparagraph (A) of paragraph (2) to read as follows:

"(A) not later than 1 year after the date of enactment of the Water Pollution Prevention and Control Act of 1994, issue regulations that require each ship to—

"(i) maintain refuse records (either as part of the log book of the ship or in a separate record book);

"(ii) establish shipboard waste management plans; and

"(iii) display a placard and conduct a briefing that notifies the crew and passengers of the ship of the requirements of Annex V of the Convention;"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary of Agriculture, acting through the Administrator of the Animal and Plant Health Inspection Service, shall assist the Secretary in carrying out the enforcement of this Act, to the extent that the assistance provided under this subparagraph does not impede the ability of the Secretary of AgricIture, acting through the Administrator of the Animal and Plant Health Inspection Service, to carry out the functions of the Animal and Plant Health Inspection Service.

"(B) The Secretary of Agriculture, in coordination with the Secretary, shall review and revise boarding procedures of the Animal and Plant Health Inspection Service to improve the enforcement of this Act.

"(C) The review and revision of the boarding procedures referred to in subparagraph (B) shall include—

"(i) a revision of any boarding forms used by the Secretary (including adding questions) to provide information in sufficient detail to enable the Secretary to adequately enforce this Act;

"(ii) the coordination of efforts of inspectors of the Animal and Plant Health Inspection Service to facilitate the tracking of ships suspected to be in violation of this Act from port to port;

"(iii) the coordination of the inspection activities of the Animal and Plant Health Inspection Service with the inspection activities of the Coast Guard, to ensure that any violation of this Act may be easily determined, and that an appropriate penalty is assessed for the violation; and

"(iv) methods for using inspectors of the Animal and Plant Health Inspection Service to determine compliance with the regulations promulgated under section 6(a)(2).".

(c) SIZE AND USE.—Section 3(a) of such Act (33 U.S.C. 1902(a)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ";and"; and

(3) by adding at the end the following new paragraph: "(5) with respect to section 4(b)(2)(A)—

"(A) to—

"(i) a manned oceangoing United States ship of 40 feet or more in length that is engaged in commerce and is documented under the laws of the United States or numbered by a State; and

"(ii) a manned fixed or floating platform subject to the jurisdiction of the United States, or operated under the authority of the United States, wherever located; and

"(B) to any other ship of a size and use specified by the Secretary not later than 18 months after the date of enactment of the Coast Guard Authorization Act of 1994.".

(d) PENALITIES FOR VIOLATIONS.—Section 9 of such Act (33 U.S.C. 1908) is amended—

(1) by redesignating subsection (c) through (f) as (d) through (g), respectively;

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) Any person authorized by the Secretary for the purposes of this subsection may, where reasonable cause exists to believe that an owner, operator, or person in charge of a ship—

"(A) has disposed of garbage in violation of Annex V of MARPOL or regulations issued under this Act; or

"(B) has violated any regulation promulgated under section 4(b)(2)(A) of this Act—

issue a citation to such owner, operator, or person in charge. Such citation shall specify the regulation violated and the applicable penalty amount for such violation, as prescribed by the Secretary in regulations.

"(2) On the thirtieth day following issuance of the citation, such amount shall constitute a final assessment for the purposes of this section and shall be due and payable to the United States, unless prior to that date the owner, operator, or person in charge of the ship submits a written request for a hearing to the Secretary. Subsection (b) of this section shall apply to any case in which such a written request has been submitted.

"(3) For the purposes of paragraph (1) of this subsection, reasonable cause exists to believe that an owner, operator, or person in charge of a ship has disposed of garbage in violation of Annex V or regulations issued under this Act where, inter alia—

"(A) the person in charge refuses, fails, or is unable to produce to the person authorized by the Secretary any recently issued documents demonstrating a recent lawful disposal of ship's garbage or, where a ship's incinerator has been installed, plastic residue from such incinerator, and

"(B) the quantity of plastic waste materials on board the ship is less than the amount of such waste estimated, in accordance with regulations issued by the Secretary, to have been generated on board the ship subsequently to the last lawful disposal which is demonstrated to the person authorized by the Secretary.

"(4) A citation for a violation that requires a civil penalty may be issued by the appropriate Coast Guard official if, on the inspection of a ship, an appropriate official of the Coast Guard determines that—

"(A) the person in charge of the ship has no receipts documenting—

"(i) the disposal of garbage; or

"(ii) in any case in which an incinerator is on board the ship, the disposal of plastic residue, if any, from the incinerator;

"(B) there is no incinerator on board the ship; or

"(C) the quantity of plastic waste materials on board the ship is too small with respect to the quantity of plastic waste materials estimated to have been generated on board the ship (on the basis of documentation from the last legal disposal of plastic waste materials from the ship).

"(5) Not later than 30 days after the issuance of a citation pursuant to paragraph (2), the recipient of the citation shall either—

"(A) pay the amount of the civil penalty; or

"(B) submit a written request for a hearing on the assessment of the civil penalty.

"(6) The Secretary, in consultation with the Secretary of Agriculture, shall issue regulations which ensure that the record in a log book of the disposal of garbage alone does not constitute proof of lawful disposal of garbage."; and

(3) in subsection (g), as redesignated by paragraph (1)—

(A) by inserting "(1)" before "Notwithstanding";

(B) by striking "or (d)" and inserting "or (e)"; and

(C) by adding at the end the following new paragraphs:

"(2) IF THE SECRETARY—

"(A) conducts an investigation and refers a matter pursuant to paragraph (1) to the appropriate official of a foreign country that is a party to the MARPOL Protocol relating to a violation or suspected violation by an owner, operator, or person in charge of a ship that is registered in the foreign country of a requirement of the MARPOL Protocol; and

"(B) the official of the foreign country does not provide a response that the Secretary determines appropriate; paragraph (3) shall apply.

"(3) If the conditions referred to in subparagraphs (A) and (B) of paragraph (2) are met, the Secretary of the Treasury, on the request of the Secretary, may, with respect to the ship referred to in paragraph (2), refuse or revoke—

"(A) a permit to proceed under section 4367 of the Revised Statutes (46 U.S.C. App. 313); or

"(B) a permit to depart (as required under section 443 of the Tariff Act of 1930 (19 U.S.C. 1443));

whichever is applicable.

"(4) The Secretary shall, not later than 1 year after the date of enactment of this paragraph, and annually thereafter, publish a list of any referral described in paragraph (1) including, with respect to each referral—

"(A) the date of transmittal; and

"(B) the date and nature of any response by the appropriate official of the foreign country to whom the referral is sent.".

(e) SHIP INSPECTIONS; REPORTS TO SECRETARY.—Section 8(c) of such Act (33 U.S.C. 1807(c)) is amended by adding at the end the following new paragraphs:

"(3)(A) The Secretary shall make available to the public a toll-free telephone number for reporting violations of the MARPOL Protocol and this Act.

"(B) In carrying out this paragraph, the Secretary may—

"(i) enter into a cooperative agreement with the appropriate official of the National Response Center to use the telephone reporting service of the Center to provide for the reporting of the violations referred to in subparagraph (A) under the telephone reporting service; or

"(ii) establish a separate telephone reporting system.

"(C) The Secretary shall report to Congress annually on the effectiveness of the toll-free telephone reporting system. Each report shall include—

"(i) the number and types of referral calls related to Annex V of the MARPOL Protocol received; and

"(ii) information regarding any investigations conducted and enforcement actions taken in response to a call described in clause (i).

"(4) On receipt of a report from an appropriate official of the Animal and Plant

Health Inspection Service of the Department of Agriculture of a ship in violation of this Act, the Secretary shall take such action as is necessary to ensure a follow-up inspection of the ship.".

(f) Conforming Amendment.—Section 11(a)(3) of such Act (33 U.S.C. 1910(a)(3)) is amended by striking "section 9(e)" and inserting "section 9(f)".

SEC. 703. MARINE PLASTIC POLLUTION RESEARCH AND CONTROL.

(a) Compliance Reports.—Section 2201(a) of the Marine Plastic Pollution Research and Control Act of 1987 (Public Law 100–9220(?); 33 U.S.C. 1902 note) is amended—

(1) by striking "for a period of 6 years"; and

(2) by inserting before the period at the end the following: "and, not later than 1 year after the date of enactment of the Water Pollution Prevention and Control Act of 1994, and annually thereafter, shall publish in the Federal Register a list of the enforcement actions taken against any domestic or foreign ship (including any commercial or recreational ship) pursuant to the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.)".

(b) Public Outreach Program.—Section 2204(a) of such Act (Public Law 100–09220(?); 42 U.S.C. 6981 note) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "for a period of at least 3 years,";

(B) in subparagraph (C), by striking "and" at the end;

(C) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following new subparagraph:

"(E) the requirements under this Act and the Act to Prevent Pollution From Ships (33 U.S.C. 1901 et seq.) with respect to ships and ports, and the authority of citizens to report violations of this Act and the Act to Prevent Pollution From Ships (33 U.S.C. 1901 et seq.)."; and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) Authorized activities.—

"(A) Public outreach program.—A public outreach program under paragraph (1) may include—

"(i) developing and implementing a voluntary boaters' pledge program;

"(ii) workshops with interested groups;

"(iii) public service announcements;

"(iv) distribution of leaflets and posters; and

"(v) any other means appropriate to educating the public.

"(B) Consultation.—In developing outreach initiatives targeted at the interested groups that are subject to the requirements of this title and the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.), the Secretary of the department in which the Coast Guard is operating, in consultation with the Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration, and the Administrator of the Environmental Protection Agency, shall consult with—

"(i) the heads of State agencies responsible for implementing State boating laws; and

"(ii) the heads of other enforcement agencies that regulate boaters of commercial fishermen.

"(C) Grants and cooperative agreements.—To carry out this section, the Secretary of the department in which the Coast Guard is operating, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency are authorized to award grants, enter into cooperative agreements with appropriate officials of other Federal agencies and agencies of States and political subdivisions of States and with public and private entities, and provide other financial assistance to eligible recipients.".

(c) Miscellaneous Provisions.—

(1) In general.—The Marine Plastic Pollution Research and Control Act of 1987 (33 U.S.C. 1901 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle D—Miscellaneous Provisions

"SEC. 2401. APPLICABILITY OF WHISTLE BLOWER PROVISIONS.

"Section 2302 of title 5, United States Code, shall apply to any employee of the Department of Transportation, the Department of Defense, or the Department of Agriculture, as described in subsection (a)(2)(B) of such section, who carries out any requirement of this Act or the Act to Prevent Pollution From Ships (33 U.S.C. 1901 et seq.).

"SEC. 2402. REPORTS TO CONGRESS.

"If the Secretary of the department in which the Coast Guard is operating fails to meet a deadline specified in this Act or the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.), the Secretary shall submit a written report to Congress that explains the reasons for the failure.

"SEC. 2403. WASTE MANAGEMENT STUDY.

"Not later than 2 years after the date of enactment of the Coast Guard Authorization Act of 1994, the Secretary of the department in which the Coast Guard is operating, in consultation with the Administrator of the Environmental Protection Agency, shall submit to Congress a written report that identifies potential improvements of the waste management practices at port facilities. The study shall—

"(1) characterize wastes as a function of the type, size, number of crew and passengers, and length of voyage of ships;

"(2) identify incentives to promote onboard waste management practices on ships, including the use of source reduction, reuse and recycling strategies, incinerators, compactors, pulpers, and shredders;

"(3) recommend organizational and business processes required to establish effective and efficient waste management programs, including the design of the roles and responsibilities of all entities involved (including ports and terminals) that would improve the management of shipborne waste; and

"(4) investigate positive incentives to including the use of port reception facilities, including potentially prohibiting separate fees for waste disposal.

"SEC. 2404. SENSE OF CONGRESS REGARDING INSURANCE.

"It is the sense of Congress that—

"(1) certain insurance policies or rules of protection and indemnity clubs that provide insurance for shippers should not provide for the payment of a penalty under the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.); and

"(2) the Secretary of the department in which the Coast Guard is operating, acting through the Commandant of the Coast Guard, should consult with the International Maritime Organization to seek to establish international standards prohibiting the issuance of a contract of insurance for the sale of a policy that would provide for the payment of any penalty under the MARPOL Protocol (as defined in section 2(a) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a))) to carry out the MARPOL Protocol.

"SEC. 2405. NOTICE OF ARRIVAL.

"The owner, master, agent, or person in charge of a vessel shall include in the notice of arrival required to be submitted to the Captain of the Port of the port or place of destination pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.) information concerning the intention of the owner, master, or person in charge of the vessel with respect to the disposal of onboard waste at the port or place of destination.

"SEC. 2406. COORDINATION.

"(a) Establishment of Marine Debris Coordinating Committee.—The Administrator of the Environmental Protection Agency shall establish a Marine Debris Coordinating Committee (referred to in this section as the 'Committee').

"(b) Membership.—The Committee shall include a senior official form—

"(1) the Environmental Protection Agency, who shall serve as the Chairperson of the Committee;

"(2) the National Oceanic and Atmospheric Administration;

"(3) the United States Coast Guard;

"(4) the United States Navy; and

"(5) such other Federal agencies that have an interest in ocean issues or water pollution prevention and control as the Administrator of the Environmental Protection Agency determines appropriate.

"(c) Meetings.—The Committee shall meet at least twice a year to provide a forum to ensure the coordination of national and international research, monitoring, education, and regulatory actions addressing the persistent marine debris problem.

"SEC. 2407. MONITORING.

"The Administrator of the Environmental Protection Agency, in cooperation with the Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration, shall utilize the marine debris data derived under title V of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 2801 et seq.) to assist the United States Coast Guard in assessing the effectiveness of this Act.".

"(2) Amendments to table of contents.—The table of contents in section 2 of the United States-Japan Fishery Agreement Approval Act of 1987 (101 Stat. 1458) is amended by adding at the end of the items relating to title II of such Act the following new items:

"Subtitle D—Miscellaneous Provisions

"Sec. 2401. Applicability of whistle blower provisions.
"Sec. 2402. Reports to Congress.
"Sec. 2403. Waste management study.
"Sec. 2404. Sense of Congress regarding insurance.
"Sec. 2405. Notice of arrival.
"Sec. 2406. Coordination.
"Sec. 2407. Monitoring.".•

• Mr. KERRY. Mr. President, as the vice chairman of the Senate's National Ocean Policy Study, I am pleased to cosponsor legislation introduced today by the distinguished chairman of the Commerce Committee and chairman of the National Ocean Policy Study, Senator HOLLINGS and Senator STEVENS, the ranking minority member of the National Ocean Policy Study which authorizes funding for the Coast Guard for fiscal year 1995.

The Coast Guard is a vital asset to my State of Massachusetts, all coastal States and, indeed, every State with navigable waters. It is important for the United States to focus on issues pertaining to our navigable rivers, our coastal bays and harbors, and, looking seaward, our 200-mile exclusive economic zone [EEZ] and beyond. We must be aware of the programs the Coast Guard administers which affect us locally and nationally. More than two-thirds of the total Coast Guard budget funds activities to protect the public safety and the marine environment, enforce laws and treaties, maintain aids to navigation, prevent illegal drug trafficking and alien migration, and preserve defense readiness. With over 50 percent of the U.S. population living within the coastal zone and directly benefiting from the services of the Coast Guard, and with the rest of the Nation affected even if only indirectly by the service's missions it is our responsibility to ensure the Coast Guard has the resources to achieve its existing mandates and recognize the expanding role the Coast Guard is being asked to play in our navigable waters and beyond. We need to adequately invest in the Coast Guard missions of marine safety, maritime law enforcement, aids to navigation, and environmental protection in order to prevent negative effects on vital coastal and ocean activities and on our economy.

This year's reauthorization bill includes several key provisions of national importance including stronger pollution prevention and boating safety requirements and improved personnel and recruiting measures. To increase the quality of life of Coast Guard personnel, the bill allows the Commandant to make child development services available to its uniformed and civilian employees and provides relief for those in the Coast Guard who suffered losses at the hands of Hurricane Andrew. To rectify their underrepresentation or underutilization in the service, the bill authorizes the Coast Guard to use special recruiting programs for women and minorities. In addition, the bill also allows the Secretary of Transportation to convey the Thacher Island Lighthouse to the Town of Rockport, MA, to be used as a nonprofit center to preserve the Coast Guard and maritime history of Thacher Island.

To increase boating safety for children, the bill requires that children under 7 years of age on a recreational vessel under 26 feet must wear a Coast Guard-approved personal flotation device when they are on an open deck of such a vessel. To further encourage safety, the bill allocates funding to States that adopt boating-while-intoxicated laws and requires an individual found guilty of negligent operation of a recreational vessel to complete an approved boating safety course. To increase the safety of commercial vessels, the bill establishes minimum navigational safety equipment for towing vessels. Also included in this bill are various provisions that strengthen the Coast Guard's programs to prevent pollution of the marine environment with debris from vessels, especially plastics.

Mr. President, there are several provisions concerning enhancing the Coast Guard's law enforcement capabilities in which I have a strong interest but which are not included in the committee bill. These provisions would enhance the Coast Guard's ability to interdict vessels smuggling contraband by addressing gaps in current U.S. drug interdiction law. They would do so by increasing the authority of federal law enforcement officers over the movement of vessels and aircraft. The measures would provide for criminal penalties for intentional failure to obey the order of a Federal law enforcement officer to halt a vessel or land an aircraft. Sanctions also would be imposed against persons on board vessels who intentionally fail to comply with an order in connection with the boarding of a vessel, impede or obstruct a boarding, or provide certain false information during a boarding. In addition, since many drug-trafficking aircraft are of foreign registry, the aviation interdiction law provisions would serve as an initiative to facilitate the establishment of agreements between the United States and foreign governments authorizing the United States to exercise jurisdiction over aircraft of those countries. While there are some outstanding issues regarding which committees have jurisdiction over these provisions I hope to work with the appropriate committees; their chairmen and ranking members; and with the administration to resolve any concerns they may have concerning these provisions and to draft an amendment to address them when the bill goes to the floor.

Mr. President, I hope my colleagues will look favorably on this legislation which I believe increases the Coast Guard's effectiveness and overall efficiency and, in turn, benefits the safety and economic well-being of the country. I compliment Chairman HOLLINGS for his leadership in introducing it today and am proud to be a cosponsor.●

Mr. STEVENS. Mr. President, I am pleased to cosponsor this bill with Chairman HOLLINGS to authorize funding for the Coast Guard in fiscal year 1995.

The Coast Guard is celebrating its 204th birthday this year, and I can't emphasize how important its activities are in my State, which has half the coastline of the United States.

To illustrate the Coast Guard's importance in Alaska, I will tell of some of the recent activities in Alaska:

Coast Guard personnel from Sitka rescued three State Troopers from a plane crash on March 21;

At the end of April, a Coast Guard helicopter helped save lives by medivacing two people from Klawock to a bigger hospital in Ketchikan;

The Coast Guard in Kodiak rescued two fishermen from a life raft on May 17;

Coast Guard cutters seized two Canadian fishing vessels caught fishing in United States waters near the Dixon entrance in July; and

Just 2 weeks ago, the Coast Guard rescued 132 crew members from a burning fish processor in Alaska.

These are just some of the ways the Coast Guard has helped to save lives in Alaska and to enforce laws in the exclusive economic zone in recent months.

The bill we are introducing today authorizes the continuation of funding for important Coast Guard programs, and provides new authority for a number of initiatives.

I will defer to Chairman HOLLINGS' summary, but would like to point out that the bill allows for the transfer of property in Ketchikan, AK from the Coast Guard to the Ketchikan Indian Corporation for use as a Native health clinic.

The Coast Guard no longer needs the Ketchikan property, and the Native health clinic in Ketchikan, which is currently located in an inadequate and aging building, really could use this property.

A thanks to Senator HOLLINGS for assisting me in including this provision.

In addition to authorizing Coast Guard funding, the bill includes important new provisions to improve marine safety, recreational boating safety, towing vessel safety, and to help prevent pollution from ships.

The bill would also increase documentation violations on fishing vessels which are being illegally operated by skippers who are not U.S. citizens.

I hope that we can pass this bill in the Senate before the adjournment of Congress, and look forward to working with my colleagues to accomplish this goal.

While on the subject of the Coast Guard authorization bill, I would also like to mention that we Alaskans are pleased with the new Commandant, Adm. Robert Kramek, who took over for Admiral Kime on June 1, 1994.

Admiral Kramek served as Chief of Naval Engineering for the 17th District in Juneau, receiving a masters degree from the University of Alaska, and later served as Commanding Officer aboard a high endurance cutter on enforcement missions in the North Pacific and Bering Sea.

We look forward to working with Admiral Kramek, and are glad that he brings Alaska experience to his new job.

Thank you.

By Mr. LEAHY:

S. 2375. A bill to amend title 18, United States Code, to make clear a telecommunications carrier's duty to cooperate in the interception of communications for law enforcement purposes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE DIGITAL TELEPHONE ACT OF 1994

Mr. LEAHY. Mr. President, there was a time when law enforcement, if they wanted to listen in to what criminals were saying, the local sheriff could drive down the road, climb on the top of his car, plug a couple alligator clips on to a telephone wire, put on the earphones and know what was being said.

A lot has changed since that time. One of the things that changed, of course, is that we passed legislation laying out who could eavesdrop, when they could listen in and who could be eavesdropped on. We made it very clear: You had to apply to a court and get a warrant. We set good standards to protect your privacy, my privacy, the privacy of everybody in this country. So the standards are there, but the alligator clips have changed.

Now, with digital transmissions, if you were to go down and listen in on a phone line, you probably would just hear a loud buzz. A drug dealer in Boston, MA, who wants to talk with a supplier in Dade County, FL, may pick up a cellular phone that may send out a digital signal, which is nothing more than ones and zeros. This conversation may go through a half-dozen different linkages. It may go any way but a straight line from Boston to Florida, and a lot of it could be over fiber optic cables. And even if you could find the right cable, even if you could find the one conversation out of several thousand conversations carried over the same cable that was the one the court order allowed you to tap, you might hear nothing but a buzz. That is not going to help much to catch that drug kingpin or to stop that kidnapping or to stop a planned assassination or stop any other serious felony.

Because of this loss of ability to keep up with technology, Louis Freeh, the FBI Director, said, "The number one law enforcement, public safety, and national security issue facing us today" is preserving the ability to conduct wiretaps.

So what I am doing is introducing a bill that will give our law enforcement agencies back the confidence that when they get a wiretap order, they will be able to do their jobs and carry out the order. This will allow wiretaps under court orders to be able to be used even with the new digital technology and other emerging telecommunications technologies. This bill will not impede new technologies but ensure they will not confound legitimate law enforcement needs.

Now when this was first proposed—first in the last administration and early on in this administration—I opposed the idea, because it appeared to me that not only were there inadequate safeguards to protect the individual privacy of all of us, but I was very concerned that it was going to set up the Justice Department as some kind of a traffic cop on new technologies.

One of the things that allows us to compete with the rest of the world, especially in our ability to export, is the genius of our technology and our ability to fashion new technology. I was concerned that we would no longer be able to do so and that the Justice Department could say, "Hold it, we don't want you to put in speed dial, we don't want you to put in call forwarding or anything else because it doesn't fit what we want."

This worried me, because, unfortunately, the Federal Government has adamantly and steadfastly stayed 10 to 15 years behind most emerging technologies. We have seen it here in the Senate, where we have had to use antiquated computer systems. We have seen it at the Department of Defense, where they have communications systems that look like they are something out of World War II and not out of the Star Wars they talk about.

Private industry has gone way ahead of the Federal Government in technology and computers and telecommunications, and I did not want it held back.

So what we have done now is put together a bill—Congressman EDWARDS, in the House, and myself—that will help law enforcement. But it also contains important expansions of privacy protection for transactional information, mobile phone communications, certain radio-based communications, and will not impede technology.

Regarding the issue of digital telephony, it should be noted we came an enormous way after countless meetings and literally hundreds of hours of work by people in the private sector, law enforcement, FBI Director Freeh, Members of the House and Senate and staff. But throughout all of this, the person who worked tirelessly and was involved in every single part of it was, and is, attorney Beryl Howell of the Judiciary Committee staff assigned to my Subcommittee on Technology and the Law.

Beryl Howell is a former prosecutor from the U.S. attorney's office in New York. She is a tremendous litigator, brilliant lawyer, and I think it is safe to say that without her work and her dedication, we would not be introducing this bill today.

Now that the crime conference is concluded, we expect to be considering the conference report shortly. The crime bill does not confront what Louis Freeh, the FBI Director, has identified as "the number one law enforcement, public safety, and national security issue facing us today."

That issue is wiretaps, and law enforcement's losing battle to keep up with new technologies that undermine its capability to use this powerful tool in its crime-fighting arsenal.

There is no doubt that wiretaps can produce powerful evidence against our most dangerous criminals. Instead of making deals with other criminals, or putting innocent bystanders at risk in order to have witnesses who can testify about a defendant's crimes, the police use wiretaps to catch and convict criminals with secretly taped words from their own mouths.

But the FBI and other law enforcement agencies have told Congress that their ability to use this tool is being undercut by new communications features and services that were designed with no thought as to how they might affect law enforcement.

Over the past few months, I have worked closely with Representative DON EDWARDS, chairman of the House Judiciary Subcommittee on Civil and Constitutional Rights, to write the bill I introduce today that addresses the No. 1 problem facing law enforcement today. Industry groups, privacy and civil liberties experts, and the FBI have worked diligently with us in this effort, and I applaud them for undertaking this difficult task. I look forward to hearing from these groups at a joint hearing with DON EDWARDS' Subcommittee this Thursday, with a view to making this bill even better.

My goal in this legislation is to assist legitimate law enforcement needs without jeopardizing privacy rights or frustrating the development of new communications technologies or the competitiveness of America's high-technology industry. I believe this bill achieves that goal.

This is not the first time that Congress has had to take a close look at the wiretap statute to take into account developments in communications technology and the structure of the telecommunications industry. We last did so in 1986 when we passed the Electronic Communications Privacy Act.

This law extended the reach of the Federal wiretap law, and its privacy protections, to electronic mail and computer-to-computer communications.

In February, FBI Director Freeh came to me and other Members of Congress to consult about a proposal to revise our wiretap law anew in the face of the increasing pace of advances in telecommunications technology and impediments to execution of court-ordered wiretaps. The Clinton administration followed up last March by sending Congress proposed legislation that made significant improvements to an earlier Bush administration draft proposal. We have built on those improvements to address the significant concerns that remained.

First, to ensure law enforcement's continued ability to conduct court-authorized wiretaps in light of new and emerging digital technologies, the bill sets forth four wiretap capability requirements that telecommunications carriers would be required to meet. This means that when the phone companies set about designing and deploying new services or features, they must consider law enforcement's needs among the numerous other factors that go into such designs.

Just as phone companies make sure that when they plug-in new services, the phone system is not shorted-out, so too we do not want to shortchange the American people's need for effective law enforcement.

Second, on the privacy front, the bill expands privacy and security protections for our telephone and computer communications in ways that were first recommended to me by a privacy and technology task force I organized in 1991. The protections of the Electronic Communications Privacy Act are extended to cordless phones and certain data communications transmitted by radio.

In addition, this bill increases the protection for transactional data on electronic communications services by requiring law enforcement to get a court order for access to those records.

The bill further protects privacy by requiring telecommunications systems to protect communications not authorized to be intercepted and by restricting the ability of law enforcement to use pen register devices for tracking purposes or for obtaining transactional information. Finally, the bill improves the privacy of mobile phones by expanding criminal penalties for stealing the service from legitimate users.

Third, to encourage innovation in telecommunications services, the bill states expressly that law enforcement agencies may not require the specific design of telecommunications systems or features, nor prohibit adoption of any such design, by any telecommunications provider.

The bill sets up a mechanism for ensuring law enforcement's wiretap capability needs while at the same time deferring to industry to decide how best to meet law enforcement's wiretap needs. No Government official will be put in charge of the future of our telecommunications industry.

This legislation leaves it to industry in the first instance.

But I also do not want industry and law enforcement representatives to get together in some back room and figure out how to wiretap America. It is important that this process be subject to public scrutiny, oversight, and accountability. This bill accomplishes this by requiring any standards or technical requirements that industry adopts to ensure wiretap capability be publicly available.

Furthermore, this bill avoids putting industry in the position of guaranteeing wiretap capability, with failure punished by stopping a service or feature that consumers want. If industry is ready to deploy a new phone feature or service, but cannot yet figure out how to give law enforcement access for lawful wiretaps, a court must take that into consideration and may not stop deployment of the service. On the other hand, if industry can fix the service to assist law enforcement, it must do so.

This bill preserves a legitimate law enforcement tool without jeopardizing privacy rights or frustrating innovation and the development of new technologies or undercutting the competitiveness of America's high-technology industries.

Mr. President, I ask unanimous consent that the legislation and a section-by-section analysis be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INTERCEPTION OF DIGITAL AND OTHER COMMUNICATIONS.

(a) IN GENERAL.—Part I of title 18, United States Code, is amended by inserting after chapter 119 the following new chapter:

"CHAPTER 120—TELECOMMUNICATIONS CARRIER ASSISTANCE TO THE GOVERNMENT

"Sec.
"2601. Definitions.
"2602. Assistance capability requirements.
"2603. Notices of capacity requirements.
"2604. Systems security and integrity.
"2605. Cooperation of equipment manufacturers and providers of telecommunications support services.
"2606. Technical requirements and standards; extension of compliance date.
"2607. Enforcement orders.
"2608. Reimbursement of telecommunications carriers.

"§ 2601. Definitions

"(a) DEFINITIONS.—In this chapter—

"the terms defined in section 2510 have, respectively, the meanings stated in that section.

"'call-identifying information'—

"(A) means all dialing or signalling information associated with the origin, direction, destination, or termination of each communication generated or received by the subscriber equipment, facility, or service of a telecommunications carrier that is the subject of a court order or lawful authorization; but

"(B) does not include any information that may disclose the physical location of the subscriber (except to the extent that the location may be determined from the telephone number).

"'Commission' means the Federal Communications Commission.

"'government' means the government of the United States and any agency or instrumentality thereof, the District of Columbia, any commonwealth, territory, or possession of the United States, and any State or political subdivision thereof authorized by law to conduct electronic surveillance.

"'information services'—

"(A) means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications; and

"(B) includes electronic publishing and messaging services; but

"(C) does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

"'provider of telecommunications support services' means a person or entity that provides a product, software, or service to a telecommunications carrier that is integral to such carrier's switching or transmission of wire or electronic communications.

"'telecommunications carrier'—

"(A) means a person or entity engaged in the transmission or switching of wire or electronic communications as a common carrier for hire (within the meaning of section 3(h) of the Communications Act of 1934 (47 U.S.C. 153(h))); and

"(B) includes—

"(i) a person or entity engaged in providing commercial mobile service (as defined in section 332(d) of the Communications Act of 1934 (47 U.S.C. 332(d))); and

"(ii) a person or entity engaged in providing wire or electronic communication switching or transmission service to the extent that the Commission finds that such service is a replacement for a substantial portion of the local telephone exchange service and that it is in the public interest to deem such a person or entity to be a telecommunications carrier for purposes of this chapter; but

"(C) does not include persons or entities insofar as they are engaged in providing information services.

"§ 2602. Assistance capability requirements

"(a) CAPABILITY REQUIREMENTS.—Except as provided in subsections (b), (c), and (d) of this section, and subject to section 2607(c), a telecommunications carrier shall ensure that its services or facilities that provide a customer or subscriber with the ability to originate, terminate, or direct communications are capable of—

"(1) expeditiously isolating and enabling the government to intercept, to the exclusion of any other communications, all wire and electronic communications carried by the carrier within a service area to or from equipment, facilities, or services of a subscriber of such carrier concurrently with their transmission to or from the subscriber's service, facility, or equipment or at such later time as may be acceptable to the government;

"(2) expeditiously isolating and enabling the government to access call-identifying information that is reasonably available to the carrier—

"(A) before, during, or immediately after the transmission of a wire or electronic communication (or at such later time as may be acceptable to the government); and

"(B) in a manner that allows it to be associated with the communication to which it pertains, except that, with regard to information acquired solely pursuant to the authority for pen registers and trap and trace devices (as defined in section 3127), such call-identifying information shall not include any information that may disclose the physical location of the subscriber (except to the extent that the location may be determined from the telephone number);

"(3) delivering intercepted communications and call-identifying information to the government in a format such that they may be transmitted by means of facilities or services procured by the government to a location other than the premises of the carrier; and

"(4) facilitating authorized communications interceptions and access to call-identifying information unobtrusively and with a minimum of interference with any subscriber's telecommunications service and in a manner that protects—

"(A) the privacy and security of communications and call-identifying information not authorized to be intercepted; and

"(B) information regarding the government's interception of communications and access to call-identifying information.

"(b) LIMITATIONS.—

"(1) DESIGN OF FEATURES AND SYSTEMS CONFIGURATIONS.—This chapter does not authorize any law enforcement agency or officer—

"(A) to require any specific design of features or system configurations to be adopted by providers of wire or electronic communication service, manufacturers of telecommunications equipment, or providers of telecommunications support services; or

"(B) to prohibit the adoption of any feature or service by providers of wire or electronic communication service, manufacturers of telecommunications equipment, or providers of telecommunications support services.

"(2) INFORMATION SERVICES AND INTERCONNECTION SERVICES AND FACILITIES.—The requirements of subsection (a) do not apply to—

"(A) information services; or

"(B) services or facilities that support the transport or switching of communications for the sole purpose of interconnecting telecommunications carriers or private networks.

"(3) ENCRYPTION.—A telecommunications carrier shall not be responsible for decrypting, or ensuring the government's ability to decrypt, any communication encrypted by a subscriber or customer, unless the encryption was provided by the carrier and the carrier possesses the information necessary to decrypt the communication.

"(c) EMERGENCY OR EXIGENT CIRCUMSTANCES.—In emergency or exigent circumstances (including those described in sections 2518 (7) or (11)(b) and 3125 of this title and section 1805(e) of title 50), a carrier may fulfill its responsibilities under subsection (a)(3) by allowing monitoring at its premises if that is the only means of accomplishing the interception or access.

"(d) MOBILE SERVICE ASSISTANCE REQUIREMENTS.—A telecommunications carrier offering a feature or service that allows subscribers to redirect, hand off, or assign their wire or electronic communications to another service area or another service provider or to utilize facilities in another service area or of another service provider shall ensure that, when the carrier that had been providing assistance for the interception of wire or electronic communications or access to call-identifying information pursuant to a court order or lawful authorization no longer has access to the content of such communications or call-identifying information within the service area in which interception has been occurring as a result of the subscriber's use of such a feature or service, information is available to the government (before, during, or immediately after the transfer of such communications) identifying the provider of wire or electronic communication service that has acquired access to the communications.

"§ 2603. Notices of capacity requirements

"(a) NOTICES OF MAXIMUM AND INITIAL CAPACITY REQUIREMENTS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this chapter, and after consulting with State and local law enforcement agencies, telecommunications carriers, providers of telecommunications support services, and manufacturers of telecommunications equipment, the Attorney General shall publish in the Federal Register and provide to appropriate telecommunications carrier associations, standard-setting organizations, and for a—

"(A) notice of the maximum capacity required to accommodate all of the communication interceptions, pen registers, and trap and trace devices that the Attorney General estimates that government agencies authorized to conduct electronic surveillance may conduct and use simultaneously; and

"(B) notice of the number of communication interceptions, pen registers, and trap and trace devices, representing a portion of the maximum capacity set forth under subparagraph (A), that the Attorney General estimates that government agencies authorized to conduct electronic surveillance may conduct and use simultaneously after the date that is 4 years after the date of enactment of this chapter.

"(2) BASIS OF NOTICES.—The notices issued under paragraph (1) may be based upon the type of equipment, type of service, number of subscribers, geographic location, or other measure.

"(b) COMPLIANCE WITH CAPACITY NOTICES.—

"(1) INITIAL CAPACITY.—Within 3 years after the publication by the Attorney General of a notice of capacity requirements or within 4 years after the date of enactment of this chapter, whichever is longer, a telecommunications carrier shall ensure that its systems are capable of—

"(A) expanding to the maximum capacity set forth in the notice under paragraph (1)(A); and

"(B) accommodating simultaneously the number of interceptions, pen registers, and trap and trace devices set forth in the notice under paragraph (1)(B).

"(2) PERMANENT CAPACITY.—After the date described in paragraph (1), a telecommunications carrier shall ensure that it can accommodate expeditiously any increase in the number of communication interceptions, pen registers, and trap and trace devices that authorized agencies may seek to conduct and use, up to the maximum capacity requirement set forth in the notice under paragraph (1)(A).

"(c) NOTICES OF INCREASED MAXIMUM CAPACITY REQUIREMENTS.—

"(1) The Attorney General shall periodically provide to telecommunications carriers written notice of any necessary increases in the maximum capacity requirement set forth in the notice under subsection (b)(1).

"(2) Within 3 years after receiving written notice of increased capacity requirements under paragraph (1), or within such longer time period as the Attorney General may specify, a telecommunications carrier shall ensure that its systems are capable of expanding to the increased maximum capacity set forth in the notice.

"§ 2604. Systems security and integrity

"A telecommunications carrier shall ensure that any court ordered or lawfully authorized interception of communications or access to call-identifying information effected within its switching premises can be activated only with the affirmative intervention of an individual officer or employee of the carrier.

"§ 2605. Cooperation of equipment manufacturers and providers of telecommunications support services

"(a) CONSULTATION.—A telecommunications carrier shall consult, as necessary, in a timely fashion with manufacturers of its telecommunications transmission and switching equipment and its providers of telecommunications support services for the purpose of identifying any service or equipment, including hardware and software, that may require modification so as to permit compliance with this chapter.

"(b) MODIFICATION OF EQUIPMENT AND SERVICES.—Subject to section 2607(c), a manufacturer of telecommunications transmission or switching equipment and a provider of telecommunications support services shall, on a reasonably timely basis and at a reasonable charge, make available to the telecommunications carriers using its equipment or services such modifications as are necessary to permit such carriers to comply with this chapter.

"§ 2606. Technical requirements and standards; extension of compliance date

"(a) SAFE HARBOR.—

"(1) CONSULTATION.—To ensure the efficient and industry-wide implementation of the assistance capability requirements under section 2602, the Attorney General, in coordination with other Federal, State, and local law enforcement agencies, shall consult with appropriate associations and standard-setting organizations of the telecommunications industry.

"(2) COMPLIANCE UNDER ACCEPTED STANDARDS.—A telecommunications carrier shall be found to be in compliance with the assistance capability requirements under section 2602, and a manufacturer of telecommunications transmission or switching equipment or a provider of telecommunications support services shall be found to be in compliance with section 2605, if the carrier, manufacturer, or support service provider is in compliance with publicly available technical requirements or standards are adopted by an industry association or standard-setting organization or by the Commission under subsection (b) to meet the requirements of section 2602.

"(3) ABSENCE OF STANDARDS.—The absence of technical requirements or standards for implementing the assistance capability requirements of section 2602 shall not—

"(A) preclude a carrier, manufacturer, or services provider from deploying a technology or service; or

"(B) relieve a carrier, manufacturer, or service provider of the obligations imposed by section 2602 or 2605, as applicable.

"(b) FCC AUTHORITY.—

"(1) IN GENERAL.—If industry associations or standard-setting organizations fail to issue technical requirements or standards or if a government agency or any other person believes that such requirements or standards are deficient, the agency or person may petition the Commission to establish, by notice and comment rulemaking or such other proceedings as the Commission may be authorized to conduct, technical requirements or standards that—

"(A) meet the assistance capability requirements of section 2602;

"(B) protect the privacy and security of communications not authorized to be intercepted; and

"(C) serve the policy of the United States to encourage the provision of new technologies and services to the public.

"(2) TRANSITION PERIOD.—If an industry technical requirement or standard is set aside or supplanted as a result of Commission action under this section, the Commission, after consultation with the Attorney General, shall establish a reasonable time and conditions for compliance with and the transition to any new standard, including defining the obligations of telecommunications carriers under section 2602 during any transition period.

"(c) EXTENSION OF COMPLIANCE DATE FOR FEATURES AND SERVICES.—

"(1) PETITION.—A telecommunications carrier proposing to deploy, or having deployed, a feature or service within 4 years after the date of enactment of this chapter may petition the Commission for 1 or more extensions of the deadline for complying with the assistance capability requirements under section 2602.

"(2) GROUND FOR EXTENSION.—The Commission may, after affording a full opportunity for hearing and after consultation with the Attorney General, grant an extension under this paragraph, if the Commission determines that compliance with the assistance capability requirements under section 2602 is not reasonably achievable through application of technology available within the compliance period.

"(3) LENGTH OF EXTENSION.—An extension under this paragraph shall extend for no longer than the earlier of—

"(A) the date determined by the Commission as necessary for the carrier to comply with the assistance capability requirements under section 2602; or

"(B) the date that is 2 years after the date on which the extension is granted.

"(4) APPLICABILITY OF EXTENSION.—An extension under this subsection shall apply to only that part of the carrier's business on which the new feature or service is used.

"§ 2607. Enforcement orders

"(a) ENFORCEMENT BY COURT ISSUING SURVEILLANCE ORDER.—If a court authorizing an interception under chapter 119, a State statute, or the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) or authorizing use of a pen register or a trap and trace device under chapter 206 or a State statute finds that a telecommunications carrier has failed to comply with the requirements in this chapter, the court may direct that the carrier comply forthwith and may direct that a provider of support services to the carrier or the manufacturer of the carrier's transmission or switching equipment furnish forthwith modifications necessary for the carrier to comply.

"(b) ENFORCEMENT UPON APPLICATION BY ATTORNEY GENERAL.—The Attorney General may apply to the appropriate United States district court for, and the United States district courts shall have jurisdiction to issue, an order directing that a telecommunications carrier, a manufacturer of telecommunications transmission or switching equipment, or a provider of telecommunications support services comply with this chapter.

"(c) GROUNDS FOR ISSUANCE.—A court shall issue an order under subsection (a) or (b) only if the court finds that—

"(1) alternative technologies or capabilities or the facilities of another carrier are not reasonably available to law enforcement for implementing the interception of communications or access to call-identifying information; and

"(2) compliance with the requirements of this chapter is reasonably achievable through the application of available technology to the feature or service at issue or would have been reasonably achievable if timely action had been taken.

"(d) TIME FOR COMPLIANCE.—Upon issuance of an enforcement order under this section, the court shall specify a reasonable time and conditions for complying with its order, considering the good faith efforts to comply in a timely manner, any effect on the carrier's, manufacturer's, or service provider's ability to continue to do business, the degree of culpability or delay in undertaking efforts to comply, and such other matters as justice may require.

"(e) LIMITATION.—An order under this section may not require a telecommunications carrier to meet the government's demand for interception of communications and acquisition of call-identifying information to any extent in excess of the capacity for which notice has been provided under section 2603.

"(f) CIVIL PENALTY.—

"(1) IN GENERAL.—A court issuing an order under this section against a telecommunications carrier, a manufacturer of telecommunications transmission or switching equipment, or a provider of telecommunications support services may impose a civil penalty of up to $10,000 per day for each day in violation after the issuance of the order or after such future date as the court may specify.

"(2) CONSIDERATIONS.—In determining whether to impose a fine and in determining its amount, the court shall take into account—

"(A) the nature, circumstances, and extent of the violation;

"(B) the violator's ability to pay, the violator's good faith efforts to comply in a timely manner, any effect on the violator's ability to continue to do business, the degree of culpability, and the length of any delay in undertaking efforts to comply; and

"(C) such other matters as justice may require.

"(3) CIVIL ACTION.—The Attorney General may file a civil action in the appropriate United States district court to collect, and the United States district courts shall have jurisdiction to impose, such fines.

"§ 2608. Reimbursement of telecommunications carriers

"(a) IN GENERAL.—The Attorney General shall, subject to the availability of appropriations, reimburse telecommunications carriers for all reasonable costs directly associated with—

"(1) the modifications performed by carriers prior to the effective date of section 2602 or prior to the expiration of any extension granted under section 2606(c) to establish the capabilities necessary to comply with section 2602;

"(2) meeting the maximum capacity requirements set forth in the notice under section 2603(a)(1)(A); and

"(3) expanding existing facilities to accommodate simultaneously the number of interceptions, pen registers and trap and trace devices for which notice has been provided under section 2603(a)(1)(B).

"(b) PROCEDURES AND REGULATIONS.—Notwithstanding any other law, the Attorney General may establish any procedures and regulations deemed necessary to effectuate timely and cost-efficient reimbursement to telecommunications carriers for reimbursable costs incurred under this chapter, under chapters 119 and 121, and under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).

"(c) DISPUTE RESOLUTION.—If there is a dispute between the Attorney General and a telecommunications carrier regarding the amount of reasonable costs to be reimbursed under subsection (b), the dispute shall be resolved and the amount determined in a proceeding initiated at the Commission under section 2606(b) or by the court from which an enforcement order is sought under section 2607.

"(d) LACK OF APPROPRIATED FUNDS.—The lack of appropriated funds sufficient to reimburse telecommunications carriers for modifications under subsection (a) shall be considered by the Commission or a court in determining whether compliance is reasonable under section 2607(c).".

(b) TECHNICAL AMENDMENT.—The part analysis for part I of title 18, United States Code, is amended by inserting after the item relating to chapter 119 the following new item:

"120. Telecommunications carrier assistance to the Government .... 2601".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out section 2608 of title 18, United States Code, as added by section 1—

(1) a total of $500,000,000 for fiscal years 1995, 1996, 1997, and 1998; and

(2) such sums as are necessary for each fiscal year thereafter.

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in paragraph (2), chapter 120 of title 18, United States Code, as added by section 1, shall take effect on the date of enactment of this Act.

(b) ASSISTANCE CAPABILITY AND SYSTEMS SECURITY AND INTEGRITY REQUIREMENTS.—Sections 2602 and 2604 of title 18, United States Code, as added by section 1, shall take effect on the date that is 4 years after the date of enactment of this Act.

SEC. 4. REPORTS.

(a) REPORTS BY THE ATTORNEY GENERAL.—

(1) IN GENERAL.—On or before November 30, 1995, and on or before November 30 of each year for 5 years thereafter, the Attorney General shall submit to the Congress a report on the amounts paid during the preceding fiscal year in reimbursement to telecommunications carriers under section 2608 of title 18, United States Code, as added by section 1.

(2) CONTENTS.—A report under paragraph (1) shall include—

(A) a detailed accounting of the amounts paid to each carrier and the technology, feature or service for which the amounts were paid; and

(B) projections of the amounts expected to be paid in the current fiscal year, the carriers to which reimbursement is expected to be paid, and the technologies, services, or features for which reimbursement is expected to be paid.

(b) REPORTS BY THE COMPTROLLER GENERAL.—

(1) IN GENERAL.—On or before April 1, 1996, and April 1, 1998, the Comptroller General of the United States, after consultation with the Attorney General and the telecommunications industry, shall submit to the Congress a report reflecting its audit of the sums paid by the Attorney General to carriers in reimbursement.

(2) CONTENTS.—A report under paragraph (1) shall include the findings and conclusions of the Comptroller General on the costs to be

incurred after the compliance date, including projections of the amounts expected to be incurred and the technologies, services, or features for which expenses are expected to be incurred.

SEC. 5. CORDLESS TELEPHONES.

(a) DEFINITIONS.—Section 2510 of title 18, United States Code, is amended—

(1) in paragraph (1) by striking "but such term does not include" and all that follows through "base unit"; and

(2) in paragraph (12) by striking subparagraph (A) and redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(b) PENALTY.—Section 2511 of title 18, United States Code, is amended—

(1) in subsection (4)(b)(i) by inserting "a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit," after "cellular telephone communication,"; and

(2) in subsection (4)(b)(ii) by inserting "a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit," after "cellular telephone communication,".

SEC. 6. RADIO-BASED DATA COMMUNICATIONS.

Section 2510(16) of title 18, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (D);

(2) by inserting "or" at the end of subparagraph (E); and

(3) by inserting after subparagraph (E) the following new subparagraph:

"(F) an electronic communication;"

SEC. 7. PENALTIES FOR MONITORING RADIO COMMUNICATIONS THAT ARE TRANSMITTED USING MODULATION TECHNIQUES WITH NONPUBLIC PARAMETERS.

Section 2511(4)(b) of title 18, United States Code, is amended by striking "or encrypted, then" and inserting ", encrypted, or transmitted using modulation techniques the essential parameters of which have been withheld from the public with the intention of preserving the privacy of such communication".

SEC. 8. TECHNICAL CORRECTION.

Section 2511(2)(a)(i) of title 18, United States Code, is amended by striking "used in the transmission of a wire communication" and inserting "used in the transmission of a wire or electronic communication".

SEC. 9. FRAUDULENT ALTERATION OF COMMERCIAL MOBILE RADIO INSTRUMENTS.

(a) OFFENSE.—Section 1029(a) of title 18, United States Code, is amended—

(1) by striking "or" at the end of paragraph (3); and

(2) by inserting after paragraph (4) the following new paragraphs:

"(5) knowingly and with intent to defraud uses, produces, traffics in, has control or custody of, or possesses a telecommunications instrument that has been modified or altered to obtain unauthorized use of telecommunications services; or

"(6) knowingly and with intent to defraud uses, produces, traffics in, has control or custody of, or possesses—

"(A) a scanning receiver; or

"(B) hardware or software used for altering or modifying telecommunications instruments to obtain unauthorized access to telecommunications services,".

(b) PENALTY.—Section 1029(c)(2) of title 18, United States Code, is amended by striking "(a)(1) or (a)(4)" and inserting "(a) (1), (4), (5), or (6)".

(c) DEFINITIONS.—Section 1029(e) of title 18, United States Code, is amended—

(1) in paragraph (1) by inserting "electronic serial number, mobile identification number, personal identification number, or other telecommunications service, equipment, or instrument identifier," after "account number,";

(2) by striking "and" at the end of paragraph (5);

(3) by striking the period at the end of paragraph (6) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(7) the term 'scanning receiver' means a device or apparatus that can be used to intercept a wire or electronic communication in violation of chapter 119.".

SEC. 10. TRANSACTIONAL DATA.

(a) DISCLOSURE OF RECORDS.—Section 2703 of title 18, United States Code, is amended—

(1) in subsection (c)—

(A) in subparagraph (B)—

(i) by striking clause (i); and

(ii) by redesignating clauses (ii), (iii), (iv) as clauses (i), (ii), and (iii), respectively; and

(B) by adding at the end the following new subparagraph:

"(C) A provider of electronic communication service or remote computing service shall disclose to a governmental entity the name, billing address, and length of service of a subscriber to or customer of such service and the types of services the subscriber or customer utilized, when the governmental entity uses an administrative subpoena authorized by a Federal or State statute or a Federal or State grand jury or trial subpoena or any means available under subparagraph (B)."; and

(2) by amending the first sentence of subsection (d) to read as follows: "A court order for disclosure under subsection (b) or (c) may be issued by any court that is a court of competent jurisdiction described in section 3126(2)(A) and shall issue only if the governmental entity offers specific and articulable facts showing that there are reasonable grounds to believe that the contents of a wire or electronic communication, or the records or other information sought, are relevant and material to an ongoing criminal investigation.".

(b) PEN REGISTERS AND TRAP AND TRACE DEVICES.—Section 3121 of title 18, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) LIMITATION.—A government agency authorized to install and use a pen register under this chapter or under State law, shall use technology reasonably available to it that restricts the recording or decoding of electronic or other impulses to the dialing and signalling information utilized in call processing.".

SECTIONAL SUMMARY

The bill consists of the following ten sections:

Sections 1 through 4 deal with law enforcement's wiretap capability and capacity needs.

Sections 5 through 7 expands the privacy protection of the Electronic Communications Privacy Act to cover cordless phones and certain radio-based communications, and Section 8 makes a technical correction to that law.

Section 9 improves the privacy and security of communications over cellular telephones by prohibiting the fraudulent alteration of such telephones for the purpose of stealing service.

Section 10 protects the privacy of electronic communications by requiring a court order for the disclosure of transactional data and by limiting the use of pen registers that intercept information other than dialing or signalling information.

Section 1. Interception of digital and other communications. This section adds a new chapter 120 to title 18, United States Code, to define more precisely the assistance that telecommunications carriers are required to provide in connection with court orders for wire and electronic interceptions, pen registers and trap and trace devices. This new chapter contains eight sections numbered 2601 through 2608.

Section 2601 provides definitions for "call-identifying information," "information services," "government," "providers of telecommunication support services," "telecommunications carrier."

A "Telecommunications carrier" is defined as any person or entity engaged in the transmission or switching of wire or electronic communications as a common carrier for hire, as defined by section 3(h) of the Communications Act of 1934, and includes a commercial mobile service, as defined in section 332(d) of the Communications Act. This definition encompasses such service providers as local exchange carriers, interexchange carriers, competitive access providers (CAPS), cellular carriers, providers of personal communications services (PCS), satellite-based service providers, and any other common carrier who offers wireline or wireless service for hire to the public. It does not include persons or entities to the extent engaged in providing information services, such as electronic mail providers, on-line services providers, such as Compuserve, Prodigy, America On line or Mead Data, or commercial Internet providers. It also does not include "enhanced services" as defined by the FCC at the time of this Act. Such "enhanced services" do not include call forwarding, speed dialing, or the call forwarding portion of a voice mail service.

In addition, for purposes of this Act, the FCC is authorized to deem other persons and entities to be telecommunications carriers subject to the assistance requirements in section 2602 to the extent that such person or entity serves as a replacement for the local telephone service to a substantial portion of the public within a state. Such an entity would satisfy the criteria for a "local exchange carrier" under section 101(b)(jj) H.R. 3626, passed by the U.S. House of Representatives on June 28, 1994. As part of its determination whether the public interest is served by deeming a person or entity a telecommunications carrier for the purposes of this Act, the Commission shall consider whether such determination would promote competition, encourage the development of new technologies, and protect public safety and national security.

The term "call-identifying information" means the dialing or signalling information generated which identifies the origin and destination or a wire or electronic communication placed to, or received by, the facility or service that is the subject of the court order or lawful authorization. For voice communications, this information is typically the electronic pulses, audio tones, or signalling messages that identify the numbers dialed or otherwise transmitted. In pen register investigations, these pulses, tones, or messages identify the numbers dialed from the facility that is the subject of the court order authorization. In trap and trace investigations, these are the incoming pulses, tones, or messages which identify the originating number of the facility from which the call was placed and which are captured when directed to the facility that is the subject of the court order or authorization.

The term "government" means the government of the United States and any agency or instrumentality thereof, the District of Columbia, any commonwealth, territory, or possession of the United States, and any state or political subdivision thereof authorized by law to conduct electronic surveillance.

The term "provider of telecommunications support services" means any person or entity that provides products, software or services to a common carrier that are integral to the switching of transmissions for wire or electronic communications. There are currently over one hundred such support service providers that provide common carriers with specialized support services.

Section 2602, entitled "Assistance capability requirements," consists of four subsections. Subsection (a) sets forth four "Capability Requirements," which every telecommunications carrier is required to meet in connection with those services or facilities that allow customers to originate, terminate or direct communications. The first requirement is expeditiously to isolate and enable the government to intercept all messages in the carrier's control to or from the equipment, facilities or services of a subscriber, concurrently with the messages' transmission, or at any later time acceptable to the government.

The second requirement is expeditiously to isolate and enable to government to access reasonably available call identifying information about the origin and destination of communications. Access must be provided in such a manner that the information may be associated with the communication to which it pertains and is provided to the government before, during or immediately after the message's transmission to or from the subscriber, or at any later time acceptable to the government. Call identifying information obtained by pen register and trap and trace devices may not include information disclosing the physical location of the subscriber sending or receiving the message, except to the extent that location is indicated by the phone number.

The third requirement is to make intercepted messages and call identifying information available to government so they may be transmitted over lines or facilities leased or procured by law enforcement to a location away from the carrier's premises.

The final requirement is to meet these requirements with a minimum of interference with the subscriber's service and in such a way that protects the privacy or messages and call identifying information that are not targeted by electronic surveillance orders, and that maintains the confidentiality of the government's wiretaps.

Subsection (b) limits the scope of the assistance requirements in several important ways. First, law enforcement agencies are not permitted to require the specific design of systems or features, nor prohibit adoption of any such design, by wire or electronic communication service providers or equipment manufacturers. The legislation leaves it to industry to decide how to comply. A carrier need not insure that each individual component of its network or system complies with the requirements so long as each communications session can be intercepted at some point.

Second, the capability requirements only apply to those services or facilities that enable a subscriber to make, receive or direct calls. They do not apply to information services, such an electronic mail providers, online services providers, such as Compuserve, Prodigy, America On line or Mead Data, or commercial Internet providers. Nor do they apply to services merely supporting the transport or switching of communications for the sole purposes of interconnecting carriers or private networks. Thus, a carrier providing a customer with a service or facility that allows the customer to obtain access to a publicly switched network is responsible for complying with the capability requirements. On the other hand, for communications handled by multiple carriers, a carrier that does not originate or terminate the message, but merely interconnects two other carriers, are not subject to the requirements for the interconnection part of its facilities.

Finally, telecommunications carriers have no responsibility to decrypt encrypted communications that are the subject of court-ordered wiretaps, unless the carrier provided the encryption and can decrypt it. This obligation is consistent with the obligation to furnish all necessary assistance under 18 U.S.C. Section 2518(4). Nothing in this paragraph would prohibit a carrier from deploying an encryption service for which it does not retain the ability to decrypt communications for law enforcement access.

Subsection (c) allows a carrier, in emergency or exigent circumstances, to fulfill its obligation to deliver communications to law enforcement under the third capability requirement by allowing monitoring on the carrier's premises.

Subsection (d), entitled "Mobile Service Assistance Requirement," addresses the responsibility of the carrier who can no longer deliver a message or call identifying information to law enforcement because the subscriber, the message and the call identifying information have left the carrier's service area. In such a case, the carrier that had the assistance responsibility is not required to continue providing the government with the message content of call identifying information, but must notify the government which carrier or service provider has subsequently picked up the message or call identifying information and begun serving the subscriber, subject to limitations on disclosing location information as described in section 2602(a).

Section 2603, entitled "Notice of capacity requirements," places the burden on the government to estimate its capacity needs and to do so in a cost-conscious manner, while also providing carriers with a "safe harbor" for capacity. Subsection (a) requires the Attorney General, within one year of enactment, to publish in the Federal Register and provide to appropriate industry associations and standards bodies notices of both the maximum capacity and the initial capacity required to accommodate all intercepts, pen registers, and trap and trace devices the government (including federal, state and local law enforcement) expects to operate simultaneously.

The maximum capacity relates to the greatest number of intercepts a particular switch or system must be capable of implementing simultaneously. The initial capacity relates to the number of intercepts the government will need to operate upon the date that is four years after enactment.

The Attorney General is directed to develop the notice after consultation with local and state law enforcement authorities and the carriers, equipment manufacturers and providers of support services. The Attorney General is given flexibility in determining the form of the notice. For example, the notice may be in the form of a specific number for a particular geographic area, or a generally applicable formula based on the number of subscribers served by a carrier.

Subsection (b) provides that telecommunications carriers must ensure that, within three years after publication of the notice, or within four years after enactment, whichever is longer, they have the maximum capacity and the initial capacity to execute all electronic surveillance orders. If the Attorney General publishes the first capacity notices before the statutory time of one year has elapsed, compliance by carriers must be achieved at the same time as the effective date in Section 2 of this Act. In the event the Attorney General publishes the notices after the statutory time limit, carriers will have three years thereafter to comply, which time period will fall after the effective date in Section 2 of this Act.

Subsection (c) requires the Attorney General periodically to give telecommunications carriers notice of any necessary increases in maximum capacity. Carriers will have at least three years, and up to any amount of time beyond three years agreed to by the Attorney General, to comply with the increased maximum capacity requirements.

Section 2604 protects systems security and integrity by requiring that any electronic surveillance effected within a carrier's switching premises be activated only with intervention by an employee of the carrier. The switching premises include central offices and mobile telephone switching offices (MTSOs).

This makes clear that government agencies do not have the authority to activate remotely interceptions within the premises of a telecommunications carrier. All executions of court orders or authorizations requiring access to the switching facilities will be made through individuals authorized and designated by the telecommunications carrier. Activation of interception orders or authorizations originating in local loop wiring or cabling can be effected by government personnel or by individuals designated by the telecommunications carrier, depending upon the amount of assistance the government requires.

Section 2605 requires a telecommunications carrier to consult with its own equipment manufacturers and support service providers to identify those services or equipment to which modifications must be made for the carriers to comply with the capability requirements. Manufacturers and support services providers are required to make available to their customers who are telecommunications carriers the necessary modifications on a reasonably timely basis and at a reasonable charge.

These responsibilities of the manufacturers and support services providers make clear that they have a critical role in ensuring that lawful interceptions are not thwarted. Without their assistance, telecommunications carriers likely could not comply with the capability requirements.

Section 2606 establishes a mechanism for implementation of the capability requirements that defers, in the first instance, to industry standards organizations. Subsection (a) directs the Attorney General and other law enforcement agencies to consult with associations and standard-setting bodies of the telecommunications industry. Carriers, manufacturers and support service providers will have a "safe harbor" and be considered in compliance with the capability requirements if they comply with publicly available technical requirements or standards designed in good faith to implement the assistance requirements.

This section states affirmatively that the absence of standards will not preclude carriers, manufacturers or support service providers from deploying a technology or service, but they must still comply with the assistance requirements.

Subsection (b) provides a forum at the Federal Communications Commission in the event a dispute arises over the technical requirements or standards. Anyone can petition the FCC to establish technical requirements or standards, if none exist, or challenge any such requirements or standards issued by industry associations or bodies under this section. In taking any action under this section, the FCC is directed to protect privacy and security of communications that are not the targets of court-ordered electronic surveillance and to serve the policy of the United States to encourage the provision of new technologies and services to the public.

If an industry technical requirement or standard is set aside or supplanted by the FCC, the FCC is required to consult with the Attorney General and establish a reasonable time and conditions for compliance with and the transition to any new standard. The FCC may also define the assistance obligations of the telecommunications carriers during this transition period.

Subsection (c) gives telecommunications carriers an additional two years to achieve compliance with the Capability Requirements beyond the four years provided in Section 2 of the Act, if they petition for, and the FCC grants, an extension. The FCC may grant a petition for relief from compliance with the Capability Requirements for up to two years in circumstances where the carrier can show that compliance with those requirements is not reasonably achievable through application of technology available within the four year compliance period. The Attorney General will reimburse the carrier for any necessary modifications made during the extension period.

Any extension granted under this subsection applies only to that part of the carrier's business on which the feature or service at issue is used.

Section 2607 provides for enforcement of the Act by the courts. Subsection (a) provides that a court may order telecommunications carriers, equipment manufacturers and support service providers to comply forthwith with the requirements of the Act in circumstances where an electronic surveillance order or authorization has been issued but cannot be effected because a carrier has failed to comply with the requirements of the Act. This provision compliments the existing requirement in 18 U.S.C. §2518(4) that an order authorizing electronic surveillance may direct that providers of wire or electronic communications services or any "other person . . . furnish . . . forthwith all information, facilities, and technical assistance necessary to accomplish the interception."

Subsection (b) authorizes the Attorney General, in the absence of a particular electronic surveillance order or authorization, to apply to an appropriate United States Court for an enforcement order directing a telecommunications carriers, equipment manufacturers and support services provider to comply with the Act. In order to avoid disparate enforcement actions throughout the country which could be burdensome for telecommunications carriers, this authority is vested in the Attorney General of the United States through the Department of Justice and the Offices of the various United States Attorneys.

Subsection (c) places limitations on the court's authority to issue enforcement orders. First, the court must find that law enforcement has no alternatives reasonably available for implementing the order through use of other technologies or by serving the order on another carrier or service provider. Essentially, the court must find that law enforcement is seeking to conduct its interception at the best, or most reasonable, place for such interception.

Second, the court must find that compliance with the requirements of the Act are reasonably achievable through application of available technology, or would have been reasonably achievable if timely action had been taken. Of necessity, a determination of "reasonably achievable" will involve a consideration of economic factors. This limitation is intended to excuse a failure to comply with the Capability Requirements or capacity notices where the total cost of compliance is wholly out of proportion to the usefulness of achieving compliance for a particular type or category of services or features. This subsection recognizes that, in certain circumstances, telecommunications carriers may deploy features or services even though they are not in compliance with the requirements of this Act.

In the event that either of these standards is not met, the court may not issue an enforcement order and the carrier may proceed with deployment, or with continued offering to the public, of the feature or service at issue.

Subsection (d) requires a court upon issuance of an enforcement order to set a reasonable time and conditions for complying with the order. In determining what is reasonable, the court may consider as to each party before it a number of enumerated factors.

Subsection (e) provides that an order may not be issued requiring a carrier to exceed the capacity set forth in the Attorney General's notices under section 2603.

Subsection (f) provides for a civil penalty up to $10,000 per day for any carrier, equipment manufacturer or support service who wilfully violates the section. In setting the appropriate amount of the fine, a court may consider a number of enumerated factors, including the nature, circumstances, and extent of the violation, and, with respect to the violator, ability to pay, good faith efforts to comply in a timely manner, effect on ability to continue to do business, the degree of culpability or delay in undertaking efforts to comply, and such other matters as justice may require.

Section 2608, entitled "Reimbursement of Telecommunications Carriers" provides, in subsection (a), that the Attorney General is required to pay all reasonable costs directly associated with modifications required to comply with the Capability Requirements, either during the period of four years after enactment or during any extension period granted by the FCC. In addition, the Attorney General is required to pay such costs for expanding the carrier's facilities in the event such expansion is necessary to comply with the notices issued under section 2603 of maximum and initial capacity needed by law enforcement.

Subsection (b) authorizes the Attorney General to establish necessary regulations and procedures to reimburse carriers.

Subsection (c) provides that any dispute over costs is to be resolved by the FCC or the court from which an enforcement order is sought.

Subsection (d) provides that if appropriated funds are insufficient to satisfy the Attorney General's obligation under subsection (a) to reimburse carriers for the modifications required under section 2602 and for the capacity required under section 2603, the court may take this into account in determining whether compliance is reasonably achievable before issuing any enforcement order. The FCC may take this into account in determining whether compliance is reasonably achievable during a proceeding to extend the deadline for compliance with the Capability Requirements.

Section 2. Authorization of appropriations. This section authorizes $500,000,000 to be appropriated for 1995 through 1998, which encompasses the four years after enactment, and thereafter any additional amounts that may be necessary to carry out the purposes of the Act.

Section 3. Effective date. This section sets the effective date for compliance with the Capability Requirements in section 2602 and the Systems Security and Integrity requirement in section 2604 as four years after the enactment. All other provisions take effect upon date of enactment.

Section 4. Reports. The Attorney General is required to report annually to Congress periodically for the five years after enactment on the monies expended under the Act. In addition, the General Accounting Office is required to report in 1996 and 1998 on costs of compliance with this Act.

Section 5. Cordless telephones. The Electronic Communications Privacy Act (ECPA), which amended the wiretap statute in 1986, exempted from the protection of the Act "the radio portion of a cordless telephone that is transmitted between the cordless telephone handset and the base unit." 18 U.S.C. §2510 (1) & (12). In view of the current ubiquitous use of such phones and the expectation that such calls are protected just like other calls, Sen. Leahy's 1991 Privacy and Technology Task Force Report ("Task Force") recommended that privacy protection be extended to cordless phones, provided an exception for unintentional or accidental party interception was preserved.

Consistent with the Task Force's recommendations and the Administration's digital telephony proposal, the bill would delete the exceptions for cordless phones and impose a penalty of up to $500 for intentionally intercepting such communications.

Sections 6 & 7. Radio-based communications. ECPA does not protect communications that are "readily accessible to the general public," which includes radio communications, unless they fit into one of the five specified categories. These excepted categories enjoy protection because they usually are not susceptible to interception by the general public.

Consistent with the Task Force's recommendations and the Administration's digital telephony proposal, the bill would add "electronic communication" as a category of radio communication covered by the wiretap statute. This would provide protection for all forms of electronic communications, including data, even when they may be transmitted by radio.

The bill also amends the penalty provision to treat communications using modulation techniques in the same fashion as those where encryption has been employed to secure communications privacy. This paragraph refers to spread spectrum radio communications, which usually involve the transmission of a signal on different frequencies where the receiving station must possess the necessary algorithm in order to reassemble the signal.

Section 8. Technical correction. The wiretap law permits interception of wire communications by a wire or electronic service provider in the normal course of business to render services or protect rights or property. The bill would make a technical correction and expand the exception to include electronic communications.

Section 9. Clone phones. This section amends the Counterfeit Access Device law to criminalize the use of cellular phones that are altered, or "cloned," to allow free riding on the cellular phone system. Specifically, this section prohibits the use of an altered telecommunications instrument, or a scanning receiver, hardware or software, to obtain unauthorized access to telecommunications services. A scanning receiver is defined as a device used to intercept illegally wire, oral or electronic communications. The penalty for violating this new section is imprisonment for up to fifteen years and a fine of the greater of $50,000 or twice the value obtained by the offense.

Section 10. Transactional data. Recognizing that transactional records from on-line communication systems reveal more than telephone toll records or mail covers, subsection (a) eliminates the use of a subpoena by law enforcement to obtain from a provider or electronic communication services the addresses on electronic messages. In order for law enforcement to obtain such information, a court order is required.

This section imposes an intermediate standard to protect on-line transactional records. It is a standard higher than a subpoena, but not a probable cause warrant. The intent of raising the standard for access to transactional data is to guard against "fishing expeditions" by law enforcement. Under the intermediate standard, law enforcement must show facts which establish why such records are relevant and material to an ongoing criminal investigation.

Law enforcement could still use a subpoena to obtain the name, billing address, and length of service of a subscriber to or customer of such service and the type of services the subscriber or customer utilized.

Subsection (b) requires government agencies installing and using pen register devices to use, when reasonably available, technology that restricts the information captured by such device to the dialling or signaling information necessary to direct or process a call, excluding any further communications conducted through the use of dialled digits that would otherwise be captured.

ADDITIONAL COSPONSORS

S. 993

At the request of Mr. KEMPTHORNE, the names of the Senator from Arkansas [Mr. BUMPERS] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 993, a bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

S. 1412

At the request of Mr. LIEBERMAN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1412, a bill to amend title 13, United States Code, to require that any data relating to the incidence of poverty, produced or published by the Secretary of Commerce for subnational areas is corrected for differences in the cost of living in those areas.

S. 1513

At the request of Mr. KENNEDY, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 1513, a bill entitled "Improving America's Schools Act of 1993."

S. 1541

At the request of Mr. COVERDELL, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1541, a bill to provide that a nongovernmental person may use a private express carriage of certain letters and packets without being penalized by the Postal Service, and for other purposes.

S. 1822

At the request of Mr. DANFORTH, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1822, a bill to foster the further development of the Nation's telecommunications infrastructure and protection of the public interest, and for other purposes.

S. 1898

At the request of Mr. RIEGLE, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 1898, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly traded stock to certain private foundations, and for other purposes.

S. 1976

At the request of Mr. DODD, the names of the Senator from Texas [Mrs. HUTCHISON] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1976, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the act.

S. 2192

At the request of Mr. BENNETT, the names of the Senator from Delaware [Mr. ROTH] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 2192, a bill to amend the Securities Exchange Act of 1934 with respect to the extension of unlisted trading privileges for corporate securities, and for other purposes.

S. 2255

At the request of Mr. GORTON, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2255, a bill to amend the Budget Enforcement Act of 1990 to establish a new budget point of order against any amendment, bill, or conference report that directs increased revenues from additional taxation of Social Security or railroad retirement benefits to a fund other than the Social Security trust fund or the Social Security equivalent benefit account.

S. 2312

At the request of Mr. DASCHLE, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from Iowa [Mr. GRASSLEY], the Senator from Montana [Mr. BAUCUS], the Senator from Nebraska [Mr. KERREY], the Senator from North Dakota [Mr. DORGAN], the Senator from Idaho [Mr. CRAIG], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from Iowa [Mr. HARKIN], the Senator from Illinois [Mr. SIMON], the Senator from Wisconsin [Mr. KOHL], the Senator from Montana [Mr. BURNS], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Oklahoma [Mr. BOREN], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alabama [Mr. SHELBY], the Senator from South Dakota [Mr. PRESSLER], the Senator from Missouri [Mr. BOND], the Senator from Alabama [Mr. HEFLIN], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 2312, a bill to maintain the ability of U.S. agriculture to remain viable and competitive in domestic and international markets, to meet the food and fiber needs of United States and international consumers, and for other purposes.

S. 2330

At the request of Mr. ROCKEFELLER, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mrs. MURRAY], the Senator from Kansas [Mr. DOLE], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 2330, a bill to amend title 38, United States Code, to provide that undiagnosed illnesses constitute diseases for purposes of entitlement of veterans to disability compensation for service-connected diseases, and for other purposes.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT FOR FISCAL YEAR 1995

BUMPERS (AND OTHERS) AMENDMENT NO. 2481

Mr. BUMPERS (for himself, Mr. CONRAD, Mr. LEAHY, Mr. FEINGOLD, Mr. KOHL, Mr. WELLSTONE, and Mr. SIMON) proposed an amendment to the bill (H.R. 4650) making appropriations for the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes; as follows:

On page 37, line 7, in lieu of the matter proposed to be inserted, add the following: "$12,111,511,000, to remain available for obligation until September 30, 1996: Provided that of the funds appropriated in this paragraph, none may be obligated or expended for parts or other components associated with the acquisition of Milstar satellites numbers 5 and 6: Provided further that $61,595,000 shall be used to develop an advanced EHF military satellite communications system."

BOXER (AND OTHERS) AMENDMENT NO. 2482

Mr. INOUYE (for Mrs. BOXER, for herself, Mr. STEVENS, and Mr. INOUYE) proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 142, between lines 7 and 8, insert the following:

SEC. 8121. (a) STUDY.—The Secretary of Defense shall conduct a study of the receipt of benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) by the members of the Armed Forces. The study shall include the following elements:

(1) The number of members of the Armed Forces who are eligible to receive benefits under that Act.

(2) The number of such members who receive benefits under that Act.

(3) The location by State and region of the members referred to in paragraphs (1) and (2).

(4) An estimate of the cost of raising the rate of basic pay of members of the Armed Forces to a rate at which such members would no longer be eligible to receive benefits under that Act.

(b) REPORT.—The Secretary shall submit to Congress a report on the study required under subsection (b) not later than 180 days after the date of the enactment of this Act.

BREAUX AMENDMENT NO. 2483

Mr. BREAUX proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 41 on line 9 after "1744)" insert: ": *Provided further*, That the Secretary of Defense shall provide a recommendation for additional funding from the Department of Defense to finance shipbuilding loan guarantees under Title XI of the Merchant Marine Act of 1936 (46 App. U.S.C. 1271)".

REID AMENDMENT NO. 2484

Mr. INOUYE (for Mr. REID) proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 34, line 2, strike out the period at the end and insert in lieu thereof ": *Provided*, That of the amount appropriated in this paragraph, $7,000,000 shall be made available only for the procurement of the Common Automatic Recovery System for the Pioneer Unmanned Aerial Vehicle System.".

PRESSLER AMENDMENT NO. 2485

Mr. INOUYE (for Mr. PRESSLER) proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 142, between lines 7 and 8, insert the following new section:

SEC. 8121. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the appropriate congressional committees setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

(c) As used in this section, the term "appropriate congressional committees" means—

(1) the Committees on Appropriations of the House of Representatives and the Senate;

(2) the Committees on Armed Services of the House of Representatives and the Senate; and

(3) the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

GLENN AMENDMENT NO. 2486

Mr. INOUYE (for Mr. GLENN) proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 29, line 15, before the period, insert: ": *Provided*, That of the funds appropriated in this paragraph, up to $10,500,000 may be used for the procurement of command, control, communications, and computer equipment for a Joint Training, Analysis and Simulation Center for the United States Atlantic Command."

HARKIN AMENDMENT NO. 2487

Mr. INOUYE (for Mr. HARKIN) proposed an amendment to the bill H.R. 4650, supra; as follows:

On page 39, line 2, to add after the word "section", the following: ": *Provided further*, That, of the funds made available under this heading, $5.6 million shall be available for the Integrated Product and Process Development Program.

HELMS AMENDMENT NO. 2488

Mr. HELMS proposed an amendment to the bill H.R. 4650, supra; as follows:

At the appropriate place, add the following:

SEC. . RESPONSIBLE HEALTH CARE REFORM.

(a) FINDINGS.—The Senate finds that—

(1) health care reform proposals to be considered in August 1994 in the Senate and the House of Representatives will significantly affect the health care received by each and every American;

(2) such health care reform proposals impose many new and increased taxes which will be borne by all working Americans;

(3) all health care reform proposals that require employers to purchase and pay for health insurance for their employees will result in hundreds of thousands of Americans losing their jobs;

(4) most Americans oppose having the Federal Government force everyone to buy a standard package of health insurance coverage that is the same for everyone, regardless of age, gender, or religion;

(5) an overwhelming majority of Americans believe that Congress should change only those parts of the health care system that do not work and avoid getting the Federal Government more involved in health care than it already is;

(6) an overwhelming majority of Americans have stated their belief that health care reforms being considered by Congress will lead to health care rationing;

(7) by a wide margin, the American people prefer that rather than rush to enact a health reform bill in 1994, Congress should take time to debate this issue and do it right, even if that means putting off passing a bill until next year;

(8) despite the wishes of the American people, the congressional leadership has imposed arbitrary deadlines on the consideration of health care reform by both Houses of Congress.

(9) in our democracy, the American people should have maximum input into the manner in which health care is reformed; and

(10) the mid-term congressional elections will provide the American people with a means to express their voices on the shape that health care reform should take.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that major health care reform is too important to enact in a rushed fashion, and Congress should take whatever time is necessary to do it right by deferring action until next year to give Congress and the American people ample time to obtain, read, and consider all alternatives and make wise choices unless the Senate has had the full opportunity to debate and amend the proposal after the congressional budget office estimates have been made available.

BUMPERS (AND OTHERS) AMENDMENT NO. 2489

Mr. BUMPERS (for himself, Mr. CONRAD, Mr. FEINGOLD, Mr. KOHL, Mr. HARKIN, and Mr. DORGAN) proposed an amendment to the bill H.R. 4650, supra; as follows:

In lieu of the matter proposed to be inserted at line 8 on page 25, add the following: "$1,418,470,000 to remain available for obligation until September 30, 1997: *Provided*, That of the funds appropriated in this paragraph, none may be obligated or expended on the Trident II Missile program."

BRADLEY AMENDMENT NO. 2490

Mr. BRADLEY proposed an amendment to the bill (H.R. 4650) supra; as follows:

At the end of the bill, add the following:

TITLE ___—APPROPRIATIONS PROCESS ACCOUNTABILITY ACT

SECTION ___1. SHORT TITLE.

This title may be cited as the "Appropriations Process Accountability Act".

SEC. ___2. JOINT RESOLUTION ALLOCATING APPROPRIATED SPENDING.

(a) COMMITTEE APPROPRIATIONS RESOLUTION.—Section 302(b) of the Congressional Budget Act of 1974 is amended to read as follows:

"(b) COMMITTEE SUBALLOCATIONS.—

"(1) COMMITTEES ON APPROPRIATIONS.—(A) As soon as practical after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House shall, after consulting with Committee on Appropriations of the other House, report to its House an original joint resolution on appropriations allocations (referred to in the paragraph as the 'joint resolution') that contains the following:

"(i) A subdivision among its subcommittees of the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution.

"(ii) A subdivision of the amount with respect to each such subcommittee between controllable amounts and all other amounts.

The joint resolution shall be placed on the calendar pending disposition of such joint resolution in accordance with this subsection.

"(B)(i) Except as provided in clause (ii), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of joint resolutions reported under this paragraph and conference reports thereon.

"(ii)(I) Debate in the Senate on any joint resolution reported under this paragraph, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

"(II) The Committee on Appropriations shall manage the joint resolution.

"(C) The allocations of the Committees on Appropriations shall not take effect until the joint resolution is enacted into law.

"(2) OTHER COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to every committee of the House and Senate (other than the Committees on Appropriations) to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made—

"(A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction; and

"(B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this paragraph.".

(b) POINT OF ORDER.—Section 302(c) of the Congressional Budget Act of 1974 is amended by striking "such committee makes the allocation or subdivisions required by" and inserting "such committee makes the allocation or subdivisions in accordance with".

(c) ALTERATION OF ALLOCATIONS.—Section 302(e) of the Congressional Budget Act of 1974 is amended to read as follows:

"(e) ALTERATION OF ALLOCATIONS.—

"(1) Any alteration of allocations made under paragraph (1) of subsection (b) proposed by the Committee on Appropriations of either House shall be subject to approval as required by such paragraph.

"(2) At any time after a committee reports the allocations required to be made under subsection (b)(2), such committee may report to its House an alteration of such allocations. Any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.".

SEC. ___3. AMENDMENTS TO APPROPRIATIONS BILL.

Section 302 of the Congressional Budget Act of 1974 is amended by—

(1) redesignating subsection (g) as subsection (h); and

(2) inserting after subsection (f) the following:

"(g) AMENDMENTS TO APPROPRIATIONS ACT REDUCING ALLOCATIONS.—

"(1) FLOOR AMENDMENTS.—Notwithstanding any other provision of this Act, an amendment to an appropriations bill shall be in order if—

"(A) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill; or

"(B) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill and the 4 succeeding fiscal years.

"(2) CONFERENCE REPORTS.—(A) It shall not be in order to consider a conference report on an appropriations bill that contains a provision reducing subcommittee allocations and discretionary spending included in both the bill as passed by the Senate and the House of Representatives if such provision provides reductions in such allocations and spending that are less than those provided in the bill as passed by the Senate or the House of Representatives.

"(B) It shall not be in order in the Senate or the House of Representatives to consider a conference report on an appropriations bill that does not include a reduction in subcommittee allocations and discretionary spending in compliance with subparagraph (A) contained in the bill as passed by the Senate and the House of Representatives.".

SEC. ___4. SECTION 602(b) ALLOCATIONS.

Section 602(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

(1) SUBALLOCATIONS BY APPROPRIATIONS COMMITTEES.—The Committee on Appropriations of each House shall make allocations under subsection (a)(1)(A) or (a)(2) in accordance with section 302(b)(1).".

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a markup on Wednesday, August 10, 1994, beginning at 2 p.m., in 216 Hart Senate Office Building on S. 2036, the Indian Self-Determination Contract Reform Act of 1994; S. 2150, the Native Hawaiian Housing Assistance Act of 1994; S. 2259, the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act; S. 2269, the Native American Cultural Protection and Free Exercise of Religion Act of 1994; S. 2329, the Mohegan Nation of Connecticut Land Claims Settlement Act; H.R. 4228, the Auburn Indian Restoration Act; and, for other purposes to be followed immediately by confirmation hearings for Harold Monteau to serve as the Chairman of the National Indian Gaming Commission and Gary Kimble to serve as the Commissioner for the Administration for Native Americans.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SUBCOMMITTEE ON AGRICULTURAL RESEARCH, CONSERVATION, FORESTRY, AND GENERAL LEGISLATION

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry, Subcommittee on Agricultural Research, Conservation, Forestry, and General Legislation will hold a field hearing on Monday, August 29, 1994, at 2 p.m., in the Boise City Hall, Les Bois Room, 3d floor, 150 North Capitol Boulevard, Boise, ID, to examine forest health conditions in the Intermountain west, and to review how the new Forest Service appeal regulations serve proposed activities related to forest health.

For further information, please contact Norman Arseneault at (202) 224–4604.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, August 9, 1994, at 2:30 p.m., in closed session, to receive a briefing, in preparation for the August 11 committee hearing, on the chemical weapons threat and ability of the intelligence community to verify and monitor the chemical weapons convention.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Tuesday, August 9, 1994, at 10 a.m. The committee will hold a full committee hearing on recommendations to improve the Small Business Administration's Minority Small Business and Capital Ownership Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, August 9, 1994, at 3:30 p.m., to hold a closed briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS OF THE COMMITTEE ON THE JUDICIARY

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Subcommittee on Patients, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, August 9, 1994, at 10 a.m., to hold a hearing on S. 2272, the Prior User Rights Act and S. 2341, the Patents Reexamination Reform Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HOMICIDES BY GUNSHOT IN NEW YORK CITY

• Mr. MOYNIHAN. Mr. President, as I have done each week this session, I rise to report on the terrible toll taken by gun violence in New York City. I regret to inform the Senate that 19 people were killed by gunshot this past week in New York City, bringing this year's total to 603.•

INTERNATIONAL PEACEKEEPING SUPPORT ACT OF 1994

• Mr. SIMON. Mr. President, yesterday I introduced S. 2370. I request that S. 2370 be printed in full in the CONGRESSIONAL RECORD on August 9, 1994.

The bill follows:

S. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Peacekeeping Support Act of 1994".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) With the end of the Cold War, the United States is clearly the undisputed world economic and military leader and as such bears major international responsibilities.

(2) Threats to the long-term security and well-being of the United States no longer derive primarily from the risk of external military aggression against the United States or its closest treaty allies but in large measure derive from instability from a variety of causes: population movements, ethnic and regional conflicts including genocide against ethnic and religious groups, famine, terrorism, narcotics trafficking, and proliferation of weapons of mass destruction.

(3) To address such threats, the United States has increasingly turned to the United Nations and other international peace operations, which at times offer the best and most cost-effective way to prevent, contain, and resolve such problems.

(4) In numerous crisis situations, most recently the massacres in Rwanda, the United Nations has been unable to respond with peace operations in a swift manner.

(5) The Secretary-General of the United Nations has asked member states to identify in advance units which are available for contribution to international peace operations under the auspices of the United Nations in order to create a rapid response capability.

(6) United States participation and leadership in the initiative of the Secretary-General is critical to leveraging contributions from other nations and, in that way, limiting the United States share of the burden and helping the United Nations to achieve success.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "appropriate congressional consultation" means consultation as described in section 3 of the War Powers Resolution; and

(2) the term "international peace operations" means any such operation carried out under chapter VI or chapter VII of the United Nations Charter or under the auspices of the Organization of American States.

SEC. 4. REPORT ON PLAN TO ORGANIZE VOLUNTEER UNITS.

Not later than 180 days after the date of enactment of this Act, the President shall submit a report to the Congress setting forth—

(1) a plan for—

(A) organizing into units of the Armed Forces a contingency force of up to 3,000 personnel, comprised of current active-duty military personnel, who volunteer additionally and specifically to serve in international peace operations and who receive added compensation for such service;

(B) recruiting personnel to serve in such units; and

(C) providing training to such personnel which is appropriate to such operations; and

(2) proposed procedures to implement such plan.

SEC. 5. AUTHORIZATION.

(a) IN GENERAL.—Upon approval by the United Nations Security Council of an international peace operation, the President, after appropriate congressional consultation, is authorized to make immediately available for such operations those units of the Armed Forces of the United States which are organized under section 4(1)(A).

(c) TERMINATION OF USE OF UNITED STATES ARMED FORCES.—(1) Subject to paragraph (2), the President may terminate United States participation in international peace operations at any time and take whatever actions he deems necessary to protect United States forces.

(2) Notwithstanding section 5(b) of the War Powers Resolution, not later than 180 days after a Presidential report is submitted or required to be submitted under section 4(a) of the War Powers Resolution in connection with the participation of the Armed Forces of the United States in an international peace operation, the President shall terminate any use of the Armed Forces with respect to which such report was submitted or required to be submitted, unless the Congress has extended by law such 180-day period.

SEC. 6. AVAILABILITY OF FUNDS.

Funds available to the Department of Defense are authorized to be available to carry out section 5(a).

SEC. 7. WAR POWERS RESOLUTION REQUIREMENTS.

Except as otherwise provided, this Act does not supersede the requirements of the War Powers Resolution.•

BRIDGEPORT—CONNECTICUT'S EMPOWERMENT CITY

• Mr. LIEBERMAN. Mr. President, just about 1 year ago, Congress passed the Omnibus Budget Reconciliation Act of 1993. There was one provision of OBRA '93 which may have been overshadowed by "the largest deficit reduction in a decade" but, in terms of the long term health of urban and rural America, may be have been more important. The provision I am referring to is the Empowerment Zone/Enterprise Community Program. This program is, without question, the most significant urban initiative since the Model Cities Program in the 1960's or broad-based revenue sharing in the 1970's. And for the first time in well over a decade—under the leadership of President Clinton—we have enacted a program which recognizes that the desperate conditions which exist in many of America's inner cities—the urban decline, the crime, the poverty, the drugs, the unemployment, and the homelessness—have gone untreated for far too long.

An enterprise zone [Empowerment Zone/Enterprise Community] is an economically depressed area that is designated to receive special treatment by the local, State, and Federal Government. This designation is designed to attract business investment, to provide social services, to provide job training, and to promote economic development that might otherwise not occur. This is accomplished through direct spending, tax incentives, and targeted programs.

While the enterprise zone concept was not my idea, I was privileged to have the opportunity to play a leading role as we moved it through the legislative process. And I count the enactment of the empowerment zone/enterprise community program as one of my most significant legislative accomplishments since joining this body in 1989.

Mr. President, over the past 5 years I have spoken many times on the problems plaguing America's inner cities and why I believe enterprise zones must be an integral part of urban and rural revitalization. This morning, I want to talk a little more personally about the effort which was recently completed in Bridgeport, CT. For the past 8 months I have been privileged to participate with literally hundreds of Bridgeport's residents as Bridgeport—Connecticut's Empowerment City—put together a winning application for designation as a Federal empowerment zone. Last month—with a sense of accomplishment—we forwarded the Secretary of Housing and Urban Development our application and we are now awaiting his review.

Bridgeport began the road towards empowerment zone designation last December by creating the Bridgeport Empowerment Vision Partnership and has been hard at work ever since. As evidence of the community's enthusiasm, many members of the partnership traveled all night by bus to Washington last January to pick up the application and launch their effort. At that time, Bridgeport became the first city in the Nation to announce their intention to compete for designation as an empowerment zone. Since then, the partnership has brought together diverse parts of the Bridgeport community, many of which have never coalesced around any one strategic vision until now. This effort included hundreds of members of the community organized into working groups that, I believe, represented the very best in public/private collaboration.

Without question, this program spurred a creative and innovative planning process within the city of Bridgeport. Never before have major corporations, money-center banks, city and State officials, and community-based service providers at work, side-by-side, to solve the problems of Bridgeport.

Mr. President, Bridgeport's application is strong, competitive, and worthy of designation. I believe the contents of the plan they have prepared represents the very best in forward-looking strategies to solve many of the problems plaguing Bridgeport. It includes substantial private sector partnerships with banks, financial services companies, universities, hospitals, and telecommunications. It forges real community partnerships with religious-based organizations, ethnic organizations, community organizations, and local development organizations. And it includes real governmental partnerships. The State of Connecticut, as well as the city government spent months working on this application and have made substantial programmatic and financial resources available. The State was a full partner in the formulation of the plan and is completely committed to its implementation.

I want to stress that Bridgeport's application did not come off the shelf. The residents of the city spent months forging political and community consensus on a new approach to Bridgeport's problems. And I want to stress that Bridgeport's application was not prepared at city hall—it came from the community.

Mr. President, Bridgeport's strategic plan features bold strategies to better coordinate the delivery of human and social services through family support centers. It contains strategies to create new jobs in five new targeted industries and attempts to move away from the city's traditional reliance on heavy manufacturing. These strategies will be pursued in concert with aggressive environmental remediation and new information age technologies. The plan attempts to ensure that its relatively young work force is equipped with the requisite vocational and interpersonal skills to fill those new jobs. It provides for enhanced access to capital for small business entrepreneurs and makes credit for housing more affordable and accessible. Finally, the plan articulates a new methodology for identifying needs at the neighborhood level through the operation of community action councils—a dramatic reformation in the local decisionmaking process centered around community involvement.

Mr. President, when the administration sent the empowerment zone plan to Congress it made a serious commitment to finding new solutions in the problems of inner-city America. This was a vision which Senator Robert Kennedy presented nearly 30 years ago, but it was President Clinton who brought it to fruition. Part of the administration's intent was to test the empowerment zone concept among a small group of cities. In order to successfully test this program it is imperative that a heterogeneous group of cities is selected, including a small city with a history of manufacturing. I believe Bridgeport would be an ideal candidate.

The statute set aside one empowerment zone for a smaller city—with a population of less than 500,000. While the statute did stipulate a population of "500,000 or less," the legislative intent clearly looked toward a smaller city. I believe a city like Bridgeport—with population 142,000—is more appropriately sized for this designation.

I also want to point out that the public perception that poverty is most pervasive in the Nation's largest cities is simply misleading. In fact, 53 of the Nation's 84 cities with poverty rates in excess of 17 percent have populations below 300,000. Therefore, I believe it is imperative that at least one truly smaller urban area be designated for the demonstration program to have real value.

Mr. President, Bridgeport has every physical and social attribute necessary to make this program a success. It is an northeastern manufacturing city. It is situated directly on Interstate 95 and a main commuter rail line. It boasts a deep-water port and a ferry line to Long Island. Bridgeport is a multicultural, proud community. Its citizens are ready to take this program and prove they can make it a success.

Mr. President, while the benefits of this program may represent a ripple of hope for large cities like Los Angeles, New York, or Chicago, they will represent a tidal wave of change for a city like Bridgeport. The smaller urban areas of this Nation are more likely to replicate successfully demonstrated initiatives from a comparably-sized city.

The residents of the city of Bridgeport have submitted a plan that will bring this aging city back to life. The residents are empowered and ready to move forward with implementation. As a long time supporter and part-author of this program I strongly believe they are worthy of empowerment zone designation.●

THE DECLINE AND FALL OF U.S. ANTISEMITISM

● Mr. SIMON. Mr. President, recently, I had the opportunity to read a book by Leonard Dinnerstein, "Antisemitism in America."

Reading it, you have a sense of how far we have come. For example, as late as 1877 someone was denied admission to the New York Bar because he was Jewish. Recently, the Jerusalem Post had an interview with him in an article written by Matt Nesvisky that gives a sense of perspective to all of this. The heading of the story is "The Decline and Fall of U.S. Antisemitism."

I would not agree with inclusion of the words "and fall" in the heading of the article, and I am not sure Leonard Dinnerstein would. What is clear is that there has been a great decline, and the nation is richer for that decline.

Sometimes we get excessively pessimistic about the problems of prejudice in our country and from time to time we have to learn that progress is possible.

I ask to insert the Jerusalem Post article in the CONGRESSIONAL RECORD at this point.

The article follows:

[From the Jerusalem Post]

THE DECLINE AND FALL OF U.S. ANTISEMITISM

(By Matt Nesvisky)

Some Zionists still entertain the notion that antisemitism will drive large numbers of American Jews to Israel some day. "It's not going to happen," asserts Leonard Dinnerstein.

"Of course," Dinnerstein continues, "no one can predict the future with perfect accuracy. But based on what I've documented, antisemitism in the US has clearly declined. It has not disappeared, but has become so minuscule as to be virtually irrelevant.

"Jews are incredibly secure in the United States, and I see no reason whatsoever why that should change."

If Leonard Dinnerstein is especially emphatic on this point, it is because he believes he has the evidence to back it up. Dinnerstein, a 64-year-old professor of American history at the University of Arizona, has just published that evidence in a book entitled Antisemitism in America (Oxford University Press, 369 pp., $25), and his conclusions may dismay not only many Israelis, but many American Jews and Christians.

"The fact is," says the ebullient, Bronx-born professor, "a lot of American Jews just aren't ready to accept just how well-accepted they are. On the one hand, they may have personal experience that they insist doesn't square with what I describe in my book. And I say, 'OK, there's no denying your personal experience. I can only point to what I've documented.'

"On the other hand, you have Jewish defense organizations that in their efforts to combat antisemitism tend to magnify the problem. The Anti-Defamation League, for example, compiles an annual audit of antisemitic incidents in America. Let's say they report 2,000 incidents in a particular year. That might alarm many American Jews. But what are we looking at? That's a few incidents a day emanating from a population of 270 million Americans. All that says to me is that 99.99999% of American Gentiles don't engage in antisemitic acts. It means antisemitism is just a tiny blip on the American consciousness."

Dinnerstein laughs. "Eighteen months ago, Abe Foxman, director of the ADL, publicly condemned me for what he called my minimizing of antisemitism in America. Then he read my book. Now there's a flattering endorsement from him on the back cover.

"Don't misunderstand me," Dinnerstein warns. "Antisemitic attitudes certainly remain, but antisemitic actions are at an all-time low.

"The truth is, most American Jews today simply have never experienced antisemitism. We live wherever we want, go to school wherever we want, work wherever we want, vacation wherever we want. At one time there were severe restrictions on American Jews in all of those areas. No more.

"Should American Jews remain vigilant? Of course. Jews have 2,000 years of history that show antisemitism in every century and every land. But they should also recognize the present reality: Jews in America are accepted."

This, of course, was not always the case, as Dinnerstein's book amply demonstrates.

In the colonial period, Jews were largely tolerated, if only because, as whites, they were helping to establish the Europeans' foothold on the new continent. Jews of that era readily intermarried with Gentiles, not only foreshadowing a trend that would alarm Jews in our era but indicating back then an unusual degree of acceptance by these new American folk.

But despite all the rhetoric about religious freedom in the New World, Jews were perceived as heathens who had yet to see the light. William Penn—founder of Philadelphia, the City of Brotherly Love—implored Jews to recognize the "error of their ways," and accept Jesus.

John Quincy Adams held less-tender views. After visiting an Amsterdam synagogue in 1780—45 years before he became president—he wrote in his diary that Jews "are all wretched creatures, for I think I never saw in my life such a set of miserable-looking people, and would steal your eyes out of your head if they possibly could."

It was Adams' view that more or less prevailed among Americans. Dinnerstein points out that even after the Revolutionary War, Jews were still legally denied the right to vote.

It wasn't until the Civil War, in fact, that any sizable amount of antisemitism manifested itself in the New World. Southerners widely suspected Jews of Northern loyalties, and vice versa, and if both sides agreed on very little, they still agreed that Jews managed to avoid service in their respective armies.

After the war, antipathy toward Jews receded. But following antisemitic developments in Europe, it was revived in the latter part of the 19th century. The hatred grew even more intense as the great waves of immigration began to break against the shores of America at the end of the 1800s.

Yet Dinnerstein, who earlier wrote a book on immigration to the US, points out that Jews were hardly alone in drawing fire from native-born Americans. Virtually all immigrants, especially those from Southern and Eastern Europe, were unwelcome. For generations, anti-Catholic prejudice among Americans was as strong, if not stronger, then antisemitism.

"America," Dinnerstein says, "was founded as a Protestant country by European Protestants, who carried all their prejudices to the New World. The society was built the way the majority wanted it. And for all the diversity in the country today, those Protestant cultural attitudes prevail."

Still, Jews were singled out for a special purgatory, often as a result of the efforts of thoroughly dedicated antisemites. Among these was Henry Ford. During the Red Scare of the 1920s, Ford widely circulated The Protocols of the Elders of Zion. Moreover, his Detroit newspaper, The Dearborn Independent, editorialized against "the international Jew" for 91 consecutive weeks. (Hitler praised Ford in Mein Kampf, and reportedly kept a photo of the automobile manufacturer in his office.)

As in earlier periods of economic difficulty, the Jews were scapegoated during the Great Depression. At this time another "outstanding" antisemite, "radio priest" Father Charles Coughlin, led the charge. By now, antisemitism was reaching unprecedented levels. Hatred of Jews continued to grow through World War II, which antisemites naturally blamed on the Jews.

After the war, however, antisemitism promptly began to decline, Dinnerstein maintains, and it has declined steadily ever since.

In his hotel room a few blocks from the White House, Dinnerstein ticks off the reasons for the modern American acceptance of the Jews.

"First of all," he says, "after the war, there was a lot of guilt about the Jews, as the facts of the Holocaust became known. And as a result, the establishment of Israel earned Jews a lot of sympathy, admiration and respect.

"Beyond that, Americans were busy rebuilding their lives. And soon they were busy enjoying prosperity. Little interfered with that.

"Then came the civil-rights movement of the 1950s and 1960s. If any minority was drawing attention, it was the African-Americans, not the Jews. Eventually, the government would put great resources into promoting fair treatment for all. Prejudices would of course remain, but the Civil Rights Acts and the like had their effect.

"I also don't minimize the impact of Jewish defense organizations. For various reasons they had been largely ineffective during World War II. Now, they were aggressive in combating prejudice and in changing attitudes and behavior. So for all these reasons, things like university quotas on Jews or restricted resorts and neighborhoods became history.

"But the primary reason for the decline of antisemitism in America is the lessening influence of Christianity," Dinnerstein asserts. "The great engine of antisemitism, after all, has always been Christian doctrine. Americans are less devoted to their churches, and their doctrine has been radically modified."

"Today, the catechism no longer teaches: 'Who killed Christ? The wicked Jews. Can Jews be forgiven? Not until they accept the grace of Jesus.' Books used in Sunday schools have similarly changed. And if children don't imbibe it, a prejudice won't take hold.

"You know, at one time the Mother Goose rhymes included. 'Jack sold his egg to a rogue and a Jew, who cheated him out of half of his due.' Presenting that sort of thing to a kid in America now is unthinkable.

"And the evidence speaks for itself. A lot of Jews here thought the oil crisis of 1973 would engender a wave of antisemitism. It didn't happen. A few years back, we had those stockmarket scandals involving Jews like Michael Milken and Ivan Boesky. Many Jews thought that was going to inspire a wave of antisemitism. Again it didn't happen. We had Jonathan Pollard arrested as a spy. Jews feared pogroms. They didn't occur."

So, does antisemitism figure in the consciousness of Jews more prominently than it does in the minds of Gentiles?

Dinnerstein nods, then jerks his thumb over his shoulder toward the White House. "Consider that Clinton has done something that no president has ever dared to before. He named two Jews to the Supreme Court. Was their Jewishness an issue? Ruth Bader Ginsberg was discussed as a woman—no one discussed her Jewishness. And Judge Breyer? His Jewishness, likewise, was never even mentioned. For the mass of Gentiles in this country, it just isn't an issue.

"But of course, the ultimate proof of the acceptance of Jews in this country is intermarriage. You have to consider what an intermarriage rate of over 50% means. For Jews, it may be something to worry about, although with an intermarriage in virtually every Jewish family these days, it's hardly a shock anymore.

"The point is, however, what it means for Gentiles. It means Jews are acceptable as marriage partners, as family members. It means Gentiles aren't afraid of losing status by marrying Jews. It means they don't fear being ostracized or that their kids will be ostracized."

Dinnerstein shrugs off the question of whether this is good for the Jews. "It's inevitable," he says. "I'm a scholar in immigration, and the data show that after the fourth generation, immigrants to this country by and large are fully integrated. Even Japanese-Americans have an intermarriage rate of over 50%.

"You know, at one time people used to marry people from the neighborhood. Now they don't even have neighborhoods. You have little ethnic enclaves here and there, but to the vast majority of Americans, that ethnic heritage has little hold. The American experience is one of amalgamation, homogenization. Yes, in the bosom of their families, many Gentiles still harbor anti-Jewish sentiments. But the incidence of anti-Jewish activity is almost nil.

"So some stupid teenager daubs a swastika on a synagogue. I do not see that as evidence of a surge of neo-Nazism. An awful lot of churches are vandalized, too. You don't hear about waves of anti-Methodism or anti-Lutheranism. Anyone who asserts that Jews are insecure or uncomfortable in America just isn't looking at the evidence."

The one exception to this cheery picture, Dinnerstein admits, is black antisemitism. But he finds nothing surprising in the phenomenon.

"For one thing, it isn't new," he says. "Evidence of antisemitism among African-Americans can be found just about as far back as one can research. And the source was the same as it was for most whites—Protestant doctrine, in this case, Southern fundamentalist Christianity. And that still has a strong hold on the African-American imagination, even when the hatred is articulated by the Nation of Islam.

"Like other people, they want a scapegoat for their troubles. Some no doubt even think they'll win favor with the white majority by demonizing a common antagonist. Only the white society today no more tolerates African-American antisemitism than the Jews do.

"I also don't believe it's any coincidence that antisemitism is given voice most prominently in America these days by the one minority group that remains most excluded from the mainstream. Color prejudice, after all, is the hardest sort to overcome."

But what about the theory that antisemitism is a useful, if messy, glue for holding the Jewish community together?

"I believe there's a lot of truth in that," Dinnerstein says. "If antisemitism should disappear altogether—which of course I'm not predicting—it would certainly weaken the Jewish community. The evidence is clear that when Jews perceive themselves as accepted, they move into the community, they assimilate. And when they perceive antisemitism as strong, they tend to stick together."

Dinnerstein again shrugs his burly shoulders. "So OK," he says with a smile, "maybe American Jews should worry more about tolerance than about antisemitism. But I'm just a historian. That's not for me to decide."●

ORDERS FOR TOMORROW

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that upon disposition of the Conference Report accompanying H.R. 4426, the foreign operations appropriations bill, the Senate then proceed to the conference report accompanying H.R. 4453, the military construction appropriations bill, under the authority of a previous unanimous consent agreement by virtue of this consent being granted, that all time be yielded back on the conference report, and the Senate then vote on adoption of military construction conference report; that upon disposition of that conference report, the Senate then resume consideration of H.R. 4650, the Department of Defense, provided further that upon resuming the bill, the Senate vote on or in relation to the Bumpers amendment No. 2481 relating to Milstar; that upon disposition of amendment No. 2481, the Senate then vote on or in relation to the Bumpers amendment No. 2489 relating to Trident; that upon disposition of amendment No. 2489, the Senate vote on or in relation to the Helms amendment No. 2480 relating to Colombia; with no amendments in order to these amendments or to any language which may be stricken, with the above occurring without intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Presiding Officer.

Mr. MOYNIHAN. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:15 a.m., Wednesday, August 10, that following the prayer, the Journal of proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; that immediately thereafter, the Senate resume consideration of H.R. 4606, the Labor, HHS appropriations bill and that Senator GRAHAM be recognized to speak for up to 15 minutes relative to his amendment No. 2478, provided further that upon the conclusion of Senator GRAHAM'S remarks, the previous order regarding the Helms amendment No. 2466 be executed, as well as the provisions of a previous agreement relating to rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW AT 9:15 A.M.

Mr. MOYNIHAN. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 9:52 p.m., recessed until tomorrow, Wednesday, August 10, 1994, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate August 9, 1994:

CORPORATION FOR PUBLIC BROADCASTING

HENRY J. CAUTHEN, OF SOUTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31, 2000. (REAPPOINTMENT)

FRANK HENRY CRUZ, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31, 2000, VICE LLOYD KAISER, TERM EXPIRED.

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF CAPTAIN:

ROBERT W. VAIL
WILLIAM H. FELS
JOHN M. CRYE
JOHN C. LUTHER
RANDALL P. PARMENTIER
ADOLPH E. ZIMMER II
FREDERICK V. NEWMAN, JR.
KEVIN J. ELDRIDGE
CAROL V. MOSEBACH
JOHN E. VEENTJER
THOMAS J. ALLARD
JOHN R. SPROUSE
BRIAN J. CLARK
GEORGE T. GUNTHER
DAVID R. NICHOLSON
RAY W. CLARK, JR.
TAJR HULL
JOHN V. O'SHEA
GARY S. STEINFORT
GRANT E. LEBER
STEVEN J. BELLONA
ROBERT W. BRUCE, JR.
FREDRICK A. ADAMS
ROBERT G. ROSS
DONALD S. LEWIS
EDWARD P. BOYLE
ROBERT L. SKEWES
PETER A. POPKO
KEITH CODDINGTON
MICHAEL M. ROSECRANS
JAMES R. LOEW
GEORGE F. WRIGHT
MICHAEL A. ROBINETT
FREDDY L. MONTOYA
ROBERT F. PETKO
LARRY L. HERETH
DANIEL J. SCHERER
ROBERT E. DODGE, JR.
DAVID R. INNIS
JAMES M. COLLIN
ROBERT F. RZEMIENIEWSKI
MICHAEL W. BROWN
PETER J. BOYD
JOHN S. CLAY
DAVID W. MOORE
RANDAL K. CORRIGAN
WARREN G. SCHNEEWEIS
MARGARET R. RILEY
FRANK L. WHIPPLE
DWIGHT H. MEEKINS
JEFFREY M. GARRETT
GERALD M. DAVIS
PAUL G. MILLER
JUDITH M. HAMMOND
STEWART L. GINGRICH
ALBERTO J. GASTON
JOHN R. ODOM III
STANLEY J. WALZ
RONALD W. BATSON
JOHN E. SCHRINNER
KURT A. CARLSON
VIVIEN S. CREA
GABRIEL O. KINNEY
DAVID F. MILLER
RICHARD R. BEARDSWORTH
PHILIP M. SANDERS

IN THE AIR FORCE

THE FOLLOWING U.S. AIR FORCE RESERVE OFFICER TRAINING CORPS GRADUATES FOR APPOINTMENT IN THE REGULAR AIR FORCE IN THE GRADE OF SECOND LIEUTENANT UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 531, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

INES M. AGOSTO, [redacted]
THOMAS W. ALLEN, [redacted]
MARK C. ANARUMO, [redacted]
JAMES G. ANDERSON, [redacted]
BRIAN S. ARMSTRONG, [redacted]
DERECK J. BARNES [redacted]
PETER A. BERUBE [redacted]
JONATHAN N. BLAND, [redacted]
MATTHEW J. BRECHWALD, [redacted]
KRISTI K. BROWN, [redacted]
TIMOTHY J. BURKE, [redacted]
JOANNE BURNETT, [redacted]
STEPHEN T. BURRINGTON [redacted]
JAMES T. CASKEY [redacted]
TRUDY M. CASSEN, [redacted]
ANTHONY M. CERMINARO, [redacted]
JAMES E. COLE [redacted]
CHAD COOK, [redacted]
SAMUEL D. COX, [redacted]
FAE M. CRISSMAN [redacted]
JENNIFER I. CUI [redacted]
AMY J. DEBATES [redacted]
WILLIAM D. DRISCOLL II, [redacted]
JONATHAN P. ELLIOTT [redacted]
JUPE A. ETHERIDGE [redacted]
PETER M. FESLER [redacted]
DAVID M. FIDLER, [redacted]
ROBERT C. FINCH, [redacted]
KATHRYN E. FRESEMAN, [redacted]
ROBIN GALLANT, [redacted]
JOE B. GAMERTSFELDER [redacted]
LEONARD GARCIA, [redacted]
NEIL J. GIBSON, [redacted]
ANGELA P. GIDDINGS, [redacted]
CHRISTOPHER W. GILMORE, [redacted]
JASON GIRARD, [redacted]
MARK D. GLISSMAN, [redacted]
NATHAN C. GREEN, [redacted]
JOHN P. GREENAWAY, [redacted]
ETHAN C. GRIFFIN [redacted]
GARRY A. HAASE, [redacted]
GRACE A. HALL, [redacted]
MARK L. HALL, [redacted]
LOUIS W. HANSEN, [redacted]
RICHARD J. HARGRAVE, [redacted]
TED W. HARRIS, JR [redacted]
KELLY A. HERD, [redacted]
LANCE A. HOBSON, [redacted]
DEAN L. HOEKSTRA [redacted]
DAVID M. HOLLIDAY, [redacted]
DAVID R. HOPPER, [redacted]
DALE E. HYBL, [redacted]
RICHARD L. JARRELL [redacted]
JOHNNIE G. JERNIGAN, [redacted]
CURTIS W. JOHNSON, [redacted]
JOHN W. JURGENSEN [redacted]
LESLIE L. KASSL [redacted]
KARLETON LEROY KERR, [redacted]
SCOTT M. KIEFFER, [redacted]
LEE E. KLOOS, [redacted]
JASON E. KOLTES, [redacted]
CHRISTOPHER J. LACHANCE, [redacted]
RANDALL C. LAMBERT, [redacted]
KINDRA A. LARSON, [redacted]
JULIA M. LAURENZANO, [redacted]
MINNA A. LAVALLEY, [redacted]
CHRISTOPHER J. LEEMAN, [redacted]
JOHN C. LOWE, [redacted]
JOSEPH R. MAREK [redacted]
JOHN W. MARUSA, [redacted]
ANTHONY J. MASTALIR, [redacted]
BRIAN E. MAUE, [redacted]
JENNIFER A. MCCARY, [redacted]
CHARLES D. MCCURRY, [redacted]
MATTHEW E. MCQUINN, [redacted]
DAVID C. MERKEL, [redacted]
MICHAEL A. MILLER, [redacted]
DAVID K. MOELLER, [redacted]
SEAN D. MURPHY, [redacted]
ANDREW J. MUSER, [redacted]
NEIL G. NICHOLS, [redacted]
MATTHEW J. NICOLETTA, [redacted]
NATHAN L. NIEDERHAUSER, [redacted]
ROGER M. NOREIGA, [redacted]
JAMES A. OLDENBURG, [redacted]
SCOTT R. OLSEN, [redacted]
DANIEL S. PAPPA [redacted]
JOHN C. PETERSON, [redacted]
JEREMY C. PHILLIPS [redacted]
MICHAEL J. POIRIER [redacted]
JOSEPH D. PRICE [redacted]
MARK J. PROCTOR, [redacted]
JONATHAN QUINN, [redacted]
JOHN E. RANDOLPH, [redacted]
RANDALL D. RATHMANN, [redacted]
GLEN S. RICHARDS, [redacted]
DIANE E. RIDGLEY [redacted]
MICHELLE G. ROBINSON, [redacted]
CHRISTINA M. RODRIGUEZ, [redacted]
SCOTT A. ROMBERGER, [redacted]
ROBERT D. ROY, [redacted]
MICHAEL T. RYAN, [redacted]
BRETT J. SCHOEPFLIN [redacted]
RICHARD T. SCOTT, [redacted]
MARK T. SKOSICH, [redacted]
BRADLEY K. SMITH, [redacted]
NICHOLAS A. SMITH, [redacted]
NICK A. SPANKOWSKI, [redacted]
JEFFREY R. SPRAIN [redacted]
RICHARD V. STEELE [redacted]
TIMOTHY J. STEFFEN [redacted]
MICHAEL J. STEPANIAK, [redacted]
JASON P. STOCK, [redacted]
STEPHEN R. STOLZ, [redacted]
JUDE R. SUNDERBRUCH, [redacted]
JASON W. TAYLOR, [redacted]
DOUGLAS G. THIES, [redacted]
CHAD C. TILLEY, [redacted]
LINDA M. TIMIAN, [redacted]
WILLIAM D. TRAUTMANN, [redacted]
ERIC N. TRESCHUK, [redacted]
J. SCOTT TYO, [redacted]
DAVID J. WALLER, [redacted]
SHANNON M. WERNDLI, [redacted]
RANDY C. A. WHITECOTTON, [redacted]
MICHAEL G. WHYTE, [redacted]
JOHN B. WILBOURNE, [redacted]
BRIAN K. WINKLEPLECK, [redacted]
KENNETH P. WOODCOCK, [redacted]
JOSEPH B. WURMSTEIN, [redacted]
SANG H. YOO, [redacted]
KATHERINE A. ZUKOR, [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate August 9, 1994:

THE JUDICIARY

JOSE A. CABRANES, OF CONNECTICUT, TO BE U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT.

PAUL D. BORMAN, OF MICHIGAN, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN.

DENNY CHIN, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

HAROLD BAER, JR., OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

DENISE COTE, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

JOHN G. KOELTL, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

ROSEMARY S. POOLER, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF NEW YORK.

LEWIS A. KAPLAN, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK.

BLANCHE M. MANNING, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS.

MARK W. BENNETT, OF IOWA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF IOWA.

HOUSE OF REPRESENTATIVES—*Tuesday, August 9, 1994*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. BARLOW].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 9, 1994.

I hereby designate the Honorable THOMAS J. BARLOW III to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of February 11, 1994, and June 10, 1994, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member other than the majority and minority leaders limited to 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. BOEHNER] for 5 minutes.

LET US HAVE AN HONEST DEBATE ON HEALTH CARE

Mr. BOEHNER. Mr. Speaker and my colleagues, as the debate over health care begins here in the Congress, I hope that the debate will be an honest one. There are certainly many Members on both sides of the aisle in both Chambers who have differing opinions and strong opinions about what direction health care reform ought to take.

But it appears that over the weekend the new strategy from the Democrats here in the Congress is one to try to mislead or possibly even deceive the American people. Over the weekend on "This Week With David Brinkley" the majority leader, the gentleman from Missouri [Mr. GEPHARDT], said, "We are waiting for the Republican proposals." On "Meet the Press" Leon Panetta, the White House chief of staff, said, "We are still waiting for the Republican proposals." And on Saturday, in a speech in Michigan, the President accused the Republicans of "playing politics with the health care of the people of the United States."

Mr. Speaker, I think these statements are at best somewhat deceiving. Let me first state the first fact: On September 15, 1993, the Republicans in the House of Representatives introduced our version of health care reform. It has more cosponsors than any health care legislation in the Congress today. Remember, September 15, 1993; the bill is right here. You can look at it. You can read it. It has been in the hopper since September of last year.

The second point is we have H.R. 3955, introduced on March 3, 1994. This is the Rowland-Bilirakis bill. It has 74 cosponsors, half Republican, half Democrat. It has been in the hopper since, again, March 3, 1994, for the American people to read and to digest. Fact three: The Republicans in this House, moderate and conservative Democrats in this House have been meeting for months trying to find and craft a bipartisan bill that can get to 218 Members. It has been an honest attempt by both sides of the aisle to bring real reform to health care without new taxes and without the involvement of some big Government bureaucracy.

Having said that, I wonder where the majority leader's bill is. We have been hearing about the Clinton-Gephardt bill for weeks. And I can tell you, as I stand here, the bill does not even exist. We do not have it. It is not written yet. You cannot read it. I cannot read it. The American people cannot read it.

And so when we begin to look at this debate, let us make sure the debate is about honesty. It is about principled policy positions that each of the parties have. But, again, as I say that, I begin over the weekend to read more and more about some of the politics being played to move the Gephardt bill that we have not seen here in the House.

This is not about policy provisions. It is about politics. It is about exempting the State of Hawaii because they have their own plan, and certainly they should not be involved in this. It is about exempting Rochester, NY, because they have a good plan there; it is working well. Why should we get involved in it? It is about hospitals that were in one of the Democrat versions of the bills, hospital pork, for a hospital in Chicago and another hospital in New York City.

Why are these issues involved in health care? It is very simple. It is about buying votes. It is about getting enough votes to get to 218 and to force something out of this House. Look at the politics of abortion that is being waged here in the Congress. Some Members want abortion coverage, period. If it is not there, they will not vote for the bill. Others are saying, "If you include abortion, I cannot vote for the bill." And so what are we going to get in the bill itself? We are going to get some language that will cost them the fewest number of votes.

This is not about policy. It is about politics.

The American people deserve the facts, not half-truths, not deceptions. They want the facts. And if our Democrat colleagues cannot provide the simple facts straight and forward to the American people, how can we believe what might be in the Gephardt bill if we ever get to see it?

So I would say to my colleagues the process here in the Congress for achieving real health care reform today is flawed. It is flawed because we are going to move a bill on August 19; we are told that is the day it is going to pass. We are going to start the debate next Monday, but yet the bill that we are going to use does not even exist yet.

WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Utah [Ms. SHEPHERD] is recognized during morning business for 5 minutes.

WE NEED LEGITIMATE WELFARE REFORM

Ms. SHEPHERD. Mr. Speaker, there is a dangerous undertow in our current welfare system. Just as single mothers are about to break free of public assistance and establish their own financial independence, they are pulled back into dependency by a system which provides health care to those who don't work and offers no support to those fighting to become part of our mainstream economy. It is a system in which nonsensical regulations which make welfare pay more than work. We must abolish these disincentives to work, yet, as we consider policies to change our check-writing system to a jobs-focused system, we should not attempt to reinvent the wheel. Numerous States are successfully transforming welfare assistance into employment assistance and their positive results should form the foundation of any national effort.

One such program exists in my home State of Utah. After receiving waivers from 46 Federal laws and regulations,

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Utah initiated the three-county, Single Parent Demonstration Program, in January 1993. This innovative, employment-focused plan has literally moved thousands of people out of poverty by increasing family income through employment, strengthening child support enforcement, and encouraging the ethic of responsibility most Americans live by.

From the recipient's initial contact with the Family Support Agency where an individualized responsibility contract is signed, participation requirements and the employment goals are made exceptionally clear. The Single Parent Demonstration Program demands responsibility while providing the training, child care, and support services necessary to ensure that welfare assistance is only temporary. The results speak for themselves. In just over a year, the number of AFDC families with earned income has increased by over 25 percent, caseloads have decreased by a comparable percentage and the number of families going off assistance has doubled. Because individuals are becoming self-sufficient, AFDC and food stamp benefits costs have decreased considerably.

Based on the progress in Utah, I believe that any legitimate national reform plan must focus on private sector employment, provide adequate child care, improve child support enforcement procedures, and most importantly, contain broad State flexibility for program implementation. States, the laboratories of experimentation, should be given wide latitude to tailor policies which meet the unique needs of their citizens.

Unfortunately, the proposals put forth to date have failed to meet these objectives. An abundance of data is available from those on the front lines of welfare reform in the States. If we are to truly end welfare as we know it, if we are to encourage parental responsibility, if we are to restore the American work ethic, these successes must form the basis of any national plan.

□ 1040

IN SUPPORT OF A SUCCESSFUL CAIRO CONFERENCE

The SPEAKER pro tempore (Mr. BARLOW). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Maryland [Mrs. MORELLA] is recognized during morning business for 5 minutes.

Mrs. MORELLA. Mr. Speaker, worldwide efforts to stabilize population growth, alleviate poverty, and protect the environment have been significantly undermined by the lack of attention to women's reproductive health and to the role of women in the economic development of their families, their communities, and their countries. In recent years, it has been evident, in Rwanda, in Central America, in Gaza, and in a number of other regions of the world, that population growth is a critical factor in air and water population, deforestation, civil unrest, migration and refugee flows, and political instability.

The world's population now exceeds 5.6 billion, and more than 90 percent of the annual population increase of 100 million people is in the development world. Whether the Earth's population doubles or triples in the next century will be determined by actions we take during this decade to improve access to family planning programs for all women and couples who desire them.

Next month, the third U.N. decennial International Conference on Population and Development will meet in Cairo to discuss strategies for slowing rapid population growth and assuring access to family planning services for all women and couples who desire them. I will be attending as a member of the House delegation to Cairo.

Mr. Speaker, a lot of misinformation and outrageous charges have been leveled against this conference, so let us be clear about what the Cairo conference is not about. It is not about governments coercing women to have abortions against their will. It is not about third world bureaucrats forcing birth control bills on unsuspecting women like common street corner drug pushers. And it is not about assigning blame to women in developing countries for the problems of environmental degradation and patterns of overconsumption which we are experiencing in the industrialized countries.

Instead, the Programme of Action which will be adopted at Cairo is recognition of the international consensus reached in recent years that worldwide efforts to stabilize population growth, alleviate poverty, and protect the environment have been significantly undermined by the lack of attention to women's reproductive health and the role of women in the economic development of their families, the communities, and their countries. It acknowledges that sustainable development programs and population stabilization programs are much more likely to be successful when implemented in tandem rather than separately, and that neither policy can be effective without a strategy to empower women. In fact, the evidence demonstrates that the status of women in a particular country directly corresponds to its ability to achieve sustainable development and reduce fertility rates.

The Cairo Conference will speak not only of the need for stabilizing population growth by increasing funding for family planning services, but also of the need to allow women to assert control over their own health and economic circumstances by establishing and implementing literacy and education programs for women and girls, basic health and nutrition programs for women and children, and prevention of the spread of sexually transmitted diseases.

I am an original cosponsor of the International Family Planning and Reproductive Health Act, H.R. 2447. This legislation, introduced by Congressman BEILENSON, also a delegate to the Cairo Conference, will establish the United States as a leader in the global struggle to empower women, ensure women's health, and stabilize population growth. This bill is not about more foreign assistance. It is about foreign policy priorities.

In addition, Congressman BEILENSON has joined me in introducing House Concurrent Resolution 234, a concurrent resolution in support of a successful Cairo Conference. I urge Members to join me in supporting these bills, and in acknowledging the vital importance of this issue in determining the kind of world that we will be leaving to our grandchildren. The time to act is now.

CLINTON'S HEALTH CARE PLAN: AMERICANS ARE SKEPTICAL, NOT CYNICAL

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from New Jersey [Mr. SAXTON] is recognized during morning business for 5 minutes.

Mr. SAXTON. Mr. Speaker, not long ago the President became frustrated at the lack of public support for his health care reform approach and he said these words:

> I just got back from Normandy, celebrating the 50th anniversary of D-day, and when I stood on Normandy beaches and when I saw all those rows of crosses there, it occurred to me that those people did not die so the American people could indulge themselves in the luxury of cynicism and, frankly, that is just what it is.

That was a reference to the American people's reaction to his health care approach.

Mr. Speaker, when it comes to the process of health care reform, the American people are not cynical, they are skeptical, and they have good reason to be.

Let us take a case in point. At the center of the debate is the so-called employer mandate. The employer mandate is an additional payroll tax on employers and employees that would pay for what President Clinton has suggested and leader GEPHARDT has taken up in the way of health care reform.

The problem with the employer mandate is that it is an additional tax on jobs, and we all know here when we tax something, we get less of it.

In this case, raising taxes on businesses, especially small businesses, to pay for health care will result in less jobs. Many think over a million fewer jobs.

Who will lose their jobs if Congress passes this payroll tax? Numerous economic studies agree that part-time workers, employees of small businesses along with people who work in retail will be the hardest hit.

Staff economists at our Joint Economic Committee recently reviewed 41 different studies of the job impact of President Clinton's proposed employer mandate. The studies conclude that the employer mandate will destroy more than a million jobs and will significantly reduce wages, that is right, destroy jobs and reduce wages, and all 41 studies agreed.

Guess who will take the biggest hit? If you said the middle class, you are right.

More specifically, in my home State, New Jersey, according to one study in 1988, in 1 year alone New Jersey would lose over 32,000 jobs and $3.6 billion in wages and benefits.

To bring these numbers closer to home, the employer mandate would mean a loss of more than $2,000 per family in income for the average New Jersey family of four.

In fact, some call this new tax a wage-batterer and a job-killer. Yet something must be done to make health care affordable and accessible. If Congress is serious about passing health care reform this year, I believe we could pass a bill that would allow us to change jobs without the fear of losing insurance due to some preexisting condition. I think we can all agree on that.

A plan that would reform medical malpractice laws, which cost millions of dollars because doctors must practice defensive medicine, a plan that would permit all businesses, particularly small ones, to form risk pools to bring down insurance costs; and, finally, a plan that would make other commonsense reforms that would help millions of Americans be able to afford health care insurance.

Proposals like these enjoy broad bipartisan support and would address 97 percent or better of the health care costs. Such commonsense reforms are not halfhearted, as the President has suggested, nor are they hardheaded. Unfortunately, Congress cannot pass a meaningful health care reform bill until a position on a Government-run bill which would raise taxes, limit our choices, and kill our jobs, is put aside.

□ 1050

Some time ago President Clinton said that the American people were unwilling to listen to the complex debate and make the difficult decisions. Mr. Speaker, it is not that the American people are unwilling or unable to understand the health care plan. It is that the American people have rejected the big-government, high-tax approach.

There is a tremendous bipartisan desire by Republicans and Democrats alike in this House to pass a bill to get this problem behind us. We should take the approach that we can all agree on rather than that suggested by the chief supporter of the President's plan in Congress. That is the gentlemen from the other House who said recently Congress should push through their bill, meaning the President's bill, regardless of the views of the American people.

Mr. Speaker, we should listen to the American people and pass a good bipartisan health care plan without mandates, and we should do it before we leave here this August.

HEALTH CARE SHOULD BE A BIRTHRIGHT IN OUR GREAT NATION

The SPEAKER pro tempore (Mr. BARLOW). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Connecticut [Mr. GEJDENSON] is recognized during morning business for 5 minutes.

Mr. GEJDENSON. Mr. Speaker, as we reach these final days before the August recess, a plea to the American people to take stock in what we are doing here.

There is a debate often obfuscated by rhetoric, I am sure, on both sides, but the choice comes down to a pretty simple choice. On one side the President and those of us who support universal coverage in the House in particular want a bill that would mandate that every American be covered by health care, that whether one loses their job, whether one changes jobs, whether one goes off to start their own business, whether one is a child covered under their parents' plan and then goes off on their own, that they could not be denied health care, that it would be health care at a reasonable cost and that it would cover all Americans. Our plan is jobs based because most Americans get their health care where they work.

There has been an effort by those who benefit from the present system and many on the other side of the aisle who do not believe the Government has a role in guaranteeing health care to try to confuse the debate. Television and radio show hosts who talk about criminal penalties for private payment to doctors reflect nothing that exists in the legislation, but it was used to create confusion and concern about the health care legislation that is before us. The reality is that without the President's efforts and without the majority leader on this side and in the Senate we would not have health care before us. The majority of the Republicans felt the present system was good enough. Indeed at the beginning of the debate they tried to say there was no health care crisis, to say that Congress should not act on health care. The American people rejected their real position. Now many of them have come back with modified positions which really obfuscate their basic belief, which is the Government should not get involved, and there tract record is pretty certain on this one.

Most of the leaders of the other party who are in Congress today frankly opposed the Medicare provisions. The gentleman from Illinois, Mr. MICHEL, and Mr. DOLE both voted against Medicare, and, while there is greatly railing against Government involvement, there are very few in this country who believe that, if this Congress had not passed Medicare some 30 years ago or more, that senior citizens would not be in worse condition today than they are, that Medicare was one of the things that is guaranteed for our parents and our grandparents, a level of care that no other group of Americans can be certain of, care that they cannot lose and care that is not based on their own personal medical conditions. That is what we are trying to guarantee for working Americans, and I think, if we lose this opportunity after 60 years of struggle, it would not be the Democratic Party, or the Democratic President, or the Democratic majority leader who feels the pain. It will be the hundreds of thousands of workers who lose their jobs and lose their health care. It will be young people who are trying to start a new life who are not able to afford health care.

Mr. Speaker, in my district just this weekend I was told of a family who had lost their jobs. The mother was ill. The premiums are not $1,000 a year to buy health care that is being offered to them. The premiums are $8,000 a quarter. People who have worked hard and pay taxes all their lives, if we do not act on health care in this Congress, those are the people we leave behind. The very wealthy will take care of themselves. Those that are so poor that they have no assets and no means will be covered by Medicaid. The people that we are abandoning, if we fail to act on health care, are working men and women who have fought for this country and paid the taxes to run the programs that have made this the greatest Nation on the face of this Earth.

There are complications with Government action. There is no doubt that some individuals today would have paid less taxes and had a few more dollars in the bank if we did not have Medicare for our senior citizens, but show me any evidence that the average senior citizen in this country would be better off if we had followed the leadership of the gentleman from Kansas and the gentleman from Illinois on the other side of the aisle. Had we listened to them, there would be no Medicare.

Had we listened to those who came before them, there would be no Social Security, and we are at one of those crossroads today.

We need a handful of votes in the other body to move forward to guarantee that every citizen in this country, as a birthright, is covered by health care, that they do not have to worry about losing their homes or having their children drop out of school because of illness in the family. It is the least that we can do, and, if the American people care about their future, it is time for them to call in to their Senators and Congressmen and ask for support for universal coverage.

The plan that we have before the House is a good one. Most decent employers provide health care coverage today. The honest working people are subsidizing those who do not care for their employees.

MAKES NO SENSE TO INVADE A FRIENDLY NEIGHBORING COUNTRY WHEN THERE ARE OTHER SOLUTIONS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, last week Secretary of Defense William Perry and Chairman of the Joint Chiefs of Staff, General Shalikashvili, came to the Hill hat in hand. They were seeking approval here to reprogram $800 million; that is millions, to cover the cost of the military operations in Haiti and an additional $270 million emergency supplemental for Rwanda. That obviously totals over a billion dollars, and it is a tremendous amount of money that was not foreseen to be spent.

I think any American; we are all compassionate people, would quickly say that there is a terrible problem in Rwanda. We have to respond to it on a timely basis. People are starving there, disease is rampant, and there is a terrible dislocation, and I think there is a humanitarian mission. Whether it is the appropriate mission for the military is another question, and how we go about dealing with those kinds of missions is something that has eluded the administration. We do not have a proper response mechanism at all.

But the hundred million reprogramming for Haiti is to solve a problem of our own making. That is a consequence of American foreign policy to rattle the sword, and get tough, and talk about invading a friendly, neighboring country just to our south.

The Pentagon explained that, if they do not get help, they are going to have to have certain consequences to deal with, and let me just quote what we were told. The Pentagon said that the military is going to have to curtail training exercises, delay aircraft and ship maintenance, stop purchases of repair parts and release civilian employees. Well, I think we should probably do with a few less civilian employees in the military, but the other areas, curtailing our training, or delaying our aircraft and ship maintenance, or stopping purchase of repair parts strikes me as a little bit alarming. I would not want to send anybody under my command into a hostile situation unless they were 100 percent trained and I were satisfied they were ready to do everything they could to carry out their mission in the safest way possible for themselves on behalf of their country, and I certainly would not send anybody out in an airplane that I thought to have faulty parts or was not properly maintained, nor would I send anybody out on the high seas in a ship that I had serious reservations about.

So, what we are talking about here is, if we do not reprogram this money for this Haiti invasion, this nonsense we keep talking about, then we are in a position of either having to stand down some of our troops or send them out in situations where we have not got the proper maintenance or the necessary spare parts on hand to complete their job with the degree of safety that they should have. That is absolutely intolerable, and it is totally unnecessary because this Haitian invasion is only a signal of a foreign policy that has gone bankrupt, $800 million of bankruptcy here both in dollars and in common sense. It makes no sense to invade a friendly neighboring country when there are other solutions.

☐ 1100

The question about whether our military is overburdened, and there seems to be lots of cases of humanitarian relief needs in the world, and our military has been assigned to them, with differing degrees of success and differing degrees of danger. Somalia, Sudan, Eritrea, Burundi, Zaire, Nigeria, Algeria, former Yugoslavia, North Korea, Bosnia, India-Pakistan, Kurdish territories of Northern Iraq, and now Cuba again, the front page of the paper today, and probably tomorrow, we are going to be hearing a lot more about the Cuban situation.

So we have got plenty of those missions out there, some on our front doorsteps, as it were, and we have not really even worked out how to deal with the humanitarian missions and sort them out from the proper military missions yet. It seems to me that is something that the administration ought to be working on.

But looking at our military missions, we get the testimony, while they are asking for this $800 million last week from General Shalikashvili, that what is happening, because which are running around the world doing all these missions, he is simply saying the strain on our soldiers is very great, it is measurable, and many of them are being run ragged.

What for? To contain people in Haiti? The Haitians are our friends and have been for 200 years. And the fact we are sending 14 warships down there, and now talking about invading their island, certainly just strains my sense of credulity.

All of this, incidentally, is going on, this talk about moving $800 million, and in fact the total invasion cost of Haiti and the cost of those ships that down there will be over $1 billion, just by itself now, we are talking of this at the same time we have been stripping the DOD budget. Everybody knows we have downsized our military dramatically.

We are now in the position where I don't know that anybody from the administration can come up here and say we can carry out two actions simultaneously. What would happen, I suppose, if we had an invasion of Haiti on the one hand and Fidel Castro decided to make some mischief with more refugees on the other. It is an interesting thought and one that deserves more attention from the administration.

THE CRIME BILL

The SPEAKER pro tempore (Mr. BARLOW). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Florida [Mr. MCCOLLUM] is recognized during morning business for 5 minutes.

Mr. MCCOLLUM. Mr. Speaker, I would like to talk for a moment about the crime bill that we are maybe going to see out here on the floor this week, and why most Republicans do not like this bill, think it is a bad bill, and would like to see it sent back to conference to see if we could not correct some of the problems with it.

It is a $30 billion-plus spending bill, and probably as illustrative of anything of the differences between Republicans and Democrats. This, combined with the health care debate in the next couple of weeks, should give the American public a clear-cut distinction between those on the one hand, who are most Democrats, who favor continuation and expansion of the Great Society, welfare spending programs, and Republicans, at least most of us on the other hand, who believe we should reduce the size and scope of the Federal Government.

In the crime bill area, most Republicans believe deeply in prevention, but our interpretation of prevention is far different than that of the Democrats. We believe that to have prevention of crime, you must first put swiftness and certainty of punishment back in the system again. You have to have deterrence. You have to send a message when you do the crime, you do the time.

We have 6 percent of the criminals of this country who commit 70 percent of the violent crimes and are serving only about one-third of their sentences. We think the most important thing and the absolutely essential thing a crime bill must do is to provide sufficient resources to the States to build the prison space that is necessary to take those 6 percent of criminals off the streets, lock them up and throw away the keys. Make them serve at least 85 percent of their sentences.

There is not enough resources in this bill to do that; $10.5 billion at least is what the Bureau of Corrections at Federal level tells us the States need to do this. For the second time, not the first, but second time violent repeat offender, we only have about $6.5 billion in this bill for this purpose, about a fifth of the total bill that came out of our conference, compared to about $13 billion that was in the House bill that was passed to begin with.

What we do have in the bill is $8 or $9 billion in welfare spending programs, new programs that are created, largely pork. One is called the Local Partnership Act, has $1.8 billion in it. One is the Model Intensive Grant Program, almost a billion dollars. This particular program provides money for grants to provide meaningful and lasting alternatives to crime, whatever that is.

The Local Partnership Act is largely a local jobs program. Youth in Employment Skills Program, another $650 million to test the proposition that crime can be reduced through a saturation jobs program for youth. And the National Community Economic Partnership, another $630 million to community development corporations chosen to upgrade the management and operating capacity of community development operations to mobilize resources, to provide business and employment opportunities for poor people. And on and on.

I want to say on the record that since 1965, we have spent $5 trillion on social welfare spending the Federal Government has. And during that same period of time, we have had a 500-percent increase in the rate of violent crime in this country. Spending more money on social welfare programs is not the way to address the crime problem in this Nation.

We already have 266 programs in the Federal Government dealing with at-risk youth, 117 of them in the Justice Department alone, spending $3 billion at the present moment. We do not need $8 or $9 billion more in the social welfare programs of this country to so-call fight crime.

What we need are more prisons. What we need is something that is not in this bill at all. We need a provision to end the endless appeals that death row inmates have; to send that message when you get the death penalty, it is going to be carried out with certainty and swiftness, so we can get deterrence in that most violent crime area of all, where murder and violent crimes urging the death penalty are involved. And we need to change the rules of evidence so that evidence from searches and seizures that the local police would like to get in, instead of letting people off on technicalities, can be put in evidence. That is not in this crime bill. It was not even allowed for a vote on the floor of the House.

Like I said, most of all we need to get the money necessary for prisons; that does not begin to come into play out of the conference report that came out of committee.

This is largely a pork bill. These programs are designed to go to targeted areas; the Model Intensive Grant Program, for example, goes to 15 selected cities. All of the criteria listed out there for these programs are designed to go to very targeted areas of the country where I would suggest very senior Democrats are present in the large cities to do so-called jobs at work programs that look good.

It is pure pork. It is not designed and not really going to do anything to get at the underlying cause of crime. You want to get at the root causes, then we have to pass meaningful welfare reform programs. We need a welfare reform bill out here that will put families back together again, get the young people of our country with the father again in the household, begin to teach moral values, change the structure in our school systems, and so on.

That is not what is in this bill. This is more of the same old tax and spend kind of idea around here for the last 30 years adding to the Great Society with more so-called jobs programs.

And I would suggest that that is the reason, if my colleagues want to know why so many of us say we need to defeat the rule on the crime bill when it comes out here in a few days, send the bill back to conference, and do something right to really put deterrence and swiftness and certainty back in this punishment system. Not this bill.

DO SOMETHING ABOUT THE COST OF HEALTH CARE IN THE PRIVATE SYSTEM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Wyoming [Mr. THOMAS] is recognized for 5 minutes.

Mr. THOMAS of Wyoming. Mr. Speaker, the Federal Government is too big and spends too much. Most people agree with that and, indeed, most Members here agree with that when they are home and campaigning, and support that concept.

Yet many of the same Members come here and talk in favor of the Clinton-Gephardt solution to health care, which would be a solution that would provide for the greatest increase in the size of Government, for the greatest increase in the cost of Government, that has ever been proposed.

We talk about benefits to provide universal care, and we need to talk about extending care to everyone that can never be lost. And they do not talk about what it costs. They do not talk about who is going to pay for it. They do not talk about what it means to the size and the growth of Government and to the cost of Government.

Mr. Speaker, we need to talk a little bit about how we can make some improvements, how we can do something about providing better health care to the families of Wyoming and to the families of this country, and do it in a way that will not increase the size of Government, that will not increase the cost of Government. And we can do that.

I would like to talk about just one aspect of it today that I think is very important, and that has to do with the cost of health care delivery in the private system. And we can do some things about that. Most people would agree that we can do some things about that.

Rather than trying to reinvent, trying to reconstruct, trying to redo the whole health care system and put it into a Government delivery system, we ought to deal with those things we can do in the private delivery system. And we can do some things about health care cost: malpractice insurance, for example; tort reform. We can do some things there that have a great deal to do with the costs of health care, that have a great deal to do with the cost of health care in the private delivery system. And it is not so much the matter of insurance premiums for health care liability insurance. It has to do with the question of defensive medicine.

□ 1110

That is a significant cost. We can do something about limiting attorney's fees. We can do something about capping noneconomic damages at $250,000, not limiting the ability for someone to recover from losses they have had, but, rather, the noneconomic damages that become astronomical. We can do something about tort reform. The trial lawyers, however, have been successful in striking any reference to the cap on noneconomic damages in the Clinton-Gephardt bill, even though it was in the Ways and Means bill as it was passed.

Wyoming, for example, is severely impacted by high malpractice rates. Rawlins, WY, has not recruited an obstetrician because the insurance is so high. As a result, women have to travel 100 miles to have delivery of a baby.

Even though we have had only four malpractice suits in Wyoming, physicians pay higher rates than they do in California, because California does have a cap on noneconomic damages. We can do some things about outcome research. That can be done in the private sector so that doctors will have an opportunity to know the best procedure to be used.

We can do something about antitrust restrictions. If we are to have a delivery system in Wyoming, we have to make some changes in antitrust restrictions so that hospitals can work together, so that doctors can work together, and we can define a delivery system network so that we can have in Wyoming different types of delivery systems that move toward a regional center. When you have a low population area, you have to do this. We did that in Cheyenne. It allowed two hospitals to come together. They can operate more economically. We can do it.

We can do something about true administrative and paperwork reform, by electronic billing, by uniform claim forms. We started doing this 2 years ago. And we can do some work in that area that has nothing to do with more Government and more expenditures through Government but, rather, to reform the private sector.

We can do something about State-mandated benefits that have caused insurance policies to have to maintain extensive benefits that are included by mandates in State plans. We can change those kinds of things.

We need to work on the areas where there is agreement here, where there is agreement for making some changes in the private sector that will reduce the cost of health care. And that is one of the areas that we can find agreement in this Congress, without the idea of uprooting one-seventh of the economy, putting it over into a Government-delivered health care system that will increase the size, increase the cost of the Federal Government.

THE CRIME BILL

The SPEAKER pro tempore (Mr. BARLOW). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I am very honored to take the floor again to talk about the crime bill because there has been so much misinformation out here. I think any American who knew what was really in this bill would be absolutely insensed that we have not gotten it passed long ago.

Obviously crime basically is dealt with at the State and local level. But some of the things that Americans are most upset about we address directly here through Federal help.

One of the things Americans get really furious about, including myself, is when you constantly read about criminals who win out and perform some terrible crime and find out that they have been caught before but were released because there was not prison space or because of overcrowding or whatever.

So what can the Federal Government do to help in that case? This bill, this bill that is being held up, has $6.5 billion, billion with a big B, to go to State and local governments to help deal with the backlog on prisons so that when people are sentenced and caught, we keep them off the streets.

It also has some very tough provisions like three strikes and you are out. It tightens many other crimes that we really have not paid much attention to at the Federal level.

One is tightening the offenses against people who molest children. We know that there have been a lot of people that move over State lines and they have a record. This tightens the kind of penalties when we catch them.

It also deals with violence against women and family violence, domestic violence, whether it is perpetrated on a man by a woman or a woman by a man. We know that many of the criminals that you are much more apt to deal in violence when you grow up, if you grew up in a home that had violence going on every day. If every act is solved in the home with violence, then you are not going to do some kind of little hours teaching and teach children to deal with their emotions in some other way.

So finally getting onto this is very important. And just yesterday the American Bar Association put out a report saying how important this bill was and how long it has been that the law had ignored, ignored the whole area of domestic terrorism.

What does this bill do? It gives money to State and local governments to help train prosecutors, to make courts more sensitive, to build more shelters.

I have said over and over again, there is three times as many shelters for dogs and cats in this country as there are for family members suffering from any kind of violence.

And it puts in a 1–800 number so we begin to get a real offensive on that at the Federal, State, and local level. It puts another 100,000 policemen in cities, cops on the beat. We know if there are police present, it is much less likely to be crime present. It puts in any number of preventive programs we know work, youth jobs programs, all sorts of sports programs, and all of these things are really not funded at that great of an amount, because basically they are all done with volunteers. But this money can keep those volunteers focusing on the young people rather than trying to do what they want to do with the young people but having to have a carwash every other day and a bake sale every other day and whatever. It is to just get the money to rent the space or do whatever they need.

So this goes a very, very long way and has all sorts of ripple effects through the young people that the community is trying to reach. It also deals with international terrorism. We toughen up a lot of the things that we needed to have done a long time ago on terrorism. When we just saw the blowing up of different facilities in both Buenos Aires and London, we ought to be doing everything we can to get tougher on terrorism. These are all the things this bill does, along with limiting assault weapon sales.

Certainly we ought to be doing that. What are we going to do, go back to the Old West where everyone just gives up on the whole legal system, where we run around with our own assault weapons shooting and killing each other? I do not think that that is a good idea, and I do not think anyone else does either.

There is mandatory sentencing. There is all sorts of critical issues in here that should have been done. But the most important part is the balance between punishment and the balance between prevention.

I spent a lot of time with parents in my district of young people who are in trouble with the law. I found out that due to budget cuts, our schools had cut back on so many things that would have prevented these kids from getting in trouble. Here is a way we can reinstate those programs. I certainly hope we get a speedy enactment of the crime bill.

MORE ON THE CRIME BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON] is recognized during morning business for 5 minutes.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I, too, rise on behalf of the crime bill. It is clear to me that probably not a single person is pleased with every element of the crime bill. I am probably just as displeased as many others.

We do extend the death penalty, and we do not have the racial justice provision in the bill. But, Mr. Speaker, we do have prevention. The majority of the people in this country want to see criminals off the street. They want to see crime stopped. I want the same thing.

I would like to see more fairness in the criminal justice system. But I do not believe that we are going to get it stated in this bill. I believe it is a challenge to continue to work, but I do believe that when we approach crime, we have three things to do: We have to prevent; we have to do something with the persons who break the law; and we have to rehabilitate.

□ 1120

This bill does all three things. That is the reason why I am going to support this bill. I am supporting this bill because I am not here representing my emotions. I am here representing almost 600,000 people in District 30, Texas.

They want to see a crime bill passed. For that reason, I am going to support the crime bill. I am going to vote for the rule and I am going to vote for the bill, not because I think it is perfect, not because it has directed any court to be any more fair, but when we look at Federal versus State, many of the problems of unfairness come more with State law than with Federal law.

It is a challenge to keep working, Mr. Speaker, but it is not time at this point to stop. We must respond to the people, and we must pass this bill.

Another area that requires a great deal of attention, Mr. Speaker, for my entire career in politics, which spans over 20 years, I have stood up and I have spoken out for human rights. I continue to do that, but I do believe at this time it is appropriate for the country of China to separate that issue and trade. In many instances, it has not been separated.

All the circumstances have been different. Many will talk about South Africa. South Africa stood and cried out to the world, with 75 to 90 percent of the people crying out to the world to stop trade. The entire would responded. No one in China is crying out, saying "Stop trade."

One of the ways to make human rights better in China is to be sure that people have a way to make a living, to become independent, and to get in a position to have more ownership.

Mr. Speaker, I believe that the President is right. I believe that we can put provisions, negotiate them, look at the past cultures, and decide that yes, we will not compromise human rights, but we must look at trade. Human rights must continue to be a vital consideration as America forms its policy toward China, as well as the policy toward other areas in the world. We must be consistent.

However, Mr. Speaker, the United States must pursue policies which are specific to each of the issues which affect our relationship to China, in order to achieve positive results. When a president of a country looks you straight in the eye and says "How can you judge me? What are you doing," how do we answer?

The continuation of China's most-favored-nation status is a necessary part of America's policy toward China. We must recognize that China will not be bullied, and an open and constructive approach is required to cultivate the relationship and advance American interests.

Whether those interests lie in trade or human rights, we must look at those separate issues in every part of the world, as well as our own country.

MEMBERS SHOULD CONSIDER BOEING'S OPERATIONS IN CHINA BEFORE VOTE ON MOST-FAVORED-NATION TRADING STATUS

The SPEAKER pro tempore (Mr. BARLOW). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentlewoman from California [Ms. PELOSI] is recognized during morning business for 5 minutes.

Ms. PELOSI. Mr. Speaker, I rise to call to the attention of our colleagues this article that appeared in today's Washington Post. It says "Boeing To Send Work on Jet Parts To China."

It was just a little more than 2 short months ago that Boeing was in the forefront in urging President Clinton to renew most-favored-nation status to China unconditionally. They, among other members of the business community, are also those who oppose our very focused compromise legislation today to lift MFN on products made by the Chinese military and the People's Liberation Army.

However, here today, this morning, I want to call my colleagues' attention to this article, because in it, it says that Boeing will invest $600 million in a plant in China to build tail sections for its 737 jetliners, and a $100 million spare parts center and training program.

The spokesperson for Boeing said that China was a possible production site for the 100-seat passenger planes Boeing hopes to manufacture for Asian markets. This is quite a different story than the protecting of jobs in America that Boeing was talking about at the time it weighed in so heavily with the executive branch and with Members of this body voting on legislation today.

Mr. Speaker, what is really important about this is that the spokesperson for Boeing also said "Our thinking is that once that is built, the Xian and Chinese industry will be able to build anything to world standards," anything. This means entire airplanes. This is not new. This is a course that the aerospace industry has been on.

What is alarming about it, Mr. Speaker, and what should be of concern to this body is that in this debate on trade, and I may add, I consider myself an advocate for trade, I have supported the President on NAFTA, I voted with President Bush on trade bills. I represent a district that is built on trade, and we have almost every business in our district that does business with China, ranging from major construction companies which build projects there to the clothing industry, which has products made in China for export to the United States, to mom and pop import-export businesses in Chinatown, so I understand when business weighs in with our colleagues, that sometimes it can be a difficult decision.

However, Mr. Speaker, that is their business, to support their interests. What is our business and our interest in this body is to be relentless in our pursuit for American jobs, certainly in an atmosphere of the freest possible trade, but that trade must be fair.

Why this particular article about Boeing to send work on jet parts to China should be of concern to each one of us is that in the past, most of the jobs that were exported abroad were described as labor-intensive, low-skilled jobs.

Now we see this year, in China's trade deficit, as was reported by the CIA about 2 weeks ago in an unclassified report to Congress, that while China's toys and clothing, manufactured goods, were holding their own or increasing a little bit in terms of exports, the biggest growth in China's trade to the United States was in electronic products, making up 6.5 percent of products that are used in the United States in that category.

So the massive trade deficit, which will at a minimum be $28 billion this year, but probably closer to $30 billion, is now not only because of unfair trade practices and barriers to market access, but also should be a source of concern because of the transfer of technology that is taking place. It is no longer just low-wage, labor-intensive, low-skilled jobs. Now we are talking about high-skilled jobs.

Mr. Speaker, in the statement from Boeing they say, as I mentioned, that they will be able to build whole planes there soon, and it plans to convert $100 million over 5 years to build the spare parts center at the Beijing airport to set up training programs for pilots, crew, and maintenance staff; certainly, Mr. Speaker, a noble venture.

It also says that the tails that will be made in China are made presently at the Wichita, KS, plant of Boeing. Hopefully, no jobs will be lost in Wichita. What we are concerned about are the jobs that are not added in Wichita.

I hope that our colleagues will read the Washington Post today, and it is in the New York Times and Wall Street Journal, also, but in the local metropolitan newspaper it is titled "Boeing To Send Work on Jet Parts To China." I would ask my colleagues to please read this before they vote.

RECESS

The SPEAKFR pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 o'clock and 28 minutes a.m.) the House stood in recess until 12 noon.

☐ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for all people who use their special talents and abilities in ways that promote healing in body and in spirit and so make an offering for all humanity. For doctors and nurses and technicians, for all people who are dedicated to healing and wholeness, for those who ease any hurt and promote well-being and harmony of the spirit, we offer these words of appreciation and gratitude. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DERRICK. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DERRICK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 251, nays 153, not voting 30, as follows:

[Roll No. 380]

YEAS—251

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Beilenson
Berman
Bevill
Bilbray
Bishop
Blute
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clayton
Clement
Clinger
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Holden
Houghton
Hoyer
Hughes
Hutto
Inslee
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
Kingston
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Watt
Waxman
Wheat
Whitten
Wilson
Woolsey
Wyden
Wynn
Yates

NAYS—153

Allard
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clay
Coble
Collins (GA)
Cox
Crane
Cunningham
DeLay
Dickey
Doolittle
Dreier
Duncan
Ehlers
Emerson
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallo
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grandy
Gunderson
Hancock
Hansen
Hastert
Herger
Hobson
Hoekstra
Hoke
Horn
Hutchinson
Hyde
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kennelly
Kim
King
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Machtley
Manzullo
McCandless
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Miller (CA)
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Nussle
Packard
Paxon
Petri
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Velazquez
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—30

Becerra
Blackwell
Brown (CA)
Clyburn
Diaz-Balart
Dornan
Dunn
Engel
Fish
Gallegly
Grams
Hastings
Hefley
Hochbrueckner
Huffington
Hunter
Inglis
Inhofe
Jefferson
Mfume
Michel
Moran
Owens
Ravenel
Shuster
Thornton
Washington
Waters
Williams
Wise

☐ 1225

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. GEPHARDT). Will the gentleman from California [Mr. DOOLITTLE] come forward and lead the House in the Pledge of Allegiance.

Mr. DOOLITTLE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6. An act to extend for five years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes.

The message also announced that the Senate insists, upon its amendment to the bill (H.R. 6) "An Act to extend for five years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. PELL, Mr. METZENBAUM, Mr. DODD, Mr. SIMON, Mr. HARKIN, Ms. MIKULSKI, Mr. BINGAMAN, Mr. WELLSTONE, Mr. WOFFORD, Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. THURMOND, Mr. HATCH, and Mr. DURENBERGER, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2739) "An Act to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal year 1994, 1995, and 1996, and for other purposes.".

TRIBUTE TO MEDAL OF FREEDOM WINNERS

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. FOLEY. Mr. Speaker, yesterday the President awarded the highest civilian award and the gift of this Government, the Medal of Freedom, to eight Americans: Herbert Block, the cartoonist, for his biting satire; the late leader of the United Farm Workers, Cesar Chavez, for his inspiration; Arthur Flemming for his service to every President, from President Roosevelt to President Reagan; James Grant, for his compassion as Executive Director of UNICEF; civil rights advocate Dorothy Irene Height for her hope; former Member Barbara Jordan for her wisdom; Lane Kirkland, for his service to labor; Sargent Shriver, for his leadership on the Peace Corps, VISTA, and voluntarism; and yesterday the President awarded the Medal of Freedom to our distinguished minority leader and friend, BOB MICHEL, for putting the interest of his Nation ahead of his own.

We salute each of the award recipients for their outstanding achievements, but I take the floor today to offer a special salute to our distinguished colleague and my friend from Illinois, who so richly deserves this honor.

Nobody with whom I have served has brought more civility and dignity to this Chamber than the gentleman from Illinois. He is a symbol of what the House of Representatives was intended to be, a place where the conflicts of this diverse Nation are resolved with good will and good intentions, and, after fierce and full debate, often by creative compromise.

Former Speaker Sam Rayburn once said:

> The district that is best represented is the district that is wise enough to select a man of energy, intelligence, and integrity, and reelect him year after year.

The wise voters of the 18th District of Illinois sent such a man to Congress in 1956, and they have sent him back 18 times.

□ 1230

Each time BOB MICHEL has served them with extraordinary skill, decency, and honor. His career has been exemplary. One could stand in this well all day and not list all of his accomplishments, from his courageous service in the Army in World War II to his fervor on the floor of this Chamber on every major issue that has shaped the Nation in the last half of this century.

But perhaps his greatest accomplishment is setting a standard of decency and integrity in public service that is rarely met in politics and Government today.

I remember his opening remarks of the 103d Congress and a quote is the sum and substance of BOB MICHEL's leadership. He said, "in every instance, ceremonial and political, mutual respect and goodwill should be at the heart of our endeavors." That has been how the distinguished minority leader has conducted himself in the business of this House.

Mr. Speaker, the Presidential Medal of Freedom is an extraordinary honor, and no one deserves it more than the gentleman from Illinois. He has led his party for 13 years, is second to no Member of this House in his patriotism, his humanity, and his great love of the House and its role in this democracy. He has set a standard of high purpose in public conduct second to none.

Mr. Speaker, I invite the House again to salute this signal honor and achievement.

Mr. Speaker, I include for the record the citation of the Medal of Freedom awarded to BOB MICHEL and his colleagues.

THE WHITE HOUSE,
OFFICE OF THE PRESS SECRETARY,
Washington, DC, August 8, 1994.

The President today awarded the Presidential Medal of Freedom to the following individuals. The text of the accompanying citations reads as follows:

Herbert Block. Combining humor, satire, and an incisive wit, Herbert Block, better known by his pen name Herblock, has endowed editorial pages with his skilled artistry for nearly half a century. His political cartoons continue to enliven the minds and tweak the sensibilities of millions of Americans. Usually selecting his targets from among the powerful of Washington, every President since Herbert Hoover has known the sting of Herblock's pen. He instills in our Nation's leaders a dose of humility, reminding all of us that public service is a privilege.

Cesar E. Chavez. (Posthumously) With few material possessions, but guided by his parents' steady example, his Catholic faith, the lessons of Gandhi, and unshakable belief in justice, Cesar Chavez brought about much needed change in our country. An agricultural worker himself since childhood, he possessed a deep personal understanding of the plight of migrant workers, and he labored all his years to lift their lives. As the leader of United Farm Workers of America, he faced formidable, often violent opposition with dignity and nonviolence. And he was victorious. Cesar Chavez left our world better than he found it, and his legacy inspires us still.

Arthur Flemming. The highest attributes of Government service are clearly evident in the brilliant career of Arthur Flemming. Serving every President from Franklin Roosevelt to Ronald Reagan, he is a proven resource of astute intelligence and steadfast loyalty. On the first two Hoover Commissions, he strove to renew and reinvigorate established principles of governmental power and responsibility. From his role as Secretary of Health, Education, and Welfare, to his landmark efforts as Chairman of the Commission on Civil Rights, he consistently challenged the status quo. He not only sought health care reform, but he also summoned our Nation to uphold its promise of equality. Arthur Flemming has selflessly labored for decades to make American Government more effective and efficient. A grateful Nation thanks him.

James Grant. Recognizing that our children are our most important resource and most profound responsibility James Grant has devote his life to making the world a better place for its youth. He has proven to be a compassionate and visionary executive director at UNICEF, teaching us the disastrous effects of poverty, population growth, and environmental degradation upon the vulnerable and dispossessed children of our world. Under his leadership, UNICEF has fought to reduce disease, malnutrition, disability, an illiteracy on a global scale. His wise stewardship has pointed the way toward a future in which these adversities may no longer threaten our children. James Grant continues to create hope and opportunity where there was once only despair, earning our eternal gratitude and ensuring a brighter tomorrow for our world.

Dorothy Irene Height. Dorothy Height has spent a lifetime providing leadership in the struggle to make the promise of equality a reality for people around the world. Beginning as a civil rights advocate in the 1930s, she soon gained prominence through her tireless efforts to promote interracial schooling, to register and educate voters, and to increase the visibility and status of women in our society. She has labored to provide hope for inner-city children and their families, and she can claim responsibility for many of the advances made by women and African Americans over the course of this century. For helping our Nation to more accurately reflect the noble principles on which it was founded, we honor Dorothy Height.

Barbara Jordan. Teaching by deed, as well as by word, Barbara Jordan has dramatically articulated an enduring standard of morality in American politics. Guided by an unshakable faith in the Constitution, she insists that it is the sacred duty of those who hold power to govern ethically and to preserve the rule of law. As the first African American woman elected to the Texas State Senate, her conspicuous abilities led her to the United States Congress, where her brilliant oratory and meticulous judgment earned our lasting respect. She continues her life's work as teacher, explaining and analyzing complex issues of moral responsibility in politics and imbuing the leaders of tomorrow with the ability to follow her formidable lead.

Joseph Lane Kirkland. Lane Kirkland is a hero of the modern labor movement—a man who has spent his life forging solidarity among the men and women whose sweat and toil have built our world. Ever resolute in his quest to enhance opportunities for working people, he has tirelessly worked to strengthen democracy and to further the cause of human rights. During the Cold War, his vital assistance to the Solidarity movement in Poland spurred the forces of freedom toward victory in Eastern Europe, just as his guidance here at home helped to renew and fortify the American economy. As a people, we are indebted to Lane Kirkland for his talented leadership efforts as an advocate for unity and social justice.

Robert H. Michel. Demonstrating loyal devotion to our country, Bob Michel has worked ceaselessly to move our Nation forward. After valiant Army service during World War II, he chose to serve his community and country in the Congress, earning the trust of his constituents, election after election for nearly four decades. Raising his voice, sometimes in song, but always in the spirit of creative compromise and cooperation, he has won the enduring respect of his colleagues on Capitol Hill and of the nine Presidents with whom he has served. He retires as House Minority Leader, leaving a history of legislative victories that often broke gridlock in times of crisis. America thanks him for demonstrating the highest standards of public service, putting the interests of the Nation ahead of his own.

Robert Sargent Shriver. Robert Sargent Shriver has not only shared, but shaped, the action and passion of his times. it was Sarge Shriver's energy, persuasion, and leadership that made the goals of the Peace Corps attainable—that living reminder that the essence of American power is not might of arms, but constancy of ideals and perseverance of effort. That so much endures with his indelible stamp both stuns and invigorates: Head Start, VISTA, Foster Grandparents, Legal Services, the Job Corps, and more. He released a torrent of creative energy—from Special Olympic athletes to Head Start students to National Service pioneers. "Serve, serve, serve," Sargent Shriver told Americans, "because in the end, it will be the servants who save us all." His service has been our legacy of hope.

THE HONOR AND PRIVILEGE OF SERVICE IN THE HOUSE OF REPRESENTATIVES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, my colleagues, it gets to be an awfully emotional moment. The President did me such honor yesterday and obviously at a moment and a time that I shall never forget.

Mr. Speaker, you made mention of that today, with your very kind remarks about my service in this House and our serving together. I was always hoping that, well, sometime later on in this session, when we get about ready to adjourn, maybe I would have a few comments to say and offer some words that were appropriate.

If I were to say anything today other than just thank you so much for your tribute today, it would be this: I was singled out as a Member of the House of Representatives for that most prestigious award. I wish I could just parlay that into having the American people appreciate what this institution is all about, and how important it is to the country. We want to have the respect of the people. We want them to know that what goes on here is at the very heart of this Government. This House, yes, and the other body.

But I have been around this House long enough to have sensed the feeling of our Members. We get shortchanged compared to the other body. At this event yesterday, I just could not help but feel, egads, here is a Member of the House of Representatives who is among that distinguished group of people honored.

So I wish there were a way to say, I accepted it yesterday on behalf of each and every one of you who serve, as you do, representing your constituents in this great body, the U.S. House of Representatives.

I hope you will always think of that and in the remaining days that you serve in this body, what it is to bring credit to the institution, to make it just a little bit better tomorrow than it was today. And, yes, we have had our down times and our times of distraction. But all in all, how many people have said it throughout history, whether foreign leaders or our own people here in this country, our system is such that it cannot be paralleled by any other around the face of the globe.

I hope you will just all appreciate as much as I have appreciated the great honor that has come to me to simply have been elected by our individual constituencies and then eventually serve in this House, to do the very best we can in our own way, as just a little bit of the whole.

Thank you so much.

SALUTE TO THE HONORABLE BOB MICHEL

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, BOB MICHEL, certainly I cannot be more eloquent than you in your down to earth and simple language that you addressed this House and the honor that this House bestows. But I would like to take a minute and just read the writing in the book of the Medal of Honor.

It says, BOB MICHEL,

> Demonstrating loyal devotion to our country, Bob Michel has worked ceaselessly to move our Nation forward. After valiant Army service during World War II, he chose to serve his community and country in the Congress, earning the trust of his constituents, election after election for nearly four decades. Raising his voice, sometimes in song, but always in the spirit of creative compromise and cooperation.
>
> He has won the enduring respect of his colleagues on Capitol Hill and of the nine Presidents with whom he has served. He retires as House Minority Leader, leaving a history of legislative victories that often broke gridlock in times of crisis.
>
> America thanks him for demonstrating the highest standards of public service, putting the interests of the nation ahead of his own.

BOB MICHEL, to me, and to this House, you have been a dear friend. You have been a mentor. You have showed civility and grace and good conscience to us all as a hallmark in the parameters of our behavior here.

You fought for freedom, not only with bullets but with words. We salute you for it, and we love you for it.

DON'T LET THE SPECIAL INTERESTS MUG THIS CRIME BILL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, tomorrow we vote on the rule on the crime bill and the vote is extremely close. How can we let special interests dictate what we do on the most important issue facing the country? How can we go home without a crime bill? How can we vote against 100,000 cops on the beat? How can we vote against three strikes and you are out or tougher sentencing provisions? How can we vote against the death penalty for over 60 Federal crimes or for funds to States for prison building or for serious prevention programs to keep young people from going into crime?

Mr. Speaker, the American people do not want the special interests dictating what we do on the crime bill. Let us pass it and let us pass it now.

☐ 1240

GOVERNMENT IS TOO BIG AND SPENDS TOO MUCH

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, Government is too big and spends too much. Senator JOHN DANFORTH, vice chairman of the Bipartisan Commission on Entitlement and Tax Reform, is quoted in the Post this morning as saying, "We are on a course toward national bankruptcy. The question today is what are we going to do about it?"

Other members of the commission have an idea of what they are going to do about it. One has the idea that we should start taxing the amount of money the employer contributes to your pension. Another has the thought that we should tax the amount of money the employer pays for your health plan. Some think that we ought to tax the interest we pay on our home mortgage and can presently deduct.

Keep in mind, Mr. Speaker, the average family of four with a median income already pays over one-third of that income to the Government in taxes. The President and Mrs. Clinton are pushing socialistic health care. Such health care would become the largest entitlement of all, and it would simply accelerate our Nation's bankruptcy. President Clinton ought to recognize that Government is too big and spends too much.

HEALTH CARE REFORM: A WORKER'S MANDATE

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, 85 percent of uninsured Americans are employed, hard-working men and women and their families. Most of these people earn between $15,000 and $25,000 a year. When the average family insurance policy costs about $5,200, you can see why health insurance eludes them.

Meanwhile, Medicare covers the very poor. That is why the Gephardt health care reform bill focuses on employed middle-income Americans. They lose the most under the present system.

Working Americans want and need health care coverage they can never lose. That is why the following worker's organizations support the Guaranteed Health Insurance Act: The Service Employees International Union, the National Association of Letter Carriers, the American Federation of State, County and Municipal Employees, the Communications Workers of America, the International Ladies Garment Workers Union, the United Steelworkers of America, the United Auto Workers, and the Amalgamated Transit Union.

Together, these organizations represent over 5 million American workers. It is a worker's mandate Congress should not ignore.

LET'S NOT RUSH HEALTH REFORM

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, the Democratic leadership has decided to push back the traditional August recess 1 week to give the Congress more time to vote on health care reform alternatives.

Inside the beltway, this announcement has been met with groans from folks who have made vacation and other plans. The American people do not care much about the Congress being inconvenienced, though, since so often we are the ones inconveniencing them with higher taxes and more mandates.

But the American people should be concerned about the real meaning behind this action: The Democrats want us to vote on health care before we get a chance to talk to our constituents.

The reason is clear: The American people do not want what the Democrats are selling.

I would challenge the Democrat leadership to come with a better explanation for why we must rush through this process. I do not expect them to meet my challenge.

Mr. Speaker, political expediency does not equal good policy. Let us not rush health care reform.

INTELLIGENCE AGENCIES, FISCALLY OUT OF CONTROL

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, if it happened in any other department of this Government it would rock the foundations of Washington. It would be a scandal of enormous proportions, an agency of this Government spending $350 million to build four office buildings without the control of the Congress, without the oversight of Members of this institution, secretly constructing an office building larger than anything on Capitol Hill; indeed, one-fifth the size of the Pentagon.

Mr. Speaker, this is the final evidence. The intelligence communities of this Government, the CIA in particular, is a government within a government. We are not controlling it, we are not monitoring it, we are not controlling its spending. We are not functioning in our constitutional responsibilities.

Mr. Speaker, only a few weeks ago this House defeated an effort that the gentleman from Kansas [Mr. GLICKMAN] and I offered to make the CIA budget public.

I remind my colleagues that when that vote comes up again, we are responsible for accountability of the intelligence agencies. Today Members are seeing just how out of control fiscally they are.

THE WHITE HOUSE SHOULD STOP BLAMING THOSE WHO WANT A BIPARTISAN HEALTH CARE BILL

(Mr. HORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, as a member of Congress strongly committed to health care reform, I find the latest line from the White House quite interesting—blame the failure of the big government Clinton bill on those who would allegedly preserve the status quo. I think we have been given seats to the preview of the postmortem finger-pointing.

To Clinton plan backers, supporters of the status quo are those who do not wholeheartedly embrace the Clinton plan.

Supporters of the status quo are those who would take the time to study a bill that has not even yet been written. Supporters of the status quo are those who would dare seek reasonable progress on health care reform that would command a large bipartisan consensus in Congress and the support of a large majority of the American people.

It is quite ironic to watch those who have proposed the Clinton-Gephardt Health care plan—one that has been soundly rejected by the average American—try to pin the blame for gridlock on others. Remember, it has been President Clinton and the far left who have insisted time after time that they would refuse to compromise on reform. Maybe it is time to stop blaming and to start working with those of us who want health care reform that represents the will of the American people and a bipartisan consensus of Congress.

GEPHARDT BILL GUARANTEES EMPLOYEES A CHOICE OF HEALTH CARE COVERAGE PLANS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, over the weekend, the public affairs shows featured an array of political heavyweights trading rhetorical punches on health care reform. But, the time for sloganeering and sound bites has past, and it is critical in the waning days of this debate that we discuss how reform will affect people's lives. That is why Mr. GEPHARDT has put together health care scenarios to help explain how his legislation works for all Americans.

Take the case of Mr. Strong. Like many Americans, Mr. Strong works in a small company and is currently uninsured. Under the Gephardt bill, by January 1, 1997, he will be guaranteed health insurance. He will have four choices:

A private plan offered by his employer.

A provider plan offered through the Federal Health Benefit Program.

If his employer chooses not to offer private coverage, he may obtain coverage through Medicare part C. If his employer chooses Medicare part C, he will have a choice of a plan offering an unlimited choice of doctors or a managed care plan.

A medical savings account, if offered by his employer.

One more reason to support the Gephardt bill, the only health care bill that guarantees coverage to every American and makes certain that consumers retain choice of plan and choice of physician.

THE DEMOCRAT HEALTH REFORM PLANS ARE FULL OF MYTHS

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, the Clinton-Gephardt or Clinton-Mitchell health care plans are full of myths. One of those myths is that America can afford nationalized health care. That is just not true. The Clinton-Mitchell bill contains 17 new taxes to be felt by the middle class, mostly. The Clinton-Gephardt bill contains an increase in the tobacco tax, a tax on insurance premiums, a tax for employers whose employees are covered somewhere else, such as by a spouse, and a new tax revenue by extending Medicare to more people.

Mr. Speaker, the Clinton-Gephardt health plan costs America $226.7 billion in new taxes, and only makes deficit reductions of $17 billion. They have to use the money from these taxes to fund their increased funding and expanded entitlements.

Mr. Speaker, Americans do not want, do not need, and do not deserve to be overtaxed so Congress can spend more. Unlike Congress, the American people know the difference between myth and reality.

THE CIA TAKES DECEIT TO A NEW ART FORM

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the CIA has taken deceit to a whole new art form. Check this out. The CIA lied to Congress about mining the harbors in Nicaragua, lied to us about assassination booklets in Nicaragua, lied to Congress about Pan Am 103, lied to Congress about Iran-Contra sales, lied to Congress about the death of Frank Olson, but now, Mr. Speaker, this is the big lie, el supremo fibbo. They are building a $350 million Taj Mahal, 1 million square feet, and guess what they told Congress: It was an office building for Rockwell International. Beam me up, folks.

Mr. Speaker, I say we should convert that Taj Mahal to a prison and start up by locking up these lying, thieving, stealing CIA nincompoops. That would be cost effective and even intelligent. Think about it.

□ 1250

THE AMERICAN PEOPLE WANT THE FACTS ABOUT WHITEWATER

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, why is the White House afraid of the appointment of a new independent counsel to investigate Whitewater? Why have they orchestrated an attack on Kenneth Starr if they have nothing to hide? After all, Mr. Starr was on Attorney General Reno's original list of proposed special counsels. The Attorney General thought enough of Mr. Starr to put him on that list. Mr. Speaker, the American people have every right to know the facts about Whitewater. Let us leave the independent counsel alone so he can get to the truth about Whitewater. Let us have a thorough, complete, impartial investigation of Whitewater and no more whitewashings. Let us lay off the new independent counsel so he can do his job of finding the truth. Let us let the chips fall where they may.

Mr. Speaker, the American people deserve nothing less.

SUPPORT URGED FOR THE PRESIDENT'S POLICY ON CHINA

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, I rise today in support of the President's policy on China and therefore I urge a "yes" vote on the Hamilton alternative to H.R. 4590. I think we all agree that the human rights situation in China has a long way to go before meeting our expectations. The question before us today is, how are we going to influence and move China and its nearly 1.2 billion people toward a more democratic, peaceful, and humanitarian direction?

Mr. Speaker, China is a big country, we must use a multilateral approach to improve the treatment of the Chinese people. We do not need to unilaterally provoke China into retaliating against the sanctions contained in H.R. 4590. H.R. 4590 advances the artificial link of economic activity to human rights thereby causing pain to all involved. I urge my colleagues to vote for the Hamilton substitute to H.R. 4590.

DON'T RUSH A HEALTH CARE BILL

(Mr. EHLERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EHLERS. Mr. Speaker, this morning I browsed through some of the letters I have received over the past 2 or 3 weeks from my constituents about health care. I find there is a great diversity of opinion. Some are in favor of the Government operating a health care system. Others are opposed to it. Many address specific points that they either like or dislike about the proposals. But on one thing, they are almost unanimous, and, that is, "Don't rush." Many say wait till September. Some say get politics out of it. Wait till after the election. Others say study it carefully and do it next year. But they all say, "Don't rush. Take your time and do it right."

And what is our situation today? We are being presented with a bill which we have not even received which we are expected to read, to study and to understand and vote on in just 5 days. That is absurd and contrary to what my constituents want. Let us not rush. Let us take our time and let our constituents read the bill and speak to us about what we should do about the bill and its specifics.

THE SAME OLD SONG

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, the American people are tired of business as usual in Washington.

Would you not be tired if you heard the same thing over and over? Every time Democrats propose a real plan for progress, the Republicans say no. They say it will cost jobs and hurt the economy.

They said it 60 years ago, when President Roosevelt wanted to pass Social Security. They said it 30 years ago, when President Johnson wanted to pass Medicare. They said it 1 year ago, when President Clinton wanted to pass his deficit-reduction package. And each time, we have looked back with pride on our accomplishments, while the naysayers ate crow.

It is little wonder, then, that today the American people say they are tired of business as usual, since Republicans are singing the same old song on health care. There is only one page in the obstructionist playbook, Mr. Speaker. The play never works, but it sure is easy to learn.

THE PEOPLE WANT HEALTH CARE DONE RIGHT

(Mr. ROTH asked and was given permission to address the House for 1 minute.)

Mr. ROTH. Mr. Speaker, speed is a quality we look for in our athletics, and it is even a good hit title in a movie this summer, but it is bad public business when it comes to changing our health care system. I have held 83 town hall meetings this year throughout my district. Yesterday in Green Bay, WI, I assembled a large cross-section of people from across my district for a final review of the health care proposals.

The message was loud and clear: "Congress, before you pass a bill, we the people want to know what it will cost, what it will deliver. In other words, what's in it."

From the Newsweek poll, we find that two out of three of every Americans agree, wait until next year, if necessary, to get the health care job done right. So the message from home is: We the people want real health care reform, but we want it done right.

Health care legislation will affect every man, woman, and child in America. I have asked the majority leader to call a recess after we see the bill and before we cast the final vote so the people that we represent can examine the health care policy and tell their representatives how they feel about this bill. The American people are in no mood to buy a pig in a poke, especially when it comes to health care.

ABUSE OF SEPARATION OF POWERS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, Robert Fiske was fired, Ken Starr was hired by three Federal judges. Federal judges, separate branches with separate powers playing politics with the executive branch. It is a violation of impartiality and the separation of powers. I say they ought to be impeached, because that is the only way that we can get rid of incompetent Federal judges. Mr. Starr may be a good attorney but he has a political bias against President Clinton. I say that he should step aside with the judges. Leave the investigatory work to competency and independence. Give the people of this country what they want and what they deserve, and, that is, the truth; nothing more or nothing less.

CRIME IS NOT SPELLED P-O-R-K

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, after 18 months of debate, the Clinton administration is on the verge of getting its long-sought economic stimulus package. Their marketing strategy; dress it is up as a crime bill.

In fact, the bill's best and most public feature, 100,000 new police nationwide, is a fraud. The measure provides less than $15,000 per officer. While in reality, it will cost taxpayer's between $70,000 to $80,000 per officer, leaving cities scrambling for substantial matching funds.

On the other hand, all of President's Clinton's social programs, such as midnight basketball games and arts and crafts programs, are fully funded—at taxpayer expense.

Regardless of the financial burden, administration officials say that all opposition to the crime bill is in the back pocket of the National Rifle Association. Well, this simply is not the case.

Let us take a look at just a few of the groups opposed to the crime bill. Amnesty International, ACLU, NAACP, and nearly every taxpayer watchdog group around. Quite a mixed bag, but definitely not a partisan one.

The American people are not easily fooled and they will be anything but amused when we pass along the bill for this unwarranted $30-plus billion social spending package.

Let us give the American people real crime control measures, instead of simply serving them more pork. I urge my colleagues to vote "no" on the crime rule.

REMOVE MFN STATUS FROM CHINA

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, very shortly this House will begin debating something called most-favored-nation to China. I ask the question, why should China be a most-favored-nation to this country, a nation that does not practice free elections, a nation that does not give dignity to its people in the workplace, a nation that has no respect for the environment? If we look at the economics of it, and this is really important, I ask again why should we give most-favored-nation to China when in fact our trade deficit with them is now hemorrhaging over $30 billion this year alone and they are sending us a piddling $7 million or $8 million if they allow our goods into their marketplace. That means our people lose jobs, their people gain jobs, and they work for nothing over there.

Today in the Washington Post on the front page there is a story about Boeing going to be putting production that it makes currently in Wichita, KS, rear tail sections for airplanes, moving that to China. Why should we be granting most-favored-nation to China when in fact we should be granting most-favored-nation to our people here at home? Our people are the ones that need the wages, our people are the ones that need the work. I think it is absolutely abominable that we would be faced with voting for this measure today which will cost us over $30 million in lost tariff revenue and do nothing to create good jobs here in the United States.

□ 1300

HASTE IN HEALTH CARE

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, as the old saying goes, haste makes waste, and in the case of the health care reform, haste makes a lot of waste.

As the Democratic leaders push ahead with their plans to ram health care reform through the Congress, I urge them to remember this simple three-word cliche, "haste makes waste."

Health care reform is one of the most important legislative issues we will do this Congress. It will directly affect the lives of all Americans daily. If we mess it up, we mess up the lives and livelihoods of millions of Americans.

The best way to build consensus on this legislation is to go home with the various alternatives and go through them with our constituents before we vote.

The last thing that should be done is craft a bill in the back rooms of the Capitol without the input and guidance of the American people. Mr. Speaker, haste in health care means waste in effort, waste in lives, waste in money in the future.

Let us come up with a true bipartisan bill our constituents understand and approve of before we vote.

VOTE AGAINST THE RULE ON THE CRIME BILL CONFERENCE REPORT

(Mr. VOLKMER asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, Members of the House, it is my understanding we are supposed to take up the crime bill tomorrow. When we do, I would like to urge all Members to vote "no" on the rule.

The reason I say that is that we, especially from the Midwest and areas where people hunt and fish and enjoy the outdoors, love to use our semiautomatic rifles and shotguns, as I do when I go deer hunting and for other purposes.

That crime bill presently provides that there will be a lot less semiautomatic rifles and shotguns in the future for hunters and sportsmen out there.

Now, if they really want to, those that are antigun, really want to pass a bill, they have got a bill over in the Senate that was passed by the House. They can take it up there. They do not have to have it in the crime bill.

Semiautomatic weapons were used in less than 1 percent of homicides in 1992. Knives were used in over 3 percent of homicides.

Why do you want to take away my semiautomatic rifle and shotgun so I cannot go duck hunting, goose hunting, and deer hunting?

HEALTH CARE BILL WRITTEN IN SECRET, STILL UNAVAILABLE

(Mr. McKEON asked and was given permission to address the House for 1 minute.)

Mr. McKEON. Mr. Speaker, as a member of the Republican freshman class, I, like my colleagues, was elected by the people of my district on the platform that Congress must change the way this institution operates. Unfortunately, the approach to reforming healthcare, under the House leadership, reflects the same old way of doing business.

We have now been told by the House leadership that next week the House of Representatives will debate and vote on healthcare legislation. Yet, the only bill guaranteed a vote next week is being crafted behind closed doors, and at this time, is not available for review by Members of Congress nor the American people.

It is imperative that as a legislative body the House of Representatives has the opportunity to study any healthcare bill before voting on it. Additionally, Members should have the chance to return to their districts to discuss and receive input from the very people that will be affected by these reforms.

This is what our Founding Fathers envisioned when writing the Constitution, an open forum that allows the American people to participate in the legislative process. Mr. Speaker, that is democracy.

THE DREADED "I" WORD

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, Washington is abuzz in dreaded words. We have the "T" word, tax, and everybody runs in terror from taxes. We have the "D" word, which is deficit. Everybody runs in terror from deficits. And now we have another dreaded word called the "I word, incremental, and it has to do with health care reform.

People say you cannot reform this system incrementally, little by little, step by step. You have to take the big plunge. And, yet all of us who tinker on cars know that when you have a problem with a car, you start from a kind of conservative approach. You see what might be visibly wrong, a wire that is not plugged in, a screw that is not tightened, before we pull the engine. When we practice medicine, we take an aspirin first, then we see the physician, and maybe, hopefully not, but maybe surgery thereafter. But we take things step by step.

I think that Washington is incorrect in being stampeded or scared to death by the word "incremental" as to health care reform. It seems to me we ought to start with the problems of portability, start with the problems of preexisting coverage, start with the problem of cost of coverage, but somehow start at the start, and then work to the eventual conclusion, not just take the whole thing whole hog.

Mr. Speaker, I hope that this is one time when the summer is not characterized by a dread of this word "incremental."

HEALTH CARE PLANS MUST BE STUDIED

(Mr. HOEKSTRA asked and was given permission to address the House for 1 minute.)

Mr. HOEKSTRA. Mr. Speaker, the process that we are going through over health care reform, I believe, is confirming the worst fears the American people have about Congress. People realize that this Congress is ready to pass a bill that none of us have read and that we will not fully understand.

Two weeks ago the leadership set an ambitious timetable for completing the debate on health care, and this was after they declared all previously discussed health care bills null and void.

At that time the leadership said new bills would have to be crafted and submitted no later than 6 p.m., August 3, giving us a full 15 days to read 5,000 to 6,000 pages of legislation in perhaps getting ready for the most important debate to be discussed by this Congress in a generation. That deadline came and went, and we saw no bills. Then the leadership set a new deadline of 6 p.m. yesterday, condensing the amount of time of debate to 11 days. That deadline came and went, and we saw no bills. Yesterday a new deadline was set for 6 p.m. tomorrow, August 10, leaving us only 9 days for debate. Now we will see if that deadline is met.

Now is the time and place for real congressional reform. Let us put in place a responsible process that this Congress can be proud of.

THE BURDEN OF PROOF IS ON MR. STARR

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, as a lawyer, I would not like to be in Kenneth Starr's shoes. His sudden appearance to investigate the President raises more genuine appearance questions than those which were said to have disposed of Robert Fiske.

Mr. Fiske was an appointee of the Attorney General, and for that reason, and only that reason, his replacement was understandable. Mr. Starr is an appointee of a court, but he brings openly partisan baggage that makes clear that courts can have highly imperfect and tainted judgment on these matters as well.

Mr. Starr's appearance of impartiality is not aided by his attachment to the Paula Jones lawsuit, his foregone Senate race, and his absence of criminal law experience. However, after $2 million and 6 months of work by Mr. Fiske, replacing Mr. Starr would bring only more confusion, expense, and delay.

Getting on with it without fear, favor, and, I might add, redundancy is in order. The burden of proof now is on Mr. Starr. It is a heavy burden, indeed.

THE CLINTON-GEPHARDT PLAN: MORE GOVERNMENT FOR WHAT ILLS YOU

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, House leaders have declared the Clinton-Gephardt health care plan is not the Clinton plan. They are right. The Clinton-Gephardt plan is worse.

The Clinton plan would have forced almost every American into a Government-run health care purchasing cooperative. The Clinton-Gephardt plan trashes this bad idea and replaces it with something at least as bad, a new Government-run health care plan called Medicare part C. This new entitlement program would run health care for 90 million Americans.

If you add Medicare parts A, B, and C, it means Government-run health care will cover over half of the country. According to a recent Newsweek magazine poll, 65 percent of the American people say, "Let us wait and start over on health care." By 2 to 1 they say, "Let us wait and start over. Let us do it right."

I received a letter yesterday from 11 hospitals from the State of Arkansas, rural hospitals, who sent that same message, "Congressman, wait until next year. Let us do health care reform right."

And the American people are right. They deserve better. Let us wait. Let us read the bill, study the bill, and let the American people react to that bill.

WELFARE REFORM

(Mr. BARCA of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARCA of Wisconsin. Mr. Speaker, and Members, one issue that we have discussed for some time but has yet to really emerge from this Congress that I want to encourage us all to continue to focus our attention and our efforts on is the issue of welfare reform.

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The President has brought forward a bill, and many Members have brought forward bills. The Committee on Ways and Means had a hearing over the course of the last couple of weeks, a very constructive hearing to begin discussing this very important issue. I would hope we could still address it yet in this Congress, but I think the framework under which this should be discussed is with the notion that people should be better off working than not working.

Mr. Speaker, I will be introducing a bill later this week or the first part of next week to give States more flexibility when they want to change their earned income disregards to allow that principle, to make it so that people are better off working than not working.

States have come forward asking for waivers. I think the national Government should respond and grant them these waivers.

Mr. Speaker, I ask unanimous consent on both sides of the aisle to help me cosponsor this and put welfare reform on the front burner.

H.R. 4742, CALIFORNIA FIRE SUPPRESSION BILL OF 1994

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, throughout the West, our forests are erupting in flames. Whether it be Colorado, Washington State, or my State of California, emergency conditions call for immediate action.

For this reason, I have introduced H.R. 4742. By declaring a state of emergency on national forests in California, this legislation will free our professional foresters from restrictions that are currently preventing them from reducing natural fuels and saving our forests. Without the immediate reduction of these fuels, our forests in California, which have experienced 7 drought years during the last 8 years, will continue to be destroyed by out-of-control wildfires.

This bill could also be amended to include other western States facing the same crisis. If we are truly serious about saving our forests, we must pass H.R. 4742 immediately.

THE 50TH ANNIVERSARY OF OPERATION HALYARD

(Mr. CRANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRANE. Mr. Speaker, 50 years ago today—on August 9, 1944—one of the most daring OSS missions in history resulted in the rescue of 250 American airmen who had been shot down following air raids on oil installations and communications in Romania. Three waves of C–47's lifted the men to safety from a makeshift airfield only 90 miles from Belgrade, Yugoslavia. In subsequent missions, the total of rescued airmen reached 800.

During the first part of 1944, hundreds of Allied sorties were flown from Italian bases against the Ploesti oil complex in Romania, Hitler's most important source of oil during World War II. The losses were heavy. Since the route home led across Yugoslavia, and because the Serbian area was under the control of General Draja Mihailovich, Royal Yugoslav resistance leader, hundreds of American airmen who had to bailout over Yugoslavia were picked up by Mihailovich's fighters. The rescued airmen were thus saved from capture and imprisonment by German troops who occupied Yugoslavia.

Under cover of darkness, C–47's flew the men from the airfield. Within a radius of 20 to 30 miles from there were half a dozen German garrisons ranging in size from several hundred to several thousand men. A Luftwaffe unit was stationed at an airfield just 30 miles away.

It is believed the rescue—code named "Operation Halyard"—was the largest and most daring operation of its kind conducted anywhere in Axis-occupied Europe during World War II.

It is only fitting that we recall the rescued and the rescuers on this day, the 50th anniversary of "Operation Halyard."

A $310 MILLION SECRET BUILDING: ABUSE OF TAXPAYERS' DOLLARS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, almost every day we see examples of how the Federal Government is simply out of control.

Today's front pages carry a story about how one Federal agency "has concealed from Congress the mushrooming cost of a $310 million compound it has been secretly building near Dulles Airport."

The Agency is the National Reconnaissance Office. This is an office overseen by the CIA and the Department of Defense. Both U.S. News & World Report and the Washington Times have recently run articles about how wasteful and incompetent the CIA is. Now we have another intelligence operation blowing over $300 a square foot for a palace of an office while hiding facts about it from Congress.

Unelected Federal bureaucrats, overly protected by the Civil Service System, are wasting the peoples' money in almost unbelievable ways.

We need a strong intelligence operation. But our present intelligence agencies did not even predict the fall of the Berlin Wall or the breakdown of the Soviet Union.

We are spending billions and getting almost nothing in return.

We need to greatly decrease the size of our Federal Government. Unless and until we do, we will continue to see abuses like this $310 million secret building.

Our bureaucrats are living royally while our taxpayers are struggling to get by.

AVOID THE ENTITLEMENT TRAP

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, it is no secret the health reform debate has become one huge political temptation. To create the momentum needed to move such a massive bill, President Clinton's spin doctors have made the glowing promise of new and cheaper benefits the mantra of every single stump speech. And now they are daily stump speeches. While these unfulfillable promises make good for election year sound bites, Americans wisely are not buying so say the polls. We on the hill cannot ignore fiscal reality.

Yesterday, the bipartisan commission on entitlement reform released its interim report. It warns very bluntly of our ever-growing and very real impending budgetary crisis while certifying that our existing health entitlements have been prime engines in driving up entitlement costs.

As we take up health care reform next week, we need to rethink our approach. One thing is very sure: We cannot afford to create and entrench another entitlement program such as the Clinton health reform plan is calling for. And we cannot afford to promise more than we can deliver. We already have a $4.5 trillion IOU out there that we call the national debt. Can we learn from our mistakes?

Can we avoid the entitlement trap? Not if we keep telling the American people that the Clinton-Gephardt plan is the answer to health reform, because it is not.

HEALTH CARE REFORM: WE HAVE NOT EVEN SEEN THE BILL

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, last evening during special orders several members of the other party took the floor of the House to urge us to move quickly on health care reform. They said we have been studying it for 2 years.

Well, we have been studying the problem for 2 years, but we have not yet seen the bill to solve the problem. It is not even written.

The gentlewoman from Connecticut a few days ago stood here with a large chart, telling us precisely what will be offered. But I have not seen the bill. It is not written. Does she have the only copy? Are they not going to share it with us?

She said that bill would give more choice to the American people than they have now. It is arrogant to suggest that our choices come to us because of a benevolent Government. We have choices because we live in a free society, a condition the Clinton administration seems hell-bent on changing.

Please, Mr. Speaker, let us read the bill before we vote on it.

BREAKDOWN IN LEADERSHIP

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I detect a breakdown in leadership around here. At this late date there is no rule on the crime bill, the health care bill has not been written. Why this breakdown? Because the Democratic leadership is pushing legislation that the American people do not want.

Let us take crime, for instance. $9.1 billion for social spending, midnight sports, community youth academies, olympic youth development, and the like. Americans want less giveaway programs and more work programs.

Now let us talk about health care. Right now they do not have a bill. It is not going to be debated fully; we are going to sit here in the middle of the night and vote for it. We do not know whether it is budget neutral, and on and on and on.

Health care, crime, we need leadership, and we do not need to vote for these programs in the middle of the night.

PROVIDING FOR CONSIDERATION OF H.J. RES. 373, DISAPPROVING MOST-FAVORED-NATION TREATMENT FOR CHINA AND FOR CONSIDERATION OF H.R. 4590, UNITED STATES-CHINA ACT OF 1994

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 509

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 373) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China, and for other purposes. All points of order against the joint resolution and against its consideration are waived. The joint resolution shall be debatable for eighty minutes equally divided and controlled by Representative Solomon of New York and Representative Gibbons of Florida or their designees. Pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion. The provisions of sections 152 and 153 of the Trade Act of 1974 shall not apply to any other joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the One Hundred Third Congress.

SEC. 2. After disposition of the joint resolution (H.J. Res. 373), the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4590) to provide conditions for renewing nondiscriminatory (most-favored-nation) treatment for the People's Republic of China. The first reading of the bill shall be dispensed with. All points of order against the bill and against its consideration are waived. General debate shall be confined to the bill, and the amendments made in order by this resolution, and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule and shall be considered as read. No amendment shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments printed in the report are waived. If more than one of the amendments printed in the report is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendment as may have been finally adopted. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], and pending that, I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, 5 years ago, the eyes of America and much of the world were focused on a place called Tiananmen Square and a group of young Chinese students who tried to change the world.

They quoted Thomas Jefferson.

They read from our Constitution.

They built a Chinese version of the Statue of Liberty.

They faced down tanks and they marched for freedom. In our memories, those images still burn.

Time and time again the past 5 years, Members have stood on this floor and said "we cannot forget the students who marched at Tiananmen Square."

We cannot forget those who risked their lives for freedom.

Today, Mr. Speaker, we find out if we really meant it.

Today, we find out if we really are going to stand up for democracy and human rights in China.

This debate is really about some very simple questions.

Do we really believe that we should reward China with unconditional most-favored-nation trading status even though they have made no progress on human rights and even though China does not extend MFN to us?

Do we really believe that we should give special trade benefits to products made by the Chinese army even though they use prison labor and even though the profits go to support the same people who drove the tanks at Tiananmen Square?

Do we really believe that we should ask American taxpayers to subsidize products made by Chinese workers earning 10 cents an hour even though those imports have cost America over half a million jobs and even though it's led to a trade deficit of $23 billion with China?

Do we really believe that?

Those are the questions we are here to debate today.

Those are the questions we are here to answer.

To be honest, I wish we didn't need to have this debate.

I wish we could be celebrating China's progress.

But 15 months ago, America issued a challenge to China: either improve your human rights situation or pay the price.

And sadly, 15 months later, it's clear from any reasonable accounting that the situation in China is getting worse, not better.

In the past 15 months alone, there have been over 500 new documented cases of political torture and abuse at the hands of the Chinese Government.

From the use of electric shock, floggings, and iron rods on prisoners to religious persecution in Tibet.

From political arrests in the middle of the night to forced prison labor on products that are shipped to America.

From the imprisonment of people for nonviolent expression of political ideas to dissidents who disappear without a trace.

The stories come in by the dozens, every week, week after week.

In the 3 months that have passed since the administration's last announcement, organizations like Asia/Watch have documented 17 new cases of disappearance and arrests in China.

And the Chinese Government itself recently thumbed its nose at the international community and said it would continue to crack down on dissenters who commit the crime of exercising free speech.

That is the reality in China today.

We know it. They know it. The international community knows it. Even supporters of MFN for China know it.

The question we have to answer today is, what are we going to do about it?

Are we going to continue to unconditionally subsidize torture in China? Or are we going to use the economic leverage of MFN to promote human rights in China?

That's the question.

And today, we are presented with three very different answers to this question.

Three very different options about which direction we should head.

We can either reward China by renewing MFN unconditionally.

We can cut off MFN altogether.

Or we can choose a compromise with limited sanctions that target the most egregious offenders of human rights in China today—the military and the state.

Those are the three options before us today.

The first choice is the Hamilton amendment.

The Hamilton amendment will be seen as an endorsement of the status quo in China today.

It says the way to improve human rights in China is to let them keep doing what they're doing, that the best way to respond to the human rights abuses are to grant them unconditional most-favored-nation trading status—no ifs, ands, or buts about it.

The Hamilton amendment would even grant special status to products made by the Chinese army and by the state.

These are the very people who arrest, who torture, and who abuse the right of people in China today.

These are the people who drag innocent civilians out of their homes in the middle of the night.

These are the people who manned the tanks at Tiananmen Square.

These are the people who are forcing prisoners to work at gunpoint to make products to ship to our market.

And the Hamilton amendment would continue a policy that subsidizes this kind of behavior.

Mr. Speaker, we have been down this road before.

This is the same thing we've been doing for the past 5 years.

We have unconditionally extended MFN for China time and time again, and the situation has just gotten worse.

Why should we do it again?

China does not even grant MFN status to American products.

Let me say that one more time, Mr. Speaker: China does not grant MFN status to American products.

Even after recent reforms, China routinely charges ten times more to let our products into their country than we do to theirs.

Is it any wonder why our trade deficit with China is expected to grow from $23 to $30 billion this year?

We are the only major industrialized nation in the world that has a trade deficit with China. All of our competitors impose high tariffs on Chinese goods because they know many Chinese products are made with prison labor.

Yet, the Hamilton amendment is asking our workers to compete with workers who earn 10 cents an hour.

We're asking them to compete with a nation that exports products made from prison labor.

We're asking them to compete with a nation that refuses to accept even modest labor provisions.

Unconditional MFN undercuts both American workers and American jobs.

There are those who say that our exports to China creates jobs.

But what about the more than half a million jobs that we have lost due to Chinese imports? What about the huge trade imbalance that we must now bear?

The question is not how many jobs revoking unconditional MFN will cost us. The question is, how many jobs is MFN costing us now?

We can do better than the approach embodied in the Hamilton amendment.

We can do better than unconditional MFN.

The other two amendments before us today offer a clear choice.

On one hand, the Solomon amendment would revoke MFN altogether.

There is certainly a case to be made for revoking MFN outright, and the gentleman from New York, who has been such a strong defender of human rights in China, has forcefully and passionately made his case time and time again.

And given the worsening situation there, his approach is certainly understandable.

But the Pelosi amendment offers a clear compromise between those who would advocate total revocation and those who unconditionally renew MFN.

Let's be clear what this amendment does not do.

The Pelosi amendment does not propose that we eliminate most-favored-nation trading status altogether.

It does not hand a "Keep Out" sign on the United States border for Chinese products.

And it does not turn our backs on the China market.

The Pelosi amendment simply targets the most egregious offenders of human rights in China today specifically the military and the state and says that if you want to produce toys, toasters, or tennis shoes in the sweatshops of the Chinese army the United States is not going to subsidize it and we're not going to force our workers to compete with it.

Specifically, the Pelosi amendment would target $5 billion worth of sanctions on products made by the Chinese military and other state-run agencies.

It would affect just 15 percent of our total trade with China and it would do so while extending MFN status to private businesses that trade with the United States.

Mr. Speaker, every year, China ships hundreds of millions of dollars worth of products to the United States hundreds of millions of dollars worth of products which come in under special trade status which are made in the sweatshops of the Chinese army.

In fact, last year the Chinese army used the profits garnered under MFN to increase its defense budget by over 20 percent and to step up its reign of terror, torture, and abuse of the Chinese people.

Mr. Speaker, the United States should not be in the business of subsidizing torture.

We should not be in the business of subsidizing forced prison labor.

The Pelosi amendment simply uses the economic leverage of MFN to promote human rights and to send a clear message: that if you want to do business with the United States, you have to respect your own people.

Only then can we compete on the quality of the product, and not on the misery and suffering of the people who make it.

Five years ago, we rallied to the cause of the Chinese people.

Today, it's time to decide if we really meant it.

It's time to decide if we're going to stand with the people of China who have stood up for democracy.

To stand with those people who have risked their lives for freedom in China.

And to stand with those people in our own country who are fighting for American workers and American jobs.

Mr. Speaker, House Resolution 509 provides for the consideration of three alternative approaches to U.S. trade policy toward the People's Republic of China.

The rule first provides for the consideration of House Joint Resolution 373, a resolution disapproving the extension of most-favored-nation treatment for the products of China. The rule provides 80 minutes of general debate, equally divided, and waives all points of order against the resolution.

After final disposition of House Joint Resolution 373, the rule provides for the consideration of the bill, H.R. 4590.

The rule provides for 1 hour of general debate on the bill, equally divided, and makes in order two substitutes under a king-of-the-hill procedure. All points of order against the bill—and against both substitutes—are waived.

The substitute offered by Representative HAMILTON will be considered first, followed by a substitute offered by Representative PELOSI. The last substitute to be adopted in the Committee of the Whole will be reported back to the full House.

Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair rule, and I urge my colleagues to support it.

□ 1330

Mr. Speaker, at this point I will halt my comments on the rule and say to my colleagues as they approach this issue this afternoon and early this evening on the floor that I beg them to listen to the debate and to consider the three options before us, and I ask them to consider what was in their hearts, what was on their minds, and what was on their lips 5 years ago when they spoke out so strongly against what was happening in China and what is continuing to happen today.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Michigan [Mr. BONIOR] has adequately described the rule, so I will not go into the details now.

This rule is indeed complicated, because it provides for the consideration of three measures.

However, I would advise Members that this rule is the product of genuine bipartisan consultation.

And it does provide the House with the means for conducting a full, fair, and expeditious debate on the very important subject of most-favored-nation trade status for the People's Republic of China.

Without repeating everything that was said by the gentleman from Michigan, I would simply reiterate that this rule provides, first, for the consideration of House Joint Resolution 373, the resolution of disapproval that I introduced on June 8.

That resolution of disapproval would, if enacted, revoke China's MFN status 60 days after the date the resolution was enacted.

Needless to say, I strongly urge a "yes" vote.

Following the vote on the resolution of disapproval, the House shall proceed to a king-of-the-hill procedure for the consideration of a bill introduced by the gentlewoman from California [Ms. PELOSI], and a bill introduced by the gentleman from Indiana [Mr. HAMILTON].

Mr. Speaker, I do not support king of the hill procedures like this and I voted against it in the Rules Committee. However, as I just mentioned there was bipartisan cooperation on bringing these three bills to the floor with as much as 4 hours of debate on these controversial measures and therefore, as we have done in the past, like on the defense authorization bill, we will not press the king of the hill issue, because all sides were consulted * * * and the author of the bill agreed to the king of the hill procedure.

Mr. Speaker, I shall have a number of things to say later on at various points during the actual debate on these several measures.

But for the rest of my time on the rule right now, I would like to take a few moments in order to put the question of China's MFN status in perspective.

Mr. Speaker, I do not offer a resolution of disapproval flippantly or to otherwise intrude on a very busy legislative schedule.

But I do so because it is my conviction that America's interests, and the interests of the Chinese people, are not served by a continuation of the present policies.

Mr. Speaker, the trade balance between our two countries is seriously out of whack. Measured in both qualitative and quantitative terms, this trade relationship makes no sense at all.

And it also sends precisely the wrong message to the Chinese people.

Mr. Speaker, and colleagues, however monolithic and permanent the Chinese communist regime may appear to be, let us never lose sight of the fact that someday that regime is going to fall.

And before anybody says that cannot happen, I would remind you that everybody used to say the same thing about the Soviet Union and about the Chinese regime's best friend, the Ceausescu regime in Romania.

Mr. Speaker, I cannot predict what kind of government will follow the communists in China, but there can be no doubt concerning the aspirations of the Chinese people.

And, frankly, when the day comes for the Chinese people to take control of their own country, and their own destiny, I want them to remember that America stood with them.

I want them to remember that it was America who told the truth about the communists.

I want them to remember that it was America who tried to take the guns out of the hands of their oppressors.

I want them to remember that it was America who refused to finance the arms buildup the Chinese military was rewarded with for its role in crushing the Chinese people in Tiananmen Square.

And I want them to remember that it was America who taught the lesson that freedom and morality are to be valued above everything else.

Because everything else—including, yes, the relentless pursuit of profit—is meaningless if it is not built on a foundation of human dignity and justice.

Mr. Speaker, the people of China are watching us today.

And they are not the only ones. Their oppressors are watching us, too.

I can picture them, the angry old men in Beijing. I can picture them in their walled compound—Zhongnanhai—I have been there. They live in a walled, forbidden city of their own, totally isolated from the people of China.

And they are watching, too. And they are laughing up their sleeve, once again.

You see, Mr. Speaker, it is not just renewal of most-favored-nation trade status that is at issue today. It is also the renewal of what has come to be known as the China exception.

The China exception says that respect for human rights and the rule of law are morally imperative for the people of every country on Earth—except China.

It says that nonproliferation standards apply to the government of every country on Earth—except China.

It says that fair and reciprocal trade practices are expected of every trading nation on Earth—except China.

In short, it says that a minimum standard of decent behavior is required of the leadership of any country that would assume a responsible and rightful place in the community of nations—except China.

Mr. Speaker, every Member of this body wants to see political change and reform in China.

But I will tell you that the angry old men in Beijing have no intention of reforming, so long as they can continue to rely on the annual renewal of the Chinese exception.

Most-favored-nation treatment for them which they deny to us.

Mr. Speaker, let us call their bluff, once and for all.

Vote "yes" on the Solomon resolution and the Pelosi bill as well.

I reserve the balance of my time.

□ 1340

Mr. BONIOR. Mr. Speaker, I yield 3½ minutes to the gentleman from California [Mr. HAMBURG].

Mr. HAMBURG. Mr. Speaker, during the years I lived in China, I learned something about how the Chinese people, and not just the high muckymucks, but the people of China, perceive us.

I think a lot is summed up in two Chinese words: Jin shan and gueiloh. Jin shan means gold mountain, and gueiloh means ghost people. We are the ghost people from the gold mountain.

To the Chinese, a ghost is someone without real substance. So the Chinese believe that somehow we, these people without substance, have struck it rich, beyond the dreams of any ordinary Chinese.

I spent time in China over the course of a decade, and I know how powerful are two major social currents there. One is the fast-rising economic expectations of the people, especially the Chinese born after the 1949 revolution and the Chinese who live among the companies line.

Second is the fast-rising democratic aspirations of a people who have grown weary of a paternalistic and despotic regime.

For most of the decade I was in and out of China, the first trend was definitely more evident. The communist party continued to dominate all aspects of right, from pregnancy, to school, to housing, to occupation. But incomes were rising to the point where the television set replaced the bicycle as the major status symbol, and women could look forward to doing their laundry in a washing machine, instead of using a common spigot out on the street.

But despite these improvements, the central fact that I experienced in China was the people wanted to get out. I stopped going to China shortly after the Tiananmen Square massacre.

It is interesting that the word Tiananmen means gate of heavenly peace. This gate leads to the Palace of the Emperors, the Forbidden City. The Forbidden City for the Chinese is freedom. That is why when the students and the workers in the square erected a replica of the Statue of Liberty, it was such an affront to the party elite who sat in their walled compounds.

If the 1989 massacre of workers and students was an anomaly, perhaps we could just pay our respects to the dead and move on. But that is not the case.

Political repression, after some slackening in the early and mid-eighties, has returned with a vengeance. The ongoing brutal subjugation of Tibet by the communist regime is an undisputed historical fact, which is still being swept under the international rug, even as we praise the leader of Tibet, the Dalai Lama.

I have heard the argument against denying MFN to China. Denying MFN will not work because it is not an internationally applied sanction. Our corporations will lose profits, our workers will lose export-related jobs. Of course, you hear that the prosperity that we bring will hasten a Democratic opening in the People's Republic of China. Let me remind you that many Chinese believed the same thing before Tiananmen Square.

George Will wrote during the Bush years during the debate on MFN, the conservative columnist, that our policy regarding MFN in China, "That we love commerce more than we hate communism."

In the end I hope Mr. Will is wrong. I hope we do what is right; and we prove that what we really care about, what we really love, is not business, but justice; not simply profit, but principle. I hope that we prove that we are not gueiloh, not a people without substance, living on a gold mountain.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Claremont, CA [Mr. DREIER], a very distinguished member of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend from Glens Falls for yielding me this time.

Mr. Speaker, I rise in strong opposition to a very unfair rule. It is a rigged, king-of-the-hill process which disadvantages the Hamilton amendment in order to benefit the Pelosi amendment.

Although the Committee on Ways and Means reported the Pelosi sanctions bill unfavorably, it became evident to many of us that the Committee on Rules would report the bill to the House floor regardless. In that light, a bipartisan substitute amendment incorporating the President's more comprehensive approach to relations with China was drafted.

The chairman and ranking Republican member of the Committee on Ways and Means and the chairman and ranking Republican member of the Subcommittee on Trade urged the Committee on Rules to make the bipartisan Hamilton amendment in order as a substitute to the Pelosi bill. Rather than follow that judicious recommendation, this rule incorporates the flawed king-of-the-hill process. Instead of giving an advantage to the last amendment offered, I believe that the amendment receiving the most affirmative votes should prevail on the floor.

Mr. Speaker, both sides in this debate share the same goal. We simply disagree on the effectiveness of the different proposals to achieve that goal. I believe that the overwhelming weight of evidence supports the contention that trade sanctions are ineffective in improving human rights. In fact, they hurt the people they intend to help. In this case, the poor working people of China will suffer both economic hardship and increased repression.

President Clinton was correct when he reaffirmed President Bush's policy that the best way to promote human rights in China is to maintain trade by granting China MFN status and pursue a comprehensive diplomatic program in support of human rights.

That comprehensive program is outlined in the Hamilton amendment. It is difficult to argue with the emotional rhetoric of those who want to punish the Chinese government now. However, despite the emotional appeal of imposing sanctions, we need to keep our goals in mind: First, to help the Chinese people; second, to undermine the repressive Chinese leadership.

Sanctions will hurt the Chinese people. Despite the calls of a few expatriates, the Chinese people do not want a monkey wrench thrown into the increasingly market-based economy that is lifting hundreds of millions of Chinese out of poverty.

The Hamilton strategy is also best to undermine the grip of the Chinese Communists over life in China. We do not need a cold war II strategy with the Chinese Communists as the Evil Empire in a sequel to our relationship with the Soviet Union. The Chinese Communists are already losing their ability to control people in the regions of China with the greatest economic development. Let free trade continue to wear away that power.

Free market policies promote trade, which strengthens private enterprise, which creates wealth, which improves living standards, which undermines political repression.

□ 1350

That formula works, Mr. Speaker. In a society 4,000 years old, the changes might not occur overnight, but it will work. There is no reason to believe that a sanction policy can bring any of the same benefits.

The House deserves a fair opportunity to choose between these two human rights strategies. Trade sanctions to make us feel better or the President's trade and diplomatic strategy that will let the Chinese people live better. This king-of-the-hill rule does not provide a level playing field for that choice. Let us defeat that rule and urge the Committee on Rules to do better.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SOLOMON. Mr. Speaker, I yield a minute and a half to the gentleman from Vermont [Mr. SANDERS].

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from Vermont [Mr. SANDERS] is recognized for 3½ minutes.

Mr. SANDERS. Mr. Speaker, I rise in support of the rule and in support of House Joint Resolution 373, the Solomon resolution to disapprove the extension of MFN status for China. I do not often agree with my Republican friend from upstate New York, but he is right on this issue and I am happy to work with him on it.

Mr. Speaker, this is an issue of human rights and foreign policy, and it is important to us for that reason. But it is also an issue dealing with the loss of American jobs and the lowering of our standard of living—and for that reason it should also be a concern to every Member of Congress.

Mr. Speaker, multinational corporations and the Big Business community have launched a huge lobbying effort to preserve MFN status for China, claiming that their investment creates United States jobs. Unfortunately, they are wrong, very wrong. While it is true that the huge multinationals like Chrysler, AT&T, Boeing and others can in fact make huge profits by investing in China, it is not true that these investments improve the standard of living for the average American worker. In fact, the opposite is the case.

Mr. Speaker, when multinational corporations throw American workers out on the street and move to China where workers are paid 15 cents an hour, where slave labor exists, where basic domestic rights are ignored, and where workers cannot organize free trade unions—that scenario may be good for the profit margins of the big corporations, but it is a disaster for American workers.

It is insane to be talking about most-favored-nation status for a country which allows for the ruthless exploitation of its workers. American workers cannot be, and must not be asked, to compete against the workers in China who in many instances are working under subhuman conditions. I know that this is a very radical idea, but maybe, just maybe, we might want to encourage American corporations to reinvest in this country—providing decent jobs and decent wages, rather than in China where they pay workers 2 or 3 dollars a day.

We are told by the Commerce Department that the $9 billion a year in exports from the United States to China generates 225,000 American jobs. But if this is correct, then what is the effect of the over $30 billion a year in imports from China—over three times the level of exports? Strangely enough, the Commerce Department hasn't been able to calculate that figure. And I think the reason is clear—it would show that our massive $24 billion trade deficit with China is costing hundreds of thousands of Americans their jobs.

When Chinese students and workers were violently suppressed in Tiananmen Square, Americans and people all over the world were horrified. Politicians vowed to act swiftly and strongly to pressure China to stop its repression. But although the repression goes on, American corporations have decided to put profits ahead of human rights. In fact, between 1988 and 1992, U.S. corporations increased their investments fourfold.

We are faced with a choice today, my colleagues. We can decide to stand with the workers of America, and with the workers of China, in defense of basic human and economic rights. Or we can stand with the multinational corporations who put their own greed ahead of the rights of the people who work for them, here and throughout the world.

Mr. Speaker, it makes no sense to the working people of this country for our Government to be providing preferential treatment to countries that repress their workers. This House should decisively reject MFN status for China, and demand that conditions for MFN renewal for China include the protection of basic labor rights. Vote for the Solomon resolution.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Iowa [Mr. LIGHTFOOT], a member of the Committee on Appropriations.

Mr. LIGHTFOOT. Mr. Speaker, I thank the gentleman for yielding time to me.

I cannot help but make a short quip here that MFN must be working because the gentleman from Michigan [Mr. BONIOR] had them at 10 cents an hour, the gentleman from Vermont [Mr. SANDERS] has them at 15. That is a 50-percent increase in wages in less than an hour.

Mr. Speaker, I rise in opposition to the rule.

Even when President Clinton makes the right decision, he gets second guessed by the leadership of his own party.

In June, I offered an amendment to the Commerce, Justice and State appropriation to require President Clinton to seek authorization from Congress before invading Haiti. The Democrat leadership of the House opposed my amendment because they did not want tie the President's hands.

A little more than a week ago, I spent 13 hours conferencing the Foreign Operations appropriations bill. It took 13 hours to conference the bill because the Senate had placed over 160 earmarks in the bill. The House Democrat conferees fought to remove most of those earmarks because they said they wanted to give the President maximum flexibility to conduct foreign policy.

Yet we are here today because the leadership of the President's own party has now decided they know better than the President, his advisers and at least two former Secretaries of State. Isn't this our lucky day.

Consider this: House Democrats will give Bill Clinton a blank check to sacrifice American lives in Haiti, to give Jordan debt relief even though they tranship weapons to Iraq and support Russia no matter what steps it takes to rebuild the Soviet Empire. But when it comes to Asia, the House Democrat leadership suddenly finds a foreign policy expertise it must lack in those other areas.

It is ironic that a President who accuses Republicans of obstructionism in health care will depend on our votes today in order to conduct a responsible foreign policy in Asia.

Mr. Speaker, this rule is a joke. King of the hill rules are the invention of a party which likes to appear on both sides of an issue. Well, the Democrats should be subject to the same accountability as the rest of America. I urge a "no" vote on this rule.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in strong support of the Solomon amendment and the rule to disapprove most-favored-nation status with China. Because disapproval does the most for jobs in America and the most for democracy building in China, why should the United States grant such red carpet treatment to send Chinese goods into our marketplace from an undemocratic nation that denies the most fundamental rights to its own people?

This debate is not just about human rights in China, it is also about jobs in America and the conditions under which the United States does business with undemocratic nations of the world.

What do the facts tell us? The facts tell us China MFN is a bad deal for the United States. As this chart well demonstrates, United States-China trade is disturbingly imbalanced in favor of China. Over $30 billion worth of its goods will come into our country this year, and we have only been able to get about $8 billion of our goods into its market. Their rate of increase in our market is much larger than our rate of increase into theirs.

In fact, there has been an 800 percent increase in Chinese goods coming into this country, jobs that could be created right here on our shores.

Take Nike Shoes. Nike Shoes does not employ one single manufacturing worker here in this country. It costs Nike $8 to make a pair of shoes in China, and then they go ahead and send it over here and sell it in our marketplace, like Charles Barkley shoes for nearly $140 a pair. So who is really making out on that deal?

□ 1400

Mr. Speaker, while we are considering reducing them, our tariffs to Chinese goods coming into our marketplace, we see they keep up their tariffs to our goods going into their marketplace.

In fact, Mr. Speaker, they keep their tariffs up 10 times higher than our tariffs, even under MFN. In fact, if we really want reciprocity we ought to vote to maintain the current standards and not grant China MFN. In fact, it is interesting to think about, that one-third of all Chinese exports come to one nation in the world: not Europe, not Japan, only the United States of America.

Mr. Speaker, our doors are completely open, while their doors are closed to us. This debate today, Mr. Chairman, is not just about human rights, because that undergirds the entire relationship between the United States and China. What we would hope for in the years ahead is that they would have their own Bill of Rights, but in fact, the issue of economics and what is driving this particular agreement is those companies that seek to benefit off the sweat of the people of that nation, including the Government of China, and their own leaders who benefit off the hardship of their own people and, unfortunately, the multinational corporations of our own country who turn their backs on our people, as well as the people of China.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. WOLF], one of the real fighters for human rights for people around this world.

Mr. WOLF. Mr. Speaker, this debate is about trade, but this debate is also about people. It is about people like Bishop Su, a Catholic leader in China imprisoned for 15 years and beaten with a board so hard that the board was left in splinters; people like Wei Jingsheng, a leading prominent dissident who, after he was released, was rearrested again, and no one in this Congress and in the administration has done anything about it.

This debate is about the People's Liberation Army, the brutal, iron-fisted arm of the Chinese Government, the People's Liberation Army that savagely gunned down this young Chinese student 5 years ago in Tiananmen Square.

This debate is about the army that sold weapons to Saddam Hussein that eventually were used to kill American men and women in the gulf. This debate is about an army that sells weapons into the Middle East, that destabilizes the Middle East and sells weapons to Iran.

This debate is about an army that continues to test nuclear weapons and engage in massive military buildups. It is about an army that uses money earned from selling socks in America to fund bullets to kill people like this.

This debate is about an army with a relationship as close as lips and teeth to the North Korean dictators, as they said.

This debate is about a government that beats and tortures and imprisons Catholic priests, and Catholic bishops, and Protestant ministers. Today, Mr. Speaker, as we now speak, there are Catholic bishops that are in jail, that have been in jail for years, and now you want to give them MFN? Do you know there are evangelical pastors that are in jail because of their faith, who want to worship God, and yet you want to give them MFN?

This debate is about an army that persecutes the followers of the Dalai Lama and subjects Tibet to an armed occupation.

This debate is about a government that executes prisoners with little or no due process, and before the body grows cold, a set of doctors will come and then cut the cornea and the liver and the kidney out and sell it for organ sales. This is what this debate is about.

Mr. Speaker, this debate is about a gulag camp, a gulag camp that is much worse than that that Solzhenitsyn talked about, a gulag camp that shows the slaves in a chemical processing room making chemicals, and chemicals eat into their bodies.

This debate is really about a government that laughs in our face when we point out about these brutal realities. This debate, frankly, in closing, is about the principle that America was founded upon.

We were founded, and it says in the Declaration of Independence that all men are created equal. It does not say all American men and women, it is Chinese men and women and all men and women, endowed by their Creator, given by God to them, life, liberty, and the pursuit of happiness. That is what this debate is about.

Some will say "It is a trade issue." Frankly, it is about all these things, these people who have been persecuted. I am shocked that we would not be passing the Pelosi bill 435 to zero.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes and 45 seconds to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I rise in support of the rule, and I intend to vote for the Solomon amendment and then also for the Pelosi amendment, which seems to me to be, given where we are, the one with the best chance to pass.

Mr. Speaker, let me first make a couple of points here. The following things will be discussed today by people who have an on-and-off attachment to them:

Whether or not economic sanctions work: Most Members of the House think they work sometimes and not other times. It depends on whether or not they like the country against whom the sanctions are being applied.

Should the President have flexibility in foreign policy or not? For most Members of the House, that depends on A, the President, and B, the foreign policy.

The king-of-the-hill rule. People are for or against the king-of-the-hill rule, depending on which hill it is.

The notion that the king-of-the-hill rule somehow distorts the House probably ought to be taken down when mentioned. That is, it unfairly denigrates the House, because the argument is that when Members vote for something, they cannot understand that if they later vote for something else, they will undo what they did.

In other words, the notion is that the Members are so stupid that, having voted for something once, they will then vote for something else and not understand that they have undone it. Obviously, the king-of-the-hill rule fools no one and is intended to fool no one. It is a rational way to structure a lot of different preferences.

The question is, will sanctions work with regard to China, because people, I assume, are telling us that if they would work, they would be for the bill. They are saying it would not work, the Chinese will not pay attention. That is what they said about South Africa, that is what they said about Serbia. Sanctions are not a short-term solution, but they often do work in the long term.

Mr. Speaker, I would have to ask, if sanctions are so unimportant, what are the Chinese so upset about if they are such a minor factor?

Clearly we have the regime today in the world, the Chinese regime, which is responsible for a greater number of human rights violations than almost all others put together. They have more people to deal with. They are quantitatively the most brutal regime, and qualitatively they are right up there.

Moreover, Mr. Speaker, when it comes to foreign policy, whether it is the North Korean nuclear situation or others, they have not been very cooperative. Why do we continue an economic arrangement which is overwhelmingly to their benefit? Because that is what MFN is.

Let me make one particular point. Sure, there will be some economic harm to us if we adopt Solomon or Pelosi. We have been telling nations much smaller and poorer than ourselves that they must engage in some economic harm to themselves vis-a-vis Iraq. We have told Turkey that they have to take a hit vis-a-vis Iraq. We have told that to other countries. We ought to do it for ourselves.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from New York, Mr. BEN GILMAN, the distinguished ranking Republican member of the Committee on Foreign Affairs, who has been a real leader of this issue.

Mr. GILMAN. Mr. Speaker, I rise in strong support of the rule for House Joint Resolution 373, legislation to fully revoke most-favored-nation trading status for the People's Republic of China.

I commend my good friend and colleague, the gentleman from New York, the distinguished ranking minority member of the Rules Committee, Mr. SOLOMON, for his leadership role and efforts on behalf of the Chinese people. For so many years through thick and thin he has never wavered in his support for our Chinese friends who fought Communist takeover of China. No matter who ran the White House, Congressman SOLOMON has stood before us in the well of the House to forcefully denounce, confront, and condemn any action that appeared to appease the rulers in Beijing.

It is an honor to count him as a colleague and a good friend.

Most of us are familiar with the arguments made both for and against the granting of most-favored-nation trading status for the People's Republic of China. This is the fifth year we have discussed this issue.

As we consider this issue, let us bear in mind the following concerns:

China's proliferation of weapons of mass destruction in the Middle East and elsewhere.

China's huge forced labor camps and political prisons, and China's brutal occupation of Tibet; China's coercive population controls, including forced abortion policies; China's lack of support for the United Nation's efforts regarding North Korea; the painful image of the brutal massacre of the young people in Tiananmen Square; China's billion dollars of military support for the junta that rules Burma; China's support of the Khmer Rouge; China's massive military build-up and adventurism in the oil rich South China Sea; China's aggressive espionage activities here in the United States; our Nation's $23 billion trade deficit with China, and Beijing's continuing religious persecution of Christians, Protestants, and Buddhists.

Each of these issues standing alone is reason enough for trade restrictions with Communist China. But all of them taken together show an incredible blindness of thought in the way that we deal with the brutal rulers of that country. It is a delusive policy formulation at its worst. Historians will ponder in bewilderment this lingering error and wonder why it was allowed to go on for so long.

My good friend from New York has for so many years warned us that we were heading down the wrong path with the wrong people. I know that it has pained him to watch our Nation's leaders allow this shortsighted policy to continue. Today let us help set our Nation's course in the right direction. Accordingly, I urge my colleagues to support the Solomon resolution, H.J. Res. 373 and terminate MFN for the People's Republic of China.

In the event that the Solomon amendment H.J. Res. 373 is not accepted by the House, I urge my colleagues to support the Pelosi amendment, H.R. 4590, legislation that simply revokes MFN for products produced by the Peoples Liberation Army.

□ 1410

Mr. BONIOR. Mr. Speaker, I yield 2 minutes and 45 seconds to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman from Michigan for yielding me the time. I rise in strong support of the rule and both the Solomon and Pelosi amendments.

This debate is really about whether Americans need things so badly from China that we are willing to clip the wings of the Chinese people that are out there trying so hard to gain human rights and to really bring democracy to that country. I certainly hope that we have not lost our values so much that we absolutely refuse to yield on that.

We are going to have a lot of people stand down here and say this is an emotional debate and giving MFN to China does not mean we condone what they do on human rights. Maybe you think that, but if you do not think the Chinese Government will not interpret this to their people as saying we condone what they do in human rights, you have not got a grip on reality, because that is exactly what they are going to do. That is why the Olympics did not go there. That is why so many of their neighbors are not thrilled about what China is doing. Their neighbors are terrified to speak out because they feel they are shoved in a bathtub with an elephant.

China is very big and China is throwing her weight around, in moving to the Spratly Islands and being fairly silent on the whole issue of North Korea, and we have not seen any real progress on human rights since we last visited this issue. So why would we give them this benefit? Why, when we have been the leaders in talking about sanctions and embargoes and outer countries that are doing similar types of things, when we have been trying to get world leadership on those issues and saying these things work and then all of a sudden, it is like we are afraid of the elephant in the bathtub, also, and that makes absolutely no sense. I think you also have to know how these enterprises are set up.

As Members know, each military installation is allowed to engage in all kinds of commercial activity as long as they send a certain percentage of the profits back to Beijing. We are almost creating a warlord type of situation. And if you believe that those workers who are really soldiers who have really been drafted are negotiating for their labor or anything else, you are really out of touch with reality. They are doing this and they are going to export these at any cost, and to think that Americans can ever compete with that kind of system or that we will ever see the kind of fairness and safety standards we believe in imposed in that kind of system is totally unreal.

So I think it is time that we have to remain firm and say we are sorry China did not make any progress. We would much rather be down here celebrating the progress they have made and say, let us go forward with MFN, but they did not and we know it.

I urge a vote for Solomon and Pelosi.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. SMITH], an outstanding Member of this body who has spent so much of his time fighting for human rights for people.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, later today we will have the opportunity to vote to support millions of people who strive for ideals of freedom, democracy, and human rights in China.

When the President extended MFN status to China, he made a commitment that unless China significantly improved its human rights record, MFN would be revoked. In the year that ensued, there was no significant progress. If anything, there was significant regression. However, even with all the evidence in front of him, Mr. Clinton once again rewarded the Chinese Government with MFN and he turned his back on the victims.

Anyone interested in human rights for a fifth of the world's population has to ask themselves, "Why?" Why the flip-flop after the ironclad assurances that he would not back down?

Surely President Clinton knows that when it comes to religion, that only the Catholic Patriotic Association and the Three Self-Patriotic Movement, which are headed by the government through their chosen leaders, are allowed to function in China.

Surely Mr. Clinton knows that religious believers, both Protestant and Catholic, who refuse to participate in these government-controlled and sponsored churches are subjected to imprisonment, torture, and death. Even as the President was making his decision, three Catholic church leaders, three priests, were arrested and sentenced to education through labor. When I met with Bishop Su during a human rights trip in January, that bishop, simply for celebrating mass, was arrested and held for 9 days. Add that to the 15 years that he spent incarcerated for his faith.

Mr. Clinton surely knows that millions of Chinese are detained in forced labor camps where they work long hours each day to reach unrealistic production quotas.

The gentleman from Virginia [Mr. WOLF] and I visited one of those prison camps, Beijing Prison 1, some 3 years ago. We saw firsthand the kind of exploitation of people who were part of the pro-democracy movement.

Surely Mr. Clinton knows that every day thousands of Chinese citizens, particularly women, are exploited by the cruel one-child-per-couple policy, where women are forced to undergo abortions and sterilization to meet the rigid guidelines of that egregious policy. Surely Mr. Clinton knows and he has even said that these human rights abuses continue. They sure do, Mr. President.

We in this Congress have a job to do. We cannot say, well, the President has acted and we are just going to fall by the wayside. Despite the actions by the President, the courage of the Chinese people that they have demonstrated cannot be betrayed again by this Chamber. We must continue to let the Chinese political leaders know that we too are watching and we will let these people know that we care and care deeply.

Today support for passage of the Solomon resolution and for the Pelosi bill will send a clear, unmistakable message to the Chinese leadership, to that dictatorship, that we will not stand idly by while people are exploited. We will stand up for human rights and freedom. I urge Members to vote for the rule and for the two resolutions.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT], one of the very outspoken Members of this body and a very valuable Member.

Mr. TRAFICANT. Mr. Speaker, I have listened to all the debate, I have listened to it for years and quite frankly, Scarlett, I don't give a damn, and I am amazed. I am listening to all the debate about human rights today. This is not a debate about human rights. If Congress wants to do something about human rights in China, do it in some other bill. Today's debate is about commerce and trade. It is about business. It is about imports. It is about jobs and unemployment. It is about bankruptcy and it is about stupidity on behalf of the American Congress. Because there is one word that should be invoked into this debate today—Constitution. And the Constitution says Congress, not the White House; Congress, not the Supreme Court, shall regulate—listen to the word, it is so frightful, Congress—regulate, regulate commerce with foreign nations.

So let us look at that charge. In China, their average wage is 10 cents an hour. In China, there are slaves that make products. In China, they deny our products. In China, they will support a North Korean dictatorship before they support our marines. And in China they will not only send over those products made by slave labor, they will put a fraudulent "made in America" label on it and laugh all the way to the bank. And the other body does not even want that law in the crime bill. If that fraudulent label law, the amendment I passed, is not in the crime bill, I want Democrat leaders to hear this. I don't give a damn if the crime bill solves cancer, I am going to vote no.

Ladies and gentleman, this is about a Congress of the United States that has become so idealistic it now has blinders on and has caused us to lose jobs and has allowed trading partners to rip us off and rip off our families, and we wonder what happened to family life.

□ 1420

My colleagues, there will be no families in America if we continue to allow every other nation to take our families' job. I want Members to think about that.

So today I think while some are debating most-favored-nation trading status for China, I would like to say they are also debating the most foolish nation trading status that Uncle Sam could possibly have.

Regulate. Make it fair. Make it level.

I want to commend the gentlewoman from California [Ms. PELOSI] for the great job she has done. I want to commend all of the Democrat leaders. But I only have one vote, and that "aye" is going to go for Mr. SOLOMON, period. If Members want to debate human rights, bring it in a human rights bill, do not cost us more jobs with it.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the argument is often made that the best way to get the present Chinese leadership to modify and reform its course is through trade. Open up the avenues of commerce, and all the other good things will naturally follow.

So the argument goes, but does it have any merit?

Let's look at the record since the Tiananmen Square massacre in 1989.

United States exports to China—which were already low to start with because China does not give most-favored-nation status to us—rose by 52 percent in the 4 years between 1989 and 1993.

During that same period, however, Chinese exports to the United States rose by 262 percent. And our trade deficit with China rose in just 4 years by a staggering 366 percent.

The trade deficit was $6.2 billion in 1989; it reached $22.8 billion in 1993, and this year, it is rising toward $30 billion. Within 3 years, the trade deficit we have with China will exceed the one we have with Japan.

So, Mr. Speaker, the question then occurs: What kind of change has all of this trade wrought in china? What is different today, compared to 5 years ago, or 10 years ago?

Well, here is what has changed: The repression in China has gotten worse and the Chinese military has gotten bigger. In the last 5 years, China is the only major country in the world that has increased the size and forceprojection capabilities of its military, and they have increased it by plenty. Military spending is up by at least 50 percent.

So the burden of proof in this whole argument continues to fall on those who believe that trade is working. The burden of proof continues to fall on those who say yes to that question which was first posed so many centuries ago: "Can a leopard change its spots?"

Believe me, the Chinese communists are not changing.

Mr. Speaker, I include for the RECORD statistics on open versus restrictive rules and rollcall votes in the Rules Committee on the amendment to this rule on MFN for China, as follows:

ROLLCALL VOTES IN THE RULES COMMITTEE ON AMENDMENT TO PROPOSED RULE ON CHINA MOST-FAVORED-NATION STATUS

1. To provide for the adoption of the substitute receiving the most favorable votes rather than the last amendment adopted. (Vote: Defeated 4 to 7). Yeas: Solomon, Quillen, Dreier, Goss. Nays: Moakley, Derrick, Beilenson, Frost, Bonior, Hall, Slaughter. Not Voting: Wheat, Gordon.

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	86	24	28	62	72

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through Aug. 8, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1(not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176.. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187 F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	A: 245–171 (Mar. 10, 1994).
H. Res. 401, Apr. 12, 1994	MO	H.R. 4092: Violent Crime Control	180 (D–98; R–82)	68 (D–47; R–21)	A: 244–176 (Apr. 13, 1994).
H. Res. 410, Apr. 21, 1994	MO	H.R. 3221: Iraqi Claims Act	N/A	N/A	A: Voice Vote (Apr. 28, 1994).
H. Res. 414, Apr. 28, 1994	O	H.R. 3254: NSF Auth. Act	N/A	N/A	A: Voice Vote (May 3, 1994).
H. Res. 416, May 4, 1994	C	H.R. 4296: Assault Weapons Ban Act	7 (D–5; R–2)	0 (D–0; R–0)	A: 220–209 (May 5, 1994).
H. Res. 420, May 5, 1994	O	H.R. 2442: EDA Reauthorization	N/A	N/A	A: Voice Vote (May 10, 1994).
H. Res. 422, May 11, 1994	MO	H.R. 518: California Desert Protection	N/A	N/A	PQ: 245–172 A: 248–165 (May 17, 1994).
H. Res. 423, May 11, 1994	O	H.R. 2473: Montana Wilderness Act	N/A	N/A	A: Voice Vote (May 12, 1994).
H. Res. 428, May 17, 1994	MO	H.R. 2108: Black Lung Benefits Act	4 (D–1; R–3)	N/A	A: VV (May 19, 1994).
H. Res. 429, May 17, 1994	MO	H.R. 4301: Defense Auth., FY 1995	173 (D–115; R–58)		A: 369–49 (May 18, 1994).
H. Res. 431, May 20, 1994	MO	H.R. 4301: Defense Auth., FY 1995		100 (D–80; R–20)	A: Voice Vote (May 23, 1994).
H. Res. 440, May 24, 1994	MC	H.R. 4385: Natl Hiway System Designation	16 (D–10; R–6)	5 (D–5; R–0)	A: Voice Vote (May 25, 1994).
H. Res. 443, May 25, 1994	MC	H.R. 4426: For. Ops. Approps, FY 1995	39 (D–11; R–28)	8 (D–3; R–5)	PQ: 233–191 A: 244–181 (May 25, 1994).
H. Res. 444, May 25, 1994	MC	H.R. 4454: Leg Branch Approp, FY 1995	43 (D–10; R–33)	12 (D–8; R–4)	A: 249–177 (May 26, 1994).
H. Res. 447, June 8, 1994	O	H.R. 4539: Treasury/Postal Approps 1995	N/A	N/A	A: 236–177 (June 9, 1994).
H. Res. 467, June 28, 1994	MC	H.R. 4600: Expedited Rescissions Act	N/A	N/A	PQ: 240–185 A:Voice Vote (July 14, 1994).
H. Res. 468, June 28, 1994	MO	H.R. 4299: Intelligence Auth., FY 1995	N/A	N/A	A: Voice Vote (July 19, 1994).
H. Res. 474, July 12, 1994	MO	H.R. 3937: Export Admin. Act of 1994	N/A	N/A	A: Voice Vote (July 14, 1994).
H. Res. 475, July 12, 1994	O	H.R. 1188: Anti. Redlining in Ins	N/A	N/A	A: Voice Vote (July 20, 1994).
H. Res. 482, July 20, 1994	O	H.R. 3838: Housing & Comm. Dev. Act	N/A	N/A	A: Voice Vote (July 21, 1994).
H. Res. 483, July 20, 1994	O	H.R. 3870: Environ. Tech. Act of 1994	N/A	N/A	A: Voice Vote (July 26, 1994).
H. Res. 484, July 20, 1994	MC	H.R. 4604: Budget Control Act of 1994	3 (D–2; R–1)	3 (D–2; R–1)	PQ: 245–180 A: Voice Vote (July 21, 1994).
H. Res. 491, July 27, 1994	O	H.R. 2448: Radon Disclosure Act	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 492, July 27, 1994	O	S. 208: NPS Concession Policy	N/A	N/A	A: Voice Vote (July 28, 1994).
H. Res. 494, July 28, 1994	MC	H.R. 4801: SBA Reauth & Amdmts. Act	10 (D–5; R–5)	6 (D–4; R–2)	PQ: 215–169 A: 221–161 (July 29, 1994).
H. Res. 500, Aug. 1, 1994	MO	H.R. 4003: Maritime Admin. Reauth.	N/A	N/A	A: 336–77 (Aug. 2, 1994).
H. Res. 501, Aug. 1, 1994	O	S. 1357: Little Traverse Bay Bands	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 502, Aug. 1, 1994	O	H.R. 1066: Pokagon Band of Potawatomi	N/A	N/A	A: Voice Vote (Aug. 3, 1994).
H. Res. 507, Aug. 4, 1994	O	H.R. 4217: Federal Crop Insurance	N/A	N/A	A: Voice Vote (Aug. 5, 1994).
H. Res. 509, Aug. 5, 1994	MC	H.J. Res. 373/H.R. 4590: MFN China Policy	N/A	N/A	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. Speaker, I yield back the balance of our time.

Mr. BONIOR. Mr. Speaker, I yield the balance of our time to the gentlewoman from California [Ms. PELOSI], who has led this effort, and who has been so courageous and valiant and articulate on this issue for so many years.

Ms. PELOSI. Mr. Speaker, I thank our majority whip for yielding the time and thank him for his wonderful statement earlier. It is a great honor to be associated with him in this effort as well as the gentleman from New York [Mr. SOLOMON] and all of our other colleagues who have spoken on this issue.

I just want to say how we got here today. In the course of the past 5 years especially, this Congress has expressed its concern about three issues in our relationship with China: trade, as the gentleman from Ohio [Mr. TRAFICANT] just mentioned so eloquently, human rights, and the proliferation of weapons by the Chinese military to unsafeguarded countries.

The bill that we have before us today under the rule, the Pelosi bill, H.R. 4590, has those three concerns converge with the Chinese military. We do address trade, proliferation and human rights. I say to the gentleman from Ohio [Mr. TRAFICANT], by focusing our target on revoking MFN for the Chinese military.

Very briefly, because I do not have much time, I just want to respond to those who have said that it is impossible for us to target products made by the Chinese military. I call to the attention of my colleagues this chart which I have brought up here on a regular basis about companies under the defense industrial companies of China as well as the catalogues for products made in China, which I will make available at the desk. These are catalogues of companies and products, and I think Members will be amazed to see everything from air mattresses, to food, to tennis shoes, to clothing, household appliances to computer technology that the Chinese military is exporting to the United States. We are targeting them because they are the oppressors in China and Tibet, because they are proliferators into the Middle East and Pakistan, and selling weapons to the Khmer Rouge. We target them because they dominate much of the prison labor that is used for making products for export to the United States.

And on the issue of human rights, because I think it is inextricably tied to the issue of American jobs, I respectfully disagree with the President when he delinked trade and human rights. Trade is about jobs. The American worker's destiny and his wages and his job is tied directly to the promotion of human rights abroad.

Right now an Asian activist has said, "The pressure on developing countries to keep wages low or risk losing highly mobile businesses has created what activists call a race to the bottom.

"Companies and countries compete for the worst laws and the weaker the laws are, the better they like it."

American companies separate themselves from the manufacturing process and from the responsibility for the employing and the subcontracting that goes on. So it is impossible to separate these. The American worker's job is dependent on the worker's rights in another country. As our majority whip has said many times, countries which repress their people repress their people's wages.

Support the American worker by supporting human rights abroad. Vote "yes" on H.R. 4590.

I rise in support of the rule.

Mr. BONIOR. Mr. Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 373, the joint resolution made in order under House Resolution 509.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from Florida?

There was no objection.

DISAPPROVING MOST-FAVORED-NATION TREATMENT FOR CHINA

Mr. GIBBONS. Mr. Speaker, pursuant to House Resolution 509, I call up the joint resolution (H.J. Res. 373) disapproving the extension of nondiscriminatory treatment—most-favored-nation—treatment to the products of the People's Republic of China, and for other purposes.

The text of House Joint Resolution 373 is as follows:

H.J. RES. 373

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 2, 1994, with respect to the People's Republic of China.

The SPEAKER pro tempore. Pursuant to House Resolution 509, the gentleman from New York [Mr. SOLOMON] will be recognized for 40 minutes, and the gentleman from Florida [Mr. GIBBONS] will be recognized for 40 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent to yield 20 minutes of our time, for purposes of control, to the gentleman from Texas [Mr. ARCHER]. Pending his arrival, Mr. Speaker, the gentleman from Arizona [Mr. KOLBE] will control the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, here we go again. Last year it was claimed that conditioning MFN would provide the proper inducement for the Chinese Government to clean up its act. But as was so utterly predictable even last year, this policy has failed once again. The Chinese Government has not cleaned up its act. The regime in Beijing is still repugnant and should be unacceptable to all of us as Americans.

Mr. Speaker, this year more than ever—more than ever because of the President's failed policy of conditioning MFN, as it was the same with his predecessors, Republican Presidents—it is incumbent upon this Congress to take action, real action against the Chinese dictatorship. We must revoke MFN for China, and we must do it today.

First and foremost, repression in China has gotten worse, worse since last year. According to the highly respected Asia Watch, 1993 was one of the worst years in recent memory for human rights in China. Think about that. There are more political prisoners languishing in jails and in the internment camps than there were a year ago. The year 1994 continues that pattern.

Draconian new antireligious laws were introduced in February, and just a few weeks ago China issued new regulations which allow unprecedented powers of search and arrest for people who are involved in—and just listen to these things—"Fabricating rumors, distorting facts, publishing or spreading written or oral arguments or spreading audio or video products that endanger state security."

Mr. Speaker, these Orwellian new laws are not only outrageous, they provide a direct refutation to those who on this floor a year ago stood here and said that more trade and more business would improve human rights in China.

Mr. Speaker, the Chinese leadership itself has repeatedly taken issue with this argument and continues to insist that economic reform will be coupled with, of all things, increased political control.

□ 1430

Mr. Speaker, it is time to bury the failed argument that trading with the government-dominated firms of China will improve human rights.

Next, Mr. Speaker, we have to acknowledge that trading with China is a net jobs loser for America. Our colleagues, the gentlewoman from California [Ms. PELOSI] and the gentlewoman from Ohio [Ms. KAPTUR], have done outstanding work in trying to dramatize this issue and bring it to this floor.

Listen to this: Less than 2 percent of our total exports go to China, yet 40 percent of China's exports come to the United States. What is fair about that? The result of this one-way trade is, of course, our massive and ever-growing trade deficit with China, which last year reached a record $23 billion. According to the charts offered by the gentlewoman from Ohio [Ms. KAPTUR], the deficit will hit $30 billion in 1994.

How many American jobs does this trade imbalance destroy, Mr. Speaker? And how much military weaponry does it buy for the rogue dictatorship in China?

I will tell you how much. Twenty-two percent more than last year. That is right. China has recently announced a 22-percent increase in military spending for 1994 on top of a 15-percent increase last year, with all of that paid for from revenue received from their huge trade surplus with us, the American people.

Mr. Speaker, my colleagues, think about this: The type of weaponry they are buying, listen to this, includes advanced fighter-bombers from Russia, air-to-air refueling technology, solid-fuel rocket boosters. All of these things clearly suggest a drive by China to project power beyond its borders and to improve its nuclear first-strike capability.

Are we going to go through past history all over again with yet another cold war? By granting MFN, we are granting China a built-in trade surplus with which China is embarking on a massive and dangerous military buildup which could someday threaten the lives of United States soldiers.

I am not going to let that happen, and not one Member of this body should.

Finally, I would just like to talk about China's foreign policy, because we are all worried about Korea. I am sure we are going to hear the argument today that we need China to help contain North Korea. Well, ladies and gentlemen, the Chinese Government has said repeatedly that it does not want a nuclear North Korea; and if China does not want a nuclear North Korea, that means that China will do what it has to do to stop the North Korean nuclear drive, no matter what we do with MFN. So the Korea argument is totally irrelevant.

On the other hand, extending MFN to China has not really brought us much Chinese support on North Korea either. Think about that. Show me one thing China has helped us with.

Just 2 weeks after the President extended MFN, China opposed our drive to place new sanctions on North Korea. And when President Clinton himself tried to call Beijing to lobby them on sanctions, they would not even take the American President's phone call. What is going on over there?

Now China has pledged 85,000 troops in support of North Korea should Pyongyang attack our ally in the south, where we have 37,000 American troops. Are we going to jeopardize those 37,000? If war broke out tomorrow, we would lose 10,000 American soldiers in 1 week.

Of course, I barely need to mention China's totally irresponsible nuclear proliferation policies, having provided nuclear arms and/or missile technology to Iran, Pakistan, and Algeria, and you could go on with a myriad of other countries.

All of this has taken place in the context of 14 straight years of MFN treatment. No, Mr. Speaker, appeasing China does not earn us their respect and their cooperation. It earns us their contempt.

The only thing this regime understands is power, and that is why we should utilize our power, the power of the American purse. That power is awesome, 260 million Americans with the highest standard of living in the world. That power is awesome if we would use it. The U.S. dollar is the international currency. English is the international language of business. That is why everybody, including the Chinese, want to do business with us. They need us.

But, ladies and gentlemen, we do not need them. It is time for us to apply our long-held ideals regarding human rights as well as some clear-headed strategic thinking around here, to our relationship with this Communist dictatorship whose deadly atheistic philosophy has no respect for human rights, indeed, no respect even for human life itself.

Mr. Speaker, now is the time to revoke China's most-favored-nation trade status. We can put it back into effect 6 months from now. If we took it away for a while, they would listen.

If Members vote yes on my resolution, we will send the message that America does care about the rights of people who are not being treated like decent human beings.

Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield 20 minutes of my time to the gentlewoman from Ohio [Ms. KAPTUR], and I ask unanimous consent that the gentlewoman from Ohio may control that time.

The SPEAKER pro tempore (Mr. SKAGGS). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, after I make a few opening remarks, I will yield all of my remaining time to the gentleman from California [Mr. MATSUI], the acting chairman of the Subcommittee on Trade of the Committee on Ways and Means, and I ask unanimous consent that the gentleman from California may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the matter we are debating here is the Solomon resolution, which would revoke China's normal, or nondiscriminatory, trade status, which the U.S. Government extends to all nations except a few completely rogue societies.

House Joint Resolution 373 was referred to the Committee on Ways and Means, and after due and deliberate consideration, the Committee voted down the resolution offered by the gentleman from New York [Mr. SOLOMON], 31 to 6.

I would like to turn to a discussion of China and the need for the comprehensive China policy that the President announced on May 26 of this year. China is a 6,000-year-old society. It was brought into being and has existed all of those 6,000 years under standards of behavior that are quite different from the standards of behavior that underpin our heritage.

China is not a perfect place to live as far as human rights are concerned. This country has, by our standards, serious human rights problems. But I believe that the only way to bring China into modern society is to stay engaged and to continue pressing Beijing to recognize internationally recognized human rights practices. This is the approach the rest of the world takes.

I first traveled to China about 20 years ago. At that time, China was in the end stages of the Cultural Revolution, in which apparently 2 million Chinese were executed by the Chinese Government. Families, societies, communities, and institutions were ripped asunder. The situation is vastly different today.

There are some 50,000 Chinese students going to school here in the United States. That, in and of itself, is a major step forward in our bilateral relationship. I think most of those 50,000 students will go back to China imbued with Western notions of freedom, civilization, and human rights.

China, as noted by my friend, the gentleman from New York [Mr. SOLOMON], has a tremendous commercial interest now improving its relationships with the West.

I do not want to see the United States or the rest of the Western World retreat back into an era of isolation, with China reminiscent of the late 1940's and early 1950's.

For that reason I urge my colleagues to vote "no" on the resolution offered by the gentleman from New York [Mr. SOLOMON].

Mr. Speaker, I reserve the balance of my time.

□ 1440

The SPEAKER pro tempore (Mr. SKAGGS). Under the unanimous consent agreements that have been reached, we will alternate now between the gentleman from New York, the gentleman from California, the gentleman from Texas, and the gentleman from Ohio.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again we debate the difficult issue of how best to structure our trade relationship with China, so it fosters the human rights goals that we all share. The House will consider three separate propositions this afternoon. I strongly oppose the first resolution, House Joint Resolution 373, which would terminate China's MFN trade status altogether.

I will also vote against the Pelosi-Gephardt bill, H.R. 4590, which would attempt to apply sanctions to half of all Chinese exports to the United States. I intend to support the Hamilton bill, H.R. 4891, which codifies a policy of aggressively pursuing human rights objectives through political and economic engagement with the Chinese rather than through linkage to the question of MFN.

China is in the midst of turbulent political and economic change. The process of reform and liberalization is not smooth, but it is proceeding.

Mr. Speaker, the United States can cut off trade relations with China, as House Joint Resolution 373 would have us do. Like a gun with a single bullet, revoking MFN is a threat that can be carried out only once. If House Joint Resolution 373 were enacted into law, relations with the Government of China would deteriorate to the point that virtually all United States influence would be lost. United States businesses would withdraw and I would anticipate United States exports to China would be hit with mirror trade sanctions.

There are over 180,000 U.S. jobs that are directly dependent on exports to China, and plenty of these paychecks would be sacrificed. We would watch our foreign competitors move into the economic void created by this legislation.

The alternative, which I support, is to continue to be part of the change in China so that we can help shape it. To disarm ourselves, to withdraw from normal trade relations, abrogates our responsibility to the Chinese people, and to the wide range of interests, both economic and strategic, that the United States has in this important region of the world.

To achieve human rights objectives, I believe we should reject the Solomon Resolution, and adopt the Hamilton substitute which will be offered later today.

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume.

I rise, obviously, in support of the Solomon amendment. I just wish to comment on one of the previous speakers who indicated that the choice today was isolation, if the United States were to opt for the Solomon resolution, isolation versus engagement.

Mr. Speaker, for the record let me say the real choice is neither isolation nor engagement, but rather the terms of the engagement, and the conditions under which the United States permits goods from undemocratic nations, low-wage nations, to come into this market, destroying jobs here in the footwear and apparel industries. In all of our toy industries; Tonka trucks being manufactured in China today. The profits are going to multinationals, Chinese workers are getting very low wages, and no Americans are being employed in those professions.

The same is true with footwear, an industry that has completely outsourced to places like China, where workers in those countries make 10 cents an hour. Companies like Nike Shoes make hundreds of dollars on sales of every pair of shoes in this country. Our people do not have work in Maine and New Hampshire, Massachusetts and other places. That is what this debate is really about today, the terms of engagement.

Most favored nation means most favorable tariff treatment. In other words, lowering all of the equalizers we have had in place for many, many years to try to offset those very low wages and undemocratic conditions that exist in the far reaches of the world, to try to do something to help raise those standards of living as a condition of getting into this marketplace and helping our own workers survive in a world where the majority of people are low-wage workers in undemocratic nations.

So this debate today is about the terms of engagement.

I want to compliment the gentleman from New York [Mr. SOLOMON] for his true leadership on this, not just from an economic standpoint but from a military standpoint as well.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I rise in support of House Resolution 373, the motion to disapprove most-favored-nation status for China. Last year our administration tried to offer China a reasonable way out of the annual confrontation on China's trade privileges by signing an Executive order laying out conditions that China had to meet.

Several conditions were absolute and others required a good-faith effort.

China has not met the absolute requirement regarding prison labor products, and it has intensified repression in Peking, Shanghai, and Tibet and failed to make substantial progress in other areas. It has flaunted its disregard for human rights concerns.

But most troubling, whether or not we are going to engage China in a game of Chinese checkers or add China to the rogue nations of Vietnam, Iraq, and Libya, China is a major nuclear power and it continues to maintain close ties with Pakistan; it is the principal supplier of Iran's nuclear technology, training Iranian specialists to help them build nuclear weapons; it resists joining international nuclear export control organizations, like the Nuclear Suppliers Group. It has sold nuclear-capable missiles to Pakistan and short-range missiles to Iran.

It is the only one of the nuclear weapons states that is not observing the moratorium on nuclear testing; two nuclear tests over the last year as part of a program to upgrade its nuclear arsenal.

I do not care how many Burger Kings and Kentucky Fried Chicken stands our great industry wants to ship off to China; it will be of little concern if they start a nuclear conflagration in the Midwest. And they are not helping us impose sanctions on North Korea. And I think if for no other reason than to bring them into line, we should support House Resolution 373.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. I thank the gentlewoman for yielding this time to me.

Mr. Speaker, last year Mr. SOLOMON and I stood before the House and urged that this House reject most-favored-nation status for China. We were told that we were going down the wrong track, that if we granted China this status, we would see improvement in their trading practices, we would see improvement in their human rights record, we would see improvement in their nonproliferation record. We have waited that 1 year.

Human Rights Watch tells us that personal freedom has been even further limited in that country over the past year. The trading deficit with that country has increased from $24 billion to $30 billion a year, second now only to Japan.

And just in the last 2 months, since President Clinton indicated that he was going to grant most-favored-nation status to this country, Beijing exploded a nuclear bomb at its Lop Nor testing facility, the second one this year; the only country in the world that is in violation of the global moratorium on nuclear testing.

This on top of everything else we know about the Chinese regime, its long pattern of supplying nuclear weapons material to Pakistan, selling $4 billion worth of arms to Iran, $2.2 billion worth to Iraq, $100 million worth to Libya, as we appropriate tens and tens of billions of dollars to the Persian Gulf, to the Far East, to the Middle East, in order to isolate these global problem areas, tens of billions of dollars.

□ 1450

The Chinese fuel these global situations with an ever-escalating number of weapons. It is time for us to realize that, until we cut off most-favored-nation status for this country, China will not respond to us. Until we stand up for principle, we will continue to see a subordination of the overarching nonproliferation objective which this country maintains as its highest foreign policy objective.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the very distinguished gentleman from Virginia [Mr. WOLF], who once again has led the fight for human rights in this universe of ours.

Mr. WOLF. Mr. Speaker, let me just begin by thanking the gentlewoman from California [Ms. PELOSI] and the gentleman from New York [Mr. SOLOMON] for taking the leadership on this issue.

If I can say a word to the Members on my side, it would be, don't let the party of Lincoln, and let me say it again, don't let the party of Lincoln adopt a policy of Clinton when it comes to this issue.

I do not understand what has happened on my side of the aisle. We were the party in the 1980's that used to weep and want to work with Lech Walesa when we heard the Communist domination that took place there, and we know that, when we put sanctions on in a bipartisan way, we were successful.

I ask my colleagues, will you tell Lech Walesa today, if he walked in the Chamber, that sanctions don't work? Of course my colleagues would not tell him that. They would be embarrassed.

I saw Members on my side applauding when Vaclav Havel came into the Congress and said how important it was that we stood with them. I ask my colleagues, will you tell Vaclav Havel today, if he walked in here, that you think sanctions don't work?

I remember when we fought the leadership of the Committee on Ways and Means, and we beat them finally on Romania. They said sanctions would not work in Romania, and we knew that it did work, and, as a result of that, Father Calciu got out, and so many Romanian Jews went to Israel. In fact, so many Romanian Jews are in the Israeli government now providing great leadership. I ask my colleagues, will you tell them that it didn't work? My colleagues would be embarrassed to tell them. They would be ashamed to tell them.

What about the Soviet Jews? I remember when we used to come down here in a bipartisan way, my side, excited about it, standing with Natan Shcharansky, standing with in those days Sakharov and Yelena Bonner. We stood with them. I ask my colleagues, would you tell the hundreds of thousands of Soviet Jews that now live in freedom in Israel and the United States that sanctions don't work? My colleagues would be laughed out of Jerusalem. They would think it is foolish because they would say that it has worked and, because of that, their families now live in freedom.

To close, Mr. Speaker, I ask my colleagues, would you tell Nelson Mandela that sanctions didn't work? I changed my vote on that. I was wrong the first time I voted. I voted against sanctions, and then I thought about it, and I made a mistake. I ask my colleagues, would you tell Nelson Mandela today that sanctions did not work? Of course my colleagues would not say that. They know they work.

And my party, this party of Lincoln, the party of human rights, the party of freedom, where are we on this issue? We should be with them on the Pelosi issue, and we should be with them on Solomon.

In closing today, Mr. Speaker, I looked at the Bible, and in Ecclesiastes 4:1 let me read what it says:

> Then I looked again at all the acts of oppression which were being done under the sun. And behold I saw the tears of the oppressed and that they had no one to comfort them; and on the side of the oppressors was power, but they had no one to comfort them.

Mr. Speaker, I would ask my side, and they have done a good job on their side, but I would ask my side:

This is an opportunity to stand with what Ronald Reagan said of the Evil Empire when we stood with Lech Walesa, when we stood with Vaclav Havel, when we stood with Nelson Mandela, when we stood with Father Calciu, and the Romanian Jews and the Soviet Jews; here is an opportunity to stand with the oppressed people that even that side would acknowledge terrible things are going on, but the question is will we stand with them, will there be a voice for the oppressor. I strongly plead for those Members on my side of the aisle; they will take care of theirs. Here is an opportunity to do what I believe and my colleagues know in their hearts that they believe is the right thing. Vote for the Solomon bill and vote for the Pelosi bill so tomorrow morning, when they listen to Voice of America in China, they will hear the people's House stood with the people of China.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. HAMILTON], the chairman of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Speaker, the House today faces a fundamental question of United States foreign policy: How can we best protect all of our interests in China when that country is in the throes of a significant political and economic transition?

I urge my colleagues today to adopt a policy that: best serves United States interests; takes into account the complex nature of China today; and helps bring China fully into the community of nations.

SITUATION IN CHINA TODAY

All of us agree that China's human rights record is not good. Basic freedoms are restricted—freedom of expression, freedom of assembly, freedom of the press. Anyone who courageously tries to exercise those freedoms in opposition to the regime is punished. Those are the negatives.

On the other hand, liberalization has occurred in China over the last decade, largely on the economic front. The Chinese have greater freedom of employment, freedom of movement, and freedom of information than at any time since the Communists came to power. Those are the positive elements.

So China today is a mix of good and bad.

China is also a country in transition. Who will succeed Deng Xiaoping? That's the key question facing China. The coming leadership struggle will determine human rights conditions in China. The question for the United States is, how can we best help China decide to uphold international norms and join the global community?

U.S. INTERESTS

The United States has many interests in China. We are concerned about human rights. But we also have security interests. We cannot solve the North Korean nuclear problem peacefully without the cooperation of China. Our ability to operate successfully in the United Nations depends on our relations with China.

We also have economic interests in China. China is the world's fastest growing economy. United States companies last year exported $8.6 billion worth of goods to China last year, and billions more are at stake in the future as China rebuilds its infrastructure.

CONFRONTATION OR ENGAGEMENT?

The question the House faces today is, How do we advance all United States interests in China?

The choice we face could not be starker.

If we adopt the Solomon resolution, and withdraw most-favored-nation status for China, we will choose a policy of confrontation.

If we adopt the bill offered by Congresswoman PELOSI, and increase tariffs for goods produced by the military or State-owned enterprise, we will choose a policy of confrontation.

If we adopt the administration's policy, which is contained in the Hamilton substitute, we will choose a policy of engagement.

Those are the choices, and they cannot be reconciled. We cannot engage China while continuing to link trade and human rights.

A policy of confrontation will not persuade the Chinese to ease up on human rights. It will not persuade the Chinese to cooperate more fully in stopping on North Korea's nuclear program. It will not serve our economic interests. It will not help U.S. companies and U.S. workers. It will not give us leverage as China makes the transition into the global community.

I urge my colleagues instead to choose a policy of engagement. We want to draw China into a web of cooperation. Engaging China serves our economic interests, our political interests, and our strategic interests. It will advance the cause of human rights in China. And it will make us a key player in the transition now taking place in China.

I urge the defeat of the Solomon resolution.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 373, which would disapprove the President's extension of most-favored-nation trade status to China.

The intense debate which has taken place in recent years on renewing China's MFN status stems from a deep concern over the Chinese Government's human rights violations. While I agree wholeheartedly that the United States should encourage the Chinese Government to improve its human rights record, I disagree with the supporters of House Joint Resolution 373 on how our country can best work to achieve this goal.

There is little question that revoking MFN would send a message of condemnation to Beijing. However, by cutting off our trading relationship, the United States would relinquish its means to leverage the Chinese Government to improve its human rights record.

Moreover, denying China access to the United States market—the largest in the world—jeopardizes the Chinese Government's promotion of free enterprise, a policy that Deng Xiaoping has called "Leninist-capitalism." Clearly, the liberalization of China's marketplace has profoundly improved the living conditions of millions of Chinese people and this economic freedom is a basic human right that United States has fought to protect around the world.

It is also important that we do not forget what cutting off China's MFN status would mean to Hong Kong. Because 68 percent of Chinese exports to the United States are shipped through Hong Kong, such harsh action would have a devastating impact on its economy. Any threat to Hong Kong's prosperity is in effect a threat to the rights and freedoms which the Chinese people in that colony currently enjoy. Moreover, the continued success of Hong Kong will also ensure that it will serve as a powerful force and example in bringing about positive change in the rest of China when control of Hong Kong is transferred from Great Britain to China in 1997.

Furthermore, MFN removal would hurt U.S. consumers, particularly those in low-income households, by raising prices on Chinese imports. At present, China is a major supplier of low-cost shoes, apparel, toys, and electronics in the U.S. market. However, if MFN is disapproval, these inexpensive goods would be driven from the U.S. market and replaced by higher-priced versions from other sources.

Revoking MFN would also be a disaster to the U.S. business community and would place as many as 200,000 direct American jobs at risk by giving the Chinese a motive to obtain products from other sources in the competitive global market, notably from European and Japanese suppliers.

For all of these reasons, I urge my colleagues to support the renewal of China's MFN trade status by voting "no" on House Joint Resolution 373.

□ 1500

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume to respond to the previous speaker.

Mr. Speaker, I would say that I have not noticed any of these goods coming in from China are any cheaper. Even though it only costs $8 to manufacture and ship a pair of Nike shoes from China to the United States, Charles Barkley's shoes here cost $139.95 before tax. I haven't noticed women's blouses on the racks at our stores are any cheaper because they are made in China. In fact, I saw one last Christmas that was $99, and I knew the woman who made that in China did not make a living wage in that country.

So I know somebody is making a killing on all of this, and I am glad the gentleman mentioned all those middle people in Hong Kong, because those are exactly the people paying for the lobbyists in these Halls to pass most-favored-nation for China to give advantage to those large corporations benefiting off the sweat of those people in China and the naivete of this Congress.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I have had it. I have absolutely had it. And I have to say that I am fed up as well.

How many times are we going to come and listen to the many promises and goals that the Chinese have made, and how many times are we going to hear that each of those promises has been broken one by one by one?

I was taught a long time ago that we should be rewarding our friends, not our enemies. My friend, the gentleman from Indiana [Mr. HAMILTON], who just spoke, called the human rights situation in China not good. I would like to ask unanimous consent to let him revise and extend his remarks and instead use the word "atrocious." They had the absolute audacity to actually embarrass our Secretary of State on a recent visit to China earlier this year.

How many times have we picked up a newspaper or heard the news that the Chinese have continued to ship missiles to the Middle East? And do we remember our failed efforts in North Korea not too long ago, trying to inspect the nuclear capability of the North Koreans, and it seemed as though the headlines almost were as big about what China may veto in terms of a simple U.N. resolution of support of what we were trying to do.

This should not be a political vote for any of us. Yes, I am a Republican. But, yes, I voted against extending MFN status when President Bush was President, and I will do that with President Clinton in the White House as well today.

The Chinese trade surplus has gone from $6 billion in 1989, to $30 billion in 1993. This bill does not cut off trade, it removes MFN status. That is all. Are we not a proud nation, that has some principles of decency in terms of what we should be doing today?

If we are, we should instead vote for the Solomon amendment, and, if that fails, vote for the Pelosi amendment afterwards.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise today to oppose House Joint Resolution 373. All of us in this Chamber today share deep concerns about the rights and treatment of Chinese citizens. I, too, am very cognizant of the continuing problems in China. However, a disapproval resolution is not the answer.

President Clinton's decision was not easily nor hastily made. It was made with caution after careful consultation and deliberate consideration. The President took a difficult and an important step. His intention to extend MFN was accompanied by specific sanctions and alternative measures for pursing improvement in China's human rights policy. He reiterated his commitment to continue to engage the Chinese Government at all levels: economic, political, commercial and cultural. Such multi-tiered engagement will provide opportunities for expansion of our relationship and influence with China.

In addition, I believe the President took an important step in his commitment to ingtegrate international trade in the strengthening of our domestic economy. The volume of United States trade with China has grown dramatically in recent years and is expected to surge in the next decade alone. China, afterall, is the fastest growing market for United States exports. Export opportunity and growth will increase American job opportunity and growth—something very important to my State of Connecticut.

Each year we face heated debate on this issue. It has always been my fear that if we were to revoke MFN, we would significantly weaken our political and economic position with the central government. Change must be instituted with care and revoking MFN is not the most effective means of doing so.

After Tiananmen Square, we were all outraged. The gruesome memories are still vivid in my mind. Those images rightfully persuaded Members, for the first time, to support conditional MFN on the basis of human rights abuses. I was one of those Members.

Past experience, however, has illustrated that the process of annual renewal of MFN—a trade statute—is not an effective tool to advance improved human rights policy in China. I, too, believe that respect for human rights should be an integral component of United States foreign policy and vigorously pursued as much with China as it is with hundreds of other countries currently.

Continued trade will help to sustain China monetarily, and importantly, it provides a vehicle for the influx of Western ideas and values, a strong impetus for reform at all levels of Chinese society. Impressive economic growth has had a significant impact on Chinese society and its people already. Basic freedoms for Chinese citizens have been expanded as a result of rising trade and economic liberalization with the United States. I remain assured that the President will continue to seek engagement with the Chinese and that alternative foreign policy measures will bring about greater results in the future.

Mr. Speaker, I will also oppose H.R. 4590. Sanctions against products with ties to Chinese entities will inadvertently harm United States companies operating in China. Most of these ties will be severed and the welcome mat will be offered to our Japanese, Taiwanese, and European competitors. China will likely retaliate especially against some of our most visible and valuable exports like aircraft and computers.

H.R. 4590 is harmful, not helpful, to United States-China relations and would be detrimental to United States trade. If the threat of revoking MFN did not achieve its intended goal, a softer proposal surely will not either. I appreciate Congresswoman PELOSI'S continuing dedication to this issue. However, the circumstances have changed since Tiananmen Square and consequently so should our policy. I will oppose both House Journal Resolution 373 and H.R. 4590.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in firm opposition to House Journal Resolution 273, introduced by my colleague, the gentleman from New York [Mr. SOLOMON], and also to H.R. 4950, offered by my colleague, the gentlewoman from California [Ms. PELOSI]. I firmly support efforts to improve human rights and lower the trade deficit with China. However, the proposals before us will only weaken our relationship with China, at a time when we desperately need to work with her to reverse North Korea's commitment to nuclear weapons development and noncompliance with the nonproduction treaty.

Furthermore, the proposals before us will ironically weaken the very internal forces that will ultimately change China's approach to human rights. Terminating MFN or conditioning it would only serve to polarize and destabilize Asia at a time when, as a region, it is going through a period of highly volatile transformation, a transformation in which not only the United States, but the world's community of nations has an enormous stake.

By passing either the Solomon or Pelosi resolutions, we will threaten $9 billion in U.S. exports that support 180,000 high-paying export jobs. China is the world's largest market for United States computers, telecommunications, environmental technology, and civil aviation products. But this is not just about trade and American jobs. Our manufacturers are doing more to influence change in China than any United States policy ever has.

It is important to note that the Chinese prefer entering into joint ventures with United States companies over our European competitors, because they know our folks are in it for the long run and they care about Chinese workers. Our companies take the time to train Chinese managers and employees in western-style management and production practices which in turn increases their efficiency. People I have met with say they can see the changes occurring on a daily basis and it is incredibly exciting to them.

Pratt and Whitney in my district is applying United States environmental and labor standards to its joint ventures in China. Pratt has highlighted a number of unsafe conditions to Chinese managers on plant walk-throughs that could be hazardous to Chinese employees. The managers in turn are learning how important safety is and understanding the economic impact of unsafe working conditions.

United Technologies and Central Connecticut State University have established the first joint educational institution in China, where they are not only going to be teaching American management techniques, accounting, business, things like that, but they are going to be teaching things like total quality management.

What could be more deeply, systematically, fundamentally democratic, than the kind of team approach to quality, which is the only way to be competitive in modern manufacturing.

These are exactly the kinds of things that will bring about both economic reform and democratization in China. We should be proud of the conduct of American companies and organizations and recognize that they hold the key to reform in their daily encounters with Chinese citizens.

Mr. Speaker, I urge Members to oppose the Solomon and Pelosi resolutions, and allow trade to continue to provide the level of people-to-people contact that will reform China and expand jobs in America.

□ 1510

For it is that respect for one another's talents, that fundamental individualism and self-respect that comes out of the American approach to education that in the end is going to turn around China's human rights policy and instill, as it changes economically, the values on which democracy depends. I urge my colleagues' opposition to the Solomon amendment and, thereafter, the Pelosi amendment.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The Chair advises Members controlling time that the gentleman from Illinois [Mr. CRANE] has 11 minutes remaining, the gentleman from New York [Mr. SOLOMON] has 8 minutes remaining, the gentleman from California [Mr. MATSUI] has 12 minutes remaining, and the gentlewoman from Ohio [Ms. KAPTUR] has 11 minutes remaining.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Speaker, I rise in strong opposition to the Solomon and Pelosi amendments. I do this based on principles.

I would like to talk about some of those principles. It is a principle or should be a principle of this body that we do not send pink slips to the people we represent and have only to show for it the fact that we will feel better here in the U.S. Congress. Because the result of the Solomon and Pelosi amendments are jobs, thousands of jobs leaving Seattle, leaving Wichita, leaving Cincinnati and going to Europe. What will we have to show to our constituents for it?

We will be able to say that we feel good, that we stood up for human rights. We need more than that. We need a policy that follows the principle, the second principle that China is not Romania, a country of 1 billion people with an emerging industrial base is not Romania. It should be a principle, and it is a principle, that if we want to affect people who are across the chasm, we build bridges to them; we do not knock bridges down with wrecking balls.

This is a principle. It is a principle that we need a clear policy, a principle that when we are angry at China, and we are angry at China, we do not take out the gun and shoot ourselves in the foot. This expresses anger but it does not express good public policy for the people that we represent.

We have a policy that does. The Hamilton amendment, which addresses human rights in China, human job rights in this country, and progress over the long term rather than feel good politics for us.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I rise today in opposition to the Solomon motion, House Joint Resolution 373, to the Pelosi substitute, H.R. 4590, and in support of H.R. 4891, the Hamilton-Kolbe alternative.

The issue today is not whether we support basic human rights for people in China and elsewhere around the globe; we all support those goals. The issue is how we promote human rights.

Threatening to revoke MFN is only effective as a threat if we are prepared to accept total disengagement from China. Beyond that simple reality is another one: Targeted trade sanctions will undermine our national security interests in this area of the world, rapidly growing in importance. Let me suggest the following three principles for United States-China policy.

Principle 1: Promote human rights through an unconditional extension of MFN.

That is not a contradiction of terms or of policy; the best foreign policy tools available to us to encourage political and civil reform abroad are policies that promote capitalism, market reform, and free trade. All three are powerful levers for political change, precisely because they are powerful mechanisms for economic change.

Our foreign policy towards China should embrace these tools, not condition them. These are precisely the tools we can use to promote the evolution of Chinese society so that its people will be able to press for political reform from within; they are the tools to stimulate Chinese society to adopt a more pluralistic and democratic political process. That, in turn, inevitably leads to greater respect for human rights and personal liberty.

The issue involved in revoking MFN or conditioning China trade has never been whether or not we condone political repression in China. Rather, the fundamental question is this: What action of the United States will further democratic reforms in China? Let me suggest to my colleagues that we can ill-afford to undermine reform-minded Chinese who depend on trade and economic contracts as a means of prying China open for political freedom.

Principle 2: Elevate national security/economic considerations to create a more balanced U.S. foreign policy.

The United States must develop a more balanced China foreign policy in order to take into account our national security interests. The cold war may be over in Central and Eastern Europe, but in Asia, it is still alive.

Economically, China represents a dynamic, expanding market for United States exports in our most competitive, high paying industries. But it isn't for selfish, economic reasons we believe continuing MFN is the wisest policy we can follow. Rather, I would argue that a trade policy that is unilateral, that lacks support of our major trading partners, is a policy that will undermine our national security interests.

Principle 3: Continue foreign policy engagement and utilize other measures to support human rights objectives.

Promoting respect for human rights should continue to be a key objective of United States foreign policy toward China. We should continue to apply our own as well as use multilateral diplomatic preserves to bring about change.

We should encourage respect for human rights by expanding cultural, academic, political, and business contact to share our values.

Because I support the promotion of human rights, because I support it with and through trade, I encourage my colleagues to vote "no" on House Joint Resolution 373, vote "no" on H.R. 4590 and "yes" on 4891.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LANTOS].

Mr. SOLOMON. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. LANTOS], a very distinguished Member on this issue.

The SPEAKER pro tempore. The gentleman from California [Mr. LANTOS] is recognized for 3½ minutes.

Mr. LANTOS. Mr. Speaker, I want to thank both of my colleagues for yielding time to me.

Someone listening to this debate might think that what is at stake here is the principle position, which is the position of defending human rights, and the pragmatic position, which is to grant China most-favored-nation treatment. Far from it.

This is one of those fortunate situations when the principle position and the pragmatic position coincide.

It turns my stomach that Members who speak about human rights in Haiti, Members who speak about human rights violations in Nicaragua, and Grenada, and Panama suddenly want to sweep under the rug the outrageous performance of this Communist dictatorship against believers, against workers, against women, against the whole Tibetan people.

Yes, we know where the principle position lies. The principle position lies standing shoulder to shoulder with that young man who faced up to the tanks. He faced the tanks alone. He had the courage of his convictions, and so should have this body.

But it is also the pragmatic position to deny most-favored-nation treatment to the Communist dictators in China. They are now crazy. They know that the essence of their economic development lies in the trade surplus they enjoy with the United States, tens of billions of dollars. They will not throw that away.

If we improve sanctions on them, if we deny them the privilege of selling tens of billions more to us than they buy from us, they will improve their policies. They will change their policies, because they are not principled, they are pragmatic. And pragmatism will tell them that they have to adjust.

□ 1520

Mr. Speaker, let me just say that this fight is not a new fight. When we stood with Shcharansky and told the Soviet Union they have to open the gates, there were those of little faith who said, "Let us work behind the scenes. Let us not make noise. Let us not upset them."

When we fought Ceausescu in Romania they said, "Let us not upset the dictator." We triumphed every time we stood on principle. There is nothing in the Hamilton substitute that does an iota for human rights. It is platitudes, empty platitudes and nothing else.

Mr. Speaker, I strongly urge my colleagues to vote for the measure offered by the gentleman from New York [Mr. SOLOMON] and the gentlewoman from California [Ms. PELOSI], and to vote against the Hamilton substitute. It is the least this body can do. We must show an example to the upcoming generations. We cannot sell our souls for short-term dollar gains. We must stand on principle that coincides with pragmatism.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. MCDERMOTT], my distinguished colleague on the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MCDERMOTT].

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from Washington [Mr. MCDERMOTT] is recognized for 3 minutes.

Mr. MCDERMOTT. Mr. Speaker, sometimes when I sit in this body I am struck by the sense of history that has gone on in this body. The proposition offered by the gentleman from New York [Mr. SOLOMON] was tried once before. At the end of the Chinese revolution in 1949, Mao Tse-tung offered to the United States an opportunity for us to become involved with them, to help them develop their country. This country adopted the approach offered by the gentleman from New York, that we will cut off and we will isolate the People's Republic of China. We will bring them to their knees. They will fall. We will have them.

Mr. Speaker, we watched that for 22 years. The end result, in 1969, was that President Nixon, the most unlikely, perhaps, in some people's eyes, of Presidents decided that we should reengage the Chinese. He opened secret negotiations that lasted for over 2 years before we began the public announcement of our relationship with China. It was the decision of a very conservative, very anticommunist President that the best way to engage with the People's Republic of China was through opening the doors of trade.

Mr. Speaker, that relationship, that agreement that was made at that point, certainly was at a time, if we look at China, when there was clearly no democracy, not even whiff of it in the air over there. They were in the midst of the Cultural Revolution, the most antidemocratic period in their history, in recent years, at least.

What has happened since that engagement is clearly what we intended, what we wanted. It was an opening up to our ideas. Their students have come here, they have taken back ideas, and gradually that country has opened up. We must not adopt the 1949 policy and go back again.

Mr. Speaker, my view is that to stop this is to say to the people in China "We are going to cut ourselves off from you. We are going to stop involving ourselves." How will they learn about how democratic institutions work if we cut ourselves off as we did in 1949? It did not work then, and it will not work now.

Mr. Speaker, for that reason I urge my colleagues to vote against the amendment offered by the gentleman from New York [Mr. SOLOMON].

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the Solomon amendment, and regretfully, I am in respectful disagreement with some of the people in this body who I respect more than any others.

Mr. Speaker, this is a very difficult question before the House, there is no question about that. If we are candid, there are two different questions we are asking today. The first is what is the best way to advance the economic interests of the United States, our people's jobs, markets for our products. The second is what is the best way to advance the cause of human rights.

On the economic argument, it has been pointed out time and again, most eloquently by my friend, the gentlewoman from Ohio [Ms. KAPTUR], that MFN to China costs United States jobs. I have to respectfully disagree. The development of China into a capitalist, free market economy which is underway today is one of the signal developments in the history of the international marketplace. It is going to create a market for goods and services that is so vast it is almost impossible to comprehend.

Mr. Speaker, our competitors will not refrain from entering this marketplace, and if we do, it will be at the long-term cost of our people and our people's jobs.

Second, Mr. Speaker, with respect to human rights, we have a unique opportunity here today, one that I do not believe was in question when we discussed the subject of the Soviet Union, or when we discussed the subject of Romania, or any of the other examples that have been thrown about here today.

We have the opportunity, Mr. Speaker, to engage in the formation of a free market economy; to have our companies and our workers and their companies and their workers engage together to link together in a way that could cement the development of the free marketplace. Mr. Speaker, this, in my judgment, is the best way to protect human rights and to build on the record of human rights in China in the future.

Mr. Speaker, the President has made a difficult decision. I think we should support him today.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to our distinguished colleague, the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, with all due respect to my friend, the gentleman from Glens Falls, NY [Mr. SOLOMON], I rise in strong opposition to his resolution. I sincerely believe that the most inhumane, immoral thing we could do in our relationship with the largest nation in the world would be to deny most-favored-nation trading status.

Why is that? Simply because it has been exposure to Western values and the king of economic improvement that we have seen in those provinces in China, in Kwangtung and Fukien, which have moved toward free markets, that have improved the human rights situation in China.

As we look at the situation there, it came to light just within the past few weeks that 80 million people were killed during the Mao era. That information did not come out at the time. Why? Because China was a completely closed society. It has been since we have seen the opening in China that that tragic information has come out.

Mr. Speaker, If China were a closed society, that kind of activity could continue to take place. Eighty million lives could be lost again without the rest of the world being aware of it, but today, because of the opening that exists, that could not happen in China without the rest of the world standing up and doing everything possible to oppose it.

Mr. Speaker, as we look at the changes which have taken place over the past 15 years in China, we have to realize that there has been great recognition by many people there. One of the most famous dissidents, Yangzhou, said "MFN status helps our economic reforms, and in the long run, that will improve human rights."

Nicholas Kristof, who was the New York Times bureau chief in Beijing, said "Talk to Chinese peasants, workers and intellectuals, and on one subject you get virtual unanimity: Don't curb trade."

James Fallows, in an NPR editorial not long ago, and he is a noted liberal and the Washington editor of the Atlantic Monthly, said "To carry out the threat to cut off MFN would actually retard the cause of human rights."

The Progressive Policy Institute, a liberal think tank, said "The best reason to guarantee MFN status for China is that it buttresses economic and social forces that are creating demand there in China for political change."

We have an opportunity, Mr. Speaker, to address the human rights situation. The best way to do that is to encourage further United States business investment in China, so we can create greater markets for our goods and improve the plight of the people of China.

□ 1530

Ms. KAPTUR. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio [Mr. APPLEGATE].

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from Ohio [Mr. APPLEGATE] is recognized for 3 minutes.

Mr. APPLEGATE. Mr. Speaker, I thank the gentlewoman from Ohio [Ms. KAPTUR] and the gentleman from New York [Mr. SOLOMON] for yielding me the time.

Mr. Speaker, I would like to associate myself with the remarks of the gentleman from California [Mr. LANTOS] who was very eloquent in his human rights statement and in support of the Solomon amendment. I would like to say to my good friend, the gentleman from California [Mr. DREIER] when it comes to morals, China has broken every law in the book.

Let me just go back to talk about a little different aspect. In 1984, President Reagan went to China to talk trade. China opened their doors to America, we opened our doors to China. But they got 6 percent of the American textile market; we gave them very scientific ways to mine their coal and opened up our coal markets to bring Chinese coal to knock our miners out of work and they did a lot of other things. But what did the United States get? They got 1 billion people who cannot afford to buy American products.

In 1985, the first year after the agreement, the deficit with China was $10 million, that is with an "M," folks. Today it is $25 billion, with a "B." That is 2,500 times more than in 1984. And to help the Chinese in all of this deficit, we gave them most-favored-nation status. The United States got the shaft.

I suppose some Members have read the comic strip Pogo. Pogo said, "I have met the enemy, and he is us."

I do not blame the Chinese necessarily for all of our economic products and losing our jobs. I do not blame them. It is us, the United States.

It is because of stupid trade policy by the U.S. Congress, this administration, and past administrations. China sends their products to us, we send our American jobs to China. And China recently even threatened the United States in saying that if they do not get most-favored-nation status, they are going to support the North Koreans and at that time North Korea was talking about war.

Mr. Speaker, are these our newfound friends? Are we to fear China or are we to stand up for the American worker? You better start fearing the American worker, folks, because the job you save may be your own.

Mr. SOLOMON. Mr. Speaker, I yield 3½ minutes to the gentleman from New Jersey [Mr. SMITH], the very distinguished member of the Committee on Foreign Affairs who has devoted his entire political career here to the issue of human rights.

Mr. SMITH of New Jersey. Mr. Speaker, in May of last year, the President of the United States delivered a tough, no-nonsense human rights ultimatum to the Chinese dictatorship in Beijing.

On May 28, 1993, Mr. Clinton said,

> the core of this policy will be a resolute insistence upon significant progress on human rights in China. To implement this policy, I am signing today an Executive order that will have the effect of extending most-favored-nation status for China for 12 months. Whether I extend MFN next year, however, will depend upon whether China makes significant progress in improving its human rights record.

These mighty and lofty words, from the man who accused former President Bush of coddling dictators in China made it crystal clear that human rights were at the very core of our policy with the PRC, including our economic relationship.

All who decried the cruelty of the Chinese dictatorship—cheered the President's "resolute insistence on significant progress." Hopes were high.

All who empathized with the Chinese victims of forced abortion, religious persecution, police torture, gulag labor, and political repression were grateful to the President for standing up to the tyrants in Beijing.

For some of us, however, it was discomforting to know that the PRC—dispite its deplorable human rights record which showed no signs of abating—was getting another 12 months of favored trade. But the President solemnly promised that future conference of MFN was going to be strictly conditioned on significant progress in human rights. We had President Clinton's word on it.

Now we find that the President has broken his word.

Now we find that our faith—and hope—was vested in a President unwilling to adhere to the human rights principles he himself espoused.

Remember, it was Mr. Clinton who said, "whether I extend MFN next year * * * will depend upon whether China makes significant progress in improving its human rights record."

Sadly, the human rights record in China is a complete failure. Rather than significant progress, 1993–94 has been a period of significant regression.

This spring, President Clinton turned his back on the suffering victims—the oppressed—of China. On May 26, 1994, Mr. Clinton betrayed those in China who have risked all—including their lives—in their fight against injustice, barbarity, and hatred.

In what is becoming increasingly commonplace in this administration, the President flip-flopped on a major foreign policy—and the consequence of this reversal will be unspeakable misery for many.

In delinking human rights with trade in China, the President has betrayed millions of Chinese whose expectations were firmly fixed on the hope that our country, unlike the others, put human rights ahead of profits.

In a test of wills with Beijing, Mr. Clinton not only blinked, but closed his eyes to the plight of million of people.

My disappointment is with a President who lacks the intellectual honesty to stick with the principled core position he aggressively espoused. The President said all the right things. And with great eloquence. But when his bluff was called by Beijing, he crumbled like a cookie.

China's dictatorship does not deserve MFN. And the burden now rests with Congress to take action in support of Mr. Solomon's resolution.

Forced abortion continues to be employed with impunity against millions of mothers in China each year. Forced abortion and involuntary sterilization are the means by which the state enforces its draconian one-child-per-couple policy. Babies are murdered with poison shots and bodily dismemberment and girls are frequently killed at birth or put in inhumane asylums.

In a sworn affidavit, Dr. John Aird, former chief of the China branch at the U.S. Census Bureau, said "coercion in the Chinese family planning program has in the past 2 years reached its second extreme peak approaching or perhaps exceeding the levels of 1983."

Forced abortion is a crime against both women and children. In China today, women are punished by the state for conceiving a child not approved by state goals. If a woman is lucky or clever enough to escape to deliver an illegal child, and is discovered, she is fined and harshly dealt with.

In December the Chinese Government issued a draft of a eugenics law which would legalize discrimination against the handicapped—however the Government may define handicapped—by forcing sterilization and denying them permission to have children. This policy closely parallels those laws already enforced in several of China's provinces and is eerily reminiscent of the Nazi eugenic program. These are provisions in the policy which would mandate the abortion of any babies which are determined to not meet government-approved standards of health and ability. While the rest of the world moves to protect the rights and the dignity of the handicapped, China is seeking more efficient ways to exterminate them.

Religious freedom—always precarious in Communist China—was further undermined this year with the issuance of two new sweeping decrees.

On January 31, Premier Li Peng issued two executive orders which further restrain religious liberty in China and will have devastating consequences for the underground Protestant and Catholic churches.

Order 144 is titled "Rules for management of foreigners' religious activities." It prohibits all proselytizing activities by foreigners among Chinese. While it allows for foreigners to conduct their own private worship services, they are prohibited from preaching in Chinese churches. It also prohibits the importing of religious goods and publications.

Order 145 regulates management of places of worship. The right to assemble, pray, and worship God—even in your own home—carries severe punishments. Catch-all statements as "No one may use places of worshop for activities to destroy national unity, ethnic unity, and social stability, to damage public health or undermine the national educational system," criminalizes just about anything that a believer says or does. These cruel policies are likely to lead to thousands of new arrests, tortures, and mistreatment. All religious believers in China are asking for is the ability to worship freely and openly. Right now those who do not belong to the government-sponsored churches have no place to worship, many of them are denied housing and work permits, and countless numbers are harassed, detained, tortured—and some have been martyred for their faith.

The Chinese Laogai is not like any prison system we are familiar with. These are forced labor camps similar to the Nazi work camps of another era. It is the most extensive forced labor system in the world, and this system has destroyed the lives of millions of people, and it continues to do so. In January, during a human rights trip to China, I met with several people who bear the permanent scars of years in Chinese prison labor camps. I heard their stories of beating and torture and saw for myself the broken bodies which these camps created.

Recently, Harry Wu, himself a veteran of the Chinese prison labor system, returned from China where he risked his life to document the continued use of prison labor used to manufacture products for export—much of it for export to the United States. The 1992 MOU, a flawed agreement from the beginning, calls for prompt investigation of any claims that forced labor products were being exported to the United States. Customs and State Department officials have said that the Chinese have done nothing promptly. A new agreement, signed in March, allows the Chinese a full 60 days from the time the United States asks for an investigation to allowing an investigation. That is enough time not only to clean up the prisons but to outfit them with karaoke nightclubs.

Human Rights Watch, Amnesty International, and the Puebla Institute have all issued reports detailing the renewed repression of religion, listing priests, ministers, monks, and nuns who are imprisoned or under some other type of detention. All of them have said that religious repression has gotten worse in this past year, and especially since January. Mr. Speaker, I am submitting for the RECORD a list of priests, ministers, nuns, and lay workers as a living tribute to these men and women who refuse to compromise their faith.

Of the nearly 1,500 prisoners of conscience listed by Human Rights Watch, only a small fraction have been released, and little new information has been obtained. And this list of 1,500 prisoners is only a fraction of those who are victims of the Chinese prison system.

China's dictatorship doesn't deserve MFN. Consider this contrast, Mr. Speaker. As we debate this issue, our ships are steaming off Haiti with combat soldiers poised to topple the cruel dictatorship in Haiti. Meanwhile, President Clinton is coddling another dictatorship—a far more dangerous, crueler, and meaner dictatorship in Beijing. Support the Solomon resolution.

Mr. Speaker, I include for the RECORD the following list:

IMPRISONED, DETAINED, OR PERSECUTED CATHOLICS, PROTESTANTS, AND BUDDHISTS IN THE PEOPLE'S REPUBLIC OF CHINA AND TIBET

(Source: Amnesty International, The Cardinal Kung Foundation, Human Rights Watch/Asia, The International Campaign for Tibet, The Puebla Institute.)

CATHOLICS

1. Bishop Johannes Han Dingxiang: 57 years old. Vicar General of Handan diocese, Hebei province. Seized by Public Security Bureau officials on November 18, 1993, after celebrating Mass, and now administratively detained. Previously arrested December 26, 1990, and detained without trial, reportedly in an indoctrination camp in Handan. Released, reportedly some time in 1993, but his movement was severely restricted until his re-arrest. He had been arrested four other times previously, and was imprisoned from 1960 to 1979.

2. Auxiliary Bishop Shi Hongzhen: of Tianjin, Hebei province. As of November of 1993, activities severely restricted; one report said he must return to home village every night, while a second reported that he is under house arrest.

3. Bishop Joseph Li Side: Bishop of Tianjin diocese, Hebei province. In his 60's. Arrested on May 25, 1992. Exiled in July 1992 to rural parish of Liangzhuang, Ji county, which he is forbidden to leave. According to most recent report, held under a form of house arrest on top of a mountain. Previously detained several times, including 1989, when he was arrested for his role in an underground

episcopal conference and reportedly tried in secret.

4. Bishop Fan Yufei: 60 years old. Bishop of Zhouzhi, Shaanxi province. Arrested around Easter 1992 while celebrating Mass; transferred September 1992 to a form of house arrest. Eight priests arrested with him, since released, were subjected to forced indoctrination while in detention.

5. Bishop Lucas Li Jingfeng: 68 years old. Bishop of Fengxiang. Shaanxi province. Following authorities' "invitations" to "study" in April 1992, placed under house arrest. Now restricted to his church in Fengxiang. Health reportedly very poor.

6. Bishop Joseph Fan Zhongliang: Bishop of Shanghai. 73 years old. Arrested June 10, 1991, reportedly in response to the Vatican's elevating another Chinese bishop, Gong Pinmei, to cardinal. On August 19, 1991, transferred to a form of house arrest in Shanghai. Forbidden to leave Shanghai and is kept under surveillance. Police have not returned church and personal property seized from him at time of his arrest. Previously imprisoned for his faith between 1957 and 1982.

7. Bishop John Baptist Liang Xishing: Bishop of Kaifeng diocese, Henan province. Born in 1923. Arrested in October 1990 for "illegal religious activities." He was released, reportedly in February 1991, but remained under police surveillance until his "disappearance: and presumed rearrest on 18 March 1994. Details on his arrest and the location of his detention are unknown.

8. Bishop Vincent Huang Shoucheng: Bishop of Fu'an. Fujian province. Arrested in an unspecified location on July 27, 1990. Remained in detention until June 1991. Now restricted to home village.

9. Bishop Mark Yuan Wenzai: Bishop of Nantong, Jiangsu province. 69 years old. After period of detention, placed under custody of local CPA bishop, Yu Chengcoi, in July 1990, and forced to live at church in Longshan.

10. Bishop Huo Guoyang: Bishop of Chongqing, Sichuan province. Arrested early January 1990, for participation in underground episcopal conference and detailed until early 1991. Now under police surveillance in Chongqing City, Sichuan.

11. Bishop Mathias Lu Zhensheng: Bishop of Tianshui, Gansu province. Born January 23, 1919. Arrested in late December 1989, in connection with underground episcopal conference; released some time afterward, possibly April 26, 1990, as a result of poor health. Now restricted to home village. Served a previous prison term for "counter-revolutionary activities."

12. Bishop Guo Wenzhi: Bishop of Harbin, Heilongjiang province. Born January 11, 1918. Most recent arrest on December 14, 1989, in connection with underground episcopal conference; released in March 1990 to home village in Qiqihar, which he is forbidden to leave. Remains under strict police surveillance.

13. Bishop Jiang Liren: 80 years old. Bishop of Hohhot, Inner Mongolia. Arrested, possibly in November or December 1989, in connection with underground episcopal conference. Reportedly imprisoned until April 1990, when transferred to house arrest. Now confined to his home village and under police surveillance.

14. Bishop John Yang Shudao: Bishop of Fuzhou, Fujian provinced. Most recent arrest on February 28, 1988, in Liushan Village, Fujian. Transferred to house detention in February 1991. Restricted to home village and under close police surveillance. Previously arrested for his faith at least once.

15. Bishop Casimir Wang Milu: 55-year-old Bishop of Tianshui diocese, Gansu province. Arrested April 1984 for counter-revolutionary activities, including ordaining priests (after his own secret consecration as bihop by Bishop Fan Xueyuan in January 1981), having contact with the Vatican and other Chinese Roman Catholics, and criticizing government religious policy and the Catholic Patriotic Association. Sentenced 1985 or 1986 to ten years' "reform through labor" and four years' deprivation of political rights. Imprisoned for a time at labor camp in Pingliang, Gansu and then transferred to a labor Camp near Dashaping in Lanzhou. Released on parole April 14, 1993, he remains under restrictions of movement. Previously imprisoned for his faith during the Cultural Revolution.

16. Father Liu Jin Zhong: Priest of Yixian, Hebei province. Arrested February 24, 1994, while celebrating Mass. Detained in Gu An Xian.

17. Father Wei Jingyi: 36 year-old Secretary of underground Bishop's Conference. Arrested January 20, 1994, with Bishop Su Zhimin of Baoding, Hebei province allegedly for his work in the Bishop's Conference and for meeting with a delegation headed by U.S. Rep. Chris Smith (R–NJ). Bishop Su was released January 29, 1994, but Father Wei remains in detention in an unknown location and reportedly is being held in shackles. Arrested twice before for religious reasons and served a total of five years in prison. Father Wei's ordination has not been recognized as valid by the official Catholic Patriotic Association.

18–19. Fathers Mao Lehua and Guo Xijian: Priests of Fuan, Fujian province. Arrested December 16, 1993, with four nuns and three deacons as they were celebrating Mass in a private house. Father Mao has reportedly been released on bail, but Father Guo remains in detention.

20. Father Chu (Zhu) Tai: Priest from Zhangjiakou city, Hebei province. Arrested November 1993 while celebrating Mass. Sentenced to one year of reform through labor. Serving sentence in Zhangjiakou, Hebei province.

21. Father Yan Chong-Zhao: Priest of Handan diocese, Hebei province. Arrested September 1993 for refusing to renounce his ties to the Vatican and join the Catholic Patriotic Association. Now detained in Guangping county.

22. Father Zhang Li: Priest from Zhangjiakou city, Hebei province. Arrested November 1993 along with another priest whose name is not known and sentenced to three years reeducation through labor at a detention center in Zhangjiakou City. Previously arrested November 1, 1991 (another source says July 1992), while celebrating Mass. He was sentenced to three years of reform through labor and reportedly released March 1993.

23. Father Zhou Zhenkun: Priest of Dongdazhao Village, Baoding, Hebei province. Arrested December 21, 1992, by Public Security Bureau, with Deacon Dong Linzhong in pre-Christmas raid on Baoding area. No other information available.

24. Father Liao Haiqing: Priest of Fuzhou, Jiangxi province. 63 years old. Arrested, reportedly while celebrating Mass, on August 16, 1992. Chinese authorities reported in March 1993 that he had been released, but this has not been independently confirmed. Previously arrested and imprisoned several times, most recently in November 1981. After serving nearly all of a ten-year term, released July 1991.

25. Father Wang Danian: Arrested in June or July 1992 in Suzhou, Jiangsu, with two nuns (since released). Accused of performing illegal missionary work. Not known to have been released.

26. Father Liu Heping: 28 years old. Most recent arrest on December 13, 1991, at his home in Shizhu village, Dingxing county, Hebei province. Reportedly being held without trial; according to another report, has been transferred to house arrest.

27. Father Ma Zhiyuan: 28 years old. Arrested on December 13, 1991, at Houzhuang, Xushui County, Hebei province. All believed in administrative detention.

28. Father Xiao Shixiang: Priest of Yixian diocese, Hebei province. 58 years old. Arrested December 12, 1991 for leading a religious retreat. Reportedly being held without trial; according to another report, has been transferred to house arrest.

29. Father John Wang Ruowang: Priest from the Tianshui diocese, Gansu province. Disappeared on December 8, 1991, while caring for dying Bishop Li Zhenrong. No longer detained, but under restrictions of movement and police surveillance. Arrested December 1989 with his brother, Father Wang Ruohan, for participation in underground episcopal conference; served one year of "reeducation through labor."

30. Father Peter Cui Xingang: Parish priest at Donglu village, Quingyuan county, Hebei province. 30 years old. Arrested July 28, 1991, and held without trial. Current whereabouts unknown.

31. Father Gao Fangzhan: 27 years old. Priest of Yixian diocese, Hebei province. Arrested in May 1991 outside Shizhu Village in Dingxing County. Being held without trial.

32. Father Wang Jiansheng: 40 years old. Arrested May 19, 1991; sentenced to three years of reeducation through labor. Imprisoned in Xuanhua Reeducation Through Labor Center in Hebei province. Chinese authorities reported in March 1993 that he had been released, but he had not been seen at home as of October 1993.

33. Father Chen Yingkui: Priest of Yixian diocese, Hebei province. Arrested in 1991 and reportedly sentenced to three years' reeducation through labor. Reportedly imprisoned in Gaoyang county, Hebei.

34. Father Xu Guoxin: Priest of Langfang diocese, Hebei province. Arrested in 1991 and sentenced to three years' reform through labor.

35. Father Li Xinsan: Priest of Anguo diocese, Hebei province. Arrested in December 1990 or early 1991. Sentenced of three years' reform through labor. Detained in a labor camp in Tangshan, Hebei. Chinese authorities reported in March 1993 that he had been released, but had not returned home as of October 1993.

36. Father An Shi'an: Vicar-general of Daming diocese, Hebei province. Born 1914. Arrested late December 1990 and detained without charge or trial in a Handan indoctrination camp. Released December 21, 1992, but whereabouts are not known. Believed to be under restrictions of movements.

37. Father Peter Hu Duoer: 32 years old. Arrested by Public Security Bureau personnel at Liangzhuang Village, Xushi County, on December 14, 1990. Being held without trial.

38. Father Joseph Chen Rongkui: 28 years old. Arrested December 14, 1990, at the Dingxian train station in Hebei province. Being held without trial.

39. Father Paul Liu Shimin: 32 years old. Arrested December 14, 1990, in Xiefangying, Xushui county, Hebei province. Being held without trial.

40. Father Li Zhongpei: Arrested in December 1990 and sentenced to three years of reeducation through labor. Imprisoned at

Tangshan Reeducation Through Labor Center in Hebei province. Chinese authorities reported in March 1993 that he had been released, but he had not been seen home as of July 1993.

41–44. Fathers Liu Guangpin, Zhu Ruci, Zou Xijin, and Xu: Priests of Fu'an, Fujian province. All arrested July 27, 1990, at Luojiang Church in Fu'an for violating government religious policy. Currently imprisoned. According to one report, Father Zhu has been transferred to house arrest.

45–47. Fathers Guo Quishan, Guo Shichun, and Guo (given name not known): Priests of Fu'an, Fujian province. All arrested July 27, 1990 for violating government religious policy. All three released for health reasons in August 1991. Now under house arrest.

48. Father Pei Guojun: Priest of Yixian diocese, Hebei province. Arrested and imprisoned between mid-December 1989 and mid-January 1990 in connection with underground episcopal conference in Shaanxi province. No recent news.

49. Father Shi Wande: Priest of Baoding diocese, Hebei province. Arrested December 9, 1989, in Xushui, and reportedly imprisoned. No recent news.

50. Father John Baptist Wang Ruohan: Priest from Tianshui diocese, Gansu province. Arrested December 1989 with his brother, Father Wang Ruohan, for participation in underground episcopal conference; served one year of "reeducation through labor." Under restrictions of movement.

51. Father Pei Zhenping: Priest of Youtong village, Hebei province. Arrested October 21, 1989, and imprisoned. Chinese authorities reported in March 1993 that he had been released, but not seen at home as of October 1993.

52. Father Wang Yiqi: Priest of Fujian province. Reportedly arrested in Liushan village, Fujian province, on February 28, 1988. Reports of his release have not been confirmed.

53. Father Francis Wang Yijun: Vicar General of Wenzhou dioceses, Zhejiang province. 75 years old. Arrested May 19, 1982, and sentenced to eight years' imprisonment. Immediately upon his release in March 1990, he was sentenced to an additional three years' "reform through labor" for "stubbornness" and "refusing to repent." Released from prison May 21, 1992; remains under restrictions of movement and association.

54. Father Joseph Guo Fude: Member of the Society of the Divine Word. 69 years old. Most recent arrest and imprisonment in spring 1982. As of late 1986, interned in a labor camp in southern Shandong; according to unconfirmed reports, since transferred to house arrest and/or strict police surveillance. No recent news.

55. Father Joseph Jin Dechen: Vicar General of Nanyang diocese, Henan province. 72 years old. Arrested December 18, 1981, reportedly for opposition to abortion and birth control. Sentenced July 27, 1982, to 15 years in prison and five years subsequent deprivation of rights. He reportedly was held at the Third Provincial Prison in Yuxian, Henan province. Released on parole May 21, 1992. He since has been confined to home village of Jinjiajiang, where he remains under restrictions of movement and association. He reportedly is in poor health.

56. Father Fu Hezhou: 68 years old. Arrested and imprisoned November 19, 1981. Reportedly since transferred to house arrest and/or strict police surveillance. No recent news.

57. Father Zhu Bayou: Priest of Nanyang diocese, Henan province. Arrested in the early 1980s and sentenced to 10 years for leading Roman Catholics on pilgrimage to Sheshan. Released on parole at unspecified date. Now restricted to village of Jingang, Henan.

58. Father Lin Jiale: Reportedly imprisoned in Fuzhou, Fujian province. No other information available.

59. Father Liu Shizhong: Reportedly imprisoned in Fuzhou, Fujian. No other information available.

60. Father Fan Da-Dou: Priest of Beijing diocese. Under house arrest for several years. Not permitted to administer sacraments.

61. Father Li Jian Jin: Of Han Dan in Hebei Province, 28 years old, was arrested the afternoon of 4 March 1994 while celebrating Mass in the home of a lay Catholic. Reportedly "more than ten" fully armed security police participated in the raid, beating Father Li, handcuffing him and taking him away. Several of those present for the Mass also reportedly were beaten, and the police confiscated the Eucharists consecrated for distribution at Mass.

62. Father Lu Dong Liang: of Feng Feng Shi, Dong Ging Liu in Hebei Province was arrested sometime before Easter Sunday while celebrating Mass. Five men and six women attending the Mass also reportedly were arrested. No further information is available about their cases.

63. Father Su De-Qien: Priest of Tianjin diocese, Hebei. Required to report to PSB once a month. Has been prevented since Christmas 1993 from administering sacraments.

64. Deacon Ma Shunbao: 42 years old. Arrested November 6, 1991, in Hebei province. Detained without trial.

65. Deacon Dong Linzhong: Of Dongdazhao Village, Baoding, Hebei province. Arrested December 21, 1992, by Public Safety Bureau, with Father Zhou Zhenkun. No other information available.

66. Ji Xiaoshang: Arrested in June 1992 in connection with funeral of Bishop Fan Xueyan. Six others arrested between April and June 1992 for same reason have since been released; no recent news on Ji.

67. Zhang Guoyan: 35 years old. Layman from Baoding, Hebei province. Sentenced in 1991 to three years of reeducation through labor for refusing to join CPA. Chinese authorities reported in March 1993 that he had been released, but had not been seen at home as of October 1993.

68. Wang Tongshang: Deacon and community leder in Baoding diocese, Hebei province. Arrested December 23, 1990, and sentenced to three years of reeducation through labor. Now serving prison term in Chengde Reeducation Through Labor Center in Hebei. Chinese authorities reported in March 1993 that he had been released, but this has not been independently confirmed.

69. Zhang Youzong (or Youzhong). Lay Catholic arrested in December 1990 or early 1991 and reportedly sentenced to three years' imprisonment. Chinese authorities reported in March 1993 that he had been released, but this has not been independently confirmed.

70. Wang Jingjing: Layman of Fujian province. Arrested probably on February 28, 1988, in Liushan Village. Reportedly released, but this has not been independently confirmed. No recent news.

71. Father Vincent Qin Guo-Liang. 59 years old. Secretly ordained a priest in 1986. Arrested May 1984 in Xi-Ning, Qinghai province. Previously arrested in 1955 and imprisoned for 13 years. Then transferred to No. 4 Brick factory in Xi-Ning where he was detained for another 13 years. After his release he was unable to obtain employment and was forced to return to the brick factory to work until his arrest in May. Currently being held in a labor education camp in Xi-Ning, Qinghai Province.

72. Father Li Xhi-Xin. Arrested March 29, 1994. Currently held in a labor education camp in Xi-Ning, Qinghai Province.

73. Wang Dao-Xian. Lay leader. Arrested April 21, 1994. Currently being held in a labor education camp in Xi-Ning, Qinghai Province.

PROTESTANTS

1. Pan Yiyuan: 58 years old. House-church Protestant of Zhangzhou, Henan province. Arrested February 2, 1994, and charged with "rejecting and refusing to join the official Three-Self Protestant Movement," "possessing reactionary Christian printed matter from overseas," "involvement with overseas Christian organizations," and "contacting Christians in China and opposing the government's religious policies." Now detained, reportedly in Zhangzhou Detention Center. Not permitted visits by his wife. At time of arrest, police confiscated personal letters, diaries, religious books and tapes, bibles, and other personal belongings, from his home. Previously arrested for religious reasons in 1990.

2. Xu Birui: 83 years old. Mother of Pan Yiyuan. Interrogated February 2, 1993, at time of son's arrest. Reportedly under house arrest and interrogated daily about religious activities.

3. Lin Zilong: 80 years old. A district leader of "Shouters" sect, which is outlawed by Chinese government, from Fuqing city, Fujian province. Arrested December 23, 1993, with He Xiaxing and Han Kangrui, by Public Security Bureau officials. Reportedly arrested twice before for religious reasons; served over seven years in prison following arrest in 1983.

4. He Xiaxing: 53 years old. Member of "Shouters" sect. From Fuqing city, Fujian province. Arrested December 23, 1993, and reportedly detained in Jiangjing town detention center.

5. Han Kangrui: 48 years old. Member of "Shouters" sect. From Fuqing city, Fujian. Reportedly now detained in Longtian town detention center.

6. Xu Fang: 21 years old. Femal house-church Protestant from Ankang county, Shaanxi province. Arrested September 1993 with about 24 other Protestants by police seeking to discover who had provided information to West about brutal March 1993 attack on Shaanxi Protestants, including Mai Lanping, who died as a result of torture. Most of twenty-five arrested have since been released, but Xu and at least five others remained in detention as of late January 1994.

7. Li Haochen: A house-church preacher from Sanyi township, Mengcheng county, northern Anhui province. Arrested in March 1993 for organizing a "healing crusade" and held until June; rearrested in September 1993 and charged with counter-revolutionary crimes. Originally thought to have been given a one year sentence, but later reports placed the sentence at three years' reform through labor. Originally held in Mengcheng county prison, Li's current whereabouts are unknown. A second 45-year-old woman, whose name is unknown, was arrested at the same time, reportedly for refusing to close her house church. This second woman subsequently was sentenced to a two year term in a reeducation through labor camp at an unknown location.

8. Ge Xinliang: 27-year-old farmer and house-church preacher from Yuefang township, Mengcheng county, northern Anhui

province. Arrested August 25, 1993, one day after holding a prayer meeting in Simen Village, Qin Zhuang, which was attended by over 100 people. Charged with "disturbing the public order" and accused specifically of organizing others to listen to religious radio broadcasts from Hong Kong; receiving Bibles from abroad; and holding a preachers' training class for about 60 people between December 31, 1992 and January 5, 1993. Sentenced without trial to two years' reform through labor by the Fuyang Prefectural Labor Re-education Administrative Committee.

9. Dai Guiliang: 45 years old. House-church preacher from Yuefang township, Mengcheng county, northern Anhui province; and

10. Dai Lanmei: 27-year-old female house-church preacher from Yuefang township, Mengcheng county, northern Anhui province. Both arrested August 25, 1993, with Ge Xinliang (above) and sentenced without trial to three and two years' reform through labor, respectively, by the Fuyang Prefectural Labor Re-education Administrative Committee. The official sentences for all three preachers accused them of "conspir[ing] together, using their belief in the 'Spiritual Trust' sect to proclaim that the tribulation was coming, thus causing believers to stop participating in production." All three reportedly detained in Xuancheng Labor Camp in Anhui province.

11. Guo Mengshan: 41 years old. House-church preacher from Wangdian (or Wangding) township, Lixin county, in northern Anhui province. Arrested July 20, 1993, with

12. Liu Wenjie and

13. Zheng Lanyun, both house-church preachers. All three accused of conducting "New Believers' Edification" classes for five days in rural area of Dafeng. Guo Mengshan held without charge under "shelter and investigation' procedure for over three months and then administratively detained without trial on 11 October 1993 to three years' reform through labor for itinerant preaching." Sentences of Lin and Zheng unknown. After detention in Mengcheng county prison, all three reportedly detained in Xuancheng Labor Camp, Anhui province.

14. Zhang Jiuzhong: House-church preacher from Jiwangchang township, Lixin county, northern Anhui province. Arrested in 1993 for "illegal" religious activity. Sentenced in October 1993 to two years' reform through labor.

15–17. Xhang Lezhi, Yan Peizhi, and Xu Zhihe: 32, 35, and 50 years old respectively. Protestants from Shandong province belonging to New Testament Church. Arrested September 1992; sentenced December 1992 to three years' reeducation through labor for "illegal" religious activities, including membership in banned New Testament Church. Now detained in Chang Le County labor camp. At time of their arrest, PSB officials confiscated religious literature and personal belongings from them. Following his arrest, Zhang was tortured with electric batons, chained, and beaten.

18. Zheng Yunsu: Leader of popular Jesus Family religious community in Duoyigou, Shandong province. Arrested in June 1992 with thirty-six other community members, including his four sons. Their arrest is thought to be in part the result of the community's May 1992 efforts to prevent security forces from tearing down their church. The elder Zheng was charged with holding "illegal" religious meetings, "leading a collective life," disturbing the peace and resisting arrest. Sentenced to 12 years' imprisonment. Thought to be held at the Shengjian Motorcycle Factory labor camp near Jinan city. Other community members received sentences of five years (another source says three). PSB officials raiding church compound in June 1992 leveled the church and confiscated personal property.

19. Zheng Jiping. Eldest son of Zheng Yunsu. Arrested June 1992 in raid on Jesus Family religious community and sentenced to nine years' imprisonment. Held in an unknown location.

20. Zheng Jikuo: Third son of Zheng Yunsu. Arrested June 1992 in raid on Jesus Family religious community and sentenced to nine years' imprisonment. Held in an unknown location.

21–22. Zheng and Zheng (given names unknown). Sons of Zheng Yunsu. Arrested June 1992 in raid on Jesus Family religious community. Sentenced to five years' imprisonment at unknown location(s).

23. Xie Moshan ("Moses Xie"): A house-church leader from Shanghai in his early 70s, he was arrested 24 April 1992 on charges of "conducting illegal itinerant evangelism." and released 23 July 1992. His movement is severely restricted and he is required to report periodically to local Public Security Bureau. His mail is regularly intercepted and read by local authorities.

24. Chen Zhuman: 50-year-old member of New Testament Church in Fujian. Arrested December 14, 1991. Tortured and beaten by police at Putian County Detention Center, he reportedly was left hanging upside down in a window frame for an extended period of time. Sentenced without trial in July 1992 to three years; reeducation through labor for joining an "illegal" church and having contact with foreign coreligionist. Transferred a month later to a prison in Quanzhou, Fujian, where he was again tortured by prison guards, who also encouraged other inmates to beat him. He reportedly suffered hearing loss and other disabilities as a result of the torture.

25–28. Wang Dabao, Yang Mingfen, Xu Hanrong, and Fan Zhi: House-church Protestants arrested in Yingshang County, Anhui province, after August 1991.

29–31. Zhang Guancun, Zeng Shaoying, and Leng Zhaoqing: House-church Protestants arrested in Funan County, Anhui province, after August 1991.

32. Mr. Dai: Bible distributor from Hubei province. Arrested June 1991. No other information available.

33. Zhang Ruiyu (or Chang Rhea-yu): Physical education teacher and house-church Protestant from Xianyu County, Fujian province. Fifty-four years old. In May 1990, she was badly hurt during a Public Security Bureau raid on her home. She was tortured with electric shocks and beatings that caused her to lose several teeth. PSB officers confiscated Bibles and Christian literature from her home. From that point until her detention on 25 August 1990, she was harassed and reportedly tortured by PSB officials. She was charged on May 27, 1991, with "inciting and propagating counter-revolution" (a charge carrying a maximum sentence of life in prison) and with "disturbing seditious propaganda." Tried April 9–10, 1991, and sentenced to four years in prison. Thought to be detained in a women's prison in Fuzhou.

34. Yang Rongfu: House-church Protestant of Anhui province. Reportedly arrested before June 1990 for unspecified reasons. Now prevented from seeing his family.

35. Xu Guoxing: Shanghai house-church leader. Born March 16, 1955. Arrested November 6, 1989; sentenced November 18 to three years' reform through labor. Currently imprisoned in Defeng, Jiangsu.

36. Xu Yonge: Leader of a house-church network in central China and founder of "New Birth" Protestant Movement. Fifty-two years old. From Nanyang, Zhenping County, Henan province. Arrested April 16, 1988, in Beijing, where he had gone to attend a worship service led by the American evangelist Billy Graham. At the time of his arrest he was being sought as a fugitive, having escaped from prison in 1983. He was sentenced to three years' imprisonment. Held in Zhenping County Prison, Henan, until April 26, 1991, and in Henan Public Security Bureau office until May 20, 1991, when released. He reportedly was in ill health during his confinement. Remains under very strict police surveillance. Possibly being forced to report periodically to the local Public Security Bureau. One source reports that he was released only after a relative promised to keep him from resuming his religious activities.

37. Zhu Mei (or Sha Zhumei): Born May 12, 1919. Member of an independent Protestant church. Arrested June 3, 1987, in Shanghai; reportedly beaten by police. Tried November 3, 1987, reportedly in secret; convicted of "harboring a counter-revolutionary element." Released on parole on April 3, 1992, for medical reasons stemming from torture in prison. Hospitalized for two months. Remains under some travel and other restrictions. Previously imprisoned for her faith during Cultural Revolution.

38–40. He Suolie, Kang Manshuang, and Du Zhangji: House-church leaders from Henan province. Arrested in 1985 for opposing the TSPM. Sentenced in 1986 to eight, five and four years in prison, respectively. Not known to have been released.

41. Song Yude: Forty years old. House-church leader from Tongbo county, Henan province. Arrested July 16, 1984. Tried January 29, 1986; sentenced to eight years' imprisonment for "counter-revolutionary" activities, including holding "illegal" religious meetings, criticizing the TSPM, and setting up new house churches. Released from prison in April 1992. Still deprived of political rights, and possibly restricted in his movements.

42. Pei Zhongxun (Chun Chul): Seventy-six-year-old ethnic Korean Protestant leader from Shanghai. Arrested in August 1983 for counter-revolutionary activities. Although he was accused of spying for Taiwanese government (because of ties to Taiwanese Christians) and of distributing Bibles and other Christian literature to others in the house-church movement, he was charged with "counter-revolutionary crimes," a charge often used in cases where the authorities do not have enough evidence to convict. Sentenced to 15 years of imprisonment. Currently reported imprisoned in Shanghai Prison No. 2. His family is permitted to visit for one-half hour each month. He reportedly has begun to suffer from deteriorating eyesight due to cataracts.

43. Wang Xincai: A 31-year-old (another source places his age at 39) evangelical leader from Zhangcun (Ahandeum) Village, Fuling Brigade, Xinji Commune, Lushan County, he was arrested on 9 July 1983 along with

44. Xue Guiwen: A 38-year-old evangelical from Liuzhuang Village, Xinhua Brigade, Zhangdian Commune, Lushan County,

45. Wang Baoquan: 67-year-old evangelical elder from Chengguan Township, Lushan County, and

46. Geng Minxuan: a 58-year-old (another source places his age at 66) evangelical elder from Sunzhuang Village, Malon Commune, Lushan County. The four men were arrested

along with Zhang Yunpeng, Wang Xincai and Cui Zhengshan and charged with belonging to an evangelical group outside the government-sanctioned Three Self Patriotic Movement; plotting to overthrow China's proletarian dictatorship and social system; having ties to overseas reactionary forces; receiving and distributing foreign materials; disturbing the social order; and disturbing and breaking up normal religious activities. Wang Zincai was sentenced to fifteen years in prison; Geng Minxuan received an eleven-year sentence. The sentence of Xue Guiwen and Wang Baoguan are unknown. All seven men were sentenced on 2 June 1984, and all were deprived of their political rights for five years.

47. Bai Shuqian: Elderly member of Little Flock house church from Ye County, Henan province. Arrested in 1983; charged with belonging to the Shouters, holding illegal religious meetings, and receiving foreign Christian literature. Sentenced to 12 years' imprisonment. As of March 1987, thought to be held in Kaifeng, Henan.

48. Zhao Donghai: House-church leader from Henan province. Sentenced to 13 years' imprisonment in 1982 or 1983 for counter-revolutionary activities.

49. Li Tian An: In his late 60s, is the most senior unregistered house-church activist in Shangai. He reportedly went into hiding in early January 1994 after local PSB officials ordered him to report his house-church activities to them on a regular basis.

50–51. Mr. Lalling and Mr. Nawlkung: (given names unknown). Reportedly arrested and jailed for distributing Christian literature. Reportedly being held in the Yunan State Prison near the Burmese border.

52–54. Zhang Yongliang (43 Years old), Tian Mingge and Zheng Xintai (ages unknown) were arrested along with seven foreign national Christians during a 11 February 1994 raid of a house near Fangcheng, Henan province, by PSB agents. Earlier that day, the same house had hosted an unregistered church service attended by between seventy and ninety people. After their arrest, the ten were held and interrogated in the Fangcheng PSB detention center. The seven foreign Christians were released on 15 February 1994 and expelled from the country. Tian, Zhang and Zheng continued to be held at Tangcheng until their early March release. Several of the foreign national Christians have stated that they could hear the three being tortured at the time of their arrest.

55–56. Wang Jiashui: a local church pastor in Huize County, Yunnan Province, and He Chengzhou, and evangelist in the same region, reportedly had bounties for their seizure (dead or alive) placed on their heads in March or April 1992 by local authorities. Other house church members in the region have reported repeated occasions where they have been arrested without warrants, bound, beaten with clubs, given electric shocks, or heavily fined. Some detainees' homes have been searched. The attacks and death threats appear to be part of an organized campaign by local authorities to terrorize and intimidate underground Christians in the region, which by some estimates is one-third Christian.

BUDDHISTS

(The following Tibetan Buddhist nuns from different monasteries are currently being held in Drapchi prison. Arrested originally for their participation in small non-violent independence demonstrations. All of their prison sentences were increased in October, 1993 because they were signing songs which authorities claimed were pro-independence)

1. Ngawang Choezom: 22 years old from Chubsang nunnery. Sentence increased to a total of 11 years.

2. Gyaltson Choezom: 21 years old. From Garu nunnery. Sentence increased to a total of 9 years.

Gyaltsen Drolkar: 19 years old. From Garu nunnery. Sentence increased to a total of 12 years.

4. Ngawang Sangdrol: 18 years old. From Garu nunnery. Sentence increased to a total of 9 years.

5. Lhundrup Znagmo: 23 years old. From Michungri nunnery. Sentenced increased to a total of 9 years.

6. Phuntsog Nyidron: 23 years old. From Michungri nunnery. Sentenced increased to a total of 17 years. Given the most severe sentence because of her official position as chant mistress in the nunnery.

7. Tenzin Thubten: 20 years old. From Michungri nunnery. Sentence increased to a total of 14 years.

8. Ngawang Choekyi: 23 years old. From Samdrup Drolma nunnery. Sentence increased to 13 years.

9. Ngawang Loohoe: 19 years old. Samdrup Drolma nunnery. Sentence increased to 10 years.

10. Ngawang Tsamdrol: 21 years old. From Samdrup Drolma nunnery. Sentence increased to 10 years.

11. Jigme Yangchen: 23 years old. From Shungseb nunnery. Sentenced increased to 12 years.

12. Palden Choedron: 19 years old. From Shungseb nunnery. Sentence increased to 8 years.

13. Rigzin Choekyi: 20 years old. From Shungseb nunnery. Sentence increased to 12 years.

14. Namdrol Lhamo: 28 years old. Nunnery unknown. Sentence increased to 12 years.

15–25. Eleven nuns from Garu nunnery were arrested on June 14, 1993 prior to a planned peaceful pro-independence demonstration. The nuns range in age from 18 to 25 and sentenced to prison terms from two to seven years.

26. Phuntsog Gyaltsen: 36 years old. Tibetan Buddhist monk serving 12 years in Drapchi Prison. According to Amnesty International sources he is suffering liver and stomach ailments but is still required to perform prison labor. He has reportedly been beaten several times during his imprisonment.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Speaker, I rise today in opposition to the Solomon resolution, in opposition to the Pelosi amendment, reluctant opposition, and in support of the Hamilton amendment and the President of the United States.

This is an issue on which friends and allies on both sides of the aisle can and do disagree. For example, there is no one in this House that I admire more and there are few I admire half as much as I admire the gentlewoman from California [Ms. PELOSI]. She is the ideal of what a Representative should be and I hope her constituents in California realize how very well she represents them. I share her values, I share her goals. Yet on this issue at this time, I do not share her conclusions.

In 1979 and 1980, I had the privilege of working in the office of the U.S. Trade Representative, in helping implement our first trade agreement with the People's Republic of China. I have dealt with this issue before.

I agree with each and every one of the criticisms that have been offered of the Chinese regime here on this floor today. But my conclusion is this: Reducing trade with China will not reduce oppression in China. The best way to serve the cause of human rights in China is to trade with the Chinese. Trade will create prosperity, prosperity will create a Chinese middle class, a growing middle class in China will demand more and more and more political freedom and more freedom will help secure more human rights.

A vote for the Hamilton amendment is by far the best vote for human rights.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Speaker, I rise today in opposition to the Solomon resolution.

I would just like to make a couple of points.

Trade restrictions are successful only when they are universally observed. Leaky sanctions do not work—as we can see now in Haiti, Serbia, and North Korea.

And in the case of China MFN, we are the only country in the world considering trade sanctions. Not one G–7 or Asian nation is following suit.

The China MFN debate is not about far-reaching international policy. Simply put, it is about involving ourselves in the internal affairs of another country.

Could you imagine if another country sought to impose trade sanctions on us because of our nagging crime problem? At the very least, we would laugh at them.

History shows us that political freedom is invariably tied to economic prosperity. It is basic human nature. If you have to spend all of your time and energy, providing your family with food, clothing, shelter and basic economic security, you are less inclined to ponder the finer points of political theory, such as democracy and freedom of speech.

Thus, the best way for us to combat political repression and foster human rights is to engage them economically. By trying to inflict harm on the Chinese economy, we only foster an environment more prone to political repression.

Sanctions are only useful when they seek to improve international relations. A completely different set of rules apply when we look to shape a country's internal policies and culture.

Again, I urge my colleagues to vote "no" on the Solomon resolution.

□ 1540

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I rise in support of the Solomon amendment and commend him and the gentleman from Virginia [Mr. WOLF] and others who have worked on this. I also rise in support, in case I am not able to speak later, in behalf of the Pelosi amendment and I commend her for all of her effort on behalf of oppressed people throughout the world, but also her campaign on behalf of Chinese dissidents, workers and those who are subject to the political system.

I think we should remember that it is not just that we bestow most-favored-nation status on the nation of China, but when we do so in reaction to what has taken place, and with knowledge of what has taken place in China, and with knowledge of what has taken place since the President's Executive order when they did nothing to try and to comply with that order, that that is the only reason we are here today. Had the Chinese made a reasonable effort to comply with the President's Executive order there would be no need for the Solomon amendment or for the Pelosi amendment. We in fact would have had a unified policy and we would have had a response from the Chinese people that good-faith efforts were being made in the total of their efforts in a number of those areas outlined by the President.

But we are here today because the Chinese rejected it out of hand. They rejected it on the world stage, the President of the United States and the country.

So if we do not accept the Solomon amendment or the Pelosi amendment we grant them far more than most-favored-nation status, because people who are oppressed around the world, who have lost their religious freedoms, do not have the right to organize in their workplace, children who are subject to child labor, prisoners who are abused and used in labor for exports, those people have only one place to look in the world, and that is the United States. What we do by our actions of extending most-favored-nation status to China is we loan them our principles, our symbols, our culture, our history, and we ought not to cheapen those principles and our history by giving away most-favored-nation status.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I rise in opposition to the Solomon amendment and the Pelosi amendment and in support of the Hamilton amendment. I do so reluctantly because I have a great deal of respect for the gentleman from New York [Mr. SOLOMON] and the gentlewoman from California [Ms. PELOSI], two Members of Congress who I greatly admire, who I work with legislatively and who are certainly some of the most popular Members of this Congress. But the legislation is not about popularity. It is not a question of popularity.

It is not a question of who stands with that gentleman that stood down that column of tanks; 435 of us in the House of Representatives stand with that person. We admire his courage.

The question is not one about who can condemn the heinous actions at Tiananmen Square; 435 of us in the body condemn what the Chinese Government did on that day in 1989.

The question is not, ladies and gentlemen, about who thinks that the gulags and the forced labor in China are wrong; 435 of us think that that policy is wrong.

The question is a very difficult one today, especially, and the question is this: How do we craft a foreign policy that achieves workable and effective change in China? That is the difficult question in today's environment. I am afraid if we pass Solomon and Pelosi that we now have a two- or three-tier system of human rights. We treat Burma, and Mexico, and China, and South Africa all differently. We do not treat them the same.

Mr. Speaker, I rise today to oppose the Solomon resolution and to express my strong support for the Hamilton substitute, which the House will be considering next.

I applaud both Representative SOLOMON and Representative PELOSI for their tireless campaign to improve human rights in China. Yet, the sad reality is that revoking MFN would actually subject the cause of human rights, and would result in the inability of the United States to influence any Chinese regime. President Clinton understands this rationale, and it prompted him to modify his approach to China MFN his year.

Unfortunately, MFN is no longer the vehicle by which we can achieve our human rights prerogatives. China's economy has evolved to a point at which United States efforts to bully Chinese leaders has long since past. Removing MFN status would certainly hurt the Chinese economy for months or years but, given China's rapid integration with other Asian economies and its growing trade with the European Community, such a blow would not be permanent. Such a blow, however, would prove to be irrevocably disastrous to U.S. business and economic interests.

I support President Clinton's new comprehensive China policy, which is encompassed in the Hamilton substitute the House will consider today. I believe that it will bring long-term stability to our relations with China and establish consistency to our worldwide MFN trade policy.

We must stop singling-out China with annual threats of MFN revocation because of human rights abuses. The United States extends permanent MFN status to Burma, one of the most intolerant and repressive countries in Asia, if not the world. Yet, every year we scrutinize China's policy. We cannot have two or three tier human rights policies in reflected foreign policy. We cannot treat Burma one way, Mexico another way, and China a third way.

Finally, from a geopolitical standpoint, it would be detrimental to our hard-won diplomatic and economic accomplishments in the East Asian region if they revoke China's MFN status. With the entire East Asian region becoming more and more economically integrated as never before, the United States can ill afford to disengage from this region and its potential partners at this critical junction. Even Taiwan, China's long-time rival, strongly supports the unconditional extension of MFN to China.

I urge my colleague to vote "no" on the Solomon resolution and Pelosi bill. The Hamilton substitute is the only workable approach to improving human rights in China.

Mr. CRANE. Mr. Speaker, I yield my remaining 1 minute.

Mr. Speaker, we have heard that "consistency is the hobgloblin of small minds," and I think that explains the administration promoting free trade with regard to China and clobber Haiti with economic sanctions. And we all know the consequences of those economic sanctions in Haiti. They are not effecting the change on the tyrants in power, they are providing enormous hurt to the Haitian people.

By contrast, the promotion of free enterprise on that Chinese mainland has improved the human conditions for literally hundreds of millions of Chinese people, and it is growing steadily and dramatically, the most dramatic on the face of the Earth. We should all remember John Kennedy's counsel: A rising tide lifts all boats. Promote a rising tide in terms of economics on the mainland, and we all and the rest of the world will all be beneficiaries thereof.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, since we decoupled our trade policy from human rights discussion, China has become more repressive. We need to make sure that the Chinese regime understands absolutely that we do not treat bloody dictatorships in the same way that we treat democratic nations.

Those people who are suggesting that we continue most-favored-nation status right now tell us that something will happen by magic, all of a sudden we will reach a critical mass because there has been so much trade going on, and the prosperity has increased that the people then will demand freedom, and communism and dictatorship will crumble. That is absolute nonsense.

We decoupled our human rights policy with our trading policy and we have more repression right now. The fact is Nazi Germany did not have a great human rights program simply because they were a prosperous Western country.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Speaker, I rise in strong support of the President's policy to extend most-favored-nation status for China, and in opposition to House Joint Resolution 373, the Solomon resolution, and H.R. 4590, the Pelosi bill.

The President correctly puts the issue in his letter of August 4 to the Speaker:

> When you vote on China * * *. You will advance a policy that will carry us into the next century. In that century, China likely will develop the world's largest economy, help determine whether nuclear weapons proliferate to unstable regions, grapple with the world's largest pollution problems. And of course, China will decide whether to join or to buck the global community—safeguarding internationally recognized human rights for its citizens. The question you must ask is what approach promotes all of these U.S. interests.

For me, the answer is to extend MFN without restrictions and take collateral measures including those outlined in the Hamilton substitute to help China improve its human rights policy.

I agree with my friend and colleague from California, Ms. PELOSI, that human rights is an important component of China-United States relations, and I respect her tireless efforts to promote democratization and peace in that region. However, we must not forget that human rights is one of several critical issues that must be considered, including: China's cooperation on North Korea and regional security, arms proliferation, narcotics trade, alien smuggling, and the opportunity to create United States jobs through increased trade.

As a member of the House Armed Services Committee, I am particularly concerned about proliferation. United States policy toward China must address this issue. To curb Chinese arms sales, the Department of Defense has established a joint commission on defense conversion to encourage the production of civilian rather than military products. I support this concept for China because its need to export weapons will diminish through commercialization of its industries.

This program would also facilitate joint ventures between United States businesses and Chinese defense firms willing to convert to civilian production. Economic liberalization is an essential ingredient for political democratization and adherence to internationally recognized human rights. The recent growth of export-oriented free enterprise in southern coastal China has already spurred economic reform and weakened Beijing's influence on that region. DOD's program may act as a catalyst to these reforms, and we in Congress should give it our full support.

In a recent letter to the Speaker of the House, Secretary of Defense William Perry said that if H.R. 4590 is passed,

> China could decide to take a number of steps to undermine important U.S. security interests, including: distancing itself from U.S. policy on North Korea, blocking a sanctions resolution at the United Nations, or raising tensions over U.S.-Taiwan policy, or undertaking destabilizing arms sales.

H.R. 4590 would also impose unworkable and unenforceable sanctions against goods produced by the Chinese Army, defense-related enterprises, and state-owned enterprises. This approach does not reflect the reality of China's economy, in which there is no clear distinction between state-owned and private enterprises. The Commissioner of U.S. customs predicts an enforcement nightmare if the Pelosi bill were to become law.

It is not clear that human rights conditions in China would improve under H.R. 4590. A more likely consequence is a virulent trade war that will foil the exportation of $9 billion in United States goods to China.

Mr. Speaker, continued United States-China relations are essential to our mutual economic benefit and to international peace and stability. The President's decision to pursue human rights efforts delinked from MFN and in the context of a broader United States-China relations is prudent policy. By revoking or partially revoking MFN status for China, Congress would undermine important United States security interests, and would ultimately damage United States credibility in this region. I therefore urge my colleagues to vote against House Joint Resolution 373 and H.R. 4590.

□ 1550

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The gentleman from New York has the right to close. The gentleman from New York [Mr. SOLOMON] has 2½ minutes remaining, and the gentlewoman from Ohio [Ms. KAPTUR] has 3½ minutes remaining. The gentleman from California [Mr. MATSUI] has 1 minute remaining.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON] for his closing statement.

Mr. Speaker, I yield myself the remainder of my time.

The debate this afternoon on revoking China MFN status is really not a debate about whether there shall be trade with China or there shall not be trade with China. It is not a debate about whether we will be isolationist toward China or whether we will be engaged. We are engaged.

The question is, What are the terms of that engagement? Why should the United States grant red-carpet treatment to China when China does not grant the same treatment to us? Even with MFN, which is our most-favored-nation tariff treatment, the lowest possible treatment we could give any nation in the world, the cheapest way for them to get in our market, they will keep their tariff 10 times as high against this country. I do not consider that reciprocity.

Why should the United States grant red-carpet treatment to China when no other nation in the world grants them this type of treatment? One-third, nearly 40 percent, of China's exports now come here. Only 2 percent of our exports go there.

They are a nation of 1 billion people. We are a nation of 250 million people. The scales are not balanced, my friends.

Japan does not offer them that treatment. Germany does not give them most-favored-nation treatment. France does not give them that treatment. Mexico does not. The rest of Asia does not. Why do we continue to do this to the people of the United States of Amercia? Why should we give them this red-carpet treatment when it is going to cost us $180 million in lost tariff revenue at a time of very high deficits? Why are we doing this to ourselves? Why are we doing this to ourselves?

Most importantly, why should the United States grant another benefit, another trading benefit to China, a nation that is essentially undemocratic in its practices? It is beyond my comprehension why in this post-cold-war era the United States cannot stand tall for free enterprise and democracy-building simultaneously.

We always seem to take it out of the hide of our own people.

So the real debate today is to vote yes on Solomon and yes on Pelosi to revoke most-favored-nation treatment and make China behave like all the rest of the nations in the world.

Mr. MATSUI. Mr. Speaker, to close, I yield 1 minute, the balance of our time, to the gentlewoman from Washington [Ms. CANTWELL].

Ms. CANTWELL. Mr. Speaker, between now and the year 2000, China is expected to import products worth $1 trillion. Last year, exports from Washington State to China totaled $2.2 billion, and supported more than 40,000 jobs. In the next 15 years, it is estimated that China will need 800 new aircraft worth $40 billion.

The potential market in China is enormous. Trade sanctions will only result in a vicious cycle of retaliation, leading to the closure of the largest emerging market in the world and the loss of American jobs.

I understand and respect the arguments on the other side of this issue. I believe, however, that the promotion of human rights in China can best be achieved through an expanded strategy of comprehensive engagement with China. Most important, we must remain engaged economically. By doing so, we will be encouraging the economic reforms already occurring in China.

The economic transformation of China has led to a rising middle class, which is quietly challenging centralized control of the Chinese Communist Party. The enforcement of economic rights is spilling over into the recognition of individual rights under the law. Limiting United States trade with China will only serve to undermine our best hope for fundamental, lasting human-rights progress in China. I urge my colleagues to defeat the Solomon resolution.

If the Chinese retaliate against United States products, as they surely will if MFN is revoked, our international competitors will quickly step in. The potential market for U.S. exports will shrink, and U.S. jobs will be lost.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the shirt I am wearing was made in Glens Falls, NY. It cost $20. It is a very nice shirt. If we revoke MFN for China and hike the tariffs, shirts coming from there will cost $8 and $10, and they still are going to sell for 50 percent less than the shirt I am wearing. How can our people compete?

You know, trying to woo China into the club of civilized nations by treating her as just another trading partner has failed, as has the President's policy. I wish it had not.

Now, we are faced with a situation where the executive branch is delinking most-favored-nation treatment from human rights and other issues such as trade and proliferation policies. That action is a signal to all of the oppressed people around this world that America no longer cares. That message may be unintentional, but that is the signal we will be sending, that America is more interested in the almighty dollar than we are in helping to free human beings from the tyranny of communism.

My colleagues, the world respects the United States of America because we stand for something, something different and something good. America is not just a people. It is not just a race. It is not a religion. America is a set of ideals. In short, America has always espoused the philosophy that human beings should live as free individuals, unfettered by intrusive or repressive governments. These ideals define the very essence of who we Americans are.

If we allow ourselves to succumb to the temptations to be just like everybody else or to do business as usual with any dictator, we will lose the essence of our ideals. We will lose who we are. It is simply a fact that if America will not stand up to this kind of tyranny and oppression, nobody will. Since military solutions are often unrealistic or undesirable, trade remains the best weapon we have to stand up to these inhumane philosophies that have no respect for treating people as decent human beings.

We have an opportunity. We must apply leverage where we can in order to defend freedom, to deter aggression, and, yes, to protect American jobs.

Mr. Speaker, my colleagues, when a regime destroys American jobs by refusing to allow fair access to American goods, America has to say no to business as usual.

I urge my colleagues to vote yes on the measure to cut MFN off. We can reestablish it in 6 days, 60 days, or 6 months, but let us send the message that we will not stand for this kind of treatment for human beings.

Should my resolution fail, I would urge strong support for the amendment of the gentlewoman from California [Ms. PELOSI]. She has a reasonable alternative.

Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I rise in opposition to this resolution. This drastic action will seriously hurt American jobs, exports, and businesses.

I am very concerned about the serious violations of human rights in China. We, as a democratic Nation, must be concerned about China's treatment of its people. We must condemn any violations of human rights.

However, denying most-favored-nation status will certainly not improve human rights. On the contrary, the average Chinese citizen will suffer. We must recognize that the rights of Chinese people have now were brought about by economic reforms and American investment—not by political pressure.

An important question for us to ask is if we deny China most-favored-nation status who would suffer? First and foremost would be the Chinese people. Our trade with China gives economic opportunities to the common people of China that has enabled them to improve their lives and built a growing middle class. A middle class that believes in capitalism, not communism. Denying the Chinese people continued exposure to democracy and capitalism will only weaken human rights in China.

Second, we would be hurting our own people. China is the biggest potential market for many important American exports. I am especially concerned about the impact of this resolution on California's key aerospace industry. The United States enjoys a 76 percent share of the Chinese market. China's aerospace imports support 40,000 American jobs. We have an aerospace trade surplus with China of $2 billion and a future sales estimate of $40 billion in new, American aircraft.

The Chinese don't have to buy American and if this bill passes, I know they won't. Our aerospace competitors in Europe, Japan, and Russia are ready to step in if we foolishly step out. American jobs and competitiveness will be lost. Passage of this resolution will seriously hurt the American economy at this very critical time of recovery.

The best way to promote successful political reform in China is to pursue economic liberalization and increased trade with the United States. Human rights will improve through positive engagement—not by abandoning the Chinese people. I urge my colleagues to join me in opposing this flawed resolution.

Mr. PORTER. Mr. Speaker, when this body last voted on the Solomon resolution, it was not an action vote, it was a message-sending vote. We knew the President would veto the legislation if it passed, and we were all simply sending a message to the Chinese leadership that carried no possibility of harm to trade with China, to the growing private enterprise sector of the Chinese economy, to our friends in Hong Kong, or to United States business interests established or being established in the new Chinese economy.

All that has changed. The message sending was needed, because our President never expressed the outrage of the American people with Tiananmen or with ongoing human rights abuses in Tibet or of the rights of the Chinese people to speak or worship or assemble as they might choose. Congress provided the vehicle to send those messages and did so well.

But now we must assess the result of our actions not the need for our expression. Will cutting off MFN actually hurt the cause of human rights in China? Will it undermine free enterprise, the very principles we wish to foster in the certain understanding that political rights inevitably follow economic and are economic rights are well grounded, ultimately cannot be contained. Will it mean our values will be excluded from the Chinese marketplace and our influence toward greater human rights in China wane? Will it hurt our business interests in south China and in Hong Kong?

Will it mean our influence toward working with China to contain North Korea's nuclear ambitions will be terminated? All of these are likely results if MFN is cut off entirely.

For these reasons I cannot and will not support the Solomon resolution, though clearly I share deeply the concern of those that do for the rights of the Chinese people.

For reasons I will explain in debate, I will support the Pelosi measure that, in my judgment raises none of the untoward results of Solomon and aims at the state sector of the Chinese economy and at slave-trade where MFN for China can have no justification whatever.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 509 and sections 152 and 153 of the Trade Act of 1974, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

□ 1600

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the passage of the joint resolution.

The question was taken, and the Speaker pro tempore announced that the eyes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 75, nays 356, not voting 3, as follows:

[Roll No. 381]

YEAS—75

Abercrombie
Andrews (ME)
Applegate
Baker (CA)
Barton
Beilenson
Bentley
Bonior
Brown (OH)
Bunning
Burton
Collins (GA)
Collins (IL)
Collins (MI)
Cox
Dellums
Diaz-Balart
Dickey
Duncan
Durbin
Evans
Everett
Fields (LA)
Fish
Frank (MA)
Gilman
Gutierrez
Hall (OH)
Hamburg
Hefley
Hefner
Hilliard
Horn
Hunter
Inglis
Kaptur
Kasich
Klink
Lancaster
Lantos
Lewis (FL)
Lewis (GA)
Lewis (KY)
Markey
McKinney
Miller (CA)
Molinari
Nadler
Pallone
Pelosi
Quillen
Ridge
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Sanders
Schiff
Schroeder
Sensenbrenner
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spratt
Stark
Tauzin
Taylor (MS)
Traficant
Upton
Walker
Waters
Watt
Weldon
Wolf

NAYS—356

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Coble
Coleman
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Derrick
Deutsch
Dicks
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Dooley
Doolittle
Dornan
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Dunn
Edwards (CA)
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Fields (TX)
Filner
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Flake
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Ford (MI)
Ford (TN)
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Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
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Gibbons
Gilchrest
Gillmor
Gingrich
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Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
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Hinchey
Hoagland
Hobson
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Hoekstra
Hoke
Holden
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (OR)
Spence
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—3

Clyburn
Ravenel
Washington

☐ 1621

Mr. SHARP and Mr. GEKAS changed their vote from "yea" to "nay."

Ms. MCKINNEY changed her vote from "nay" to "yea."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

UNITED STATES-CHINA ACT OF 1994

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Pursuant to House Resolution 509 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4590.

☐ 1622

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4590) to provide conditions for renewing nondiscriminatory—most-favored-nation—treatment for the People's Republic of China, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

The gentleman from Florida [Mr. GIBBONS] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, I yield 15 minutes to the gentlewoman from California [Ms. PELOSI], the sponsor of this bill, and ask unanimous consent that she be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill of the gentlewoman from California [Ms. PELOSI] is well-intended, but it has some very serious defects in it. It would interrupt as much as one-half, or 17 billion dollars' worth of Chinese imports into the United States.

This would be a very expensive proposition for both China and the United States and would be tantamount to revoking China's MFN status.

Enactment of H.R. 4590 would set off a number of years of strained dialog between the Chinese and United States Governments. Our relations with China and with other countries in this region would suffer.

In addition, the Pelosi bill would prove difficult, if not impossible, to administer. Members have received a letter from the Commissioner of Customs, Mr. George Weise, indicating that enactment of H.R. 4590 would require investigation, over a very short period of time, of about 100,000 Chinese industries, 25,000 of which are in the textile industry alone. Commissioner Weise notes that he does not have the personnel who could speak Chinese, nor does he know whether he would be granted the access be Chinese plants necessary to conduct such investigations.

Commissioner Weise is doing an admirable job of administering a complex body of trade laws with already limited resources. Administering the Pelosi bill would draw Customs agents away from U.S. ports, thereby thinning an already overburdened Customs presence on the U.S. border.

I do not believe any of us would want to put a law on the books that we could not enforce or have no chance to enforce, but this certainly would qualify as such. I urge a "no" vote on H.R. 4590.

Mr. Chairman, I am going to yield the balance of my time to the gentleman from California [Mr. MATSUI], the very fine chairman of the Subcommittee on Trade, and would ask unanimous consent that the gentleman control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Chair now recognizes the distinguished gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. BUNNING] and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly oppose H.R. 4590, a bill which would effectively deny most-favored-nation treatment to almost half of all goods imported into the United States from the People's Republic of China. H.R. 4590 directly undermines an extension of China MFN for another year. I recognize that serious political repression continues in China. But the method proposed in this bill would be a fatal blow to our objective of promoting human rights. This bill is completely unworkable, and dangerous to our long term strategic interests in the region.

China is one of the fastest growing markets for United States exports. At the same time, Americans of modest income benefit from many low cost Chinese imports.

The administration estimates that nearly half of all Chinese exports to the United States in 1993 fall within the "unqualified goods" category, targeted for sanctions by this bill. Mirror retaliation by the Chinese would be virtually certain upon enactment. The impact on the United States economy and job market would be too great—particularly for those United States businesses just establishing themselves in the Far East—and on the more than 150,000 estimated United States workers whose jobs depend on trade with China.

Second, with one fifth of the world's population, China is a major actor in important international efforts we undertake. China's cooperation on issues such as drug interdiction, refugees, environment, population control, and weapons proliferation is essential.

It would be impossible to enlist China's support in promoting our worldwide goals, and simultaneously implement the bill on the floor today. We cannot slap China in the face, and then turn around and expect that country's help in achieving success in other foreign policy initiatives.

Third, H.R. 4590 is an unworkable proposal. The difficulties in distinguishing between China's state-owned and private enterprises are immense. Of the 8 million manufacturing and agricultural concerns in China, most fall into a hybrid category where ownership arrangements are shared between the public and private sector.

The direction in this bill to identify firms receiving any state subsidies as "state-owned" is not practical.

The determination process would command an amount of Treasury Department resources that simply does not exist, rendering this legislation unenforceable.

Other means are available to pursue the human rights agenda. Multilateral efforts underway offer encouraging prospects for improvement. One possible forum for addressing these issues is the 15-nation Asia Pacific Economic Cooperation group [APEC], chaired this year by the United States. Multilateral efforts to press for improvements in human rights have yielded more worthwhile results than demands announced unilaterally.

The presence of the American business community in China also continues to advance the human rights cause. Trade is a two-way street, which takes our ideas along with our exports to China. I would challenge proponents of H.R. 4590 to show me a United States-owned firm in China that is not far out in front of its competitors in promoting health and safety standards, workers compensation, and nondiscrimination in the workplace.

The bottom line is this. We can accomplish more by continuing to develop positive United States-China relations. While China has not achieved an acceptable level of success in the human rights area, there is forward movement in China. We must keep the momentum going in that direction.

H.R. 4590 would be a step in the wrong direction—several steps backwards in fact. The United States must continue to exert influence in this area, while keeping in mind the wide range of United States economic and foreign policy interests in China.

I urge my colleagues to vote "no" on H.R. 4590.

□ 1630

Mr. Chairman, I reserve the balance of my time.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HUTTO] and I am very pleased to have his support on this legislation.

Mr. HUTTO. Mr. Chairman, I want the United States to trade with China, but not at any price.

I do not believe it is right to have unrestricted trade with a nation that acts like communist China—a nation that treats its people the way it does. China has little regard for anything resembling human rights. The world outcry about Tiananmen Square apparently has fallen on deaf ears, and there has been little or no improvement. Their propaganda would lead one to believe there has been change but we all know that persecution still exists in China.

In approving most-favored-nation with China, I believe we should maintain some leverage. That is why I am supporting the Pelosi substitute which imposes sanctions on products produced by the People's Liberation Army and defense industrial companies. I believe it was wrong for President Reagan to agree to ship nuclear technology to China in the mideighties. It was a mistake because China is on the side of the bad guys. Do you think it is right to give favored status to a nation that sells missiles to Iran and others who pose such a threat to the world? They are even supporters of North Korea.

Yes, let us trade with China, but we must let this communist country know that they must shape up and that they cannot continue to trample the rights of the Chinese people.

Vote for the Pelosi amendment that will impose sanctions on products produced by the People's Liberation Army and defense industrial companies. Vote Pelosi.

Please, let us keep some leverage in trading with China.

Mr. BUNNING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the United States-China Act of 1994.

This bill offers us one last chance to do what is right—to show that our commitment to human rights and decency is more than a bag of empty words.

I vividly remember watching the tanks roll over Lady Freedom at Tiananmen Square—and the situation has not changed much.

Last year, our President drew a line in the sand and said that if the Chinese government did not clean up its act and start showing a little more respect for human rights, fair trade and fair dealing, we would cut off their preferred trading status with our country.

Now, a year later, China is still one of the worst violators of human rights in the world. Religious persecution is still widespread. Beijing still persists in its methodical, sustained assault on the native culture of Tibet.

And China still continues to maintain a vast array of trade barriers to prevent our goods from competing in their markets.

And through it all, China keeps using the profits from its trade with us to finance a dangerous and de-stabilizing military buildup of its own.

Last year, the challenge was issued. And since then, China has shown not one ounce of improved respect for human rights or demonstrated one iota of newfound respect for human decency. And the trade goes on.

Folks, it is time to put up or shut up.

The President of the United States has changed his mind and backed away from his own challenge, but the challenge has already been issued. We cannot take it back now.

If we do nothing at this point; if we continue granting unconditional, preferential trade treatment to China, our credibility as a world leader and as a defender of human rights will be devastated.

If we do nothing now, it will only prove that our national principles are for sale. It will prove that we stand firmly for fair trade and human rights only when it does not get in the way of business and profits.

If we do nothing today, we will be saying it's OK to get tough with Cuba—it is a small country—or Afghanistan—or Laos or Montenegro. It does not cost us much to stand on principle with them. They are little and their potential trade is not significant.

The nine countries that do not receive MFN status have a combined population of 145 million. And we have stood by our commitment to them.

But if we do nothing today, we will be saying we do not stand on principle when it comes to the big boys—like China—because it costs too much.

Yes, I understand that China is a huge potential market for United States goods and services. And I can understand why corporate America and the business community do not want to do anything to rock the boat.

But there are some principles that are worth rocking the boat for, even if it costs us trade opportunities and profits over the short term.

Sometimes you just have to stand up for what is right. And it is not right for this Nation to continue rewarding behavior that is immoral and abhorrent to civilized people everywhere.

This bill is the right thing to do. It goes to the heart of the problem. It does not punish the Chinese people or Chinese businesses for conduct or actions their government has committed. Our gripe is not with the Chinese people.

This bill strikes down MFN status only for goods produced by the army or by state-operated businesses.

It would affect only one-sixth of China's exports to this country—that portion of their trade that is used to finance the growth of their army and strengthen the police state.

You do not fight repression of feeding the dragon. This bill might not stop repression, but it would stop U.S. trade from helping buy the tanks to fuel that repression.

And, more importantly, by passing this bill today, we could show China and the world that when we make a commitment to human rights, we stand by it even if it costs us a little trade and few profits.

I would have preferred to cut off MFN status for China altogether as proposed by the gentleman from New York. However, since that effort failed, it is absolutely imperative that we approve this resolution.

This bill is our last chance to prove that we do stand by our commitments to human rights and simple decency. It is the least we can do. It is something we have to do.

I urge my colleagues to support the measure.

□ 1640

Mr. Chairman, I reserve the balance of my time.

Mr. PAYNE of Virginia. Mr. Chairman, I yield 2½ minutes to our colleague, the gentleman from New York [Mr. ACKERMAN], the distinguished chairman of the Subcommittee on Asia and the Pacific of the Committee on Foreign Affairs.

Mr. ACKERMAN. Mr. Chairman, at first glance, the Pelosi measure seems like an appropriate way to balance our concern with human rights in the PRC without revoking MFN—a step which many of us, myself included, believe would do more harm than good.

Ms. PELOSI's alternative seems appealing because it tries to punish the state sector while leaving private enterprise in China untouched. However, this approach is based on a drastic oversimplification of the complex Chinese economy, and it is absolutely unenforceable.

The United States Customs Service simply does not have the ability to distinguish between state-owned, or military, or private enterprises in China.

The three sectors are inextricably linked in a complex web of joint ventures, subsidiary relationships, and other connections.

The Pelosi bill, therefore, amounts to little more than political symbolism.

If there were no negative consequences to this measure, then such symbolism might be appropriate. But that is not the case, imposing sanctions on China would invite retaliation-in-kind against nearly $8.8 billion in exports and approximately 180,000 United States jobs.

By threatening China overtly, we play into the hands of the hard-liners there, by bolstering their claims that the West wants to push China around, and increases the leadership's resolve to resist what they call United States imperialism. No Chinese leader could survive for a day if they were to be viewed as kowtowing to United States pressure.

Second, by reducing trade and investment, this bill undermines the development of a free market economy in China.

Those of us who watch China closely know that the greatest economic and political liberalization in China has been in the southeast. The Guangdong and Fujian provinces—the bedrock of capitalism in China—are precisely the regions which would be hit by these sanctions.

President Clinton's MFN decision recognizes that human rights can only thrive if buttressed by a firm foundation of democratic ideas, ideals, and principles.

The most effective way to encourage these ideals is the free market economy. We have seen time and again within a capitalist system, people are allowed to think, create, and to enter into agreements and contracts. And by being able to benefit, personally, from the work product of their hands and minds, the entrepreneurs and the workers in a capitalist system are afforded a stake in the system.

Mr. Speaker, all over the world democracy is following designer jeans. Love of freedom quickly takes root in the fertile soil of open economic systems. Let us not poison that soil that is proven to nurture human rights.

This bill is bad policy. Mr. Speaker, I urge all of our colleagues to vote for the Hamilton substitute and against the Pelosi measure.

Mr. ARCHER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Pelosi amendment and in favor of the Hamilton proposal.

Mr. Chairman, I rise in opposition to the Solomon and Pelosi legislation that would significantly affect our trading relationship with China. I will support Chairman HAMILTON's measure to renew China's most-favored-nation trade status.

I continue to be deeply concerned about China's record on human rights. Clearly, there exists much room for improvement. However, denial of MFN status to China is not the best avenue to gain this human rights improvement.

Over the last few years I have become convinced that direct engagement with China through a vigorous bilateral trade relationship is the most effective means to gain progress in this area. Strengthening the fledging free enterprise system in China will only promote greater respect for human rights, enhance United States-Chinese cooperation on other critical matters including national security issues.

China represents a dynamic, expanding market for United States exports. Clearly, growth in U.S. exports has led our recent and current economic recovery and expansion, creating thousands of high-paying, high-value American jobs.

Denial of MFN status to China will damage our economy and only serve the interests of our international trade competitors.

We have here before us two attempts to reverse the President's decision or place conditions on extension of MFN. I will oppose such efforts and seek to promote improvement in China's human rights record through other avenues.

Mr. Chairman, I urge a "yea" vote on Hamilton.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DREIER], a respected member of the Committee on Rules.

Mr. DREIER. Mr. Chairman, I thank my dear friend, the ranking Republican member of the Committee on Ways and Means, for yielding me this time.

Mr. Chairman, as I said when I stood here earlier, I sincerely believe that the most inhumane, immoral thing we could do for the people we are hoping to help the most would be to deny most-favored-nation trading status to the People's Republic of China. Make no mistake about it, that is exactly what the Pelosi measure does.

Mr. Chairman, every shred of empirical evidence that we have demonstrates that over the last 15 years, as economic liberalization and exposure to the United States has increased in China, their human rights situation has improved. Things are not perfect, we all recognize that. Terrible repression exists. However, consider the progress that has been made. As I said earlier, for example, it has come to light that up to 80 million Chinese people, 80 million people, were killed during the Great Leap Forward and Cultural Revolution of the Mao era. Nobody can read the names of those 80 million people into the RECORD to illustrate what is wrong with a China cut off from the outside world. Nevertheless, we should remember them and heed their warning.

Despite the Tiananmen Square massacre and the ensuing repression, there has been great progress in China. Punishing the Chinese people with economic sanctions that push them back toward the dark days of a closed China would be a grave moral injustice.

Ms. PELOSI. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Georgia [Mr. LEWIS], the deputy majority whip.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I am very proud to be an original cosponsor of the Pelosi amendment. This is a good and important amendment. It does the right thing.

Mr. Chairman, we should not give unconditional most-favored-nation status to a country like China. Nothing has changed since Tiananmen Square.

We should not reward China for doing nothing, for not moving toward democracy as it has promised to do. Human rights is an important foreign policy objective.

The abuses in China and Tibet continue. In fact, they are growing. Innocent students, monks, and nuns are forced to work in slave labor camps. People are detained for their religious, cultural, and political beliefs. People don't have the right to protest for what is right. There is no such thing as freedom of assembly. There is no freedom of speech, no freedom of the press, no freedom at all. Things have not changed.

I believe we should use all nonviolent tools at our disposal to ensure and protect human rights. Trade is one of our most powerful and mighty tools.

Do not misunderstand me. I believe in trade. But, I do not believe in trade at any cost. We should not, we must not, trade away our commitment to human rights and freedom. I, for one, am not willing to pay that price.

We all live on this planet together. What happens or fails to happen in China happens to us all.

The Hamilton amendment is a fig leaf. It covers nothing. It does nothing. We must do more. We can do more. I urge my colleagues to vote no on the Hamilton amendment. Send a message to China that things must change—support the Pelosi amendment.

□ 1650

Mr. BUNNING. Mr. Chairman, I yield 3½ minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, in a Washington Post op-ed article on March 22, Secretary of State Warren Christopher wrote "President Clinton forged the first concensus—a consensus of conscience—on American policy toward China. The core of our policy, the President said, would be "a resolute insistance" on overall significant progress on human rights if MFN for China was to be renewed."

Many of us would have truly admired the President's consensus of conscience had he not gone and done the unconscionable. He betrayed all those who took his word—and words—seriously.

It is a sad day when the President of the United States betrays those who have put their lives on the line for human rights.

Rather than bag MFN pursuant to his own explicit human rights conditions which were not met, Bill Clinton bagged the conditions. He threw in the towel—and said, "No mas."

I remember the President's stirring words—on May 28, 1993, as he said, "It is time that a unified American policy recognizes both the value of China and the value of America. Starting today the United States will speak with one voice on China policy. We no longer have an executive branch policy and a congressional policy. We have an American policy."

What a difference a year makes.

Faced with the fact that China's record on human rights has actually worsened during the past 12 months, Mr. Clinton has now abandoned the so-called "American policy" and values he so proudly boasted of.

I have traveled to China on two separate human rights trips, Mr. Speaker, most recently in January. In addition to meetings with top Chinese officials, we met with numerous dissidents and church people.

Mr. Chairman, Bishop Su who said Mass for our delegation was previously incarcerated for 15 years chiefly for his faith—was arrested and held for 9 days, for simply meeting with me. Had I met with Bishop Su to talk Nike shoe sales—both he and I would have gotten the red carpet. Official government religious intolerance is on the rise like a tidal wave—believers are being arrested, jailed, tortured, and raped.

Not only is it illegal to teach anyone under the age of 18 about God, but two new decrees issued in January make it a crime to assemble, to pray, and worship God—even in your own home. The Government has begun a new crackdown on proselytizing by foreign missionaries and prohibits importing of religious goods and publications. In February of this year, an American missionary, Reverend Balcombe was arrested for preaching the word of God.

The Chinese Government continues to arrest and hold in prison political and religious dissidents. As a matter of fact, repression against believers in God has significantly worsened. Yes, a few well known dissidents have been released, including Wang Juntao. But according to Human Rights Watch/Asia the number of known releases of political or religious prisoners since the Executive order was issued totals twenty-five. The number of new arrests of peaceful political or religious activists since the Executive order was issued is well over 100.

Mr. Chairman, our 1993 trade deficit with China was approximately $23 billion. The projected deficit in 1994 in $30 billion. And as we have seen demonstrated by Harry Wu—part of that deficit is built on the backs of millions of men and women detained in prison labor camps. Access to these prisons by international human rights organizations is prohibited. The MOU, renegotiated earlier this year, allows for access to some prisons by U.S. monitors 60 days after a request is made. And yet, even then, not the entire prison may be inspected. Harry Wu's remarkable research, done at great risk to his own life, provides us with the only accurate look into China's prison labor gulag. And it is appalling.

Finally, China continues its bizarre antiwoman, antichild policy of permitting only one child per couple—a policy that relies on forced abortion and forced sterilization to achieve its results.

In China today, bearing a child without explicit government permission results in a coerced abortion. Those women lucky enough to escape this repressive policy have illegal children and are subject to heavy fines, job demotion, and harassment of many types.

Imagine, living in a land where brothers and sisters are illegal. No government has the right to tell families they cannot nurture and protect their own children.

On two occasions, Congress has condemned China's forced abortion policy calling these heinous acts, crimes against humanity.

Now we just look the other way. The Clinton administration continues to break the Kemp-Kasten law against coercion and has or is in the process of providing over $100 million to the UN Population Fund, a group that was denied funding because of its support and comanagment of China's brutal policy by the Bush and Reagan administrations.

And MFN, if Mr. Clinton gets his way will be absolutely delinked from human rights abuse—including these crimes against women and children.

I urge support for the United States-China Act of 1994 as the very least we can do to protect against the widespread violations of human rights by the government of the PRC.

H.R. 4590, would revoke MFN status for the products produced, manufactured, or exported by the People's Liberation Army, Chinese defense industrial trading companies and certain State-owned companies.

This exceedingly modest action would affect about $5 billion of China's $30 billion in exports.

Congress should not join President Clinton in his wholesale capitulation to the dictatorship in Beijing.

Mr. MATSUI. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Chairman, I rise in strong opposition to the original text of H.R. 4590. I will support the Hamilton substitute and I support fully President Clinton's courageous decision to move United States-China relations away from the annual most-favored-nation [MFN] status confrontation.

America is second to none in guaranteeing basic human rights to its own citizens and fostering human rights throughout the world. Americans will always cherish this virtue and never abandon this noble mission.

Several weeks ago, I had the privilege of participating in the House's third Oxford-style debate addressing the linkage of United States human rights and trade policies. Today's debate provides the opportunity to revisit the debate and two fundamental questions for American policy makers. First, should America use its trade policy to reflect our anger with a given nation for human rights abuses against its citizens? My response is that we should not. For it is a policy which is doomed to failure, including in China.

Second, should we use our trade policy as a means to foster human rights throughout the world? I say yes. For I believe that basic human rights are best improved by a policy of open trade. In trade, not only are goods exchanged, but so, too, are attitudes, ideas, the rule of law, and the importance of procedural rights.

I visited Czechoslovakia in the fall of 1989. There, a border guard, in the dark of night, told me that exposure to the western world, to different standards of living and individual freedoms—much of which was learned through tourists, trade, and television—had as much to do with their quest for freedom as the innate resolve of all individuals to be free.

I have many reasons for opposing H.R. 4590. Today, I want to focus my remarks on American jobs—for it is the American worker who stands to lose the most with passage of this legislation. Already some 180,000 American jobs are tied to China exports. These are high paying jobs, often union jobs, in aerospace, industrial machinery, computers, energy and electronics.

Proponents of this legislation argue that China trade is a job loser for the United States. This assertion is inaccurate and misleading. Yes, the United States runs a trade deficit with China. However, look at the goods coming into the United States from China—predominantly toys, apparel, and other light manufactured goods. Regrettably, these jobs left American soil years ago. Passage of legislation to revoke or condition China's most-favored-nation status will not bring these jobs back to American soil. Rather, it will drive them to other third world developing nations with lower wages and in some cases, equally questionable human rights practices.

America's economic future is high skill and high wage jobs—exactly the type of jobs created by United States exports to China.

China is the largest growth market for United States exports. In 1993, $9 billion in United States exports went to China, a figure that has grown 17 percent since 1992. China intends to spend $100 billion per year on infrastructure needs well into the next century. This figure includes industries where U.S. technology is among the best in the world. These are the jobs of the future; high wage and high skill. These are the jobs Secretary of Labor Bob Reich talks about for America. These are the jobs Members of Congress pontificate about creating each and every day.

In telecommunications, China intends to spend $20–$35 billion through the year 2000. China's telecommunications spending will account for 10–20 percent of the global market.

In transportation, China plans to spend $40–$50 billion through the year 2000. China will build airports, ports, subway systems, rail and highway networks with or without United States participation and competition for contracts.

In other sectors like aviation, energy, environmental and public works, consulting services, agriculture and industrial machinery, China intends to spend billions of dollars in the international marketplace. The United States must compete and win in this market. The U.S. industrial base will lose global competitiveness and thousands of U.S. jobs will be threatened, or worse yet, not even created if the United States pursues the course prescribed in H.R. 4590.

Let me share with the House two Oregon examples of companies heavily involved in Oregon's economy to demonstrate the impact of today's decision on American jobs. First, the Boeing Company, which employs nearly 2,000 workers just outside my congressional district. Boeing estimates the size of the Chinese aerospace market at between $25 and $35 billion between now and the year 2010. Annually in Oregon, the Boeing Company spends more than $100 million on subcontractors—small manufacturing firms, accountants, bankers, cleaning services, and environmental consultants to name a few. All of these subcontractors stand to be negatively impacted by legislation to condition or revoke MFN.

The second example is the NIKE Corp. NIKE employs some 5,000 people in Oregon. Additionally, in 1993, NIKE subcontracted with Oregon firms for more than $120 million. Again, these firms—union construction contractors, landscapers, caterers, engineering, and law firms, advertising agencies and security services—all stand to lose economically were the United States to condition or revoke MFN to China.

Today's debate, like the Oxford style debate, is not about whether human rights are important. They are. The question is: What is the best means to achieve human rights progress in China and other nations?

The Washington Post chronicled recently the gruesome Mao Zedong era in China. We read that, from 1949–1976, as many as 80 million Chinese died by the repressive policies during the eras known as the Great Leap Forward and the Cultural Revolution.

A China, or any nation, that is engaged in the world community could not hide 80 million deaths. Repression and mass slaughter are only possible when a nation isolates itself from the world. Sunshine is the best disinfectant for repressive governments. And that is what trade brings.

It is a new world out there, the Iron Curtain is drawn open, and international companies are chipping away at the Iron Rice Bowl in China. We must engage these closed societies, drawing them out even more into the world community. But let's not kid ourselves, nations like Russia and China are still in transition. There is every possibility that they could return to the ways of the recent past, and the Chinese people, for one, live in fear of this. The Washington Post story quoted a farmer, who said: "Who knows what could happen? If there is a change of policy at the top, who knows?"

Trade brings a better standard of living, so children do not go to bed hungry, so families have a roof over their heads. And trade also brings about the exchange of ideas. Whether principles of law, and a judicial system; or the exchange of students, and scientists; or music, books, and movies. As innocuous as it sounds, art is saturated with cultural messages, and floods over closed societies in a wash of Western values and individual freedoms.

Vaclav Havel once said: "Communism was not defeated by military force, but by life, by the human spirit, by conscience, by the resistance of being and man to manipulation." Havel is right. We all have a duty, even a moral obligation, to pursue the path of trade and diplomatic engagement to produce healthier, more just societies on Earth.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to H.R. 4590 and in support of the Hamilton amendment.

Writing as a columnist in Time magazine in 1992, now Deputy Secretary of State Strobe Talbott concluded an analysis of Congress' last debate on China by saying:

> Politicians are quick to embrace simple positions on complex issues that make them feel good and look good—but in fact make a bad situation worse.

Unfortunately, 2 years later, we find Secretary Talbott's opinion of Congress still justified. While waiting to testify before the Rules Committee last Friday, I heard a Member in favor of H.R. 4590 say: "This legislation sends China a very simple message."

We cannot send China a simple message because we are dealing with a complex problem. I share the frustration of this House with China's abusive human rights practices. But you cannot act solely on the issue of human rights and not expect the other issues that divide our two countries to be unaffected.

This legislation is the worst possible reflection on Congress because it is neither enforceable nor fiscally responsible.

As the ranking Republican on the Treasury, Postal Appropriations Subcommittee, it is my job to make sure the Customs Service has enough funds to perform its mission. Customs Commissioner Weise has reviewed this legislation and concluded Customs could not enforce this measure. And I can tell you that our appropriations subcommittee does not have the funds to purchase the equipment and hire the thousands of people necessary to make it enforceable.

We can do better and we have. The Hamilton amendment is a responsible, realistic approach to the many issues in Sino/American relations. It builds on President Clinton's May 26 decision to extend MFN and delink it from human rights.

The Hamilton amendment is not a quick fix. But this House must move beyond what has become annual brinkmanship with China and set a new course.

Ms. PELOSI. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER], chairman of the Democratic Caucus, and a leader internationally in promoting human rights in his leadership role with the Helsinki Commission.

□ 1700

Mr. HOYER. I thank the gentlewoman for yielding the time, and I congratulate her for her leadership.

Mr. Chairman, I rise today in support of the Pelosi substitute which denies most-favored-nation status for products produced, manufactured or exported by the People's Liberation Army of China and state-owned enterprises in China.

The gentleman who preceded me is in fact the ranking member, and he is a good member of the Treasury-Postal Subcommittee which I chair. Very frankly, I think not only can they, but I think they will enforce this if this Congress passes and the President signs this bill.

I want to thank the gentlewoman for granting me the opportunity to speak.

Last year when the President extended MFN trade status to China for 1 year, I supported him. However, implicit in my support was the understanding that China's human rights practices would be subject to serious scrutiny and our trading relations would be reviewed.

I did not believe it was pretend. I did not believe I had my fingers crossed. I did not believe we were not serious.

State Department and human rights groups' reports and findings have shown that China has continued to openly violate the human rights of its citizens. No one on this floor denies that. As the country which is the leading proponent of human rights in the world, we are proud of that. It makes us distinct in the world community. This is not just a matter of the United States imposing its standards, but upholding its principles.

The issue which is so crucial to understand is that these are basic notions of human rights and fundamental freedoms which the Chinese Government has itself signed onto in the universal declaration of human rights.

This is not imposing our values. This is expecting the values articulated to be theirs by China itself.

It is important to remember the events of 1989, because this is not ancient history. The people responsible for the Tiananmen Square massacre are still in power in 1994.

Five years after the occurrence of this tragedy, China has no freedom of the press, no freedom of assembly, no freedom of speech, no right to emigrate, no freedom of religion, and no representative government.

My friend, the gentleman from Oregon [Mr. KOPETSKI], spoke of Vaclav Havel who came to this floor and spoke to us of the values of Jefferson and the values of our Constitution, and he stated that it was the American public, the American Congress and the principles for which we stand that moved the East to freedom in Europe. And it was that same nation that was under a trade sanction called Jackson-Vanik, and Jackson-Vanik worked. It did not work overnight, but it worked.

It is also important to remember that China's trade deficit with the United States for last year climbed to $23 billion dollars—second only to Japan.

Moreover, almost 40 percent of China's exports are to the United States while China receives less than 2 percent of our exports.

As this Nation has learned throughout its history, we develop our strongest alliances, garner our greatest respect, and safeguard lasting security when we stand firmly and unequivocally for the principles upon which our Nation was founded. To the extent that our actions must affect China, let it not be at the expense of individual freedoms and human dignity. Mr. Speaker, the Pelosi substitute will provide us with that opportunity, and I urge my colleagues to support it.

Let us pass the Pelosi bill. Let us be serious when we commit ourselves to human rights.

Mr. BUNNING. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I rise in very strong support of the Pelosi bill and in opposition to the Hamilton alternative.

Mr. Chairman, adopting the Pelosi bill to revoke MFN on products of the Chinese military is not only the moral thing to do, but it is absolutely essential for our national security.

The Chinese People's Liberation Army is growing fat and ever-more dangerous, and it is financed by the trade surplus that we give China with our annual extensions of MFN.

As I stated earlier, last year's monstrous $23 billion trade deficit with China is now funding a massive 22-percent increase in Chinese military spending.

So, Mr. Chairman, if there ever was an example of Lenin's prediction that we would sell the Communists the rope with which they will hang us, this is it.

Mr. Chairman, I would like to submit for the RECORD an article by William Triplett that appeared in the Washington Post and which clearly explains why it is so important to pass the Pelosi bill.

Mr. Triplett estimates that when profits earned by front companies of the Chinese military are added in, actual Chinese military expenditures are 3 times the official numbers, or close to $100 billion annually.

Mr. Chairman, this is 2½ times that of Japan.

And Chinese military spending has doubled since 1989.

And what is China buying with all of this? Some of the best military hardware available:

Su–27 Flankers, a top Russian fighter.

The Russian T–80U tank, comparable to our Abrams.

Guided missile technology, solid-fuel rocket boosters, uranium enrichment technology and air-to-air refueling capabilities.

According to Mr. Triplett, it is clear that China is striving to create a strategic force of modern, highly accurate, mobile ICBM's.

And according to former Ambassador James Lilley, China's buildup clearly reflects a desire to develop the ability to project power beyond her own borders.

Mr. Chairman, it is simply against our own interests to fund this drive with favorable trade conditions for front companies of China's military machine.

Many analysts believe that China could be the foremost threat to peace and stability in the 21st century.

Anything can happen, but the Pelosi bill would be a prudent step toward ensuring that this nightmare scenario does not occur.

I urge my colleagues to vote "yes" for Pelosi.

Mr. BUNNING. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I rise in opposition to the Pelosi amendment.

Mr. Chairman, I rise to suggest that Ms. PELOSI's concerns are well-founded but not well-advanced by the legislative prescription before us today.

The questions advocates of a conditional MFN approach must examine is one of means, not ends, whether a policy premised on self-righteous indignation advances or undercuts a just cause.

What is at issue is less a question of indignation than of judgment. If history is a guide, almost every effort to coerce China has not only failed to produce greater political openness but accentuated unpredictable xenophobic nationalism. On the other hand, almost every U.S. step toward civil dialog has been met with a liberalized response.

Because denial of MFN would be such a profoundly self-destructive act, Ms. PELOSI has suggested fine tuning the MFN-human rights linkage. The trouble is that as preferably restrained as her new approach is, it is more effectively advanced by the Executive Branch than legislative fiat.

But modifying MFN is a nonstarter: It will threaten to begin a new cold war in Sino-American relations; undercut the prospect of Sino-American cooperation on North Korea and other important foreign policy issues; produce no demonstrable improvement in Chinese human rights behavior; and prove difficult if not impossible to enforce.

My own view is that when confronted with the choice of high walls versus open doors in Sino-American relations, open doors are preferable.

By way of perspective, several decades ago a group of French journalists interviewed the late Chou En-lai and asked what he thought the historical significance was of the French Revolution, to which he responded: "It is too early to tell."

It strikes me that it may be too early to tell the exact ramifications of the profound socioeconomic changes occurring in China. But those ramifications are of historic dimensions. They involve not only the near-total delegitimatizing of Marxist philosophy but a weakening of party as well as state authority and—despite continuing serious human rights abuses—far greater personal freedom for most Chinese than any time in Chinese history.

These changes were not the result of external pressures, but external examples revealed by China's policy of reform and opening to the outside world.

For those who believe—as I do—that free economics drives free politics, the most aggressive human rights policy we can pursue is to maintain free and fair trade with China. Can it possibly be rational to pursue a misguided policy that, through miscalculation or design, undercuts the stepchildren of Adam Smith and allows a tightening of the reins of political power by the discredited disciples of Marx, Lenin, and Mao?

The administration's Executive order approach to China-MFN set up either Beijing or Washington for enormous international embarrassment. In this case, Washington was ultimately the party that flinched. Despite the administration's attempt to save face, its decision not to revoke was a flinch, but a flinch from a mis-designed policy is far better than plowing ahead with a demonstrably counterproductive approach.

This administration and this Congress should stop playing games with MFN. It is time to stop toying with the linchpin of Sino-American relations and make decisions that advance the national interest of the American people as well as the humanitarian well-being of the Chinese people.

The United States would be better advised to develop a bipartisan and bi-institutional approach that maintains the open door to China and with it a relationship which could be key to peace, stability, and prosperity in the 21st century than continue to play political brinksmanship on the House floor.

Mr. BUNNING. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I am pleased to rise in strong support of H.R. 4590, legislation to revoke most-favored-nation trading status for products produced by the Peoples Liberation Army, Chinese Government defense trading companies, and State-owned enterprises.

I commend the gentlewoman from California [Ms. PELOSI] for her leadership and tireless efforts on behalf of democracy in China. She has earned herself a place as a recognized champion for freedom and a voice for those who suffer under tyranny.

It is a great honor to serve with her.

At Tiananmen Square 5 years ago, the Chinese military demonstrated to the world that it is an antidemocratic force of repression and the ultimate guarantor of Communist rule over the people of China.

The Chinese military and related security agencies run a vast gulag with some 16 to 20 million prisoners who serve as slave laborers for its profit making ventures.

China faces no external threat to its national security, but its military is engaged in a massive buildup of the most modern conventional and strategic forces threatening peace and security in Asia and the Pacific rim.

Chinese military companies are helping to finance that nation's massive military buildup with arms sales to the Middle East and commercial product sales to the United States.

It is the only military force in the world targeting the United States with nuclear weapons and China is the only nation still testing nuclear weapons.

The Chinese military is the occupying force in Tibet, a country the size of Western Europe and the only nation in the world since the end of the cold war to still have a foreign Communist force within its borders.

According to some of our senior Federal officials, Chinese military and civilian intelligence are the most active intelligence services in the United States collecting American technology.

Chinese intelligence services are also extremely aggressive and active in suppressing the Chinese people both at home and abroad here in this country.

The Chinese intelligence services are also engaged wholeheartedly in commercial cover ventures in the United States in order to be economically self-sustaining.

Are we to believe that it is logical to continue United States financing the Communist Chinese military machine, the same one run by the very same people who fought us in Korea and Vietnam and who conquered Tibet—does that makes good sense?

Do we truly believe that our national security will not be affected by directly subsidizing the People's Liberation Army?

The answer of course is obvious. Accordingly, I urge my colleagues to support the gentlelady's resolution to revoke MFN for China's military and state run enterprises.

Mr. MATSUI. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, 15 years ago President Carter extended most-favored-nation trading status to China. President Carter's decision was the culmination of a long period of quiet diplomacy with the Chinese that had been initiated by the late President Nixon in 1969. Today we are here to debate whether we should continue to embrace or reverse over two decades of successful American diplomacy toward China by removing or limiting China's trading status with the United States.

When President Nixon decided to initiate 2 years of top secret negotiations with the Chinese in 1969, contacts between the United States and China basically did not exist. At that turbulent time in our world history, the United States was bogged down in Vietnam, the Cultural Revolution in China was in one of its most anti-democratic phases, China and the Soviet Union were engaged in terrible border clashes and war between the two countries was seen by many as inevitable. China, with one quarter of the world's population, was isolated in world affairs.

The tactical advantages of a diplomatic initiative toward Beijing were obvious to President Nixon and Secretary Kissinger, despite the fact that things in China were anything but stable or democratic. Nixon and Kissinger were able to see past China's internal chaos to the danger that an isolated, xenophobic China posed to the world.

Relations between the United States and China in the last 25 years have rarely been untroubled. United States-Sino relations have continued to expand despite numerous challenging events: American arms sales to Taiwan; disruptive surges of Chinese exports to the United States; the Soviet invasion of Afghanistan; the Cambodian peace process; Chinese nuclear proliferation policies and the tragedy in Tiananmen Square.

Despite all of the challenges to United States-Sino relations, it was not until 1989 that legislative efforts to condition renewal of most-favored nation status for China were linked to improvements in human rights in China. In 1989, Members in this body decided that we should move from diplomacy to punishment and that the bipartisan approach of five former Presidents was wrong.

Although what happened at Tiananmen was deplorable and the Chinese leadership deserved the widespread condemnation that it received, it is time to declare a statute of limitations on Tiananmen Square. If we want a safer, more stable international community, we cannot allow one incident to determine our policy toward China for the next 25 years.

The realities of the current situation in China and in the international community are far different and more complex than the unforgettable image of a lone man standing in front of a tank that CNN has indelibly printed on all of our minds.

Since Tiananmen, the Chinese economy has grown at approximately 10 percent a year and the market-oriented reforms started in 1980 have continued. United States trade with China has approximately doubled, to $40 billion in 1993, with China's total foreign trade reaching $200 billion.

Along with the People's Liberation Army are the armies of Avon ladies in China. Along with state censorship are MTV and CNN brought into China by satellite dishes, often installed and sold by the PLA.

During the last 15 years, as Chinese economic reforms have progressed, the quality of life of the average Chinese has vastly improved. The continuing market-oriented reforms have dramatically changed the relationship of individuals to the state and reduced their reliance on Beijing for the basic necessities of life.

Since 1978, changes which have taken place which affect average Chinese citizens include: a great expansion of internal travel, choice of residence, choice of job, shorter workweeks, higher paying jobs, and most importantly, access to information.

Twenty years ago, the Chinese government had total control over what its people could know about the outside world. Today, there are now seven times as many newspapers and magazines in China as in 1978, and one in five people have access to a TV versus 1 in 300 in 1978. Over 100 million Chinese have access to satellite dishes bringing in MTV, CNN and other western broadcasts.

The past 16 years have been China's most sustained period of peace and stability in the past 150 years. From 1978 to the present is the only period of time since the opium war in 1839 that China has experienced a 15-year period without foreign invasion, civil war or widespread chaos.

China's leaders have placed a high priority upon maintaining stability in China and avoiding at all costs a return to chaos and foreign domination.

It must be remembered that China has over four times the population of the United States but less than 60 percent of America's tillable land. China's leaders face much different development choices than those faced by America's leaders.

China must make a smooth transition from an economy based on agriculture to an economy centered on manufacturing. China needs continued strong economic growth in order to be able to provide the basic necessities for its ever-growing population. In order to prevent China from sliding back toward chaos, the world needs to participate in China's economic growth and development. Removing or limiting MFN for China would be the first step in China's slide backwards.

Prior to 1989, there was little external pressure on China to improve human rights. The positive changes which have occurred in China over the last 15 years have occurred as a direct result of China's opening to foreign trade, investment and ideas from around the world. China's leaders were willing to allow the influx of foreign ideas in order to allow China to become a strong, prosperous world power.

However, China's way is not our way. We urge China to move more deliberately toward true democracy, but we must understand that a chaotic China could destabilize the world economy and vastly complicate international stability. We must act responsibly today. I urge Members to vote against any attempts to remove or limit MFN for China.

□ 1710

Mr. CRANE. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman and colleagues, if I thought for one moment that extending most-favored-nation treatment to China would end our country's responsibility and involvement in the human rights struggle in that vast country, then I would support the Pelosi amendment. But I cannot, because I believe forcefully that the total involvement of the regional alliances continuing pressure on China, the United Nations, the Helsinki accords, the one-on-one contacts that America has with China, and all of the other private enterprises that are continuing their good pressure on china will mount in intensity, not end with granting the most-favored-nation status, and so we would have then not only the ongoing contact but that great tool of diplomacy, free trade, massive trade, Americans streaming into the mainland of China, talking with other merchants, talking with the people. That is the way to bring about human rights change and continue our American involvement.

Mr. CRANE. Mr. Chairman, I yield 1 minute to our distinguished colleague, the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I keep asking myself: Why are we here today? Everybody knows the Solomon amendment was soundly defeated. The Pelosi proposal, even if it were to pass, is going nowhere.

If this were a debating society, I would say wonderful, we can stand here and debate this issue for 6 hours. But the fact is that I would think the House would have something else to do in trying to pass substantive legislation.

The Clinton administration, through some very difficult efforts, finally came to the right conclusion, that is, delinking human rights with our efforts on MFN. That was the right decision. The Clinton administration got it right.

Here we are several weeks later, still debating an issue whose time has clearly passed. The decision has been made by the administration, I think we should follow it.

Economic growth is important for political change. I have been to China twice, most recently last December. We had an opportunity to look at the changes being made there, and I am impressed with what we can do in the future there with our trade.

Let us defeat the Pelosi proposal. Let us pass the Hamilton proposal and get on with the business of the Nation.

Ms. PELOSI. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I rise in strong support of the Pelosi substitute.

Mr. Chairman, I stand today as a strong supporter of the Pelosi substitute. This proposal speaks to our longstanding linkage of favorable trade access to this Nation and respect for human rights. Breaking this link would be giving up something that is fundamental to this Nation—something that makes us unique and successful in the world. We would be sacrificing our principles for short-term economic gains.

Tying trade to human rights has worked. A generation of Soviet emigres prospering in new homes around the world; the piece of the Berlin Wall I keep in my office; and the historic elections and new-found freedoms celebrated in South Africa this year, all speak to the success of our Nation taking a stand. Using access to American markets has been a crucial tool to effect change abroad through peaceful means.

There is a reason protestors in Tiananmen Square carried a home-made statue of liberty. From our founding days the United States of America has been a beacon of freedom. Our Nation has held out hope to freedom-loving people throughout the world. Time and again Americans have fought and died to protect freedom in this Nation and around the world.

We should be proud of our leadership in human rights and we should support the Pelosi substitute.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HORN].

Mr. BUNNING. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Chairman, I rise today to stress that this debate on most-favored-nation status for China is not over whether we want export opportunities for our workers and companies. We obviously do. However, there is an important principle at stake. By our vote today, we must clearly and decisively demonstrate that human rights matter. Commercial considerations must not be the sole factor determining American foreign policy.

Who among us is not deeply suspicious of the present Chinese Government, especially since the tragic events in Tiananmen Square in 1989? This action is not targeted at the Chinese people; it is targeted at the trade activities of a repressive government.

In 1981, I was part of a 15-person delegation of university presidents to review 25 institutions of higher education in China. When students could get us aside outside of the ears of the secret police, they said then, as they do now, that they want freedom. Hopefully, increased trade will cause China's leaders to value political freedom. In the mean time, we cannot close our eyes to repression.

I urge my colleagues to do the right thing, and to vote for the bipartisan Pelosi amendment.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to H.R. 4590, a bill to apply unworkable trade sanctions to the People's Republic of China. The debate over trading with China is serious and difficult. Because of the tragic human rights situation in China, it is easy to stray from the central question of what is the most effective policy to achieve what we all want for the Chinese people—a better life. Setting up a unilateral policy of confrontation with the Chinese Government is not the answer.

I urge my colleagues to support the President's policy of aggressively pursuing human rights objectives through economic and political engagement with China. Vote "no" on H.R. 4590 and "yes" for the Hamilton substitute.

I do not question the intentions of proponents of H.R. 4590, but I worry about the practical effects it would have. China, the most populous nation on earth, has an economy which is expanding at an astonishing pace. Chinese trade with the world grows by about 12 percent every year, twice the growth rate of global trade overall. Asia will lead the world in economic growth during the next century, and to participate effectively, the United States needs a strong presence in China.

Currently China is our 10th largest export market. The potential for substantial, additional exports is impressive. At this stage in its development process, China will be purchasing heavily in sectors such as capital goods, telecommunications, agriculture equipment and computers. I will include in the RECORD at the conclusion of my remarks, a letter to Mr. Archer from the business coalition for United States-China trade containing a list of 307 United States companies and associations who attest that their export markets will be damaged severely by H.R. 4590.

Poisoning our bilateral relationship with China would be a futile effort. Instead of joining us, our European and Japanese competitors would rush in to reap all the sales that we lose. I ask my colleagues, would passage of this bill put us in a better position to work with China to clean up the environment, or to control the development of nuclear weapons in the region? Clearly it would not. Three years before Hong Kong reverts to Chinese Communist control is not the time for the United States to be disengaging from a leadership role in the region.

This bill purports to strike at state-owned companies in China, to the exclusion of more entrepreneurial enterprises. While an attractive idea, it is one which is manifestly unworkable. Matching a product that has made its way out of China with the arbitrary definitions of state-ownership set out in this bill would be an unmanageable task for the Customs Service.

The task would soon become impossible as firms worked to disguise their identity, in an attempt to avoid the sanctions in this bill—something they do not do today. The further assignment of distinguishing which companies were recipients of government subsidies could not be administered given the murky line between free markets and state involvement in China. In the end, the legal issues involved in making these designations would virtually bring United States-China trade to a halt.

I would agree with proponents of this bill that China is one of the most protectionist countries with which we trade. The answer is not unilateral legislated sanctions but solid, negotiated solutions to targeted market access problems. USTR should pursue aggressive enforcement of the intellectual property rights agreements and the 1992 MOU on market access which addresses a broad range of sectors. Currently more needs to be done to implement these bilateral deals at the provincial level in China. The Chinese may indeed face sanctions under the special 301 intellectual property statute, for example, but these can be tailored to achieving a particular market opening measure, not a complete societal change.

I support the President's policy because he has realized after a year in office that business plays a positive role in exposing the Chinese people to ideas and skills necessary to succeed in a free market. Prosperity and expanded contact with American citizens is the best way to nurture the growth of democracy in China. We need a China policy that recognizes the broad range of our interests in this enormous country. I urge a "no" vote on H.R. 4590.

I submit the following letter from 307 American companies and associations to be included in the RECORD.

BUSINESS COALITION
FOR U.S.-CHINA TRADE,
Washington, DC, August 3, 1994.

Hon. BILL ARCHER,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSMAN ARCHER: We, the undersigned American companies, farm organizations, consumer groups, and trade associations, are writing to express our strong opposition to H.R. 4590, which was introduced by Congresswoman Pelosi on July 16. We are concerned that the Pelosi bill would seriously undermine the President's China policy by revoking MFN tariff treatment for certain imports from China and put American trade and thousands of American jobs at risk.

In announcing his new China strategy on May 26, President Clinton noted that the real issue for the United States is "how we can best support human rights in China and advance our other very significant issues and interests," including securing China's cooperation on weapons proliferation and in managing the North Korean nuclear crisis. The President determined that the best way to advance U.S. objectives on trade, human rights, proliferation, and security is to ensure that "our nations are engaged in a growing web of political and economic cooperation and contacts."

As American firms doing business in China, we see every day tangible proof that China's free market economic reforms have led to expanded freedom and better living standards for the Chinese people. Any American visitor can only be struck by the dynamism of free markets and the underlying entrepreneurialism of the Chinese people. We share the President's conviction that America's engagement with China must continue, and that U.S. trade and investment are important long-term positive forces for human rights and democracy.

The Pelosi bill is not a compromise. It would undermine the President's policy and cause serious damage to U.S. trade. While taking aim at the Chinese government, the Pelosi bill would harm Chinese reformers who support trade and investment with the United States and Chinese workers and managers who are employed by American companies. The bill invites a protectionist trade war that would put at risk nearly $9 billion of U.S. exports and almost 180,000 high-wage U.S. export jobs. The loss of China trade would also threaten thousands of jobs in America's retail establishments, financial institutions, ports, and services industries. It would also lead to substantial increases in the retail prices of many imported products familiar to American consumers.

Because China is about to embark on a massive infrastructure program, the loss of access to this rapidly emerging market would deal a catastrophic blow to the future global competitiveness of American companies. This would only benefit our European and Japanese competitors. China is a major customer for American aerospace, computers, telecommunications, wheat, power generation, motor vehicles, chemicals, and fertilizer products.

Finally, U.S. companies regularly adopt principles for business conduct on a company-by-company basis. By specifying in legislation recommended principles of business conduct for doing business in China, including principles that touch on highly sensitive political activities, the Pelosi bill would undermine individual company efforts and the President's initiative to work with leaders of the business community. The bill risks creating an appearance in China that U.S. companies are acting as agents of a foreign government and violating Chinese law. In today's highly competitive global economy, the U.S. can ill afford actions which have the effect of handicapping the ability of American companies to compete and create jobs.

On behalf of the American business community, we urge you to strongly oppose the Pelosi bill. For U.S. companies involved in U.S.-China trade, this is a potentially costly vote. It will send important signals about America's reliability as a trading partner and our nation's commitment to competing in emerging global markets.

We look forward to working closely with you to support the President's leadership on China policy and to defeat the Pelosi bill.

Sincerely,

ABB Inc.; A & C Trade Consultants, Inc.; The AES Corporation; AM General Corporation; ATC International, Inc.; AT&T Inc.; Abacus Group of America, Inc.; Abbott Laboratories; Adidas America; Advanced Aquatic Technology Associates, Inc.; Aerospace Industries Association; Aetna Asia Pacific; Aetna Life & Casualty; AlliedSignal Inc.; American Automobile Manufacturers Association; American Cyanamid Company; American Express Company; American Farm Bureau Federation; American Forest & Paper Association; American Home Products Corp.; American International Group; American Pacific Enterprises Inc.; Ameritech; Amgen Inc.; Amoco Corporation; Ascom Timeplex, Inc.; ASICS Tiger Corp.; Applause, Inc.; Armstrong World Industries; Ashe Associates; Associated Merchandising Corporation; Atlantic Richfield Company; Avon Products, Inc.; B.H. Aircraft Co. Inc.; Baker Hughes Oilfield Operations; Bandai America Inc.; Bank of America; BBC International; Bennett Importing; D. B. Berelson & Company; Bethlehem Steel Corporation; Blue Box Toys, Inc.; The Boeing Company; Bradford Novelty Co., Inc.; Bristol-Myers Squibb Company; Brown & Root, Inc.; Brown Shoe Co.; The Business Roundtable; Buxton Co.; California R & D Center, Inc.; Caltex Petroleum Corporation; Cargill, Incorporated; Caterpillar Inc.; Central Purchasing Inc.; Cherokee Shoe Co.; Chevron Corporation; China Human Resources Group; China Products North America, Inc.; China Trade Associates; Chrysler Corporation; The Chubb Corporation; CIGNA Corporation; CMS Industries; The Coca-Cola Company; Cole Hann; C.O. Lynch; Commercial Intertech Corporation; ConAgra, Inc.; CONCORD; Consolidated Minerals Inc.; Consumers for World Trade; Continental Grain Company; Cooper Industries; Coopers & Lybrand; CSX Corporation; Cypress Enterprises; Daisy Manufacturing Co., Inc.; Dakin, Inc.; Dana Corporation; Davis Wright Tremaine; Dayton Hudson Corp.; Daytona Inc.; Deere & Company; The Dexter Corporation; Diamond Power Specialty Co.; Digital Equipment Corp.; R.R. Donnelly & Sons Co.; The Dow Chemical Company; Dresser Industries, Inc.; The Dun & Bradstreet Corporation; E. I. du Pont de Nemours & Company; Duracell International Inc.; Dynasty Footwear; EEI, Inc.; Eastern American, Inc.; Eastman Chemical Company; Eastman Kodak Company; Eaton Corporation; Eden Toys, Inc.; Edison Brothers Stores; Elan-Polo, Inc.; Electronic Industries Association; Endicott Johnson; The Ertl Company, Inc.; Essex Group, Inc.; Excel Importing Corporation; Emergency Committee for American Trade; Enron Corp.; Exxon; The Fertilizer Institute; Fluor Corporation; FMC Corporation; FOOTACTION USA; Footwear Distributors and Retailers of America; Ford Motor Company; Foster Wheeler Corporation; The Foxboro Company; Frequency Electronics, Inc.; Fun World/Div. of Easter Unlimited, Inc.; GenCorp; General Electric Company; General Motors Corporation; Genesco, Inc.; The Gillette Company; The Goodyear Tire & Rubber Company; Grand Imports, Inc.; Great Eastern Mountain Investment Company; Guardian Industries Corp.; Gund, Inc.; Hasbro, Inc.; HASCO Components International Corporation; HMS Productions, Inc.; Halliburton Company; Hallmark Cards, Inc.; R.A. Hanson Company, Inc.; Harris Corporation; Hedstrom Corporation; Henry Gordy International, Inc.; Hercules Incorporated; Hewlett-Packard Company; H.H. Brown; Hawe Yue/Rayjen Intl.; Hills & Company; Hoechst Celanese Corporation; Honeywell, Inc.; Hongson; Hughes Aircraft Company; Hull Corporation; IBM Corporation; Intel Corporation; Inter-Pacific Corp.; International Seaway; ITOCHU International Inc.; ITT Corporation; International Development Planners; International Insurance Council; Jack Guttman, Inc./Bakery Crafts; Janex Corporation; J. Baker, Inc.; Jerry Elsner Company, Inc.; Jimlar Corporation; Jirch Resources Co., Inc.; Johnson Controls; Kinney Shoe Co.; K-Swiss, Inc.; L.A. Gear; Laird, Ltd.; Leather Apparel Association; Lewis Galoob Toys, Inc.; Liberty Classics; The Limited, Inc.; Liz Claiborne; LJO, Inc.; Lockheed Corporation; MG Trading & Development; M. W. International, Inc.; The M. W. Kellogg Co.; Mangelsen's; Manley Toys, Ltd.; Mattel, Inc.; Marine Midland Bank; McDermott Incorporated; McDonnell Douglas; McGraw-Hill, Inc.; Meldisco; Merck & Co., Ltd.; Mercury Int'l.; Merrill Lynch & Co., Inc.; Midwest of Cannon Falls; Might Star, Inc.; Mobil Corporation; Monarch Import Company; Monsanto Company; Morrison Knudsen Corp.; Motorola Inc.; Mustang International Groups Inc.; Nadel & Sons Toy Corp.; National Association of Manufacturers; National Foreign Trade Council, Inc.; National Semiconductor; Natural Science Industries, Ltd.; Nature's Farm Products, Inc.; NIKE, Inc.; Nikko America, Inc.; Norman Broadbent International, Inc.; North American Export Grain Association; Northern Telecom Inc.; Nylint Toy Company; NYNEX Corporation; The Ohio Art Company; Olem Shoe Corp.; Owens Corning; Pacific Basin Economic Council; Pacific Rim Consulting; Pacific Trade Institute, Inc.; Pagoda; Payless ShoeSource; J.C. Penney Company, Inc.; PepsiCo, Inc.; Perkin Elmer; Petroleum Equipment Suppliers Association; Pfizer Inc.; Philip Morris Companies Inc.; Phillips Petroleum Company; Pic'n Pay Stores; The Portman Companies; Portman Overseas; Praxair, Inc.; Premark International, Inc.; Pressman Toy Corporation; Price Brothers Company; Processed Plastic Company; Procter & Gamble Company; Reebok International, Ltd.; Reeves International, Inc.; Revell-Monogram, Inc.; Ridgewood Partners Ltd.; Riggs Tool Company Inc.; Ripple Investments, Inc.; Rockwell International Corporation; Rohm and Haas Company; Russ Berrie & Co., Inc.; Safari Limited; Saint-Gobain Corporation; Schering-Plough International; Scientific Design Company, Inc.; Sea-Land Service, Inc.; Sears Roebuck & Co.; Sega of America, Inc.; Shanghai Industrial Consultants;

Shelcore, Inc.; Shoe Town, Inc.; Shonac Corp.; Sierra Machinery, Inc.; Southern Electric International; Spectrum HoloByte, Inc.; Sporting Goods Manufacturers Association; The Stride Rite Corp.; Sundstrand Corporation; TRW Inc.; Tasco Sales, Inc.; Tendler Beretz Associates Ltd.; Tenneco Inc.; Texaco Inc.; Texas Instruments Incorporated; The Bee Gee Shoe Corp.; The Butler Group; The Kobacker Co.; Thom McAn Shoe Co.; Thomson Consumer Electronics, Inc.; 3M Company; Time Warner Inc.; Topline Imports; Tradehome; Trade Wind Imp.; Trans-Ocean Import Co., Inc.; Tomy America, Inc.; Toy Manufacturers of America, Inc.; Toys 'R' Us, Inc.; Tyco Playtime; Tyco Toys, Inc.; USX Engineers & Consultants, Inc.; US-China Industrial Exchange, Inc.; U.S. Chamber of Commerce; U.S. Council for International Business; Uneeda Doll Company, Inc.; Unicover Corporation; Union Camp Corporation; Union Carbide Corporation; UNISYS; Uniroyal Chemical Company, Inc.; United States Association of Importers of Textiles & Apparel; United States-China Business Council; United Technologies Corporation; Unocal Corp.; Venture Stores Inc.; VTech Industries, Inc.; Waco Products Corporation; Warner-Lambert Company; Western Atlas; Westinghouse Electric Corporation; Weyerhaeuser Company; Whirlpool Corporation; Wilsons The Leather Experts; Windmere Corporation; Witco Corp.; Wm. Wrigley Jr. Company; Xerox Corporation.

□ 1720

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Guam [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, once again, this Congress must consider matching our declarations with our dollars. We must decide if we will send a bold and meaningful signal to the Peoples' Republic of China or hide behind a veil of empty rhetoric.

The bill introduced by the gentlewoman from California is a solid, pragmatic means of confronting the PRC's human rights abuses without disrupting the expanding private sector trade between our nations.

No one in this Chamber disputes the PRC's abysmal human rights record. Amnesty International and Asia Watch have documented the PRC's lack of due process rights to a fair trial, the detention of prisoners of conscience, the repression of the right to peaceful assembly, and a crackdown against religious activity. In 1993, 77 percent of all the world's death sentences were carried out in the PRC, a role model for death penalty supporters, including for such nonviolent offenses as embezzlement. According to the International Campaign for Tibet, repression against Tibetan Buddhist nuns has increased. In 1993, 12 nuns, including a 15-year-old girl, were sentenced to up to 7 years in prison.

And we are expected to extend favors to this country.

All these actions contradict customary international law which binds all nations. The universal declaration on human rights and the covenant on civil and political rights represent the international family's attempt to confront and combat human rights abuses, such as those found in the PRC. As a member of the United Nations and a permanent member of the security council, the PRC has a responsibility to uphold these international standards.

The PRC also stands as a threat to modern nonproliferation efforts. Of the five recognized nuclear powers, it is the only one that will not observe a nuclear test ban. Questions remain about the PRC's alleged exports of chemical weapons munitions to Iran and its export of M-11 missile technology to Pakistan.

In addition to recognizing the PRC's human rights and proliferation records, no one in this Chamber denies the economic importance to the United States of our trade relationship with the PRC. Our nations have a $40 billion trade relationship, including $9 billion in U.S. exports. This trade relationship provides the best tool for us to make a statement about the behavior of the PRC.

This bill strikes a delicate balance between confronting the human rights abuses and preserving a healthy trade relationship. It would only target trade with the PRC's military and other state-owned industries, leaving private industry free to trade with United States firms and the growth of private industry is readily acknowledged as a promoter of democratic reform.

The PRC claims to have a relatively small defense budget of $22 billion, but has engaged in budget smoke-and-mirrors, hiding funds in its police budget and elsewhere, and securing an annual defense growth rate of 10 percent per year. Many of the goods procured with these funds are made by slave labor.

I believe we can put a wrench in the gears of China's war machine and human rights abuses, while allowing the engine of free trade to keep moving forward. It would be a bold foreign policy action and a smart economic protection. I urge support for the measure. We do not need to extend more favors to the PRC.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Mrs. UNSOELD], and thank her for her courageous leadership on human rights throughout the world.

Mrs. UNSOELD. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, some Members oppose the use of trade measures against China on the grounds that unfettered commercial exchanges will bring about political reform.

Well, I have a few questions for them. Would these same members argue that the use of sanctions to press for the end to apartheid in South Africa was a mistake? Would they argue that the use of sanctions against the old Soviet Union was a mistake? Are they prepared today to argue the case for lifting sanctions against Iraq, Haiti, and Serbia? I doubt it.

Let us be honest. Most of the resistance to the Pelosi amendment stems from the fact that large commercial interests have a stake in maintaining markets in China.

Those of us supporting the Pelosi amendment are sensitive to that. I would remind Members that if this measure is adopted China would still enjoy a huge trade surplus with the United States. That surplus will provide plenty of leverage to forestall retaliation.

So what will the Pelosi amendment do? It will go after goods produced by the Chinese military. They are the ones who drove tanks over protesters in Tiananmen Square. They are the ones guilty of imprisoning and torturing human beings in Tibet and China for their religious and political beliefs.

If we end MFN status for goods produced by the very inappropriately named People's Liberation Army, we will be turning off the spigot that is financing their arms build-up and aiding the suppression of those who advocate freedom.

The cause of human rights is about standing for the individual against a tyrannical government. One such courageous individual has been traveling our country, sharing her story. Tsultrim Dolma was a nun in Tibet arrested by the PLA for taking part in a political demonstration. While in custody she was raped and tortured. A device was rammed into her mouth sending volts of electricity through her body—volts so powerful that her teeth were knocked out and she was left unconscious. That is the PLA whose products now get more favored treatment.

Mr. Chairman, this is a great Nation because we have stood for certain principles. America's founding principle was most powerfully expressed by Thomas Jefferson: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights * * *"

This House has the opportunity to answer whether those words still ring true for us today. I hope Members answer overwhelmingly that they do—that we are still a people willing to stand up for freedom. Support the Pelosi amendment.

Mr. MATSUI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I thank the gentleman for yielding this time to me, and I rise in opposition to the Pelosi bill.

Mr. Chairman, no one disagrees that China must improve its record in the area of human rights. China continues to fall far short of international standards. The United States must continue to publicly raise concerns about the detention of political prisoners, prison conditions, use of forced labor, and human rights violations in Tibet.

However, I believe that through our business contacts with China, we are helping to develop an entrepreneurial middle class there—men and women whose lives will be improved and who will have the experience and the benefit of China's transition to a market economy. Delinking MFN and human rights conditions will promote a broad engagement between the United States and China, not only through economic contacts but also through cultural, educational, and other exchanges.

In the long run, I believe this is the best approach to promoting and achieving real progress on human rights in China.

The Pelosi bill would prohibit all imports from China that are a product of the Chinese Army or are goods produced, manufactured, or exported by state-owned Chinese enterprises. This targeted approach while well-intentioned is not workable.

The Pelosi bill would force the U.S. administration into countless numbers of hearings and reviews to determine what products are prohibited and what products are not, what exactly is a state-owned enterprise and what is not.

In addition, it would put in jeopardy hundreds of thousands of American jobs. The Pelosi bill is unworkable and counterproductive to achieving increased human rights protection in China because it will sever important cultural and economic ties.

We should be resolute in our efforts to achieve progress on human rights while at the same time developing a fair trading system between the the United States and China.

I urge my colleagues to reject the Pelosi bill.

Ms. PELOSI. Mr. Chairman, I am pleased now to yield 1 minute to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. Mr. Chairman, I thank the gentlewoman for yielding this time to me, and I commend her for her leadership.

Mr. Chairman, how can we look American working people in the eye and say we want to extend MFN protection to Chinese goods manufactured in slave labor factories and prison cmps?

If we can not say "no" to this for fear of offense, what is our leverage to say "no" to anything?

As to their $24 billion and growing surplus with us, why do we allow the Chinese market to remain rife with internal barriers crafted specifically to deflect United States exports?

A memorandum of understanding between the United States and China in August, 1992, provided a mechanism for United States investigations of suspect slave labor facilities. More than a year after that agreement was signed, the Chinese had acknowledged only 16 of 31 United States requests to investigate factories suspected of using slave labor. They granted only one request during that visit, United States representatives were denied access to parts of the compound. The United States request to revisit that facility was denied. This is good intentions?

I might say this is ridiculous and absurd. We see where their intentions are. Vote "yes" on Pelosi, vote "yes" for humanity and fairness.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. I thank the gentlewoman from California for yielding this time to me, and I thank her for her extraordinary leadership on this issue.

Mr. Chairman, I rise in support of the Pelosi substitute to H.R. 4590 which revokes most-favored-nation [MFN] status for products made under the control of the Chinese Government and its military.

This substitute directs the Treasury Department to publish a list of military, state-owned, and defense industrial trading companies in China and urges the Treasury Department to encourage U.S. firms operating there to adopt a voluntary code of conduct which respects basic human rights.

I have listened to and read what has been advanced by those who support delinkage. Their words ring hollow when we see Chinese citizens sent to forced labor camps where they must make goods for shipment to the United States.

Our business community, particularly the high technology industry in my district, sees tremendous commercial opportunities in China. China is cited as the greatest market in history for United States exports. I share their view that we pursue new markets.

But, Mr. Chairman, I also know the most valuable export our great Nation has is democracy. And the best lesson in democracy we can give the world is the standard we set for ourselves.

That standard is this: We will not give special trade privileges to those who do not give basic human rights to their citizens.

Will China learn democracy sooner or later if we all United States businesses to trade with China as a favored nation? Perhaps.

But should the United States traffic in products made by Chinese workers wit bayonets held to their throats? No, Mr. Chairman, we do not need to be trading in that kind of work product.

The Pelosi substitute provides a clear message to the Chinese Government. It says we respectfully inform you that there are consequences in failing to meet basic human rights standards we set for nations we grant special privileges to.

Mr. Chairman, those standards were set by the President with the support of Congress and American business last year. I believe that not equivocating on those standards sends a clear and firm message to China's leaders which may be more beneficial to us than any short term economic benefits.

I urge my colleagues to support the Pelosi substitute to H.R. 4590.

□ 1730

Ms. PELOSI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I commend my colleague, the gentlewoman from California [Ms. PELOSI], for her rational and appropriate compromise on the issue of China MFN.

Like Ms. PELOSI, all of us want to bring about freedom and democracy in China. Yet, none of us want to cut off trade with that nation, or to harm American companies that do business there.

The real issue here is leverage. How can we use leverage with the Chinese Government to help bring about real change?

Some say, "Let market forces continue—and, change is inevitable." But, no leverage at all is hardly convincing to leaders who murder and imprison their citizens to prevent change.

Some say, Cut off MFN entirely. But, such a blunt tool could spark a counterproductive trade war and prevent continued dialog with China's leaders.

The real solution is H.R. 4590. It lets the United States stand up for human rights, while using our leverage to move China's leaders closer to respect for human rights.

We all look forward to a day when sanctions are not needed—when freedom is a fact of life for the Chinese people.

H.R. 4590 will bring that day closer, and that's why we should support it.

Mr. CRANE. Mr. Chairman, I yield myself the balance of the time at this moment so my distinguished colleague from California can make the concluding remarks.

Mr. Chairman, at the outset I do want to pay tribute to a most gracious woman, and she has a firm commitment that I have recognized certainly and respect profoundly even though we have honest disagreements. So, I say to the gentlewoman, "I salute you, Ms. PELOSI."

I simply want to reiterate a few things that were said earlier, and that has to do with the importance of an American presence in mainland China. The fact of the matter is we are there to set a positive example, amongst other things. The treatment of the work force by American employers in terms of worker safety, worker welfare, in terms of looking to environmental concerns, these set the kinds of positive examples that can have that rippling effect that will touch other people's lives in China that have never been exposed to that before. The United States has been in the vanguard in all of these areas, and I think it is important to remember Ben Franklin's counsel: "A good example is the best sermon."

Mr. Chairman, the United States presence there provides that good example and that sermon, and it is for that reason that I think expanded U.S. participation and presence on mainland China serves to advance not just the economic interests of the United States or the economic interests of mainland China. It serves to advance the interests that we share and that are being expressed in the effort by the gentlewoman from California [Ms. PELOSI] but which can be better achieved by having a continuing U.S. presence there and an expanded one.

So, I urge Members, with all due respect, to defeat H.R. 4590 and to support the gentleman from Indiana [Mr. HAMILTON].

Mr. BUNNING. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I do not think anyone here has suggested that we disengage in trading with China. The policy that we are now discussing is whether we should grant them MFN status. Everyone, and I think it is indisputable, knows that China is the worst as far as human rights violations in the whole world. This legislation merely asks that MFN status for China be denied in relationship to products produced by the People's Liberation Army, the Chinese defense industry companies and Communist state owned enterprises. I think it is important that we make that distinction, and I urge support for the Pelosi amendment.

Mr. MATSUI. Mr. Chairman, I yield 2½ minutes, which is all the time we have remaining, to the gentleman from Kansas [Mr. GLICKMAN], the chairman of the Permanent Select Committee on Intelligence.

Mr GLICKMAN. First of all, Mr. Chairman, I have to tell my colleagues a little bit about the gentlewoman from California [Ms. PELOSI]. She is one of the most persistent, doggedly tenacious people on the issue of human rights that I ever met. We were in China together about a year ago on a Permanent Select Committee on Intelligence trip. Wherever we went, from the highest government official down, she tenaciously raised the issue of human rights in a vigorous fashion, even in circumstances that probably they never thought it would be raised in their lifetime, and I think she made her point, and it was an important point, but I disagree with her on this issue and for a couple of reasons, and let me tell my colleagues why.

Just a few months ago the President of the United States announced a major foreign policy initiative, the renewal of MFN to China, and, yes, there was some controversy about it, but can my colleagues imagine how indecisive America will now look in the world if today we cut not only his legs off, but cut American foreign policy legs off in terms of that position? We are being accused of being indecisive in Bosnia, of being indecisive in Haiti, of being indecisive in other parts of the world. We have one place where we have made a clear foreign policy decision. It is China. And now the U.S. Congress is going to say to this President, who has not had the most stellar record in the world of consistency in foreign policy, "I'm sorry, Mr. President, you're wrong. We are going to do this one away from you."

Mr. Chairman, this is a very bad thing to do to this country, not just to this President, but to this country at a time when he has made a decision and one that we need to stand by.

The second thing has to do with human rights, and it is no question that China has a much less than stellar record in human rights, but this is one of the most important countries in the world economically, diplomatically and militarily. China soon, with the United States, will probably be the two most economically powerful nations in the world.

China is also a country that, believe it or not, was quite helpful to the United States during the cold war when our efforts were focused on containing Moscow. China was of extreme help to our country in making sure that the Soviets were contained.

This is not a country that has been a constant adversary of the United States. Yes, it is a country that has a different standard for its people and the one that we have got to find the right leverage to change so that they improve their standard, but by adopting the Pelosi resolution, Mr. Chairman, we isolate China, we isolate them at a time that the North Korean Government has the potential, if not the reality, of developing nuclear weapons and missiles to deliver to Japan, to China and sell all over the world, and our only ace in the hole is China. We isolate them at a time when other countries in Southeast Asia are developing, and we need Chinese help in order to make sure that we have opportunity to influence those countries diplomatically and economically. We isolate them at a time when we need to improve their human rights record, and they will laugh at us when we try to cause their improvement without continuing the trade relationship.

So, while I honor the commitment of the gentlewoman from California [Ms. PELOSI], I think she is wrong on this one. I urge my colleagues to support the Hamilton resolution.

Ms. PELOSI. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I feel very privileged to rise today to close the debate on H.R. 4590. Of course I rise in support of my own legislation, and in doing so I want to thank my colleagues who have spoken here today, who have lent their names as cosponsors to the legislation: The gentleman from Missouri [Mr. GEPHARDT], the gentleman from Michigan [Mr. BONIOR], the gentleman from New York [Mr. GILMAN], the gentleman from Virginia [Mr. WOLF], and the list goes on and on to over a hundred Members, Democrats and Republicans alike.

I believe that Wei Jing Jung, who has not been seen since he had a meeting with Secretary Shattuck, should be very pleased that so many Members of this House of Representatives have stood by him in this debate in the face of intense lobbying from those who, while certainly supportive of human rights, do not give it the priority that we do in our relationship with China, and I say that very forthrightly, Mr. Chairman.

□ 1740

Mr. Chairman, one of our colleagues who use to be in this body, Representative Lindy Boggs from Louisiana, had a saying that she would say to us from time to time in the Women's Caucus especially. She would say: "Know thy power." I say that to our colleagues here today. Know thy power. With your vote today, you can make a statement in support of the moderates and the reformers in China, and the succession there is very important to our national interests. It is important that it go in a more open politically reformed direction.

With your vote, knowing thy power, you can make a great advance for the American worker. Because you can recognize the linkage, yes, the linkage that is there between the fate of the American worker and the promotion of human rights abroad.

Human rights activists and labor activists abroad have said that what we are doing in Asia with our trade is racing to the bottom. Companies in countries compete for the worst laws, and the weaker the laws are, the better they like it. The American worker's job is dependent on workers' rights in other countries, because as long as those countries repress their workers and their rights, as well as other rights, the American worker is ill-served, because we cannot compete with no-cost labor for like-prison labor.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered as read for amendment under the 5-minute rule.

The text of H.R. 4590 is as follows:

H.R. 4590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-China Act of 1994".

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress makes the following findings:

(1) In Executive Order 12850, dated May 28, 1993, the President established conditions for renewing most-favored-nation treatment for the People's Republic of China in 1994.

(2) The Executive order requires that in recommending the extension of most-favored-nation trade status to the People's Republic of China for the 12-month period beginning July 3, 1994, the Secretary of State shall not recommend extension unless the Secretary determines that such extension substantially promotes the freedom of emigration objectives contained in section 402 of the Trade Act of 1974 (19 U.S.C. 2432) and that China is complying with the 1992 bilateral agreement between the United States and China concerning export to the United States of products made with prison labor.

(3) The Executive order further requires that in making the recommendation, the Secretary of State shall determine if China has made overall significant progress with respect to—

(A) taking steps to begin adhering to the Universal Declaration of Human Rights;

(B) releasing and providing an acceptable accounting for Chinese citizens imprisoned or detained for the nonviolent expression of their political and religious beliefs, including such expressions of beliefs in connection with the Democracy Wall and Tiananmen Square movements;

(C) ensuring humane treatment of prisoners, and allowing access to prisons by international humanitarian and human rights organizations;

(D) protecting Tibet's distinctive religious and cultural heritage; and

(E) permitting international radio and television broadcasts into China.

(4) The Executive order requires the executive branch to resolutely pursue all legislative and executive actions to ensure that China abides by its commitments to follow fair, nondiscriminatory trade practices in dealing with United States businesses and adheres to the Nuclear Nonproliferation Treaty, the Missile Technology Control Regime guidelines and parameters, and other nonproliferation commitments.

(5) The Government of the People's Republic of China, a member of the United Nations Security Council obligated to respect and uphold the United Nations charter and Universal Declaration of Human Rights, has over the past year made less than significant progress on human rights. The People's Republic of China has released only a few prominent political prisoners and continues to violate internationally recognized standards of human rights by arbitrary arrests and detention of persons for the nonviolent expression of their political and religious beliefs.

(6) The Government of the People's Republic of China has not allowed humanitarian and human rights organizations access to prisons.

(7) The Government of the People's Republic of China has refused to meet with the Dalai Lama, or his representative, to discuss the protection of Tibet's distinctive religious and cultural heritage.

(8) It continues to be the policy and practice of the Government of the People's Republic of China to control all trade unions and suppress and harass members of the independent labor union movement.

(9) The Government of the People's Republic of China continues to restrict the activities of accredited journalists.

(10) The People's Republic of China's defense industrial trading companies and the People's Liberation Army engage in lucrative trade relations with the United States and operate lucrative commercial businesses within the United States. Trade with and investments in the defense industrial trading companies and the People's Liberation Army are contrary to the national security interests of the United States.

(11) The President has conducted an intensive high-level dialogue with the Government of the People's Republic of China, including meeting with the President of China, in an effort to encourage that government to make significant progress toward meeting the standards contained in the Executive order for continuation of most-favored-nation treatment.

(12) The Government of the People's Republic of China has not made overall significant progress with respect to the standards contained in the President's Executive Order 12850, dated May 28, 1993.

(b) POLICY.—It is the policy of the Congress that, since the President has recommended the continuation of the waiver under section 402(d) of the Trade Act of 1974 for the People's Republic of China for the 12-month period beginning July 3, 1994, such waiver shall not provide for extension of nondiscriminatory trade treatment to goods that are produced, manufactured, or exported by the People's Liberation Army or Chinese defense industrial trading companies or to nonqualified goods that are produced, manufactured, or exported by state-owned enterprises of the People's Republic of China.

SEC. 3. LIMITATIONS ON EXTENSION OF NONDISCRIMINATORY TREATMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) if nondiscriminatory treatment is not granted to the People's Republic of China by reason of the enactment into law of a disapproval resolution described in subsection (b)(1), nondiscriminatory treatment shall—

(A) continue to apply to any good that is produced or manufactured by a person that is not a state-owned enterprise of the People's Republic of China, but

(B) not apply to any good that is produced, manufactured, or exported by a state-owned enterprise of the People's Republic of China,

(2) if nondiscriminatory treatment is granted to the People's Republic of China for the 12-month period beginning on July 3, 1994, such nondiscriminatory treatment shall not apply to—

(A) any good that is produced, manufactured, or exported by the People's Liberation Army or a Chinese defense industrial trading company, or

(B) any nonqualified good that is produced, manufactured, or exported by a state-owned enterprise of the People's Republic of China, and

(3) in order for nondiscriminatory treatment to be granted to the People's Republic of China, and subsequent to the granting of such nondiscriminatory treatment, the Secretary of the Treasury shall consult with leaders of American businesses having significant trade with or investment in the People's Republic of China, to encourage them to adopt a voluntary code of conduct that—

(A) follows internationally recognized human rights principles,

(B) ensures that the employment of Chinese citizens is not discriminatory in terms of sex, ethnic origin, or political belief,

(C) ensures that no convict, forced, or indentured labor is knowingly used,

(D) recognizes the rights of workers to freely organize and bargain collectively, and

(E) discourages mandatory political indoctrination on business premises.

(b) DISAPPROVAL RESOLUTION.—

(1) IN GENERAL.—For purposes of this section, the term "resolution" means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on __________ with respect to the People's Republic of China because the Congress does not agree that the People's Republic of China has met the standards described in the President's Executive Order 12850, dated May 28, 1993.", with the blank space being filled with the appropriate date.

(2) APPLICABLE RULES.—The provisions of sections 153 (other than paragraphs (3) and (4) of subsection (b)) and 402(d)(2) (as modified by this subsection) of the Trade Act of 1974 shall apply to a resolution described in paragraph (1).

(c) DETERMINATION OF STATE-OWNED ENTERPRISES AND CHINESE DEFENSE INDUSTRIAL TRADING COMPANIES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall determine which persons are state-owned enterprises of the People's Republic of China and which persons are Chinese defense industrial trading companies for purposes of this Act. The Secretary shall publish a list of such persons in the Federal Register.

(2) PUBLIC HEARING.—

(A) GENERAL RULE.—Before making the determination and publishing the list required by paragraph (1), the Secretary of the Treasury shall hold a public hearing for the purpose of receiving oral and written testimony regarding the persons to be included on the list.

(B) ADDITIONS AND DELETIONS.—The Secretary of the Treasury may add or delete persons from the list based on information available to the Secretary or upon receipt of a request containing sufficient information to take such action.

(3) DEFINITIONS AND SPECIAL RULES.—For purposes of making the determination required by paragraph (1), the following definitions apply:

(A) CHINESE DEFENSE INDUSTRIAL TRADING COMPANY.—The term "Chinese defense industrial trading company"—

(i) means a person that is—

(I) engaged in manufacturing, producing, or exporting, and

(II) affiliated with or owned, controlled, or subsidized by the People's Liberation Army, and

(ii) includes any person identified in the United States Defense Intelligence Agency publication numbered VP-1920-271-90, dated September 1990.

(B) PEOPLE'S LIBERATION ARMY.—The term "People's Liberation Army" means any branch or division of the land, naval, or air military service or the police of the Government of the People's Republic of China.

(C) STATE-OWNED ENTERPRISE OF THE PEOPLE'S REPUBLIC OF CHINA.—(i) The term "state-owned enterprise of the People's Republic of China" means a person who is affiliated with or wholly owned, controlled, or subsidized by the Government of the People's

Republic of China and whose means of production, products, and revenues are owned or controlled by a central or provincial government authority. A person shall be considered to be state-owned if—

(I) the person's assets are primarily owned by a central or provincial government authority;

(II) a substantial proportion of the person's profits are required to be submitted to a central or provincial government authority;

(III) the person's production, purchases of inputs, and sales of output, in whole or in part, are subject to state, sectoral, or regional plans; or

(IV) a license issued by a government authority classifies the person as state-owned.

(ii) Any person that—

(I) is a qualified foreign joint venture or is licensed by a governmental authority as a collective, cooperative, or private enterprise; or

(II) is wholly owned by a foreign person, shall not be considered to be state-owned.

(D) QUALIFIED FOREIGN JOINT VENTURE.—The term "qualified foreign joint venture" means any person—

(i) which is registered and licensed in the agency or department of the Government of the People's Republic of China concerned with foreign economic relations and trade as an equity, cooperative, contractual joint venture, or joint stock company with foreign investment;

(ii) in which the foreign investor partner and a person of the People's Republic of China share profits and losses and jointly manage the venture;

(iii) in which the foreign investor partner holds or controls at least 25 percent of the investment and the foreign investor partner is not substantially owned or controlled by a state-owned enterprise of the People's Republic of China;

(iv) in which the foreign investor partner is not a person of a country the government of which the Secretary of State has determined under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) to have repeatedly provided support for acts of international terrorism; and

(v) which does not use state-owned enterprises of the People's Republic of China to export its goods or services.

(E) PERSON.—The term "person" means a natural person, corporation, partnership, enterprise, instrumentality, agency, or other entity.

(F) FOREIGN INVESTOR PARTNER.—The term "foreign investor partner" means—

(i) a natural person who is not a citizen of the People's Republic of China; and

(ii) a corporation, partnership, instrumentality, enterprise, agency, or other entity that is organized under the laws of a country other than the People's Republic of China and 50 percent or more of the outstanding capital stock or beneficial interest of such entity is owned (directly or indirectly) by natural persons who are not citizens of the People's Republic of China.

(G) NONQUALIFIED GOOD.—The term "nonqualified good" means a good to which chapter 39, 44, 48, 61, 62, 64, 70, 73, 84, 93, or 94 of the Harmonized Tariff Schedule of the United States applies.

(H) CONVICT, FORCED, OR INDENTURED LABOR.—The term "convict, forced, or indentured labor" has the meaning given such term by section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

(I) VIOLATIONS OF INTERNATIONALLY RECOGNIZED STANDARDS OF HUMAN RIGHTS.—The term "violations of internationally recognized standards of human rights" includes but is not limited to, torture, cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, causing the disappearance of persons by abduction and clandestine detention of those persons, secret judicial proceedings, and other flagrant denial of the right to life, liberty, or the security of any person.

(J) MISSILE TECHNOLOGY CONTROL REGIME.—The term "Missile Technology Control Regime" means the agreement, as amended, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on an annex of missile equipment and technology.

(d) SEMIANNUAL REPORTS.—The Secretary of the Treasury shall, not later than 6 months after the date of the enactment of this Act, and the end of each 6-month period occurring thereafter, report to the Congress on the efforts of the executive branch to carry out subsection (c). The Secretary may include in the report a request for additional authority, if necessary, to carry out subsection (c). In addition, the report shall include information regarding the efforts of the executive branch to carry out subsection (a)(3).

SEC. 4. PRESIDENTIAL WAIVER.

The President may waive the application of any condition or prohibition imposed on any person pursuant to this Act, if the President determines and reports to the Congress that the continued imposition of the condition or prohibition would have a serious adverse effect on the vital national security interests of the United States.

SEC. 5. REPORT BY THE PRESIDENT.

If the President recommends in 1995 that the waiver referred to in section 2 be continued for the People's Republic of China, the President shall state in the document required to be submitted to the Congress by section 402(d) of the Trade Act of 1974, the extent to which the Government of the People's Republic of China has made progress during the period covered by the document, with respect to—

(1) adhering to the provisions of the Universal Declaration of Human Rights,

(2) ceasing the exportation to the United States of products made with convict, force, or indentured labor,

(3) ceasing unfair and discriminatory trade practices which restrict and unreasonably burden American business, and

(4) adhering to the guidelines and parameters of the Missile Technology Control Regime, the controls adopted by the Nuclear Suppliers Group, and the controls adopted by the Australia Group.

SEC. 6. SANCTIONS BY OTHER COUNTRIES.

If the President decides not to seek a continuation of a waiver in 1995 for the People's Republic of China under section 402(d) of the Trade Act of 1974, the President shall, during the 30-day period beginning on the date that the President would have recommended to the Congress that such a waiver be continued, undertake efforts to ensure that members of the General Agreement on Tariffs and Trade take a similar action with respect to the People's Republic of China.

The CHAIRMAN. No amendment shall be in order except the amendments printed in House Report 103-673, which may be offered only by the Member designated in the report, shall be considered as read, and shall not be subject to amendment. Debate on each amendment will be equally divided and controlled by the proponent and an opponent of the amendment. If more than one of the amendments printed in the report is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House.

It is now in order to consider the amendment numbered one in House Report 103-673.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HAMILTON

Mr. HAMILTON. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. HAMILTON:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-China Policy Act of 1994".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economic, social, political, and cultural welfare of the people of China, who constitute one-fifth of the world's population, is a matter of global humanitarian concern.

(2) By virtue of its size, its economic vitality, its status as a nuclear power, and its role as a permanent member of the United Nations Security Council, China plays a significant role in world affairs.

(3) The United States policy toward China involves balancing multiple interests, including promoting human rights and democracy, securing China's strategic cooperation in Asia and the United Nations, protecting United States national security interests, controlling the proliferation of weapons of mass destruction, promoting a peaceful and democratic transition in Hong Kong, and expanding United States economic contact with China.

(4) United States policy toward China must include as a key objective the promotion of internationally recognized human rights. Specific priorities and methods should be appropriate to the circumstances. Engagement with China rather than its isolation is more likely to foster United States interests.

(5) The opening of China to the West, the adoption of free market economic reforms, the emergence of a strong and entrepreneurial economy that ensures the rise of a Chinese middle class; all have led to expanded individual freedom, a weakening of state control over personal expression, access to the media in the United States, Hong Kong, and the West, and major improvements in living standards for the Chinese people.

(6) United States policies that encourage economic liberalization and increased contact with the United States and other democracies foster respect for internationally recognized human rights and can contribute to civil and political reform in China.

(7) The President's policy statement of May 26, 1994, provides a sound framework for expanding and extending the relationship of the United States with China while continuing the commitment of the United States to its historic values. The United States must develop a comprehensive and coherent policy toward China that addresses the complex and

fast-changing reality in that country and promotes simultaneously the human rights, diplomatic, economic, and security interests of the United States toward China.

(8) The United States has an interest in a strong, stable, prosperous, and open China whose government contributes to international peace and security and whose actions are consistent with the responsibilities of great power status. Whether those expectations are met will determine the breadth, depth, and tone of the United States-China bilateral relationship.

(9) Peace and economic progress in East Asia is best assured through a web of cooperative relations among the countries of the region, including China and the United States. The emergence of a militarily powerful China that seeks to dominate East Asia would be regarded as a matter of serious concern by the United States and by other countries in the Asia-Pacific region.

(10) Yet China's performance has been uneven on a number of issues of concern to the United States. In particular, the Chinese Government has failed to observe internationally recognized human rights. In this regard the Congress makes the following declarations:

(A) The Chinese Government itself has made commitments to observe universal human rights norms.

(B) Human rights have universal application and are not solely defined by culture or history.

(C) Chinese policies of particular concern to the United States are the criminalization of dissent, the inhumane treatment in prisons, and the serious repression in non-Han-Chinese areas like Tibet.

(11) Genuine political stability in China and greater respect for internationally recognized human rights, as well as continued economic growth and stability, will only occur in China as a result of a strengthened legal system (based on the rule of law and property rights), the emergence of a civil society, and the creation of political institutions that are responsive to public opinion and the interests of social groups.

(12) China has entered a major transition in its political history which will determine the nature of the domestic system, including respect for internationally recognized human rights, and the Chinese Government's foreign policy. The Chinese Government should accelerate the process of reform of all aspects of Chinese society.

(13) Existing official bilateral and multilateral institutions provide useful venues for engagement with China concerning the rule of law, civil society, respect for internationally recognized human rights, and political institutions that provide humane and effective governance.

(14) American nongovernmental and business organizations, in their various forms of engagement in China, have contributed in that country to the initial emergence of civil society, the strengthening of the legal system, and the expansion of economic autonomy.

SEC. 3. RECOMMENDATIONS FOR IMPLEMENTATION OF UNITED STATES POLICY.

Congress affirms the President's policy and makes the following recommendations for the conduct of United States policy toward China:

(1) The United States should continue a steady and comprehensive policy of pressing for increased Chinese adherence to international norms, especially those concerning internationally recognized human rights.

(2) Of particular concern to the United States are the following:

(A) The accounting and release of political prisoners.

(B) Access to Chinese prisoners by international humanitarian organizations.

(C) Negotiations between the Chinese Government and the Dalai Lama on Tibetan issues.

(3) The official dialogue with the Chinese Government on human rights issues should continue and be intensified.

(4) As he considers appropriate, the President should use other available modes of official interaction with China to pursue initiatives that are relevant to promoting increased respect for human rights in China.

(5) The United States should expand broadcasting to China, through the Voice of America and Radio Free Asia.

(6) The United States should work through available multilateral fora, such as the United Nations Human Rights Commission, to express concerns about human rights in China and to encourage Chinese adherence to, and compliance with, international human rights instruments. At all appropriate times, the United States should work toward and support joint actions to address significant problems. In particular, the United States should seek to secure the participation of other governments in overtures to secure the accounting and release of political prisoners, to encourage access to Chinese prisoners by international humanitarian organizations and negotiations between the Chinese Government and the Dalai Lama.

(7) Where possible, the United States should take further steps to foster in China the rule of law, the creation of a civic society, and the emergence of institutions that provide humane and effective governance.

(8) To better carry out the recommendation in paragraph (7), the Secretary of State should encourage United States posts in China to increase reporting on the human rights situation, the rule of law, civil society, and other political developments in China, and to increase appropriate contacts with domestic nongovernmental organizations.

(9) United States non-governmental organizations should continue and expand activities that encourage the rule of law, the emergence of a civic society, and the creation of institutions that provide humane and effective governance.

(10) When considering the termination of the suspensions of United States Government activities enacted in section 902(a) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, the President should explore whether such terminations could be used to elicit specific steps by the Chinese government to enhance respect for internationally recognized human rights or correct abuses of such rights.

SEC. 4. UNITED STATES GOVERNMENT PROGRAMS SUPPORTING HUMAN RIGHTS IN CHINA.

(a) STATEMENT OF POLICY.—Concerning the promotion of human rights in China, it shall be the policy of the United States to promote the following objectives:

(1) An effective legal system, based on the rule of law.

(2) Respect for internationally recognized human rights.

(3) The emergence of civil society.

(4) The creation of institutions that provide humane and effective governance.

(b) FACTORS.—In determining how to carry out the objectives stated in subsection (a), the President should consider the following factors:

(1) The circumstances under which it is appropriate to provide support to organizations and individuals in China.

(2) The circumstances under which it is appropriate to provide financial support, including through the following means:

(A) Directly by the United States Government.

(B) Through United States nongovernmental organizations which have established a sound record in China.

(3) The extent to which the objectives of subsection (a) should be promoted through exchanges, technical assistance, grants to organizations, and scholarships for advanced study in the United States.

(4) How to assure accountability for funds provided by the United States Government.

(c) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1995.—

(1) Of the amounts authorized to be appropriated for education and cultural exchange programs of the United States Information Agency for fiscal year 1995, up to $1,000,000 is authorized to be available for programs to carry out the objectives of subsection (a).

(2) In addition to such amounts as may otherwise be made available for broadcasting to China for fiscal year 1995, of the amounts authorized to be appropriated for international broadcasting for fiscal year 1995, an additional $5,000,000 may be used for broadcasting to China.

SEC. 5. INTERNATIONAL HUMANITARIAN ORGANIZATIONS.

It is the sense of Congress that, in the event that international humanitarian organizations undertake activities in China related to the treatment of prisoners, the President should make available an additional contribution to those organizations to support such activities.

SEC. 6. PRINCIPLES TO GOVERN THE ACTIVITIES OF UNITED STATES BUSINESS IN CHINA.

(a) IN GENERAL.—Congress endorses President Clinton's efforts to work with the leaders of the United States business community to develop voluntary principles that could be adapted by United States companies doing business in China to further advance human rights and commends United States companies that have previously adopted such principles or are considering taking such action.

(b) OTHER COUNTRIES.—Congress urges the President to encourage other governments to adopt similar principles to govern the activities of their business organizations with activities in China.

SEC. 7. PERIODIC REPORTS.

Not more than 180 days after the date of the enactment of this Act and annually for the 2 subsequent years, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate, a report (in a classified form in whole or in part as necessary) which reviews for the preceding 12-month period those activities supported by the United States Government to promote the objectives stated in section 4(a).

SEC. 8. COMMISSION ON LAW AND SOCIETY IN CHINA.

The President is authorized to establish a United States commission on law and society in the People's Republic of China to undertake the following responsibilities and such other duties as the President considers appropriate:

(1) To monitor developments in China with respect to the following:

(A) The development of the Chinese legal system.

(B) The emergence of civil society.

(C) The development of institutions that provide humane and effective governance.

(2) To engage in an ad hoc dialogue with Chinese individuals and nongovernmental organizations who have an interest in the subjects indicated in paragraph (1).

(3) To report to the President and to the Congress the commission's findings regarding the subjects identified in paragraph (1) and its discussions with Chinese individuals and organizations concerning those subjects.

(4) To make recommendations to the President on United States policy toward China in promoting the objectives identified in section 4(a).

(5) To assess and report to the President and the Congress on whether the creation of a United States-China Commission on Law and Society would contribute to the objectives identified in section 4(a).

Amend the title to read as follows: "Concerning United States efforts to promote respect for internationally recognized human rights in China.".

The CHAIRMAN. Under the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Is the gentleman from New York [Mr. GILMAN] in opposition to the Hamilton amendment?

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New York [Mr. GILMAN] will be recognized for 15 minutes in opposition.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, the question the House faces in consideration of HR 4590, offered by my good friend, the gentlewoman, from California, is not whether human rights should be a central objective of the United States policy toward China. We both agree that it should.

The question is how best to promote all United States interests in China. The choice is clear cut. Do we promote our security, economic and human rights interests in China through engagement, or through confrontation?

The Pelosi bill represents a policy of confrontation. It continues the linkage between trade and human rights, and it will increase tariffs on half of China's exports to the United States.

The Hamilton Amendment endorses a policy of engagement. It is the President's policy. It is a policy of engaging China in a web of cooperation. It delinks China's MFN status from its human rights record, and urges that we pursue our human rights objectives and other important interests through more effective means.

PELOSI APPROACH: COSTS, BUT LITTLE GAIN

Passage of the Pelosi bill would bring heavy costs but few benefits.

First, it would seriously damage U.S. security and political interests. According to Secretary of Defense William Perry, it could have "adverse consequences" for the "nation's security." If we pass this bill, China could undermine our policy in North Korea, block sanctions resolutions at the United Nations, and increase tensions with Taiwan.

Second, the Pelosi bill would seriously damage U.S. economic interests.

If we denied MFN treatment for half of its exports to the United States, China would surely retaliate against United States exporters. Our exports would plummet. Our trade deficit would soar.

According to Commerce Secretary Ron Brown, the Pelosi bill has "potentially devastating consequences" for our current exports, for our future competitiveness in the Chinese market, and our global competitiveness in key high-tech industries.

Besides jeopardizing current exports to China, the Pelosi bill will endanger follow-on United States exports totalling $12 billion. In telecommunications alone, China will require imports of $3 billion during this decade.

Those are the costs of the Pelosi bill, and they are heavy. In return, we would get little. Human rights would not improve, and probably worsen.

China's leaders would conclude that the goal of U.S. policy was to bring down their regime. They would have no incentive to release political prisoners or negotiate with the Dalai Lama.

Chinese who favor political liberalization would be deprived of the freedoms they have.

Make no mistake about it: those in China seeking more political freedom want the United States to extend MFN, not end it or restrict it.

My amendment differs significantly from the policy of confrontation contained in the Pelosi bill:

The Hamilton alternative reinforces the President's policy, rather than undermines it. The Administration supports the Hamilton amendment and "strongly opposes" the Pelosi approach.

At a time of transition in China, my amendment promotes positive forces for change rather than provoking the negative elements of the Chinese regime.

The Hamilton Amendment protects and promotes all United States interests—security, economic, and human rights interests—in China.

The Hamilton alternative emphasizes a multilateral approach toward human rights in China instead of a go-it-alone approach.

I urge Members to vote for the Hamilton amendment and to support the President's policy toward China.

Members today have a clear choice. But they cannot have it both ways. Some have suggested it is possible to vote for the Pelosi amendment and the Hamilton amendment.

These two approaches cannot be reconciled. We cannot confront China one day and engage China the next. Members have to choose. I believe the choice is clear, and simple.

The Pelosi bill imposes severe costs on the United States, with little or no gain to the national interest.

The President's policy, contained in the Hamilton amendment, advances our national security, our economic well-being, and our interest in human rights. It gives us maximum leverage at a critical time in China.

The Hamilton Amendment:

Emphasizes the importance of human rights as a goal of United States China Policy.

Urges the Administration to work through international organizations such as the United Nations Human Rights Commission to press human rights concerns.

Reallocates existing United States funds for programs to promote human rights in China and for increased international broadcasting to China.

Urges American non-governmental organizations to dedicate more resources to human-rights-related activities in China.

Endorses the President's effort to work with United States businesses to create a voluntary code of conduct to govern business activities in China.

Authorizes the President to establish a United States commission to monitor human rights conditions in China.

Mr. Chairman, I reserve the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to H.R. 4891, the substitute amendment introduced late last week by Chairman HAMILTON. I am troubled by the fact that the Foreign Affairs Committee has not had an opportunity to address the issues in the Hamilton bill.

The Hamilton substitute does not refer to the issues raised by the Pelosi bill. It does not concern itself with our Nation's subsidization of the People's Liberation Army. I ask my colleagues, how can we rationalize giving trade benefits to the very same military forces that fought us in Korea and slaughtered the young peaceful protesters in Tiananmen Square?

I ask my colleagues to please consider—does it make any sense whatsoever to assist the only military force in the world that is still targeting the United States with nuclear weapons and is still testing nuclear weapons? The Hamilton bill does not address these problems that are so critical to our national security.

Many of the workers for the Chinese military industrial plants are not even paid. They are prisoners who peacefully protested for democracy and now toil to produce products that are dumped on our markets. The profits go to supporting an offensive Communist military machine that results in our own defense budget allocating resources to contend with this threat. Where is the logic in that equation.

Mr. Chairman, allow me to close by reminding our President of what he said in 1992 about President Bush's policy toward China and I quote:

> In China, the President continues to coddle aging rulers with undisguised contempt for democracy, human rights, and the need to control the spread of dangerous technologies. Such forbearance on our part might have been justified during the cold war as a strategic necessity, where China was a counterweight to Soviet power. But it makes no sense to play the China card now, when our opponents have thrown in their hand.

"A Strategy for Foreign Policy." Delivered by Governor Bill Clinton to the Foreign Policy Association, New York, NY, April 1, 1992.

Accordingly, I urge my colleagues to defeat the Hamilton substitute and to support the Pelosi bill.

□ 1750

Mr. Chairman, I reserve the balance of my time.

Mr. HAMILTON. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, conditioning the annual renewal of MFN on human rights objectives is a foreign policy stick that failed to produce the progress which we all seek from the Communist Chinese Government. This approach, debated in the House every year since 1990, is counterproductive to our goals of fostering the growth of freedom and democracy in that nation.

I welcomed President Clinton's decision on June 2 to extend MFN to China, and to formally delink human rights objectives from the annual extension of MFN. I will vote for the Hamilton substitute, H.R. 4891, because it affirms this policy and expresses my desire for the country to speak in unison on international problems.

In making his announcement, the President said that a policy of engagement gives us the best chance to achieve success in all areas of interest to the United States—human rights, weapons proliferation, and market access for our exports.

We need a strong and coherent policy which does not elevate a single United States interest above the others. We need a policy that is viewed with respect by China, and by our allies with whom we must cooperate if our pressure is to succeed.

I urge a "yes" vote on the Hamilton substitute.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN], a senior member of the Subcommittee on International Security, International Organizations and Human Rights.

Mr. BERMAN. Mr. Chairman, I rise in opposition to the Hamilton substitute, and in support of H.R. 4590.

I support H.R. 4590 because I believe it will offer moral support at a critical moment to both Chinese dissidents and those arguing for reform within the system. Although I do not expect this legislation to survive a veto and be enacted into law, I believe that a strong vote in its favor today can actually strengthen the President's hand in dealing with the Chinese Government, even as he explores other means for promoting the cause of human rights in China.

By the administration's own account, the human rights situation in China and Tibet remains deplorable. In announcing extension of MFN and delinking MFN from human rights, the President stated that "China continues to commit very serious human rights abuses".

The Secretary of State, in his recommendations to the President, noted that "Despite several significant prisoner releases, many more dissidents were detained, tried and sentenced during a nationwide crackdown on political and religious dissent." The Secretary also noted that new laws were codified which would abridge political and religious rights.

One might conclude from this that, since linking MFN and human rights appeared to be so ineffective, we have little to lose from trying the administration's approach. That would ignore the effect of the administration's mixed messages to the Chinese Government in the weeks and months before the decision. It would also overlook the very real possibility that, if the mere threat of a sanction was insufficient to extract concessions from a hard-line dictatorship intent on calling our bluff, the natural next step might be to actually do what we had threatened to do.

But most important is the obvious evidence of the Chinese Government's behavior in response to the new policy. The human rights situation has deteriorated as an immediate consequence of the President's decision.

On July 14, the first major political trial since 1991 began in Beijing to try 14 persons whom Amnesty International has declared prisoners of conscience. This is the largest joint political trial in many years. The defendants had been in detention for more than 2 years, and the trial had been postponed several times since September 1993.

In Tibet, Phuntsog Yangkyi, a 20-year-old nun, died from injuries sustained after she was severely beaten for singing nationalist songs. Her body was hurriedly cremated against the wishes of her family, making it impossible for them to arrange an independent medical investigation into the cause of death. Phuntsog Gyaltsen, a 36-year-old monk and prisoner of conscience, is reported to be seriously ill as a result of sustained beatings in Drapchi prison in Lhasa. According to unofficial sources, his body has become helpless, and he suffers from liver and stomach ailments. Nevertheless, he is compelled to continue hard labor such as digging, emptying toilets, and cultivating.

Five Tibetans were sentenced recently to 12 to 15 years imprisonment and 4 to 5 years disenfranchisement for nothing more than destroying a name plate on a government building and pasting up proindependence slogans.

What all this suggests is that the delinking of human rights and trade has had a negative effect on the position of reformists within the Chinese Government, and has emboldened the hard-liners. It is difficult under these circumstances to understand the administration's position that conditioning MFN on human rights was the right policy a year ago but is the wrong one now.

Perhaps if we had never threatened to restrict MFN unless the issues of human rights was satisfactorily addressed, I might today be persuaded that the two matters should not be linked. However, to have conditioned a particular privilege on human rights improvements, only to have the Chinese Government defy our concerns about human rights, compels some indication from the United States Government of the seriousness of our resolve to use trade sanctions.

If I felt that the administration is today considering adequate alternative instruments to promote our interest in human rights, I might still be persuaded that we ought not to use trade sanctions. However, I do not believe that adequate means are under consideration, and I see no alternative to the very precisely crafted approach of H.R. 4590.

Let me make clear at the outset that I am all for engagement with that great civilization. I accept that we must acknowledge the global importance of China, and the legitimacy of its people's aspirations to a better life. I also agree that our economic interests in the region suggest that we not fatally burden our trade relationship with China. However, our long-term interests are in siding with the Chinese people in their struggle against one of the most oppressive and violent governments in recent times.

I believe that H.R. 4590 is an intelligent and precise instrument of United States policy in China. It would leave the vast bulk of United States-China trade entirely free to accomplish the economic and political benefits that are claimed for it. While I applaud the President's ban on import of munitions, I believe that to be insufficient. In any case, that was a measure we needed to take to make our streets safer. The voluntary code of conduct for United States businesses, proposed by the administration, can have no effect at all on the behavior of the Chinese Government, and is in any case opposed by United States business.

H.R. 4590 would target for trade sanctions precisely those Chinese exports to the United States which bolster the Chinese Government's capacity to repress its citizens and build up the strength of the military and the state. I have reviewed the administration's arguments against this modest approach, and I am not persuaded by them.

The administration suggests that it is extremely difficult to assess exactly what products are covered by the act, but then proceeds to suggest that it estimates that the value of goods covered by the act would be $17 billion. I fail to understand how this estimate is arrived at if indeed there is such great doubt about the goods covered.

In fact, the goods to be covered are quite specific, and procedures are provided for determining them. Products made by the Chinese armed forces or their subsidiaries, as determined by the Secretary of the Treasury, and specified classes of goods from a U.S. Tariff Schedule which are provided by State Owned Enterprises, also determined by the Secretary of the Treasury. While the administration argues the worst case that almost any company that received subsidized inputs could be defined as a state owned, H.R. 4590 provides a clear exception for collective, cooperative, private or foreign enterprises.

Most significant of all is the provision of H.R. 4590 which allows the President to waive any restriction that he determines would have a serious adverse effect on the vital national security interests of the United States. Thus, the legislation would not hobble our Nation's capacity to pursue other aspects of our relationship with China.

Even were the Chinese Government to engage in fraud to evade the restrictions, we already have in place instruments and procedures for determining the origin of goods, for purposes of trade law enforcement.

Reliable estimates of the value of defined types of imports suggest that approximately goods worth about $5 billion would be subject to higher tariffs. Given the fact that China would still have a trade surplus of approximately $20 billion with the United States, it defies credibility to suggest that they would retaliate against United States businesses, risk counter-retaliation, and kill the goose that lays the golden egg.

Even if the goods at stake were worth the $17 billion inaccurately estimate by the administration, we would still the only major nation running a substantial trade deficit with China. I must note that the United States buys 40 percent of Chinese exports, while China buys 2 percent of United States exports. Which nation depends more on this trade relationship?

I believe that the approach of the substitute, which reflects the administration's policy, towards the promotion of human rights, is an ineffective instrument.

The only substantive provision of the substitute relate to educational and cultural exchange programs of the United States Information Agency [USIA], broadcasting, and the Commission on Law and Society in China. The provision on USIA programs makes no new money available, and adds nothing to the President's existing authority to use existing funds for programs in China. The same is true of the broadcasting provision; whatever additional money was used for broadcasting to China would be at the expense of an already insufficient broadcasting budget. The Commission is a fine idea, although it is unclear how much force a private commission can add to the bilateral dialogue on human rights.

Moreover, even a significantly expanded broadcasting capacity, while important as one instrument of policy among many, cannot be relied on too greatly. It is noteworthy that in noting improvements justifying the extension of MFN, the President pointed to Chinese cooperation on jamming of United States broadcasts. Recent developments suggest that hope was ill-founded and that the Chinese Government remains as intransigent as ever.

Mr. HAMILTON. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, as President Clinton stated in May, conditioning trade as a policy tool has outlived its usefulness—particularly in our China policy. Instead, we must recognize—as this amendment does—that United States policies that engage China and promote economic liberalization, greater international trade, and increased contact with the West are the policies that contribute to civil and political reform in China.

Our bill affirms those beliefs and does not condition trade with China on specific actions by the Chinese Government. It sets forth a policy supporting human rights in China as a key United States foreign policy objective, but which does not undermine our national security and economic interests in China and the rest of Asia.

This debate is not about deals versus ideals. It is not about principle over profit. This debate is about constructing a United States foreign policy towards China and all of Asia that meets the diverse interests of the American and Chinese people.

We all agree on the importance of promoting respect for human rights in China. U.S. foreign policy must be based on deeply held moral and political convictions that derive from 200 years of experience with American democracy and over 2,000 years of Western civilization and Judeo-Christian values. Such values are now nearly universally accepted, regardless of a nation's religious faith or culture.

However, we should not use trade sanctions when sanctions will not achieve our interpretation of human rights in China and when the trade sanctions only hurt the very Chinese people we are trying to help. But do not listen to me, listen to what ordinary Chinese citizens are saying to the New York Times Beijing bureau chief. He says:

> Talk to Chinese peasants, workers, and intellectuals and on one subject you get virtual unaniminity: Don't curb trade.

For this reason, I encourage Members to vote yes on H.R. 4891.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, let me just stipulate that there are good and decent Members on both sides, and I believe that very deeply. And they both share the same goal.

Let me just say, as I was thinking, siting out there, what would we be doing in the Congress today if we were debating MFN in 1933 for Germany? What would we be doing?

We went back and got some telegrams and memos from Cordell Hull. On March 3, 1993, Cordell Hull reveals he had received reports that the entire Jewish population was "living under the shadow of a campaign of murder" scheduled to begin in a few days, but he "paid no credence to them."

The second cablegram, March 21, 1933, although the State Department admits the United States press was reporting widespread mistreatment of Jews in Germany, "telegrams thus far received from the embassy do not appear to bear out the gravity of the situation."

March 24, 1933, despite receiving pleas to take up the issue of the German Government, Cordell Hull was "of the opinion that outside intercession rarely produced the results desired and that frequently aggravated the situation."

I am enclosing for the RECORD those cables and also the New York Times article that said, in it, he stated, "in the opinion of the embassy, stabilization has been reached in the field of personal mistreatment, and there are indications that in other phases, the situation is improving."

□ 1800

Mr. Chairman, we all know what happened after that.

Please understand that I am not suggesting that the People's Republic of China in the 1994 version of the genocidal Nazi Germany. But as in the 1930's, when there was an unwillingness to believe the human rights violations could be occurring, I fear the world today may be naively turning away from the ongoing brutal repression in the PRC. The world should not be silent in 1994 as it was 1933.

If this bill fails, the issue of MFN for China may never come up again. The Chinese people will continue to be thrown into prison because if they dare to think independently, the Chinese military will continue to defy international pressure to improve its behavior, the Chinese martyrs will continue to believe that no one is there to comfort them, and the memories of Tiananmen will continue to fade.

Mr. Chairman, I must say that my sense is that many of the businesses, although they are good businesses, will no longer speak out. I really have not heard of the business community, which I generally support in this speaking out on this issue. In fact, I have been getting cablegrams from our intelligence agencies that have been saying the business communities have been very silent when they meet with the Chinese Government.

Mr. Chairman, I would urge my colleagues to support this, and hope that whatever we do, we will be vigilant on this issue from here on into the future.

Mr. Chairman, I include for the RECORD copies of telegrams and articles describing the situation regarding Jewish persecution in Germany:

DEPARTMENT OF STATE,
Washington, March 3, 1933.

The following appeared as an ASSOCIATED PRESS dispatch from London today in the PUBLIC LEDGER, Philadelphia:

"London Daily Herald said today plans were complete for Anti-Jewish program in Germany on a scale as terrible as any instance Jewish persecution in two thousand years."

The paper ascribed its information to "high source" and "whole Jewish population of Germany totaling six hundred thousand is living under shadow of a campaign of murder which may be initiated within a few hours and cannot be postponed for more than a few days".

While this Government is disinclined to lend credence to this report, it is causing widespread distress among a large section of the American people. You may, in your discretion, talk the matter over with the German Government and acquaint them with the apprehension and distress that is being felt here.

DEPARTMENT OF STATE,
Washington, March 21, 1933.

Press reports indicating widespread mistreatment of Jews in Germany, are causing deep concern and even alarm to a large section of our population. This is showing itself not only in press comment, but in a series of meetings and conferences, the most important of which is to be a mass meeting scheduled in New York for March 27. A delegation of important Jewish leaders called at the Department this afternoon.

Telegrams thus far received from the Embassy would not appear to bear out the gravity of the situation reported above. It is important, however, for us to have an exact picture of what is taking place. Please therefore telegraph us the facts as you see them, after consulting the principal Consulates, by telephone if necessary, with a view to ascertaining the situation throughout different parts of the country.

DEPARTMENT OF STATE,
Washington, DC, March 24, 1933.

Public opinion in this country continues alarmed at the persistent press reports of mistreatment of Jews in Germany. We are under heavy pressure to make representations in their behalf to the German Government. I am of the opinion that outside intercession has rarely produced the results desired and has frequently aggravated the situation. Nevertheless if you perceive any way in which this Government could usefully be of assistance, I should appreciate your frank and confidential advice. On Monday next there is to be held in New York a monster mass meeting. If prior to that date an amelioration in the situation has taken place, which you could report in form susceptible of release to the press, together with public assurances by Hitler and other leaders, it would have a calming effect.

[From the New York Times, Mar. 27, 1933]

NAZIS END ATTACKS ON JEWS IN REICH, OUR EMBASSY FINDS

WASHINGTON, March 26.—Mistreatment of Jews in Germany has virtually ceased, according to Secretary of State Hull, who conveyed this information today in telegrams to Dr. Cyrus Adler of Philadlphia and Rabbi Stephen S. Wise of New York, who came to Washington last week to protest against German treatment of Jews.

Mr. Hull said Germans felt that such a far-reaching political readjustment could not have taken place without some delay in reaching a state of equilibrium. The situation was improving, he asserted, largely as the result of demands for discipline by Chancellor Hitler and also the reiteration by Vice Chancellor von Papen of the necessity for a cessation of individual depredations.

The Secretary of State will continue to watch the situation, he said, but felt hopeful that conditions would soon become normal.

Secretary Hull's telegram to Rabbi Wise and Dr. Adler follows:

You will remember that at the time of your recent call at the department I informed you that, in view of numerous press statements indicating widespread mistreatment of the Jews in Germany, I would request the American Embassy at Berlin in consultation with the principal consulates in Germany to investigate the situation and submit a report.

A reply has now been received indicating that whereas there was for a short time considerable physical mistreatment of Jews, this phase may be considered virtually terminated. There was also some picketing of Jewish merchandising stores and instances of professional discrimination. These manifestations were viewed with serious concern by the German Government.

Hitler, in his capacity as leader of the Nazi party, issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade, and to avoid the creation of possibly embarrassing international incidents.

Later, von Papen delivered a speech at Breslau in which he not only reiterated Hitler's appeals for discipline but abjured the victors of the last election not to spoil their triumph by unworthy acts of revenge and violence which could only bring discredit upon the new regime in foreign countries. As a result, the embassy reports that the authority of the regular police has been reinforced.

The feeling has been widespread in Germany that following so far-reaching a political readjustment as has recently taken place, some time must elapse before a state of equilibrium could be re-established. In the opinion of the embassy, such a stabilization appears to have been reached in the field of personal mistreatment, and there are indications that in other phases the situation is improving.

I feel hopeful, in view of the reported attitude of high German officials and the evidences of amelioration already indicated, that the situation, which has caused such widespread concern throughout this country, will soon revert to normal. Meanwhile, I shall continue to watch the situation closely, with a sympathetic interest and with a desire to be helpful in whatever way possible.

CORDELL HULL,
Secretary of State.

LEADERS REPLY TO HULL

The American Jewish Congress, through its officers, announced last night that the organization had replied to Secretary Hull's telegram. The text of the reply was as follows:

In the name of the American Jewish Congress we wish to thank you for your prompt report on the situation in Germany, which confirms our fears that there has been "considerable physical mistreatment of Jews, picketing of Jewish merchandising stores, and instances of professional discrimination."

The American Jewish Congress notes your statement that Hitler "has issued an order calling upon his followers to maintain law and order, to avoid molesting foreigners, disrupting trade and to avoid the creation of possibly embarrassing international incidents."

We are deeply grateful for your assurances that you will continue to watch the situation closely with a sympathetic interest. For we feel that, in view of the official program of the Nazi party and its record of thirteen years disseminating hatred against the Jewish people, the Jews of Germany are in great and imminent jeopardy of life and property, of civil rights and religious liberty. Until the status of the Jewish citizens of Germany is safeguarded and the position of the non-national Jews is secured, the enlightened opinion of America must watch with profoundest anxiety the development of events in Germany.

May we repeat what we emphasized in the course of our visit to the State Department, namely, that we are moved by no feeling of unfriendliness or ill will to the German nation. Our concern is for the security of the Jews of Germany and the safeguarding of their human and political rights.

STEPHEN S. WISE,
Honorary President.
BERNARD S. DEUTSCH,
President.
The American Jewish Congress.

NEURATH DENIES RUMORS

BERLIN, March 26.—Foreign Minister Constantine von Neurath, ordinarily the Hitler Cabinet's silent man who seldom receives journalists, broke his silence today to throw the entire weight of his internationally known personality against what he considers "the deliberate, sudden rebirth of the vilification campaign conducted during the World War against the German Government."

Speaking quietly, but with an inner emotion that even his composed attitude of a man of the world could not hide, he declared:

"It is my duty, both because I must defend the honor of my people and because I am a responsible statesman, to warn the world against permitting the baneful spirit of calumny in vogue during the war to flare up again."

To a general question regarding the Federal Government's attitude toward news published in the foreign press or alleged acts of terror committed against different-minded persons, and especially Jews, Baron von Neurath replied:

"Even the best organized administrative apparatus would not suffice to go to the bottom of each and every one of these malicious false reports and deny them.

"I find no other explanation for the present propaganda unloosed against the German Government than to consider it a deliberate, sudden rebirth of the vilification campaign conducted during the World War.

"Just as Belgian atrocity stories then mentioned chopped-off children's arms, so there is talk today of allegedly gouged eyes and cut-off ears. One would really think that the foreign public, which meanwhile realized the untruth of the World War atrocity stories, would not so easily again be deceived by a new dishing-up of similar fairy tales.

SOCIALISTS FOUND UNINJURED

"How absurd such propaganda is you yourself experienced Tuesday. That very morning you could read of unbelievable atrocities committed on Messrs. Breitscheld and Wels, but in the afternoon you had the opportunity with your own eyes to see these two gentlemen participate in the Reichstag session. [Dr. Rudolf Breitscheld and Otto Wels are Socialist members of the Reichstag.]

"It would seem to me that this one reference renders unnecessary my dwelling on other details.

"If at the beginning of the national revolution certain excesses may have been committed by isolated individuals, then that is certainly regrettable. At the same time it must be said that never in history did a revolutionary upheaval occur like that which now is completed in Germany without an accompaniment of certain hardships.

"According to my opinion, the German people gave proof of their tremendous innate discipline by the fact that such arbitrary individual acts took place only in a few cases, and even then only in comparatively mild form.

"You will yourself have noticed that the energetic appeals by the Reich's Chancellor and Minister Goering, who several days ago decreed severest penalties for such like arbitrary acts by individuals, were thoroughly and unqualifiedly successful and that no more cases of unauthorized procedure became known.

"As concerns Jews, I can only say that their propagandists abroad are rendering their co-religionists in Germany no service by giving the German public, through their distorted and untruthful news about persecution and torture of Jews, the impression that they actually halt at nothing, not even at lies and calumny, to fight the present German Government.

"Why, even a prominent Jewish banker told one of your American colleagues, 'We reject all foreign interference. German Jews are hemen enough to help ourselves.'

"Actually, every visitor must agree that when he walks through the streets of Berlin even today he encounters Jews, poor as well as elegantly dressed, who are attending their business. Nobody has harmed them.

SAYS PRESS WAS DUPED

"It is most regrettable that not only the yellow press but even some papers of the highest standing have permitted themselves to be duped by this propaganda. For instance, a big American sheet wrote several days ago that foreign correspondents must submit their reports to a censor. You must admit this was not the case.

"In those few instances where telegraph authorities, on the basis of an international treaty, held up reports of foreign correspondents, their news items were either untrue or so distorted that their publication indubitably had to be considered dangerous to the State.

"That in times like these steps were taken against them can be considered by nobody who thinks impartially as an arbitrary interference with the freedom of the press. Amicable relations between peoples are not served if the press degrades itself to an organ for irresponsible, malicious rumor mongering.

"When, therefore, in this very frank talk I have spoken so sharply against this sort of propaganda by the foreign press, I did it not only because I must defend the honor of my people but because as a responsible statesman I also have the duty to warn the world against permitting the baneful war-time spirit of vilification to flare up again."

Mr. HAMILTON. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, I rise in support of the Hamilton substitute.

Mr. Chairman, this is not a debate about whether or not the United States should promote human rights in China. Of course we should.

We have a moral obligation to promote human rights in China. To turn our backs on more than a billion Chinese people would be to deny our own heritage and to dash the hopes of people around the world who have looked to the United States for inspiration.

Our own interests also demand that we promote human rights in China. One in every five human beings on the face of the Earth is Chinese, and the course of human rights in that nation will have a profound effect on the rest of East Asia and indeed the world.

This debate is about the best way to promote human rights in China. I readily admit that flexing our economic muscles by hitting the Chinese with immediate penalties is tempting. I have succumbed to that temptation in the past.

But the satisfaction of slapping economic sanctions on the Chinese is likely to be transitory. The blunt reality is that the Chinese Government will respond by throwing up greater defenses rather than by giving in to outside pressure. In the end, we could punish American consumers, workers, and businesses without helping Chinese citizens.

There is a better way—and it is already working. The greatest weapon in our democratic, free market arsenal is the example we set. By increasing our economic activity in China, we will be allowing the Chinese population to see firsthand how our system functions.

American companies operating in China are already providing educational, health care, housing and other benefits to Chinese employees. What better way to build a movement toward a Western-style economy and political system among Chinese citizens?

Those American initiatives, still in their infancy, will grow if our economic relations with China are allowed to grow. The result will be expansion of American businesses, more American jobs, a better deal for American consumers, and an example that the Chinese will not be able to ignore.

If, on the other hand, we try to use trade to solve a problem that it cannot solve, everyone will lose. We should not encourage Chinese Government hardliners to crack down further to protect themselves. And we should not allow our competitors in Europe and especially Japan to expand unchallenged in the largest market in the world.

Mr. Chairman, the time has come to replace a policy that will not work with one that will. The time has come to reach out to the Chinese people directly. Let us show some confidence in the power of our own system.

I urge my colleagues to support the Hamilton substitute and oppose the Pelosi substitute.

Mr. HAMILTON. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Hamilton amendment. I had prepared a substitute amendment of my own which I was prepared to offer today. However, I am pleased to say that Mr. HAMILTON has incorporated into his amendment the main features of my proposal as well as those of other Republican Members.

My substitute emphasized three principles which are now embodied in the Hamilton substitute. First, seeking areas where we can work to improve democracy in China right now. They include village reform, rule of law, and corruption. Second, expanding discussions with China on economic and trade issues. Finally, working with nongovernmental and multilateral organizations to raise the level of international concern about human rights in China.

The Hamilton amendment gives this House the opportunity to demonstrate a commitment to human rights and democracy in China that does not have to resort to the tired, failed policy of constant confrontation.

Mr. Chairman, no one in the House disagrees on the problems in China. Its human rights violations and predatory trade practices are well documented. Where we all appear to honestly disagree is in the approach we should take toward our goals in China

I give Bill Clinton a lot of credit for his May 26, 1994, decision to renew most-favored-nation status for China and end its linkage with human rights.

His decision recognized the fact that American policy toward China must be viewed within the context of many different issues and his decision provided a direction to address human rights and the other issues which divide our two countries.

It is unfortunate the media decided to portray the President's decision as a victory for "business over human rights." It is just not that simple. Human rights should continue as an important aspect of our policy toward China. But I also think we need to end this annual brinksmanship on MFN renewal.

A large number of House Members share that view. In May, 104 House colleagues joined JIM MCDERMOTT and me in a letter to President Clinton supporting unconditional renewal of MFN to China and urging the President to consider the creation of a bilateral human rights commission with China.

The Pelosi approach and the Hamilton approach are not complementary. The Pelosi approach proposes to sanction the Chinese but in a way that is both unworkable and detrimental to our efforts to enforce NAFTA and maintain our borders.

The Hamilton amendment takes a long-term, realistic approach. It is not a policy which seeks immediate gratification, but it is a policy which will achieve results.

I urge House Members to join us in this new direction by supporting the Hamilton amendment.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I have heard a lot of Members stand up on this floor and say that this is a matter of economic benefit for the United States. Let me remind my colleagues, to start our with, we are not talking about a $30 billion trade surplus for our workers. That would mean that we would be employing about 750,000 more workers with respect to trade than the other side. We are talking about a $30 billion trade deficit with China. That means if we talk about 25,000 jobs per billion dollars of economic activity, we have a jobs deficit with China, a jobs deficit which, if eradicated, would mean some $750,000 jobs for American workers.

Mr. DREIER. Mr. Chairman, will the gentleman yield on that point?

Mr. HUNTER. Mr. Chairman, I am not going to yield to the gentleman at this time. I am happy to meet with him in debate later.

Mr. Chairman, let me remind my friends, we are talking about 750,000 jobs that Americans could have if we did not have that deficit, Mr. Chairman. However, let us go to the heart of this issue. The heart of this issue is principle. An American President and an American candidate for the Presidency laid down a set of standards for the Chinese Government to follow, to hold the Chinese Government up to, and those standards we told them in no uncertain words would determine whether or not we would give MFN status to that government.

They have failed to meet the standard. The credibility of American foreign policy will be on the line if we go ahead and give them this status in light of their failure, and we are going to see failures around the world with other countries in exactly the same situation if we do not discipline ourselves to hold ourselves to the standard that we set.

Mr. Chairman, it has been said that if we give up this principle, in this case, we are going to get an economic benefit. I quarrel with that, but I think that any nation that gives up its principles to get a perceived economic benefit is going to end up with neither.

Mr. HAMILTON. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Chairman, I thank my friend, the gentleman from Indiana, for yielding time to me.

Mr. Chairman, I rise in very strong support of the Hamilton amendment. When President Clinton announced his comprehensive China policy on May 26, he set forth a clear strategy to achieve the goal that we all share.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. DREIER. I am pleased to yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, will the gentleman yield on my point that we have about a 750,000 job deficit on China? Maybe he would like to respond to that.

Mr. DREIER. Mr. Chairman, if I could reclaim my time, what I was trying to ask my friend is would he claim that those 750,000 jobs would all be right here in the United States? They would not be in other countries, in Indochina, they would not be in Latin America?

Mr. Chairman, the fact of the matter is that they would be.

Mr. HUNTER. Mr. Chairman, if the gentleman will let me answer, yes.

Mr. DREIER. Mr. Chairman, if the gentleman would make a claim that that trade imbalance is all of a sudden going to create a tremendous number of jobs here in the United States, that is a tremendous amount of baloney.

Mr. HUNTER. Mr. Chairman, my answer is yes, if we had a well-reasoned trade policy, those jobs would be in the United States, and this vast ocean of people who are on welfare in the United States, those people would have jobs.

Mr. DREIER. Reclaiming my time, Mr. Chairman, it is absolutely ludicrous to believe that we in the United States would be creating or manufacturing the kinds of goods that are created in China and other low-wage countries, because American workers are not going to be doing them. That is why this whole argument of this trade imbalance is absolutely ludicrous.

Mr. HUNTER. If the gentleman will yield, Americans have the right to buy from whoever they want to, if Americans want to buy from them.

Mr. DREIER. I am happy to further yield to the gentleman from California.

Mr. HUNTER. If they have that particular policy, yes, those 750,000 jobs that we are now in deficit to Red China on could be American jobs, my answer is yes.

Mr. DREIER. Mr. Chairman if I could reclaim my time, the gentleman is absolutely wrong, but I thank him for his very helpful contribution.

Mr. Chairman, I rise in support of the Hamilton amendment.

When President Clinton announced his comprehensive China policy on May 26, he set forth a clear strategy to achieve the goal we all share—to foster better human rights in China.

The Hamilton amendment incorporates that comprehensive strategy. It is unquestionably the best, most humane, most effective human rights policy.

We face a choice between feeling good, and doing good. Trade sanctions make us feel better, but they hurt the very people we want to help.

The Hamilton amendment will focus diplomatic resources on improving human rights in China. In addition, it will encourage the continued development of a market economy in China—the real hope for democracy and human rights.

Nicholas Kristoff, NY Times Beijing bureau chief, reported in May that if you talk to "Chinese peasants, workers and intellectuals, on one subject you get virtual unaniminity: Don't curb trade."

Those same peasants, workers and intellectuals would add: "Support the Hamilton amendment."

Mr. GILMAN. Mr. Chairman, I am pleased to yield the remainder of my time, 4½ minutes, to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman from New York, the ranking member of the Committee on Foreign Affairs, for yielding this time to me.

Mr. Chairman, I rise in opposition to the Hamilton resolution. Before speaking in opposition to it, however, I want to correct some representations that were made about my legislation on this floor.

Mr. Chairman, first of all, in the remarks of the gentleman from Indiana [Mr. HAMILTON], Mr. Hamilton said some damning remarks from Secretary of Commerce Ron Brown, saying that if we issued these sanctions against China terrible things would happen, both political and economic.

Mr. Chairman, the fact is that if we carry that to the next step, we are saying that we, the United States of America, cannot issue sanctions against China for trade violations as well. Right now we are giving China until the end of the year to deal with the gross violations and piracy of our intellectual property. If they do not comply, we in the United States will issue sanctions.

Mr. Chairman, is the message that the gentleman from Indiana [Mr. HAMILTON] and the Secretary of Commerce are making, is the message that they want to go forward that we will never issue sanctions for fear of retaliation, both political and economic? I certainly hope not.

However, Mr. Chairman, if it applies to intellectual property, it should apply in terms of human rights. If we can apply sanctions in one case for intellectual property, we should be able to apply them to intellectuals who are under arrest for professing their religious and political beliefs.

In addition to that, Mr. Chairman, I want to correct misrepresentations that our bill is not implementable, and that the Comptroller of the Customs Office is incapable of figuring out what companies are fronts for the People's Liberation Army and the Chinese industrial companies.

In fact, Mr. Chairman, the Chinese military advertises. They send out catalogs. It would take a 7-year-old who knows how to read to know what many, many, many of the companies are. I have them here for Members' review. It would take too much time to go through all of the names of their export commodities and the companies that would be easy for the Comptroller of the Customs to identify.

□ 1810

In turn if this bill is implemented, the tens of millions of dollars that it would reap could go into customs for them to be able to control the customs, because clearly they are having a problem now. The Chinese have bribed, and the customs officer was convicted, of receiving over $1 million in bribes from the Chinese Communist government.

Mr. Chairman, we have the names of the Chinese military industrial companies. The Defense Intelligence Agency produced a chart and the software to determine who these companies are. We did not issue this sanction frivolously, or put this in this legislation frivolously. Others have said it could apply to $18 billion. The legislation clearly uses the figure of $5 billion, ⅛ of the products coming in from China to the United States.

Mr. Chairman, fair is fair. Let us debate the issue. What priority do we give human rights in the scheme of things? How related to the fate of American workers are the human rights of others abroad? As I have said before, if countries repress their workers' rights, they will repress their workers' wages, putting our workers in unfair competition.

I can assure Members that if the Hamilton amendment prevails today, in 2 or 3 years the United States will have a trade deficit with China which will surpass our trade deficit with Japan.

Mr. Chairman, think about where we go from here. With all due respect to the distinguished chairman of the Committee on Foreign Affairs, his legislation is nothing, it does nothing, and if that is what Members want to vote for, then I understand that. But let us not represent that it is part of any comprehensive China policy.

It is what it is, it says that we are going to give money to human rights groups in China?

People who speak out for human rights in China are in jail in China. As I said earlier, the last person who met with a U.S. representative of our Government, Wei Jingsheng, has not been seen since. He is under arrest and being discredited by the Chinese regime.

Let me talk again about some other points. They talk about putting up to $5 million in Voice of America. Congress has already passed them by on this. We voted 318 votes in support of $10 million for Radio Free Asia, over the objections of the administration. The administration had said on the day of President Clinton's announcement that Radio Free Asia was going to be a priority of the administration. When the vote came to the floor, they said, "We have other priorities."

Mr. Chairman, we have been down this road. The bill does very little. If Members want to do nothing, vote for Hamilton. If Members want to take a tax break from the Chinese military, vote for Pelosi.

Mr. HAMILTON. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, this is one of the more difficult foreign policy issues the country and this Congress will face, difficult because perhaps the sentimental vote would be to vote for heavier economic sanctions. But after careful deliberation on the merits, and I have given this a great deal of thought, I do not see how we can isolate 1 billion people with economic sanctions. We cannot shut them out of the world economic or political community. We certainly cannot do it alone, and we will not do it alone. We will more effectively open up China and move that society toward openness through trade, integrating China into the world economic community.

In the aviation sector alone, the United States has considerable access to this market. Last year one out of every seven aircraft Boeing produced was sold and delivered to China. The estimates are that China will need $40 billion in new aircraft by the year 2010. Mr. Chairman, 45,000 American jobs have been generated from our aerospace industry trade with China.

I think the way to continue opening up China is through trade that opens doors rather than closes them.

Mr. HAMILTON. Mr. Chairman, to close the debate, I yield my remaining time to the gentleman from Washington [Mr. FOLEY], the distinguished Speaker of the House.

The CHAIRMAN. The distinguished Speaker is recognized for 4 minutes to close the debate.

Mr. FOLEY. Mr. Chairman, I rise in support of the Hamilton substitute to H.R. 4590. I believe we must improve human rights in China while at the same time preserving our common interests with China. The President's executive order on MFN for China is a good one, and the substitute reinforces the President's policy.

I want to commend my colleagues for their serious and obviously very sincere attention to this important and understandably emotional issue. I want to particularly pay credit to the gentleman from New York and the gentlewoman from California who have such deep personal concerns and an abiding commitment to their belief of what is right in supporting human rights in China.

This debate has been grounded in principles and convictions, and I think that makes it a good and important debate, but I believe, Mr. Chairman, that it is especially important for us to support the broad foreign policy interests of the United States as well as supporting human rights.

The President of the United States has been criticized in some quarters for an inconsistent or vacillating foreign policy, but he faces, as all Presidents do, difficult and sometimes almost intractable problems. Certainly the most important and difficult problem we face today internationally is the potential problem of confrontation with North Korea, and here the support and assistance of China has been essential in moving forward to develop an international consensus of how to deal with this serious and potentially destructive problem.

In addition, on issue after issue, China as a member of the Security Council is in a position to be of assistance in the orderly resolution of international concerns and problems, and we have had time and time again—from the Gulf war until recent days—the evidence of China's willingness to be cooperative. But that can change. We need not jeopardize our relationship with China in order to support human rights.

The question is not whether we will support other issues, such as the issues of our interest in expanding trade and in reaching solutions with China on missile technology and proliferation as well as human rights. We do not have to sacrifice a lack of concern and a lack of influence with respect to China on human rights in order to obtain other objectives in our relationship.

Mr. Chairman, I do not believe that sanctions against trade will add to the protection of human rights in China. The fundamental problem is that it is by expansion rather than by retraction of trade that we are most likely to influence the Chinese in a positive direction toward the respect of human rights.

What is our influence going to be if we were to take the draconian action of cutting or even severely restricting trade? Our word, our influence, our position , the position of our citizens will be less important in China than it will be if trade is expanded. If we give the ordinary Chinese worker and businessperson the opportunity to share in expanded trade, all of our recent experience has indicated that that rising economic interest, that expansion of trade, has broken down political resistance and restrictions on human rights in country after country.

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Our experience in Eastern Europe and the Soviet Union, virtually everywhere, has been that where there has been expanding economic opportunity, there has been a greater respect for human rights.

So the choice today is not between throwing away the interests and concerns that we rightfully have to advance human rights in China, but to do it in a way that is compatible with our other interests and concerns. We can do both. That is why the voluntary code of conduct embraced and applied by American business is such a good idea. That is why the Hamilton substitute is such a wise and I think important alternative today in this debate. Expanded trade will, I believe, take hold on fertile soil. The Chinese are yearning to participate in a broader economic opportunity. By expanding trade we will give ourselves the best change to influence them, their government, and their people toward expanded human rights.

I urge the support of the Hamilton substitute. It is the right time, the right policy; it is the right strategy for our long-term goals and to maintain our essential relationships with China and advance, not restrict, the human rights movement in China so important to this debate and to all of us.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise today in reluctant opposition to the Solomon and Pelosi measures which disapprove the extension of most-favored-nation status to the Peoples Republic of China. In the past, I have traditionally supported the legislation before us today. While I am still very concerned about human rights abuse in China, I am no longer convinced that revoking MFN status provides the correct answer. In fact, the termination of MFN may lead to a substantial deterioration of human rights in the Peoples Republic of China.

I certainly have strong reservations about granting MFN status to any nation that exhibits the current practices of the Chinese Government. However, I believe we can better improve the situation in China by exposing the Chinese people to free market principles and Western ideals. Historically, the Chinese have reacted negatively to isolationism.

Revoking MFN, in my opinion, would be counter productive from a human rights standpoint. Economic sanctions would harm the emerging Chinese private sector. Sanctions would serve to weaken those individuals in China who are championing the cause of economic and political freedom.

The United States currently has substantial economic interests in China. The United States currently exports about $10 billion in United States goods and services to the People's Republic of China. Revoking MFN status would seriously jeopardize one of the fastest growing export markets for United States manufactured goods. An export State like Connecticut would be devastated by passage of this legislation.

It is important to view United States-China relations from a national security standpoint. China is a permanent member of the U.N. Security Council and a very influential member of the international community. I believe that maintaining strong relations with the Chinese Government is in the best interest of the United States.

Again, I have come to the conclusion that increased trade and the continued presence of Western business is the best way to bring about reform. Many of my colleagues will try to suggest that supporting MFN for China represents opposition to human rights. As a strong advocate of human rights, I want to say that nothing could be further from the truth. There is not one Member of Congress that would not like to see an end to the human rights abuses in China.

Since I have been on the other side of the fence on this issue, I certainly understand the arguments and rationale of the other side. However, after carefully reviewing this issue, I believe that promoting capitalism offers the Chinese people the best prospect for freedom.

In closing, I urge my colleagues to make the rough vote and do what is best for the Chinese people. Support the Hamilton substitute and oppose the Solomon and Pelosi resolutions.

Mrs. LLOYD. Mr. Chairman, I rise today in support of the Hamilton amendment to H.R. 4590 which would reinforce the President's decision to de-link human rights with most-favored-nation status for the People's Republic of China.

Human rights violations in China and other developing nations have always concerned me. The citizens of the PRC face some of the most oppressive conditions in the world. Freedom of thought, expression, association, and religion are rights on which this country was founded, and rights which the Chinese still hope to achieve. Many of my colleagues have argued that such blatant abuses of human rights warrant the removal of MFN status.

In fact, in the past I have voted against extension of MFN for China for these same reasons. However, as I have studied the issue more closely over the past year and consulted with many of my colleagues in Congress and academia, I have reconsidered my opposition.

Since the Chinese Government enacted economic reforms in 1979, the PRC has begun an incredible transition. Premier Deng Xiaoping could not have imagined that in 1994 he would be presiding over the fastest growing economy in the world.

As the Chinese people continue to gain affluence, I believe the Communist government will have a much more difficult time suppressing the desire for basic human rights. As history has shown, ideas follow trade. I believe economic and political engagement is the best course to promote democratic ideals, rather than by withdrawing our growing presence in China.

The Hamilton alternative offers a realistic, multilateral means of promoting human rights, such as working through forums like the U.N. Human Rights Commission, rather than actions like economic sanctions which will be counterproductive. It also preserves the broad range of security, diplomatic, and economic interests that we share with China, rather than provoking the Chinese Government into retaliation against United States companies doing business there.

Trade in China is a very difficult issue. However, as we attempt to settle this issue once and for all, Congress must carefully balance the interests of United States businesses which seek to take advantage of the enormous Chinese market with the desire to improve human rights in the world's most populous nation. I believe the Hamilton amendment strikes that balance.

Mr. BALLENGER. Mr. Chairman, I rise in support of continuing most-favored-nation [MFN] trade status with China. I, therefore, oppose any legislation that attempts to overturn the President's decision to extend MFN status or that places economic sanctions on China.

However, we should not remove the issue of human rights from the picture. We must continue to pursue human rights as an important foreign policy objective and implement new initiatives to strengthen the current focus. We must continue to engage the Chinese actively on human rights on a broad front through diplomatic, multilateral and nongovernmental means. These contacts, combined with aggressive efforts to promote human rights, are more likely to encourage constructive change in China.

I firmly believe that the United States can do more to advance the cause of human rights and protect other American interests if we engage the Chinese in political and economic cooperation and contacts. Social freedoms are a direct result of economic liberalization. However, by placing restrictions on or removing all of China's trade privileges, we are isolating that country will lose any chance of improving human rights in China.

Perhaps as much as $17 billion in United States imports from China might be affected by removing MFN privileges. Retaliation by China would place at risk the approximately $9 billion in annual United States exports to China, as well as nearly 180,000 United States jobs. This would in turn greatly affect the U.S. economy. In the end, punishing China would be counterproductive from all perspectives.

I am supporting Representative HAMILTON's substitute to maintain MFN trade status for China. This substitute would fund programs to promote human rights; authorize increased funding for broadcasting to China; urge United States businesses to adopt a voluntary set of principles to govern their activities; and authorize the President to establish a commission to monitor human rights conditions in China. Mr. Chairman, we must not isolate China, continue MFN trade status.

Mr. DOOLEY. Mr. Chairman, I rise today to express my opposition to efforts to link extension of most-favored-nation trading status for

China to human rights practices. I fully support President Clinton's position that human rights improvements can be made through other more effective means.

China is becoming an increasingly important trading partner for the United States. While it is clear that human rights violations continue to be a problem in China, cutting off trade relations will not improve their situation. Instead, the United States needs to remain an active economic participant with China and keep communication open.

There is no doubt that the Chinese Government would retaliate against the United States for cutting off MFN status. With the United States becoming an increasingly important market for Chinese products, there is no doubt that retaliation would be severe. Efforts to increase United States exports to China would be damaged.

The United States business community overwhelmingly supports extension of MFN-status for China because they recognize the importance of this large market for increased sales. The economic well-being of the United States lies in our ability to continue to build and maintain international markets. Severing relations with China is counter-productive in this effort.

The President has laid out a comprehensive plan to improve human rights practices in China. This plan includes increased international broadcasts to China, development of a set of voluntary principles for doing business in China, and expanded multilateral efforts to improve human rights in China.

In closing, it would be easy to vote to deny MFN-status for China and think that we were making progress in addressing the very serious human rights problems in that country. However, that vote would not materialize into actual changes in China. By remaining engaged and renewing our commitment to work toward improved human rights conditions in China we are benefiting both the citizens of China and the United States. I urge my colleagues to vote to support the President's policy on China MFN.

Mr. FALEOMAVAEGA. Mr. Chairman, I have the deepest and utmost respect for my colleagues the gentlewoman from California [Ms. PELOSI] and the gentleman from New York [Mr. SOLOMON] for their leadership and concerns on the issue that is before us.

Obviously, the question of granting MFN status for China is not one that can be easily labeled as black or white—there are many grey areas that just cannot be defined in simple terms.

Yes, China has serious human rights problems—but so is the fundamental right to provide a basic meal for some 1.3 billion people living in the most populous nation on Earth.

Mr. Chairman, since the founding of the People's Republic of China in 1949, the population of that country was at 400 million—almost double the population of our country today—but some 45 years ago.

If we are asking China to make improvements on its human rights record, are we also exacting the same expectations from other nondemocratic countries? Is this institution placing appropriate pressures on the State Department and the President to make sure that human rights issues are evenly applied against those countries with similar records?

Mr. Chairman, my understanding in discussing the MFN issue with Chinese officials is simply this—if you, the Congress and President of the United States do not grant MFN status, obviously it will affect our economy, but we will continue to do the best we can under the circumstances. But it is your decision to make, not ours. And quit being so arrogant and self-righteous about human rights violations—examine your own history and see how long it took for certain segments of your society to have their civil rights finally recognized and restored.

Mr. Chairman, China several weeks ago did in fact explode an underground nuclear device, and much against the wishes of the nuclear-club countries, including our own Nation. But, Mr. Chairman, let's examine the record. Since 1945, the United States conducted 215 nuclear explosions in the atmosphere, and 812 nuclear explosions underground. Since 1949, the former Soviet Union exploded 207 atmospheric tests and 508 underground tests. France, since 1961, conducted 45 atmospheric tests and 147 underwater detonations. For China, since 1964, PRC has exploded 23 atmospheric tests and 17 underground detonations. Mr. Chairman, the record speaks for itself.

Mr. Chairman, I support the President's policy on China and after careful examination of the legislation, I believe Chairman HAMILTON's bill best provides a balanced focus not only of our fundamental foreign policy toward China, but to promote and enhance a market economy not only for China, but for as many countries throughout the world.

Mr. Chairman, even the major dissidents in China support MFN status for China.

Mr. Chairman, the Hamilton substitute works toward progress in human rights in China without exacting a terribly high price: the loss of face of the Chinese government, with the undermining of SINO-United States relations the net result.

The Hamilton measure supports engagement with China by increasing funds for USIA exchange programs and radio broadcasting to the country, and reinforces the President's call on the United States business community in China to promote human rights with a voluntary code of conduct. The bill further encourages the establishment of a commission to monitor human rights advancement in China.

These are good and constructive steps that will ensure that human rights progress shall continue in China, while fostering a strong and cooperative relationship between our nations to address the spectrum of interests we share. I cannot more strongly urge our colleagues to support the Hamilton substitute.

Mr. MICHEL. Mr. Chairman, I rise in opposition to H.R. 4590 which would provide conditions for renewing most-favored-nation treatment for the People's Republic of China.

Let me begin with a story that might put this debate into context: The great American journalist, H.L. Mencken, used to receive a lot of mail from critics and supporters of his controversial views. Because of the great volume, he was unable to answer all of them individually. So he came up with an all-purpose answer which he sent to anyone who wrote to him, supporter or critic. This is what it said.

Dear Sir or Madam: For all I know, you may be right. Sincerely, H.L. Mencken.

I feel the same way about the proposal offered by Ms. PELOSI. For all I know it may be right, but I don't think so. I disagree with the bill because I do not believe it will work. And I believe that if it were ever passed, the Chinese Communists would take its very passage as an unacceptable diplomatic rebuff.

They would retaliate against American workers and employers, not to mention the Chinese who support free enterprise.

But there is no way we can be certain of these things. Each of us has to look at the complicated issues and then make up his or her mind. There is no moral high ground in either position. Each side is trying to help human rights.

I happen to believe the course followed by President George Bush and now by President Clinton is the right course, a course of engagement. The United States exported over $8 billion worth of goods to China last year. Those exports supported 150,000 American jobs.

Why put those jobs at risk?

In my view, we cannot risk walking away from our relationship with such an historically great and potentially powerful people as the Chinese. Equally important, the Chinese people can't risk it. Do the Chinese Communist leaders benefit by the current arrangement? Of course they do. No one denies that, but this benefit to the Communist leaders is, in my view, a short-lived one.

It is a side-effect of a powerful medicine whose long-range effects can eventually cure the evil of human rights abuses in China. The name of that medicine is economic freedom. Taken in consistent large doses, over a long period of time, it can help to bring economic and political health to the Chinese people.

So I urge our colleagues to vote no on this well-intentioned, but, in my view, ultimately unworkable bill.

Mr. DICKS. Mr. Chairman, I rise in strong support of the balanced approach to our policy with China encompassed in the Hamilton substitute and in opposition to the approach advocated by the gentlelady from California.

The President has undertaken what I believe is a prudent and effective approach to our relations with the People's Republic of China. He has clearly indicated his intention to pursue our very legitimate concerns in areas such as human rights, arms proliferation, and unfair trade. At the same time he has chosen not to abandon constructive dialog with the most populous nation in the world. He concluded that ending direct linkage between trade policy and other foreign policy goals, including promotion of human rights and nuclear nonproliferation, will enhance the prospect for success on all fronts.

The Hamilton substitute codifies the steps that the administration pledged to undertake in May to demonstrate its continued commitment to human rights issues in China. It includes increased authorizations for Radio Free Asia broadcasts. It enhances United States support for Red Cross prisoner visits in China. It endorses a code of conduct for United States businesses operating in China. And it establishes a United States Commission on Law and Society in China to act as human rights watchdog.

But it does not jeopardize our overall political and economic relationship in a way that could well prove counterproductive for both nations and undermine our ability to cooperatively deal with real crises such as the situation in North Korea.

Currently, there is a sizable trade imbalance between our nations. To some extent that reflects unfair trade practices that we have to resolve, just as is the case with Japan and other nations. But to a very large extent this is more a reflection of shifting trends among East Asian exporters since our overall trade picture with the region has not dramatically changed.

But importantly, we are on the threshold of fully tapping the immense Chinese market for American exports. China's economy is expanding two and one-half times faster than the economies of North America and Europe. Economists estimate that the $9 billion in goods and services we exported to China in 1993 translate into 170,000 jobs. The impact on the financially strapped aerospace industry is especially significant. In 1992 China was the only commercial aircraft customer for McDonnell Douglas. For Boeing, China represented 17 percent of its total sales, nearly matching all its domestic sales. For the future, industry analysts put the China aerospace market at $40 billion.

Because of this high leverage, and high visibility, the Chinese have made no secret that aerospace industry will be the first to bear the burden of retaliation. But there are also sizable potential markets for a wide range of American products, such as computers, medical instruments, power generating machinery, and even apples, which were shipped to China for the first time recently. This potential will never be realized if we slip into a full-fledge trade war.

H.R. 4590, the Pelosi bill, purports to take a middle approach that focuses on enterprises most closely linked to the Chinese Government. But the Department of State has advised us that the definition of state-owned enterprises included in the bill "can be read to encompass almost the entire industrial base of China." It is certain to precipitate a long list of legal challenges over which firms should be on the list, and which should not.

In addition, frequently those products of township and village enterprises go through wholesalers or exporters who would fit the state-owned enterprise definition, and thus undermine the very kind of grassroots small businesses we would like to see nurtured in China. On the other hand, major firms can creatively reorganize the skirt the definitions in the act. The bottom line is that the mechanism that H.R. 4590 seeks to establish is simply unworkable.

President Clinton summed up the argument well in his August 4 letter to House Members:

> Legislation restricting MFN will isolate China, undermine U.S. interests from nuclear security to human rights and cost tens of thousands of Americans their jobs. Legislation supporting the Administration's policy will place our relations with China on sound footing and give us maximum leverage to bring about the change we seek in China.

I urge support for the Hamilton substitute.

Mr. LEACH. Mr. Chairman, I certainly concur with the thrust of the Hamilton substitute. The development of a civil society based on the rule of law is far more likely to advance human rights in China than the unilateral sanctions approach of the Pelosi bill.

I would simply note that the administration crafted its initial Executive order approach precisely in order to obviate today's congressional action on China. That this body is again engaged in debate on China-MFN is an irony of extraordinary dimensions.

In any regard, I want to turn to the most important issue in Sino-American relations today: cooperation in peacefully resolving the North Korean nuclear crisis.

North Korea is clearly the paramount national security challenge confronting the United States today. In stark contrast to other regional trouble-spots such as Haiti—where no vital United States interests are at stake and no convincing rationale has yet been advanced for an American invasion—our interests in stability on the Korean Peninsula and nuclear nonproliferation are both compelling and in jeopardy.

It is premature to suggest that "the crisis is over," and that China's role may yet prove peripheral. Bilateral negotiations with the DPRK are proceeding in Geneva. All of us naturally hope that a breakthrough will soon occur.

But given North Korea's history of ignoring its commitments, great caution is in order. We must fully expect that in the weeks ahead North Korea will again seek to test American leadership and resolve.

In this context, Sino-American cooperation will likely be crucial to any credible multilateral strategy for peacefully resolving the North Korean nuclear crisis.

The reasons are obvious: China is a permanent member of the U.N. Security Council, it is an important actor in Northeast Asia, and it maintains the most extensive—though not always decisive—leverage with North Korea of any outside power.

China remains North Korea's most important bilateral relationship. The two Communist parties maintain ties. A 1961 defense treaty remains in force. China is also the DPRK's largest trading partner. According to the Hong Kong daily Ta Kung Pao, China provides the DPRK with about 72 percent of all its grain imports, 75 percent of the petroleum, and 88 percent of all coal.

Nevertheless, the United States and China share an impressive identity of interests in Korea.

China clearly favors a nuclear-free Korean Peninsula. It helped get North Korea to reach a safeguards agreement with the IAEA. It has not obstructed action in the U.N. Security Council and in one case even sponsored a relevant statement on North Korea.

The PRC also has an interest in maintaining peace and stability in Korea. It has extensive interests in northeast Asia that would be jeopardized by conflict in Korea. North Korea is also a close neighbor, and the gateway to Manchuria, where a large Korean minority lives just across the border from the North.

One would presume that as early as March 1993, when North Korea announced its intent to withdraw from the NPT, a compelling priority of United States foreign policy would have been to achieve an understanding with China—in close consultation with South Korea and Japan—on the need for firm, concerted steps to defuse the North Korean nuclear challenge.

But such has not occurred. In part this has been a function of Washington's badly misplaced foreign policy priorities and its fatally flawed approach to China-MFN. But it is also a function of Chinese perceptions, both about of United States intentions—a mistaken belief we may be seeking to destabilize China as well as North Korea through a policy of peaceful evolution—and the nature of the North Korean nuclear problem.

This helps explain why Beijing has often appeared aloof and ambivalent—rather than engaged and committed—as others grapple with this crisis.

China may doubt whether North Korea truly seeks to develop nuclear weapons. Senior Chinese leaders evidently attached great weight to pledges to this effect made by the late Kim Il-Sung. In addition, PRC-owned Hong Kong press reports suggest that Beijing does not believe there is any direct evidence that North Korea has developed an atomic bomb or bombs.

That having been said, Pyongyang's actions in the weeks ahead could decisively affect key Chinese assumptions about the North Korean program.

For example, China has genuinely angered and alarmed by Pyongyang's decision to defuel its 25mwt reactor. Beijing's objections were ignored. While China is relieved that diplomatic dialog appears back on track, it could well be compelled to contemplate sterner alternatives if North Korea recklessly proceeds with nuclear reprocessing.

China also does not believe that North Korea would launch a suicidal war of aggression to reunify the peninsula. The PRC is more concerned that external pressure on North Korea over the nuclear issue—particularly in the context of leadership succession and rapid economic decline—may foreclose diplomatic options and prompt Pyongyang to resort to force.

Tactically, therefore, Beijing prefers an incremental approach. Its preferred solution is to emphasize patient dialog and encourage North Korea to open up to the outside world.

While China has so far failed to convince Pyongyang to emulate senior leader Deng Xiaoping's policy of reform and opening, it fears that without such reform the survival of the North Korean regime is in doubt.

North Korea also presents China with a political problem. It puts China in the hot seat at the United Nations because in principle China is opposed to economic sanctions. Yet China faces international isolation if it blocks U.N. action and appears to align itself with Pyongyang. Hence it favors maintaining a low profile and the status quo.

But events could soon compel China to take sides. Within weeks North Korea could declare that it intends to begin separating plutonium from recently discharged spent fuel. It may even do so with inspectors from the IAEA present.

Although this would breach an understanding with the United States, it would not violate IAEA rules or the NPT. As long as there is no diversion, reprocessing is considered a peaceful nuclear activity. While the material would be under IAEA monitoring, the North could at any time complete its now-suspended withdrawal from the NPT or simply oust the inspectors.

China must understand that if North Korea is allowed to proceed with reprocessing under any pretext, it could soon have enough plutonium to develop four or five nuclear weapons.

Should that occur, pressure in South Korea and possibly Japan to develop an independent nuclear deterrent could well become irresistible. Any such development would of course be of profound concern.

If Pyongyang proceeds with nuclear reprocessing, there will be no choice for China and the world community but to demonstrate conclusively to the North that they have no option but to comply with their NPT obligations and end their nuclear weapons program.

For this Congress not to understand that North Korea is our highest national security priority—and to be threatening normal nondiscriminatory trade with a country whose cooperation is likely to be crucial to a resolution of the issue—is so foolhardy and counterproductive as to defy rational explication.

I urge the defeat of the Pelosi bill and support for a bipartisan, biinstitutional approach to Sino-American relations.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, the people of China should be treated fairly. The extension of most-favored-nation trading status for China should be continued in order to ensure that America can improve the human rights situation in that nation through a positive working relationship with the people of China and the Chinese Government.

During debate on the MFN status of China, statements were made on the floor of the House which claimed that although China needs us, we don't need them. We have needed them, and we continue to need China as a friend of the United States. President Richard Nixon needed China to drive a wedge in the Communist bloc. We need China now to help advance American interests on the Korean peninsula. In this globally interdependent economy, it is highly likely we will need China in the future.

Many may be misled by the term most-favored-nation status, because it implies that China is getting some special treatment from the United States in our trade relationship. In fact, MFN is the standard way the United States does business around the world. China would be no more favored than any other nation around the world with whom we have a normal trade relationship.

Obviously, human rights are a crucial concern with regard to America's foreign policy. But just as obviously, the use of trade sanctions is not an effective vehicle for influencing the human rights policy of foreign nations. Again and again, the use of trade sanctions to improve human rights in distant lands has been tried, and, again and again, the attempt has failed. Trade sanctions hurt the working class, not the wealthy leaders of nations. In Haiti, where America is using trade sanctions, small businesses are being destroyed, and the common citizen is being deprived of human and economic rights.

On the other hand, the influence of America, properly applied, has been very successful in improving the human rights conditions of many nations around the world. South Korea and Argentina are but two examples of the achievement of the United States in improving human rights through interaction with the people and government of these nations. In China itself, fantastic changes have occurred since the opening of the nation in the early 1970's. This opening has allowed interaction between American and Chinese businesses, and American technology has allowed the people of China to improve their economic standing. With improvement in technology comes more access to information. The power of information will effect change in China, as it already has. Whose information? That provided by America and our allies, which, as long as we continue to trade with China, will continue to filter through to each and every Chinese citizen. American ideals, as always, can best be advanced by exposing others to our values and our successes.

If we close down our trade with China, who profits? Not the citizens of China, whose economic freedoms will likely decline, and whose access to American information and ideals will be shut off. Not the American worker, who will no longer have access to the enormous Chinese market. We may feel a little better for a short time, and think that we have done what is right. But when China begins to fall backward in human rights, our brief good feeling will die.

The common citizen of China, and his or her human rights, should be the focus of our human rights policy. What does that common citizen want? During my visits to China, I have talked to many of the citizens of China, and not once was I asked to revoke MFN status. Many, many times, however, I was asked to continue to work to improve the relationship between our two nations.

This very point is what separates China and this situation from the past American policy toward South Africa. Essentially every South African who was not associated with the government of that nation cried out to the United States and to rest of the world to impose stringent economic sanctions against South Africa. This was the right thing to do, and I was proud to lead the effort in Texas to gain sanctions against South Africa. Our goal was to effect a total change in the governing body of the nation, and we succeeded. In so doing, we destroyed the economic infrastructure of the nation, which we are now helping to rebuild.

In China, the circumstances are very different. Our goal, as stated by many Members, is to improve the situation of the common citizen of China, not to force a change in government. We do not have the support of the world. In fact, should we decide not to trade with China, many other nations will jump in to take our place. Then, high-paying American jobs will be lost as European aeronautical firms move into supply aircraft, and as other nations rush to supply China's technological needs. Human rights conditions will not be improved, and the ability of America to exert positive influence will be lost. This is not South Africa, and although Europeans agreed that "We ain't gonna play Sun City," you can be sure that the European Union will be only to happy to play Beijing.

My colleagues and I do agree that human rights policy is of utmost importance to this Nation, and America should do all it can to improve the way other nations treat their citizens. What we need to realize is that American can do more to help these people by interacting with them than by ignoring them.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Indiana [Mr. HAMILTON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HAMILTON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 280, noes 152, not voting 8, as follows:

[Roll No. 382]

AYES—280

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Becerra
Bereuter
Bevill
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehner
Bonilla
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clement
Clinger
Coble
Coleman
Combest
Condit
Cooper
Coppersmith
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeLauro
DeLay
Derrick
Deutsch
Dicks
Dingell
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards (TX)
Ehlers
Emerson
English
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (TX)
Filner
Fingerhut
Flake
Foglietta
Foley
Fowler
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Gordon
Goss
Grams
Grandy
Greenwood
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hoagland
Hoekstra
Hoke
Houghton
Huffington
Hughes
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kennelly
Kim
King
Kingston
Kleczka
Klein
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lightfoot
Linder
Livingston
Lloyd
Long
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Martinez
Matsui
McCandless
McCollum
McCrery
McCurdy
McDade
McHugh
McInnis
McKeon
McMillan
McNulty
Meek
Menendez
Meyers
Mica
Michel
Miller (FL)
Mineta
Minge
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Neal (MA)
Neal (NC)
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)

Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Ramstad
Rangel
Reed
Regula
Reynolds
Roberts
Roemer
Rostenkowski
Roth
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Santorum

Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schumer
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (OR)
Spence
Stenholm
Stump
Sundquist
Swift
Synar
Talent

Tanner
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Tucker
Valentine
Visclosky
Volkmer
Vucanovich
Walsh
Wheat
Whitten
Williams
Wilson
Wise
Wyden
Young (AK)
Zeliff
Zimmer

NOES—152

Abercrombie
Andrews (ME)
Applegate
Baker (CA)
Barrett (WI)
Barton
Beilenson
Berman
Bilbray
Boehlert
Bonior
Borski
Brown (OH)
Bunning
Burton
Byrne
Cardin
Clay
Clayton
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Cox
Coyne
DeFazio
Dellums
Diaz-Balart
Dickey
Dixon
Duncan
Durbin
Edwards (CA)
Engel
Eshoo
Evans
Everett
Farr
Fields (LA)
Fish
Ford (MI)
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gilman
Gonzalez
Goodling
Green
Gunderson

Gutierrez
Hall (OH)
Hamburg
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hobson
Hochbrueckner
Holden
Horn
Hoyer
Hunter
Hutchinson
Hutto
Hyde
Inglis
Kaptur
Kasich
Kennedy
Kildee
Klink
Klug
Lancaster
Lantos
Lewis (FL)
Lewis (GA)
Lewis (KY)
Lipinski
Lowey
Margolies-Mezvinsky
Markey
Mazzoli
McCloskey
McDermott
McHale
McKinney
Meehan
Mfume
Miller (CA)
Mink
Moakley
Molinari
Nadler
Norton (DC)
Obey
Olver
Owens
Pallone

Payne (NJ)
Pelosi
Porter
Poshard
Rahall
Richardson
Ridge
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Sanders
Schiff
Schroeder
Scott
Sensenbrenner
Sharp
Shepherd
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spratt
Stark
Stearns
Stokes
Strickland
Studds
Stupak
Swett
Tauzin
Taylor (MS)
Torricelli
Towns
Traficant
Underwood (GU)
Unsoeld
Upton
Velazquez
Vento
Walker
Washington
Waters
Watt
Waxman
Weldon
Wolf
Woolsey
Wynn
Yates
Young (FL)

NOT VOTING—8

Bentley
Clyburn
Gallo

Herger
Mollohan
Ravenel

Romero-Barcelo (PR)
Roukema

☐ 1840

Mr. CLAY and Mr. LEWIS of Georgia changed their vote from "aye" to "no."

Mr. BARTLETT of Maryland changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MS. PELOSI

Ms. PELOSI. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Ms. PELOSI: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-China Act of 1994".

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress makes the following findings:

(1) In Executive Order 12850, dated May 28, 1993, the President established conditions for renewing most-favored-nation treatment for the People's Republic of China in 1994.

(2) The Executive order requires that in recommending the extension of most-favored-nation trade status to the People's Republic of China for the 12-month period beginning July 3, 1994, the Secretary of State shall not recommend extension unless the Secretary determines that such extension substantially promotes the freedom of emigration objectives contained in section 402 of the Trade Act of 1974 (19 U.S.C. 2432) and that China is complying with the 1992 bilateral agreement between the United States and China concerning export to the United States of products made with prison labor.

(3) The Executive order further requires that in making the recommendation, the Secretary of State shall determine if China has made overall significant progress with respect to—

(A) taking steps to begin adhering to the Universal Declaration of Human Rights;

(B) releasing and providing an acceptable accounting for Chinese citizens imprisoned or detained for the nonviolent expression of their political and religious beliefs, including such expressions of beliefs in connection with the Democracy Wall and Tiananmen Square movements;

(C) ensuring humane treatment of prisoners, and allowing access to prisons by international humanitarian and human rights organizations;

(D) protecting Tibet's distinctive religious and cultural heritage; and

(E) permitting international radio and television broadcasts into China.

(4) The Executive order requires the executive branch to resolutely pursue all legislative and executive actions to ensure that China abides by its commitments to follow fair, nondiscriminatory trade practices in dealing with United States businesses and adheres to the Nuclear Nonproliferation Treaty, the Missile Technology Control Regime guidelines and parameters, and other nonproliferation commitments.

(5) The Government of the People's Republic of China, a member of the United Nations Security Council obligated to respect and uphold the United Nations charter and Universal Declaration of Human Rights, has over the past year made less than significant progress on human rights. The People's Republic of China has released only a few prominent political prisoners and continues to violate internationally recognized standards of human rights by arbitrary arrests and detention of persons for the nonviolent expression of their political and religious beliefs.

(6) The Government of the People's Republic of China has not allowed humanitarian and human rights organizations access to prisons.

(7) The Government of the People's Republic of China has refused to meet with the Dalai Lama, or his representative, to discuss the protection of Tibet's distinctive religious and cultural heritage.

(8) It continues to be the policy and practice of the Government of the People's Republic of China to control all trade unions and suppress and harass members of the independent labor union movement.

(9) The Government of the People's Republic of China continues to restrict the activities of accredited journalists.

(10) The People's Republic of China's defense industrial trading companies and the People's Liberation Army engage in lucrative trade relations with the United States and operate lucrative commercial businesses within the United States. Trade with and investments in the defense industrial trading companies and the People's Liberation Army are contrary to the national security interests of the United States.

(11) The President has conducted an intensive high-level dialogue with the Government of the People's Republic of China, including meeting with the President of China, in an effort to encourage that government to make significant progress toward meeting the standards contained in the Executive order for continuation of most-favored-nation treatment.

(12) The Government of the People's Republic of China has not made overall significant progress with respect to the standards contained in the President's Executive Order 12850, dated May 28, 1993.

(b) POLICY.—It is the policy of the Congress that, since the President has recommended the continuation of the waiver under section 402(d) of the Trade Act of 1974 for the People's Republic of China for the 12-month period beginning July 3, 1994, such waiver shall not provide for extension of nondiscriminatory trade treatment to goods that are produced, manufactured, or exported by the People's Liberation Army or Chinese defense industrial trading companies or to nonqualified goods that are produced, manufactured, or exported by state-owned enterprises of the People's Republic of China.

SEC. 3. LIMITATIONS ON EXTENSION OF NONDISCRIMINATORY TREATMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) if nondiscriminatory treatment is not granted to the People's Republic of China by reason of the enactment into law of a disapproval resolution described in subsection (b)(1), nondiscriminatory treatment shall—

(A) continue to apply to any good that is produced or manufactured by a person that is not a state-owned enterprise of the People's Republic of China, but

(B) not apply to any good that is produced, manufactured, or exported by a state-owned enterprise of the People's Republic of China,

(2) if nondiscriminatory treatment is granted to the People's Republic of China for the 12-month period beginning on July 3, 1994, such nondiscriminatory treatment shall not apply to—

(A) any good that is produced, manufactured, or exported by the People's Liberation Army or a Chinese defense industrial trading company, or

(B) any nonqualified good that is produced, manufactured, or exported by a state-owned enterprise of the People's Republic of China, and

(3) in order for nondiscriminatory treatment to be granted to the People's Republic of China, and subsequent to the granting of such nondiscriminatory treatment, the Secretary of the Treasury shall consult with leaders of American businesses having significant trade with or investment in the People's Republic of China, to encourage them to adopt a voluntary code of conduct that—

(A) follows internationally recognized human rights principles,

(B) ensures that the employment of Chinese citizens is not discriminatory in terms of sex, ethnic origin, or political belief,

(C) ensures that no convict, forced, or indentured labor is knowingly used,

(D) recognizes the rights of workers to freely organize and bargain collectively, and

(E) discourages mandatory political indoctrination on business premises.

(b) DISAPPROVAL RESOLUTION.—

(1) IN GENERAL.—For purposes of this section, the term "resolution" means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on ____________ with respect to the People's Republic of China because the Congress does not agree that the People's Republic of China has met the standards described in the President's Executive Order 12850, dated May 28, 1993.", with the blank space being filled with the appropriate date.

(2) APPLICABLE RULES.—The provisions of sections 153 (other than paragraphs (3) and (4) of subsection (b)) and 402(d)(2) (as modified by this subsection) of the Trade Act of 1974 shall apply to a resolution described in paragraph (1).

(c) DETERMINATION OF STATE-OWNED ENTERPRISES AND CHINESE DEFENSE INDUSTRIAL TRADING COMPANIES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall determine which persons are state-owned enterprises of the People's Republic of China and which persons are Chinese defense industrial trading companies for purposes of this Act. The Secretary shall publish a list of such persons in the Federal Register.

(2) PUBLIC HEARING.—

(A) GENERAL RULE.—Before making the determination and publishing the list required by paragraph (1), the Secretary of the Treasury shall hold a public hearing for the purpose of receiving oral and written testimony regarding the persons to be included on the list.

(B) ADDITIONS AND DELETIONS.—The Secretary of the Treasury may add or delete persons from the list based on information available to the Secretary or upon receipt of a request containing sufficient information to take such action.

(3) DEFINITIONS AND SPECIAL RULES.—For purposes of making the determination required by paragraph (1), the following definitions apply:

(A) CHINESE DEFENSE INDUSTRIAL TRADING COMPANY.—The term "Chinese defense industrial trading company"—

(i) means a person that is—

(I) engaged in manufacturing, producing, or exporting, and

(II) affiliated with or owned, controlled, or subsidized by the People's Liberation Army, and

(ii) includes any person identified in the United States Defense Intelligence Agency publication numbered VP-1920-271-90, dated September 1990.

(B) PEOPLE'S LIBERATION ARMY.—The term "People's Liberation Army" means any branch or division of the land, naval, or air military service or the police of the Government of the People's Republic of China.

(C) STATE-OWNED ENTERPRISE OF THE PEOPLE'S REPUBLIC OF CHINA.—(i) The term "state-owned enterprise of the People's Republic of China" means a person who is affiliated with or wholly owned, controlled, or subsidized by the Government of the People's Republic of China and whose means of production, products, and revenues are owned or controlled by a central or provincial government authority. A person shall be considered to be state-owned if—

(I) the person's assets are primarily owned by a central or provincial government authority;

(II) a substantial proportion of the person's profits are required to be submitted to a central or provincial government authority;

(III) the person's production, purchases of inputs, and sales of output, in whole or in part, are subject to state, sectoral, or regional plans; or

(IV) a license issued by a government authority classifies the person as state-owned.

(ii) Any person that—

(I) is a qualified foreign joint venture or is licensed by a governmental authority as a collective, cooperative, or private enterprise; or

(II) is wholly owned by a foreign person,

shall not be considered to be state-owned.

(D) QUALIFIED FOREIGN JOINT VENTURE.—The term "qualified foreign joint venture" means any person—

(i) which is registered and licensed in the agency or department of the Government of the People's Republic of China concerned with foreign economic relations and trade as an equity, cooperative, contractual joint venture, or joint stock company with foreign investment;

(ii) in which the foreign investor partner and a person of the People's Republic of China share profits and losses and jointly manage the venture;

(iii) in which the foreign investor partner holds or controls at least 25 percent of the investment and the foreign investor partner is not substantially owned or controlled by a state-owned enterprise of the People's Republic of China;

(iv) in which the foreign investor partner is not a person of a country the government of which the Secretary of State has determined under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) to have repeatedly provided support for acts of international terrorism; and

(v) which does not use state-owned enterprises of the People's Republic of China to export its goods or services.

(E) PERSON.—The term "person" means a natural person, corporation, partnership, enterprise, instrumentality, agency, or other entity.

(F) FOREIGN INVESTOR PARTNER.—The term "foreign investor partner" means—

(i) a natural person who is not a citizen of the People's Republic of China; and

(ii) a corporation, partnership, instrumentality, enterprise, agency, or other entity that is organized under the laws of a country other than the People's Republic of China and 50 percent or more of the outstanding capital stock or beneficial interest of such entity is owned (directly or indirectly) by natural persons who are not citizens of the People's Republic of China.

(G) NONQUALIFIED GOOD.—The term "nonqualified good" means a good to which chapter 39, 44, 48, 61, 62, 64, 70, 73, 84, 93, or 94 of the Harmonized Tariff Schedule of the United States applies.

(H) CONVICT, FORCED, OR INDENTURED LABOR.—The term "convict, forced, or indentured labor" has the meaning given such term by section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

(I) VIOLATIONS OF INTERNATIONALLY RECOGNIZED STANDARDS OF HUMAN RIGHTS.—The term "violations of internationally recognized standards of human rights" includes but is not limited to, torture, cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, causing the disappearance of persons by abduction and clandestine detention of those persons, secret judicial proceedings, and other flagrant denial of the right to life, liberty, or the security of any person.

(J) MISSILE TECHNOLOGY CONTROL REGIME.—The term "Missile Technology Control Regime" means the agreement, as amended, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on an annex of missile equipment and technology.

(d) SEMIANNUAL REPORTS.—The Secretary of the Treasury shall, not later than 6 months after the date of the enactment of this Act, and the end of each 6-month period occurring thereafter, report to the Congress on the efforts of the executive branch to carry out subsection (c). The Secretary may include in the report a request for additional authority, if necessary, to carry out subsection (c). In addition, the report shall include information regarding the efforts of the executive branch to carry out subsection (a)(3).

SEC. 4. PRESIDENTIAL WAIVER.

The President may waive the application of any condition or prohibition imposed on any person pursuant to this Act, if the President determines and reports to the Congress that the continued imposition of the condition or prohibition would have a serious adverse effect on the vital national security interests of the United States.

SEC. 5. REPORT BY THE PRESIDENT.

If the President recommends in 1995 that the waiver referred to in section 2 be continued for the People's Republic of China, the President shall state in the document required to be submitted to the Congress by section 402(d) of the Trade Act of 1974, the extent to which the Government of the People's Republic of China has made progress during the period covered by the document, with respect to—

(1) adhering to the provisions of the Universal Declaration of Human Rights,

(2) ceasing the exportation to the United States of products made with convict, forced, or indentured labor,

(3) ceasing unfair and discriminatory trade practices which restrict and unreasonably burden American business, and

(4) adhering to the guidelines and parameters of the Missile Technology Control Regime, the controls adopted by the Nuclear Suppliers Group, and the controls adopted by the Australia Group.

SEC. 6. SANCTIONS BY OTHER COUNTRIES.

If the President decides not to seek a continuation of a waiver in 1995 for the People's Republic of China under section 402(d) of the Trade Act of 1974, the President shall, during the 30-day period beginning on the date that the President would have recommended to the Congress that such a waiver be continued, undertake efforts to ensure that members of the General Agreement on Tariffs and Trade take a similar action with respect to the People's Republic of China.

The CHAIRMAN. Pursuant to the rule, the gentlewoman from California [Ms. PELOSI] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

Mr. GIBBONS. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] will be recognized for 15 minutes.

The Chair recognizes the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, it is with great pride that I yield 3 minutes to the Democratic majority whip, the gentleman from Michigan [Mr. BONIOR], a champion for human rights, a champion for workers' rights throughout the world, and, more importantly, in addition to all of that, a champion of American workers' rights.

Mr. BONIOR. Mr. Chairman, I thank the gentlewoman from California for yielding this time to me.

Mr. Chairman, sometimes, I think we take a lot of things for granted in this country.

Every one of us in this Chamber today has been doing something that the people of China would never dream of doing: We have openly debated the policies of our Government.

We have questioned the direction our country should go.

You cannot do that in China. If you speak out against the Government, you get arrested,

If you actively work to build support to oppose a policy, you get thrown in jail.

And if you say a prayer in public in some parts of China—like we did this morning—you might never be heard from again.

I think that is part of the reason why those students in Tiananmen Square read from our Constitution and quoted Thomas Jefferson 5 years ago.

It is the same reason why people in the most distant reaches of South Africa used to carry copies of the Declaration of Independence in their pockets: because they know America is supposed to stand for something.

Because when tyrants around the world oppress their own people, they know the principals that this country was founded on are supposed to stand out like a beacon.

And they hope that we will speak out on behalf of human rights and democracy in the world.

That is all we are asking for today.

We are not asking to end most-favored-nation trading status with China—because that issue has been decided for now.

We are not asking to hang a keep out sign for Chinese products on the United States border—because we know that's not going to happen.

And we are not asking to turn our backs on the China market—because we recognize the opportunities there.

We are simply asking that we target the most egregious offenders of human rights in China today, and that we end the taxpayer subsidies for the very people who are doing the torturing, the abusing, the arresting, and the murdering in China today. Is that really too much to ask?

Do you really think our trade with China is going to collapse if the Chinese Army loses its most-favored-nation status?

We have a $23 billion trade deficit with China today.

Do you really think they will abandon the U.S. market if we drop MFN for 5 billion dollars' worth of state-run enterprises?

There is not a single industrialized nation in the world that gives them the same breaks we do.

And you know why? Because they know it's not fair to ask their workers to compete with Chinese workers who are forced to work for 10 cents an hour.

Because they know they cannot compete with products made in the prisons of the Chinese Army.

And what about the budget of the Chinese Army—that increased by more than 20 percent last year thanks to their special trade status with the United States.

What do you think that money is going for?

More uniforms and desk chairs? Or more tanks, torture, and persecution of the Chinese people?

It is interesting that during this entire debate, nobody has disavowed the fact that China's human rights record is getting worse.

Nobody has said it is getting better. And that's really what this debate comes down to.

The students who marched in China 5 years ago did not march for money or for power.

They marched for the freedom of speech. They marched for the freedom to organize and the freedom to vote.

They marched for the right to build a better life for their families—and for more opportunities than 10 cents an hour.

And today, I hope that just once we will stand up for them, and for people like them in our country and all over the world.

I hope we will vote to end MFN for the Chinese military.

Not because it is the popular thing to do.

Not because it is the political thing to do.

But because it is right.

Because we are the hope of the Chinese people. And we can not afford to turn our backs on them.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want you all to know that this is not my idea of a rule. I have never really come upon one exactly like this, but I do not want to prolong the agony.

I think the House has demonstrated that it has made up its mind with that rather outstanding vote in favor of the Hamilton proposal just a few moments ago.

Let me say that Ms. PELOSI has striven hard to do what she thinks is correct in this matter. I simply disagree with her position.

First, her proposal would interrupt about half of the trade that we have with China. Second, all of us have a letter from the U.S. Commissioner of Customs who says it would be impossible to administer, and extremely costly to try to enforce, the restrictions that the gentlewoman outlines in her proposal. Commissioner Weise points out that it would take the investigation of about 100,000 companies in China in order to determine which products would be targeted by the sanctions authorized in H.R. 4590. The U.S. Customs Service would have to identify and report publicly on these companies controlled by the state in China or by the People's Liberation Army. The Commissioner notes that there is just no way to do that. The Customs Service does not have that many people who can speak Chinese. Customs Commissioner Weise doubts that the Chinese Government would allow his personnel the access necessary to carry out such investigations. Customs law is difficult enough without adding the impossible task of administering this bill.

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So, as well intentioned as the amendment offered by the gentlewoman from California [Ms. PELOSI] is, this measure would restrict trade with China, touch off a prolonged period of instability in U.S.-China relations, and most importantly, undercut the President's new comprehensive China policy. The President seeks to engage the Chinese on every front, and we need the Chinese to help us manage the North Korean nuclear threat.

The Chinese have never had the kind of traditions on freedom, democracy, and human rights that we have had but I believe that they are moving closer to, rather than further from, internationally recognized norms in such areas. The people in China are freer today than ever before in my lifetime, and perhaps, in the entire 6,000 years of Chinese history.

So, Mr. Chairman, we are making progress, and I think that the President has outlined a good policy for furthering such progress. I believe that disrupting trade would rupture our relations with China, and I would add that the United States would be the only industrialized society disengaging from China. None of our competitors in the industrialized world have any intention of doing what the gentlewoman from California [Ms. PELOSI] is asking us to do here today.

I urge my colleagues to vote "no" on the Pelosi substitute.

Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. MATSUI], the chairman of the Subcommittee on Trade who has just done a wonderful job in organizing and supporting all of this effort, may be able to control the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY] who has been a champion on the issue of proliferation, especially in the case of China, and because of him at least we have the gun ban in the President's policy statement of last May.

Mr. MARKEY. Mr. Chairman, I thank the gentlewoman from California [Ms. PELOSI] very much, and I congratulate her on her amendment here today.

Human rights violations continue unabated in China. Use of slave labor continues unabated inside of China. Even if, however, on balance one believes that it makes sense to turn a blind eye to these glaring abuses because we somehow need a trade imbalance of $30 billion a year with the Chinese Government, how can we ignore the fact that this country is the No. 1 proliferater of nuclear materials on this planet? Over the last half-dozen years Beijing has exported arms to North Korea, to Syria, to Algeria, to Iran, to Iraq, to Pakistan. Now out here on the floor on an ongoing basis we have to appropriate tens of billions of dollars of American taxpayers' money to then isolate these troublespots around the world. Why? Because China, the Kmart of nuclear commerce, continues to drop oil onto every trouble spot on this planet.

Now I ask my colleagues why in the world should we spend tens of billions of taxpayers' dollars so that we can run up a $30 billion trade deficit, and turn a blind eye and a deaf ear to the cries of the human rights dissidents sitting in this gallery today pleading with us to stand up for their people?

My colleagues, this is not a difficult decision. The Chinese Government needs us more than we need them. They are not helping us with North Korea, and, if they do, it is only out of their own national defense self-interest. We get nothing out of this but long-term trouble.

Vote for the Pelosi amendment and save this Government tens of billions of dollars in years ahead. We should have done this with the Shah of Iran. We should have done this in Iraq. We would have paid a much smaller price as a people if we had been wiser far in advance of the problems that we sowed by ourselves by our own actions here on the floor of this Congress.

Vote for the Pelosi amendment.

Mr. MATSUI. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I rise in support of MFN and against the amendment offered by the gentlewoman from California [Ms. PELOSI].

Mr. Chairman, I rise in support of the Hamilton amendment to H.R. 4590, the U.S.-China Act of 1994.

I strongly oppose terminating China's current trade status by revoking most-favored-nation [MFN] status or by imposing broad trade sanctions. Our current policy balances a host of concerns which have been voiced on the floor today, such as political and human rights concerns.

Human rights progress must be achieved in China; however, it should be done through nontrade means such as expanding private and multilateral efforts, increasing international broadcasts to China and supporting Chinese businesses in developing voluntary principles on human rights.

Renewing China's MFN status remains consistent with our goal of bringing China into the expanding world of free-market societies. Isolating China by cutting off MFN only serves to weaken the ties to the west and increase repression.

There are also a number of economic arguments to support extending MFN status to China. Engaging China in a trade war will not only lower American exports, but will also effectively kill more than 150,000 American jobs. Our constituents would feel the effects of this action through higher prices resulting from an increase in U.S. tariffs on a variety of Chinese products.

I urge my colleagues to vote in favor of the Hamilton amendment to maintain MFN trade status for China.

Mr. MATSUI. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, in the past I have supported MFN with the People's Republic of China, but only with the most stringent conditions attached. I have little respect for the octogenarian administration of PRC and their abysmal human rights record.

On a personal basis, I lived and worked with Tibetan refugees in Nepal as a Peace Corps volunteer. I have a great measure of love and respect for those people and their culture. Tibetan Lamaic Buddhism is among the world's great religious traditions. I was very fortunate to have witnessed and participated in some of the richest and most beautiful religious services I have ever seen. In the 1950's, the Communist Chinese set out to destroy this culture. They have not been successful, but the people have suffered great harm.

Therefore it is with great difficulty that I face this decision today. Events of the past have changed my view. The opening of Eastern Europe to democracy began with economic reform. As Western culture, good and bad, flowed east, and information expanded exponentially, people were empowered. They knew what they were missing. They were freer to exchange ideas, challenge authority and enrich their lives materially. And once the door flew open they could not close it. Human rights violations were witnessed not be silent neighbors, but by an outraged world.

Mr. Chairman, I have become convinced that this is the only way to open the Chinese doors and windows. They need to look out and we need to see in to make sure that another Tibetan pogrom cannot take place.

Economics drives much of our foreign policy, and all of the economic arguments in favor of MFN are strong. But we must cope with the human condition these policies affect. The time has come to open China to trade, to information interchange, and to democratic ideas that, once introduced, should bring the desired result.

For these reasons, Mr. Chairman, I urge a no vote on the Pelosi amendment and a yes vote for most-favored-nation status with China.

Ms. PELOSI. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GILMAN], a leader on this issue in the Congress.

Mr. GILMAN. Mr. Chairman, I rise in strong support of the amendment offered by the gentlewoman from California [Ms. PELOSI].

Mr. Chairman, the issue before us is not isolating the People's Republic of China. The issue before us is trade with the People's Liberation Army. There is no sound reason that the military forces of Communist China should be granted any preferential trading status. How could we rationalize such a shortsighted policy?

The Chinese military is the only armed forces in the world that still are targeting our Nation with nuclear weapons. Do we support that kind of policy?

Our senior counterintelligence officials inform us that the Chinese military has the most active industrial espionage network here in our own country. Do we support that kind of a policy?

The Chinese military is supporting the North Koreans. Do we support that policy?

Where is our long-term foreign policy thinking?

Bear in mind that our deficit in trade with China is more than $23 billion.

I say, "Vote yes on the Pelosi bill to revoke MFN for the Chinese army. Support our American workers here at home by supporting the human rights abroad."

□ 1900

Mr. MATSUI. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have great respect for our colleague, the gentlewoman from California [Ms. PELOSI], but on this issue, she is wrong. We need to divorce trade from foreign policy. We need China. If we are going to be able to do anything diplomatically to solve the problem with nuclear proliferation in North Korea, we need China.

The oriental people, the Chinese in particular, are very sensitive to face. If they determine in any way that we are applying any kind of pressure, overt or covert, we will be totally unsuccessful. And who will suffer? Our farmers in the Midwest, our people in high-technology industries, our people in Seattle and other places with airplanes and other sophisticated products that the Chinese need.

We need to divorce this situation, make trade, trade, and make foreign policy, foreign policy.

The framers of our Constitution were right when they said the President shall set foreign policy.

Ms. PELOSI. Mr. Chairman, I yield myself 3½ minutes.

Mr. Chairman, I thank my colleagues for their attention today and for their participation in this important debate.

Mr. Chairman, before I proceed I want to acknowledge the wonderful staff support of Eric Weiss, Mike Wessel, Miles Lackey, Karen Ann Feever, Carolyn Bartholomew, and so many other people on our staffs who worked so very hard on this issue for such a long time. I, too, would like to join the gentleman from Massachusetts [Mr. MARKEY] in recognizing the dissidents who are in the Chamber with us today.

Mr. Chairman, why are we having this debate? Why are we here today? I contend that this debate is central and fundamental to how we proceed into the global and international marketplace. This is a debate about the American worker, it is a debate about human rights throughout the world, and, in this particular case, particularly in China, it is about how we are smart in our trade relationships and how they relate to the proliferation of weapons.

Over the past 5 years, this House has demonstrated its concern about the trade deficit with China, which this year will be $30 billion, and I promise you if we do nothing today, it will surpass Japan. Second, we are concerned about the serious repression in China and Tibet, and, third, seriously concerned about the proliferation of weapons to unsafeguarded countries, including the sale of weapons to the Khmer Rouge.

In the speaker's remarks, it was curious to me he made two points. He said first, China was cooperating with us on North Korea; the Chinese military is not. The military has pledged 82,000 troops in case of war to the North Korean armed forces, and also pledged food and energy and credit assistance in case of U.N. sanctions. So let us be straight about what China is doing.

Why is it that people in our midst here wish to ignore the violations in our trade relationship, in our proliferation arrangements, and, yes, indeed, even on the question of human rights?

I said earlier that I did not believe that the Hamilton amendment did that much. I do not think it does. So I think it is very possible for Members to vote for that. It does nothing to negate voting also for the Pelosi amendment. So I hope some Members will register their support also for my legislation.

Why is that? Is it a difficult thing to ask our colleagues that they vote not to give a tax break to the Chinese military, the same Chinese military where these three issues converge, who are proliferating weapons, who are repressing people in China and Tibet, and flooding our markets with their products, many of them made by prison labor, because the Chinese military oversees a great deal of the prison labor camps itself?

Is it too much to say the American taxpayer should not be subsidizing the proliferation of weapons into the Third World and to unsafeguarded countries? Is it too much to say do not subsidize the Chinese military when they are the oppressors in China?

Well, we have heard all of that. I think that in 3 years, if we do nothing today, we will look back and say, how did this trade deficit get to this point?

So I am asking my colleagues to vote in favor of the American worker, to get the American consumer off the hook for unwittingly subsidizing the Chinese military, and, as I said, help the American worker by promoting human rights abroad.

Once again I want to thank my colleagues for their attention, both here today and their courtesies in the course of this deliberation.

Mr. MATSUI. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, we are arriving at the last and the final twist in this debate, which has gone on for some time today, and which surely has taken a number of twists.

Mr. Chairman, I would suggest to you that the Pelosi amendment, the Pelosi bill, is in some ways a worse alternative than the Solomon approach which at least has the advantage of being a straightforward revocation of most-favored-nation status for China.

Partial revocation, as this legislation would have us do, is in some ways the worst possible change that we could make. To try to limit most-favored-nation status to only those companies that are completely Simon pure in being privately owned, not having a government subsidy, not being owned in part by the People's Army, is an almost impossible task to administer, as I think most of us on reflection in this body would agree.

Customs itself has said that it is almost impossible for them to determine what is and what is not owned by the government or by the People's Army. We can just imagine what would occur in terms of creating shall corporations that would be owned by somebody, but would still be owned by the army. It is going to be impossible to administer this.

In the meantime we have had a vote, a positive vote, on the Hamilton substitute, which expresses our support for human rights, which recognizes that human rights can be promoted by involvement, by trade, by interaction, by staying engaged with another country.

The House of Representatives and the Congress of the United States has traditionally been bipartisan on foreign policy and trade. This action today in support of Hamilton continues that tradition.

So I urge my colleagues to support the bipartisan approach that we have adopted here today, to say that we do support human rights, but we support human rights in China by continuing to be engaged in trade with China.

Mr. Chairman, I urge my colleagues to vote no on the Pelosi substitute.

Mr. MATSUI. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to first of all commend the gentlewoman from California [Ms. PELOSI], certainly the gentleman from Indiana [Mr. HAMILTON], the chairman of the Committee on Foreign Affairs, the gentleman from Illinois [Mr. CRANE], and the gentleman from New York [Mr. GILMAN], the ranking member of the Republican side. I think this debate was a very fruitful one, and I think everybody has gained from it. Certainly I think this is an issue of national import, and one that all of us well remember for some time to come.

I want to divide my remarks very briefly into three areas on the issue of military and proliferation of weapons by the Chinese. What is very, very interesting is that since the United States has been engaging the Chinese, since the United States has been trying to get the PLA to move from a military-industrial base to a consumer-based economy, we have now seen over 50 percent of the former military-run companies now engaged in consumer goods.

In fact, the Secretary of Defense has sent to every Member's office in the last 3 days a letter basically saying that he is embarking on a major military conversion effort with the Chinese. In October the Chinese military leaders will be coming to the United States for the purpose of talking about further conversion.

□ 1910

So if Members want to stop the proliferation of weapons, then vote down the Pelosi amendment.

Second, let me talk about economic leverage, if I may, because everybody is talking, rightfully so, about the trade deficit. We have a $22 billion trade deficit with the Chinese at this particular time. It is growing and we know it could be $30 billion this year.

The reason that we have not been able to engage the Chinese to open up their markets is because unfortunately, our entire relationship with the Chinese over the last year and a half has been defined by MFN and the issue of human rights. We cannot have it both ways. We cannot say that we want to open their markets up and spend all the time arguing about human rights. We have to deal with the trade issue by trying to open up their markets, and then also we need a multilateral discussion with the Chinese by talking about human rights, by uncoupling the issue of trade.

Let me last talk about the issue of human rights, because that is why we are really here, and I believe the gentlewoman from California [Ms. PELOSI] has done a wonderful job heightening this issue with respect to the Chinese.

There is no question the Chinese have over the years been very repressive in their government. At the same time, I think all of us will acknowledge that if Richard Nixon and Jimmy Carter did not normalize relations with the Chinese, the dissidents sitting in the audience would not be sitting here today. We would never have the scene at Tiananmen Square because normalizing relations with the Chinese has opened up trade with the Chinese and commerce with the Chinese.

In fact, Don Kennedy, the former President of Stanford University, said this three years ago, that we have over 45,000 students from China per year coming to the United States, visiting our universities and colleges. They are now exporting from the United States into China democracy and our way of life.

If Members really want to improve human rights, they need to engage them, not isolate them from us and the rest of the world.

I urge a "no" vote on the Pelosi amendment.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Let me remind my colleagues, first, that we are proceeding under a king of the hill procedure, so I urge very strongly a no vote on Pelosi, even though we had a very solid vote a moment ago in support of the Hamilton amendment.

Some have suggested that it is possible to vote for both of these. But I want to say that the two approaches in the Hamilton and in the Pelosi amendments cannot be reconciled.

One approach is an approach of engagement. That is the President's policy. That is the Hamilton amendment. The Pelosi amendment is a policy of confrontation. The choice is simple and it is clear, and we cannot reconcile these two amendments.

Let me say that I think the Pelosi amendment damages our national security interests, damages our economic interests, will do nothing to improve human rights in China and is unenforceable.

Listen to the Secretary of Defense, and I quote him, "in the context of the deteriorating relationship that would inevitably result from the passage of this bill," referring to the Pelosi bill, "important U.S. security interests would be undermined." And he lists them: North Korea, sanctions at the United Nations, Taiwan and arms sales.

The Pelosi confrontational amendment would seriously undermine our economic interests. Listen to the Secretary of Commerce, and I quote him, "passage of Pelosi would have potentially devastating consequences on our current exports.

And the Secretary of State says that the Pelosi bill would create chaos in U.S.-China trade.

If we adopt the policy of confrontation offered by the gentlewoman from California [Ms. PELOSI], we will not persuade the Chinese to ease up on human rights. We will not persuade the Chinese to cooperate more fully in stopping North Korea's nuclear program. We will not serve our economic interests. Confrontation will not help U.S. companies. It will not help U.S. workers. Confrontation will not give us the leverage that we need in the global community.

The President's policy is one of engagement here. It would give us the leverage we need to press North Korea in the UN Security Council. It would give us the leverage we need to open Chinese markets. It would give us the leverage we need to encourage the liberalization of Chinese society.

What we are trying to do with this policy of engagement is to draw China into a web of cooperation; that is one of the most difficult things to do in the conduct of foreign policy. Engaging China serves our interests economically and politically and strategically. And it will make us a key player in the most important question in China today; and that is the transition of leadership.

I urge Members to support the President's policy of engagement, to reject the policy of confrontation, to vote "no" on the Pelosi amendment.

Ms. PELOSI. Mr. Chairman, I yield the balance of my time to the gentleman from Missouri [Mr. GEPHARDT], the Democratic majority leader, a champion for workers rights in the United States and human rights abroad.

Mr. GEPHARDT. Mr. Chairman, first I want to commend the gentlewoman from California [Ms. PELOSI] who has been the spiritual and real leader of this effort. I want to commend the gentleman from Michigan [Mr. BONIOR], and the gentleman from Virginia [Mr. WOLF], and the gentleman from New York [Mr. GILMAN], who have been also great leaders on this subject.

I rise today to ask my colleagues to support the Pelosi bill, to stand up for human rights in China and economic rights here at home.

For more than 5 years, ever since the brutal state-sanctioned terrorism of Tiananmen Square, this debate has raged here in this Capitol. Make no mistake, this debate is about more than our wallets. It is about our will as a nation and as a people.

Should America use its economic might to stand up for human rights? Should we demand for the people of China the basic rights and justice that we cherish for ourselves and our children? And when America says that we care about human rights, when we say that we care about a people who suffer physical torture and forced labor and political persecution, do we mean that we care only when it is convenient for us?

In 1988, I traveled to China and met with many of the students and workers who asked for human and civil rights. Their feelings seemed to me to be irrepressible, undeniable. And just one year later we all watched as the tanks rolled across at Tiananmen Square. I returned to China with some Members this January and, believe me, when you tour the factories and walk the back alleys, you can feel, palpably feel the yearning of the people of that country for freedom and for civil rights.

I sat with the president of their country and listened to him as he said, "We know that America likes to threaten the removal of trade preferences," he said, "but when push comes to shove, we know that you will never, ever do it."

Today, my colleagues, we are asking Members to prove him wrong. We are asking Members to send this message to the government of China: that when they refuse to even negotiate with the Dalai Lama on behalf of the people of Tibet, when they refuse to release even those political prisoners with grave medical conditions, and when they read the riot act to the young patriots who are fighting for freedom and workers rights, America is not going to pick up the tab.

□ 1920

I am asking you to send a message to the working people of America as well: That they should not have to compete with forced labor, prison labor. You see, this is a moral issue, but it is also an economic issue. How can the United States possibly compete with people who are working in prisons? How can we compete with a nation that refuses to adopt even modest, internationally recognized labor laws?

Given these rampant abuses, is it any wonder that we have a trade deficit of $25 billion, on its way to $30 billion, probably on its way to $40 billion or $50 billion?

I think this bill is reasonable and fair. By selectively removing trade preferences, by carefully targeting our aim at the people that have the power to change the policies, we stand the best chance of real progress.

Mr. Chairman, some say it is the wrong approach. They say we need to tap into China's growing market of 1.2 billion people, that this will lift the people of China up, and it is the only way that we can get democracy.

While we can never ignore the fact that development breeds democracy, neither can we abandon our commitment to democracy through development.

Mr. Chairman, the notion of a "trickle-down" trade policy, one in which all political and social reforms flow freely from the marketplace, is not just simplistic, it flies in the face of history. Mr. Chairman, just think, just think of where we would be in South Africa today if America had not stood for the moral rights of the people of South Africa. Let me tell the Members where we would be. Nelson Mandela would be in a prison, he would not be the president of South Africa, if America had not stood for the moral and legal rights of the people of that country.

Finally, Mr. Chairman, the question we have to ask is, if we will not stand for the rights of the people of China, who will. If we let down the people of China, what do we say to the nations that look to us for hope and inspiration and leadership? Do we say that our principles are still strong, they are just hiding for a while behind a sign called "For Sale"?

Of course, international trade is about dollars and cents, but it is also about people and it is about principles. If we abandon our commitment to the freedoms that are the very foundation of free markets, then we trade away everything that our country stands for.

Mr. Chairman, more than 170 years ago, Thomas Jefferson wrote that "this country remains to preserve and restore light and liberty" for the nations of the world. "The flames kindled on the fourth of July, 1776," he wrote, "have spread over too much of the globe to be extinguished by the feeble engines of despotism; on the contrary, they will consume these engines—and all who work them."

Vote for this bill. Vote to let the whole world know that when it comes to human rights, when it comes to human decency, the United States will always be the light of liberty—and in that endeavor, we yield for no purpose and we yield for no price.

Mr. GUNDERSON. Mr. Chairman, today as we debate whether to revoke or restrict most-favored-nation [MFN] trade status to China I think it is important that we understand the policy the United States has followed and why we are still debating MFN in 1994.

The United States first granted MFN to China in 1980. At that time, China had shown that it was serious about implementing pro-democracy reforms. Commerce prospered. Human rights appeared to improve.

Then, in 1989, the world watched in horror as a massive pro-democracy demonstration in Beijing's Tiananmen Square turned into a government-led massacre. President Bush implemented sanctions against China to express the disapproval of the United States. But the true measure of disapproval was voiced by the Congress.

As a result of the Tiananmen Square incident, I joined with my colleagues on both sides of the aisle three times over the past 4 years to try and revoke MFN. I believed strongly that revocation would help make China accountable for its actions in 1989 and to curb future abuses. Each time the House and the Senate succeeded in passing legislation to revoke MFN status, however, the President vetoed it.

Today, Tiananmen is 4 years old and times have changed—few of us believe that a complete revocation would succeed in punishing China for its 1989 atrocities. Without a doubt, the expansion in United States-China trade has had positive effects on many aspects of life in China. Unfortunately, measurable improvement in human rights is not one of them. In fact, in the last 6 months, human rights conditions in China have arguably deteriorated.

President Clinton announced in June that the United States would extend MFN to China and de-link trade and human rights. At that time, I announced that I would support the President's decision to extend MFN unless China indicated it would not support United States security interests in the region. The direct motivation for my statement was the potentially explosive situation in North Korea. Recent press accounts have proven, however, that China has contributed to North Korea's military buildup by transferring advanced missile technology to North Korea. This action demonstrates that China is actively opposing United States security interests in the region. Consequently, I can no longer support the President's determination wholesale.

If we continue business-as-usual with China, human rights may improve as personal income and personal freedoms improve. The most sure way to encourage human rights improvements, however, is to provide the Government with an incentive to actively change its human rights policy. And we must do so without compromising the substantial amount of trade which we conduct each year. In my opinion, we must find a middle ground approach—one that allows most trade to continue while attacking those enterprises that are guilty of the most severe abuses. I believe that the Pelosi alternative achieves that reasonable approach.

The Pelosi approach focuses on sanctions where it will hurt most, on the military-run enterprises which manufacture military and civil goods and on certain state-run enterprises. These are the enterprises which fund the expansion and modernization of China's armed forces or which employ forced labor and engage in human rights violations. The Pelosi alternative also calls for the President to include an assessment of China's progress on human rights, exports which use convict, forced or indentured labor, unfair trade practices, and weapons proliferation.

Most important, the Pelosi bill focuses on improving the lives of ordinary Chinese people that have fought for democracy in their country. Restriction of these goods will have a measurable effect on these Chinese industries, and also on the human rights record of the Chinese Government.

Mr. STOKES. Mr. Chairman, I rise today to express my strong support for the Pelosi substitute to H.R. 4590, a bill to disapprove most-favored-nation [MFN] status for products of state-owned-enterprises in China. I also want to take this opportunity to commend the gentlewoman from California, Representative PELOSI, for her steadfast determination, and tireless efforts to keep this issue before our Nation's leaders, and for bringing this legislation to the floor today for a vote. Many of us in the House of Representatives have come to rely on Representative PELOSI for her leadership on this issue over the past 5 years, and we look to her as our conscience and our guide. This gentlewoman deserves the thanks of all the Members of this House for her unwavering support of human rights and democratic reforms in China.

It is absolutely imperative that this House insist that the United States Government not reward the Chinese regime which brutally massacred pro-democracy demonstrators in Tiananmen Square just 5 years ago with carte blanche on the importation of their goods into our market. Granting most-favored-nation status to all Chinese products rewards the Chinese regime for its intransigence on human rights, and its refusal to engage in fair trade.

The Pelosi substitute to H.R. 4590 is carefully targeted to send a strong message to the Chinese Government that continued suppression of human rights, production of export goods through forced prison labor, flaunting of international agreements on nuclear nonproliferation, and engaging in unfair trade practices cannot be tolerated, nor ignored, nor rewarded. Denying most-favored-nation status for products made by the Chinese military and state-owned-enterprises which rely on forced prison labor to produce their goods is a reasonable compromise to the continuing controversy over trade and human rights policy in regard to China.

Mr. Chairman, despite the arguments of those who support totally unfettered trade with China, the fact remains that trade and human rights are inextricably linked. A nation that suppresses its peoples' human rights also suppresses their wages. This, in turn, leads to an unnatural advantage in trade, which adversely impacts American businesses and workers, and causes the loss of American jobs. In point of fact, the United States trade deficit with China is now over $30 billion a year, second only to our trade deficit with Japan. Yet, despite the freedom we grant to Chinese imports to the United States, China does not grant most-favored-nation status to United States goods, and continues to bar certain United States goods from the Chinese market. For those who advocate free trade, it seems rather illogical and inconsistent to grant free access to our market to a country which denies free access to their market for our goods.

Nearly 40 percent of China's total exports are to the United States, which means that most-favored-nation status for their goods is vital to the Chinese economy. Therefore, most-favored-nation status is logically the most effective tool for influencing the Chinese Government to improve their record on human rights. If the United States continues to grant most-favored-nation status to Chinese goods, without requiring improvements in human rights, than there is no incentive for the Chinese regime to alter their policies. I ask my colleagues who support unrestricted most-favored-nation status for China to identify what other means we have available to influence the Chinese Government? They cannot give me an answer, because they have no answer.

Mr. Chairman, I strongly urge all my colleagues to insist that the United States stand up for the principles of human rights, and for the freedom of the Chinese people. Vote for the Pelosi substitute, and send he clear, unmistakable message to the dictators in Beijing, and your constituents, that you believe in freedom and democracy for people all over the world.

Mr. EDWARDS of California. Mr. Chairman, I rise in support of the bill and substitute amendment authored by my dear friend and respected colleague, Representative NANCY PELOSI. This reasoned and reasonable approach to United States-Chinese policy would promote respect for human rights without inadvertently punishing reformists.

No one here can dispute that the government of the People's Republic of China must improve its repressive human rights record. Our decision today is how to achieve that goal.

I side with those who believe that the worst offenders are not entitled to the privilege of most-favored-nation status which is afforded civilized trading partners. Unfettered access to the American market, the largest unified market in the world, is not the answer. Economic growth may help promote openness, but it is not the only factor or the only path to democracy. If it were, you can be sure that the Chinese would not allow economic reform.

By denying MFN to official institutions, we can provide incentives for the government, particularly the military, to divest itself. This would further the interests of the United States which include promoting human rights, democracy, fair trade, livable working conditions, nuclear non-proliferation, regional stability and more. These are the goals we all share. These things will be more difficult to achieve if we do not use the leverage of targeted MFN denial.

The Pelosi bill is workable. The list of targeted enterprises, in fact the concept of targeted denial of MFN, was drawn up by the administration before the undoing of our China policy.

The alternative offered by my colleague from Indiana merely advocates doing what we ought to be doing already: protecting intellectual property, encouraging responsible business practices, and expanding broadcasting to tyrannized societies.

Without the human rights violations, without the prison labor, without the missile proliferation, without the subjugation of Tibet, the Chinese would still be among the worst of our unfair trading partners. China does not afford the United States national treatment, the common denominator among trading partners that entitles countries to most-favored-nation status. China turns a blind-eye to industrial and intellectual piracy. China uses prisoners and laborers in near-slavery to fuel its economic engine. Because of all this, the United States suffers a tremendous $24 billion trade deficit with China.

Confucius said centuries ago, "do not treat others as you would not have them treat you." The Golden Rule, as spoken by the venerable Chinese sage, applies.

The Chinese Government must treat other nations as they would be treated. Perhaps even more importantly, the Chinese Government must respect the Chinese people if it is to deserve respect. We must stand up for the average Chinese, like the man before the tank, and help to put an end to repression. Support the Pelosi amendment, oppose the Hamilton amendment.

Mr. KENNEDY. Mr. Chairman, I rise today in strong support of the Pelosi bill, which will revoke MFN for goods produced by the People's Liberation Army and China's defense trading companies.

This is the principled approach. It is the pragmatic approach.

As a strong supporter of free trade, I do not come to this position lightly. China is not only the world's largest country, but it also has the world's fastest growing economy.

Our relationship with China is one of the most important issues that this Nation faces on the international scene in the years and decades ahead.

Mr. Chairman, as we begin to face that challenge, a simple extension of most-favored-nation trading status—without regard to China's restrictions on imports, their export of missile technology and their performance in human rights—will not advance our values. It will not advance our interests.

Targeted sanctions are justified for many reasons: the Chinese Government acknowledges holding more than 3,000 prisoners for counter-revolutionary activities. This is a mere fraction of tens of thousands of political and religious detainees. They can be held for 3 years without a trial, and that is often extended for another 3 years.

China continues to export products made with prison labor to the United States. Just this spring, the human rights group Asia Watch released a report documenting import to the United States of 100 tons of latex medical gloves inspected by prison labor.

There has been no progress in negotiations between China and the Dalai Lama, Tibet's spiritual leader. There are hundreds of prisoners of conscience in Tibet, including 15 nuns arrested last year and sentenced to up to 7 years in prison.

China has started discussions with the International Committee of the Red Cross [ICRC] about prison inspections, but to date, no prison visits have been allowed. 1993 was the worst year for political arrests and trials since mid-1990 in the aftermath of the Tiananmen Square massacre.

Mr. Chairman, the Pelosi bill strikes the right balance between our interests in expanding trade and in defending human rights.

I thank my colleague from California for her leadership on this issue, and urge a "yes" vote on H.R. 4590.

Mr. PORTER. Mr. Chairman, I commend the gentlelady from California for her constant and eloquent leadership for human rights for the Chinese people. Throughout the years since Tiananmen she has been the guiding light of the Congress on this issue and a beacon of hope for every Chinese person who yearns for freedom.

The United States has emerged from the cold war the preeminent political, economic, military, and ideological power in the world. I believe we have the best opportunity in history to promote human rights, the rule of law, free markets, and democracy—the values on which our country is based—in the far corners of the globe. We must, however, implement the foreign policies that reflect this golden opportunity and advance it.

The Pelosi bill recognizes the need to find a workable means for moving China toward a greater openness and respect for human rights. Our former policy of conditioning MFN on improvements in human rights ultimately failed because it was to broadly drawn and in the end so draconian we would not use it for fear we might well undermine the very influence toward greater economic and political freedom we wished to foster.

The bill that the gentlelady from California offers today, however, is narrowly drawn to target the groups—the People's Liberation Army and the large state-run industries—that are the prime human rights abusers in China. Harry Wu has provided irrefutable evidence that state-run industries use slave labor, and the PLA, which has extensive mechanism used by the Chinese leadership for abuses like Tiananmen Square.

I am cosponsor of the Pelosi bill because I believe it sends a well-honed message to the Chinese that our concern for human rights in China is abiding and strong. I urge Members to support this targeted measure.

Now, Mr. Chairman, taken together, the legislation offered by Ms. PELOSI and Mr. HAMILTON represent a broad-based approach to promoting human rights in China that contains carrots and sticks which, I believe, is how we should be proceeding. I do not believe these two approaches are mutually exclusive, and I support them both.

Unfortunately, the Committee on Rules has made it impossible for the two approaches to both pass today, which I believe is unfair to Members and particularly unfair to Mr. HAMILTON, who has produced an excellent bill. I am particularly supportive of provisions in his bill that encourage the Chinese to enter meaningful negotiations with the Dalai Lama regarding the future of Tibet, Identify preserving the social and economic system of Hong Kong as a very high priority, and authorize additional funds for Radio Free Asia, for which the house expressed overwhelming support a few weeks ago.

After we have completed action here today, I believe the Rules Committee should reconvene and produce another rule allowing the approach that does not prevail—either Pelosi or Hamilton—to be brought back to the floor for an up-or-down vote. The House should be given a fair opportunity to work its will on this very important issue.

I will support both of these approaches today, which are offered by Members with a deep and earnest interest in improving conditions in China. I cast my vote, however, while protesting the convoluted rule that does not give Members flexibility and will result in the adoption of one approach or the other, and not both.

Mr. ABERCROMBIE. Mr. Chairman, I support the Pelosi amendment to restore the original language of H.R. 4590.

I understand the concerns which have been raised by those seeking to confirm China's MFN status without reservation. I agree that international trade can in some instances be a powerful moderating force in the behavior of governments. I too would like to see United States-China trade grow and flourish. It is important, however, that we avoid the trap of allowing trade considerations to override the question of human rights. To do so in the case of China would signal that we are turning our backs on more than a billion human beings subject to a regime employing tyranny in the service of economic development. For the United States tacitly to encourage that policy by ignoring it only compounds the tragedy.

Some proponents of unrestricted MFN status for China argue that it would be counterproductive or ineffective to express our human rights concerns with this vehicle. That argument is contradicted by the actual experience of other countries where we have linked trade and human rights. Many of the reluctantly granted freedoms in the former Soviet Union, such as free emigration, were won only because the United States made trade preferences conditional on reforms. The Soviets yielded because they were desperate for hard currency. The Chinese Government is in similar need, and Beijing's public statements to the contrary notwithstanding, putting human rights on the MFN agenda will inevitably generate pressure to change policy.

I was an advocate for normalizing United States-China relations long before it became fashionable and I remain a friend of China. It is my high regard for the people of China and Tibet and my profound respect for the greatness of the civilized traditions to which they are heir that moves me to take this position affirming the aspirations of the partisans of democracy and self determination. I believe those aspirations express the will of the people of China and Tibet, including even a large number of Communist Party members. The example provided by his holiness the Dalai Lama and by the Chinese democracy movement embodies the humane spirit which distinguishes civilization from barbarism. As such, it exemplifies a tradition which exalts the power of thought and spirit over force of arms—a tradition which has prevailed against all odds for thousands of years and which I believe will prevail yet again.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentlewoman from California [Ms. PELOSI].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Ms. PELOSI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 270, not voting 11, as follows:

[Roll No. 383]

AYES—158

Abercrombie
Andrews (ME)
Applegate
Baker (CA)
Barrett (WI)
Barton
Beilenson
Berman
Bilbray
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Browder
Brown (OH)
Bunning
Burton
Byrne
Cardin
Clay
Clayton
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Cox
Coyne
de Lugo (VI)
DeFazio
Dellums
Diaz-Balart
Dickey
Dixon
Dornan
Duncan
Durbin
Edwards (CA)
Engel
Eshoo
Evans
Everett
Farr
Fields (LA)
Fish
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gilman
Gonzalez
Goodling
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hefley
Hefner
Hilliard
Hinchey
Hobson
Hochbrueckner
Holden
Horn
Hoyer
Hunter
Hutchinson
Hutto
Hyde
Inglis
Kaptur
Kasich
Kennedy
Kildee
King
Klink
Klug
Lancaster
Lantos
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Lowey
Margolies-Mezvinsky
Markey
Mazzoli
McCloskey
McHale
McKinney
Meehan
Menendez
Mfume
Miller (CA)
Mink
Moakley
Molinari
Nadler
Neal (MA)
Norton (DC)
Obey
Olver
Owens
Pallone
Payne (NJ)
Pelosi
Porter
Poshard
Rahall
Rangel
Richardson
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Sanders
Schiff
Schroeder
Scott
Sensenbrenner
Sharp
Shepherd
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stokes
Strickland
Studds
Stupak
Swett
Taylor (MS)
Taylor (NC)
Torricelli
Towns
Traficant
Underwood (GU)
Unsoeld
Upton
Velazquez
Vento
Washington
Waters
Watt
Waxman
Weldon
Wolf
Woolsey
Wynn
Yates
Young (FL)

NOES—270

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Becerra
Bereuter
Bevill
Bishop
Bliley
Blute
Boehner
Bonilla
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clement
Clinger
Coble
Coleman
Combest
Condit
Cooper
Coppersmith
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Derrick
Deutsch
Dicks
Dingell
Dooley
Doolittle
Dreier
Dunn
Edwards (TX)
Ehlers
Emerson
English
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (TX)
Filner
Fingerhut
Flake
Fowler
Franks (CT)
Frost
Furse
Gallegly
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Gordon
Goss
Grams
Grandy
Greenwood
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hoagland
Hoekstra
Hoke
Houghton
Huffington
Hughes
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kennelly
Kim
Kingston
Kleczka
Klein
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
LaRocco
Laughlin
Lazio
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Long
Lucas
Machtley
Maloney
Mann
Manton
Manzullo
Martinez
Matsui
McCandless
McCrery
McCurdy
McDade
McDermott
McHugh
McInnis
McKeon
McMillan
McNulty
Meek
Meyers
Mica
Michel
Miller (FL)
Mineta
Minge
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Neal (NC)
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Ramstad
Reed
Regula
Reynolds
Ridge
Roberts
Roemer
Rostenkowski
Roth
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schumer
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (OR)
Stenholm
Stump
Sundquist
Swift
Synar
Talent
Tanner
Tauzin
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Tucker
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wheat
Williams
Wilson
Wise
Wyden
Young (AK)
Zeliff
Zimmer

NOT VOTING—11

Bentley
Clyburn
Franks (NJ)
Gallo
Herger
McCollum
Ravenel
Romero-Barcelo (PR)
Roukema
Stark
Whitten

☐ 1943

Mr. JOHNSTON of Florida changed his vote from "aye" to "no."

Mr. DORNAN changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SKAGGS) having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4590) to provide conditions for renewing nondiscriminatory—most-favored-nation—treatment for the People's Republic of China, pursuant to House Resolution 509, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMUNICATION FROM THE HONORABLE WALTER R. TUCKER III, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable WALTER R. TUCKER III, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 3, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to rule L (50) of the Rules of the House that Garland Hardeman, a member of my staff, has been served with a subpoena issued by the California Workers Compensation Appeals Board.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,
WALTER R. TUCKER III,
Member of Congress.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4907, FULL BUDGET DISCLOSURE ACT OF 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–689) on the resolution (H. Res. 512) providing for consideration of the bill (H.R. 4907) to reform the concept of baseline budgeting, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4906, EMERGENCY SPENDING CONTROL ACT OF 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–690) on the resolution (H. Res. 513) providing for consideration of the bill (H.R. 4906) to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4822, CONGRESSIONAL ACCOUNTABILITY ACT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–691) on the resolution (H. Res. 514) providing for consideration of the bill (H.R. 4822) making certain laws applicable to the legislative branch of the Federal Government, which was referred to the House Calendar and ordered to be printed.

□ 1950

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. POSHARD). Under the Speaker's announced policy of February 11, 1994, June 10, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

INTRODUCTION OF LEGISLATION DEFERRING HEALTH CARE REFORM DEBATE UNTIL 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, we have said it before, and we say it again: Gridlock has come to the aid of the American public.

Whereas just that few short months ago gridlock seemed to be a bad, distasteful word, it really has come around to be the saving feature of the health care debate.

What do we mean by that? The latest polls indicate a great dissatisfaction on the part of the American public with the various plans that have been floated around for more than a year and a half now. So what do we do? We know that at the present moment in the House there are not enough votes to pass any one of the big proposals that we have been searching for as possible answers to the health care reform issue.

So I have proposed, and I filed before the Committee on Rules, an amendment, a substitute amendment. The House of Representatives finds itself with more than 100 different bills having been introduced on health care. Because we cannot agree on anything, and because the American people feel that we should not be rushing into this massive reform in the last hours of this session, we prefer, and the American people prefer, to postpone the great debate until next year, to think about it, to stand back and see what has been accomplished, if anything, in the formal debates and the informal debates that we have held on the issue.

I myself now have introduced a bill and filed it in the Committee on Rules which I hope they will make in order, a substitute bill, which will defer all debate on the health care reform until 1995, and in the meantime, a blue ribbon commission, much like the one that was formed a few years back to solve the Social Security problems that beset us, and have that bipartisan commission report back by March 1.

What will this commission do in the meantime? They will look over all the plans that have already been instituted, new kinds of reform by the various States in the Union. They will look at what hospitals and providers and insurance companies have already been able to accomplish in funding kinds of reform, and then with the panoply of reform measures that have abounded across the land, the bipartisan commission will be able to make recommendations back to the Congress in order to have us look carefully and slowly at what reform measures we want to adopt.

According to the latest NBC-Wall Street Journal poll, only 31 percent of Americans support passing health care now, while 61 percent prefer waiting until 1995. They do not want us to rush into this. Gridlock has saved the day, we hope.

When Grace Marie Arnett, who is the president of Arnett & Co., which analyzes health policy, was asked about our proposal, the Gekas Commission, she said, "That should have been done from the beginning." Ms. Arnett urged the commission to tell the truth to the American people, that they cannot get something for nothing; let us get a good diagnosis, not just a set of different government solutions. Put the consumer at the center and see what a real health care market can accomplish. Thus far, the people have not been told anything. So says Ms. Arnett, who endorses the concept of the Gekas Commission to wait and see and inspect all of the various proposals across the land before we rush in the last hours of this session to adopt some sort of political health care reform, not a consumer, taxpayer-based, people-back-at-home type of health care reform.

The other thing that must be said, if we do not stand back and look, we are going to be hosed here in this Chamber. Why? Because we have exceptions built into the proposals, an industrial group in New York, a hospital in Houston, a building project in Chicago, all being secreted into the massive new bills that are being introduced. These special pork projects have no place anytime, let alone in a health care reform issue.

THE UPCOMING ELECTIONS IN MEXICO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. KOLBE] is recognized for 5 minutes.

Mr. KOLBE. Mr. Speaker, I have taken this time this evening to just share with my colleagues a few thoughts about the elections in Mexico which are going to take place in less than 2 weeks.

I had the privilege of being there this last weekend. I had the opportunity to meet with a number of Government officials, to attend some political rallies, to go into some of the States, some of the States where there has been the most dissension including Chiapas, the State where the Zapatista uprising took place just a few months ago.

I think that all of us in this body would agree, and all of us in the Nation would agree, that this election is certainly important to the United States, and so I have taken this time just to share a few thoughts about what is happening in Mexico with my colleagues.

It has been said by commentators, and I think it is arguably correct, that this election is the most important political event in Mexico since the revolution of 1910. This election truly says about the future of Mexico the direction that they intend to take with regard to the political reforms in that country.

My colleagues may know that since 1927, since the end of the revolution and since the formation of the PRI, which is the party of the Government, they have never lost an election, and until a few years ago had never lost any election for a national office or for a gubernatorial election.

Now, in this election this year, a concerted effort has been made by the Government to change the way elections have been held and to make this the most open and the most free and impartial election that has taken place. What is involved in this election is, of course, the election of the President of the country of Mexico, all of the Chamber of Deputies, and three-fourths of the Senate.

They have recently changed their constitution to assure that in every State there will be at least one minority, that is, the second highest number of votes in the Senate will go to the senator of that minority party, so there is guaranteed to be at least a representation of 25 percent or more in the Federal Senate by the minority.

□ 2000

A number of major economic reforms have taken place in the last 10 years under the leadership of President Salinas and his predecessor. But now what we are looking at is the next step, real and significant political reform, which is truly the last and most important step towards democracy in Mexico.

I think any of my colleagues who have the privilege to go there and to see what is happening would agree that at the very least the technological changes that are taking place in this election are very impressive. The Government of Mexico has spent or is spending $2 billion, let me repeat that again, $2 billion, on the infrastructure of this election.

That has to do with making sure that the voter lists are probably the most up-to-date in any major country of the world. I think they would be considered so by anybody in this country; that every person in Mexico has a tamperproof card with a hologram on it and a photo in it; they are going to be able to have poll workers picked at random observing and controlling the polls at every single location. They also have a new federal election commission that for the first time consists of six individuals selected by the Congress itself from a list of private citizens, not from political leaders but private citizens. Everybody on all sides agree that these citizens who control this election commission are the most unbiased and best group that could possible be put together to oversee the elections in the country of Mexico. These are individuals who are intellectuals, media leaders but who do not have an ingrained bias for one party or the other.

There are, as my colleagues may know, three major parties and several minor parties that are contesting this election, but let me just touch on the three major parties.

Of course, the PRI, headed up by Mr. Sedio as a candidate, who replaced Mr. Colosio after the tragic assassination of that individual. He certainly has all the trappings not only of the Government party but also has all the machinery of the organization.

Mr. Speaker, in the course of the next couple of days I will have an opportunity to share more with my colleagues about this election and its importance, and I hope that my colleagues will follow this very closely because it is very important to the future of this country.

A-TO-Z LEGISLATION

The SPEAKER pro tempore (Mr. POSHARD). Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, tonight I rise to speak about the A-to-Z legislation. A lot of people have misconceptions about A-to-Z and the related debate to it. I thought it was important as we discuss crime, as we discuss GATT, as we discuss health care, not to let A-to-Z get caught and fall through the cracks.

The discharge petition for the A-to-Z spending cuts bill has 209 signatures, and I have started to get some letters about it from people back home who are saying, "Don't support A-to-Z because it will put my COLA's at risk." In truth, what the A-to-Z does, I think, in the long term is gives the Congress an opportunity to preserve COLA's or other spending that may be affected or may be worthwhile. What the A-to-Z spending bill does is simply allows Congress to lay on the table particular ideas and areas that we could cut the budget on and give specifics.

As a newcomer to Congress, one of the things I have been amazed at and a little frustrated with is if you have a $10-billion bill and you cut a $1-billion item out of it after 2 or 3 hours of debate on the floor of the House, the bill does not reduce to a $9-billion bill, it just stays at $10 billion, and that $1 billion becomes unearmarked and then it gets in conference committee and it can be split any way that they want to. I do not think that is what the American people have in mind when they say cut spending and cut this particular item.

The other thing that frustrates me is that when we in Washington—and this is not unique to Congress, this seems to be everybody inside the beltway of this town—when we talk about cuts, we are not talking about cuts, we are talking about a decrease in the projected increase.

Going back to the $10-billion legislation again, what happens if we say, "Yes, but we cut it a billion dollars," what we really mean is we thought we were going to spend $11 billion but instead we spent $10 billion and that is a cut, even though last year the total bill was $8.5 billion.

You know, when we cut our budgets back home, when my wife and I sit down and decide what we are going to cut and I say, "Well, Libby, you need to quit going to the gas station, quit eating out so much, maybe instead of spending $30 this month at fast-food, maybe you can spend $28." And then she says, "No, I think most of the cutting ought to come from your side of the pocketbook in the family and you need to quit going on so many fishing trips," and so forth. That is what a cut is in the real world, spending less money this year than you did last year. But not in Washington; it only means you are not going to spend as much as you might spend, a decrease in the projected increase.

I think what the A-to-Z bill would do for Members like me and many other Members is give us an opportunity to vote on some of the things that we see as fat. For example, I think the franking privilege is somewhat abused. I have a lot of franked pieces of mail that have gone out suspiciously close to election time that look like a doggone ad campaign brochure. Well, that might be great for some Representatives, but to me it is something we ought to cut out. I think we ought to put it on the table to cut down.

IRS could crack down on rent subsidies. That is something we could lay on the table. The helium reserve plant, we have been debating that since probably the beginning of the Congress. Our country is 218 years old, and I think as soon as helium was invented, we have been debating cutting back on it. But we seem to spend about $700 million a year on the helium reserve plant.

Let us put that on the table and vote for it.

Money spent on illegal aliens, these are things that would all come to light and come to the floor for a full debate if A-to-Z passes. The idea behind it is not that these programs are bad, it is just that we have 435 Members of Congress, and some of us feel some things are waste and others might see it as they're being good. Of course, the standard joke is my economic development is the next guy's pork.

Well, A-to-Z would sort of let us have a good debate on that. I hope that as this Congress goes through health care at this breakneck speed we are traveling on now, that we do not forget we have a significant piece of legislation that is still in need of signatures on the discharge petition and still needs to come to the House floor for a vote.

GIVING CREDIT WHERE CREDIT IS DUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON. Mr. Speaker, we have seen over the past several years disasters wreak havoc all across America. I rise tonight to recognize special unselfish responses of constituents of my district to three specific incidents.

While we have havoc caused by these disasters, oftentimes they bring out the best in people.

The first instance was a tornado that touched down in one of my communities a few weeks ago in the small town of Royersford. Then it jumped over several other areas and came down again in the town of Limerick, where it resulted in the deaths of one entire family, three individuals, the Thompson family, husband, wife, and young baby. It caused terrible devastation in the community of Limerick. I spend Saturday, July 30, in that community and was overwhelmed by the response of the local fire department, the neighboring fire departments, the emergency response crews, the American Red Cross. Dave Acres, the chairman of the board of supervisors in the town, and the commissioners and elected officials in Royersford, they all did what we would expect, and that is they handled the situation in a very calm and efficient manner. We should properly recognize those efforts.

I will insert the names of all those involved in the RECORD so that we can properly acknowledge them.

The second incident involved a group of about 100 volunteers who left my district on Friday to travel to Newton, GA. They represent about 30 fire and EMS departments and are down there for the entire week; as a matter of fact, about 10 days. They are involved in cleaning up homes, removing mud and debris and helping these people get back on their feet, from the terrible devastation of the flood that occurred in that community.

The project is called Delaware County Cares. It is an outreach effort by our local volunteer fire departments, much like we saw in the midwest floods that occurred a short time ago.

For that, these fire fighters and these volunteers deserve our praise and recognition.

The third incident involved a volunteer effort to Sarajevo by one of my constituents by the name of Michael Santillo. Mike went over to Sarajevo and spend about 2 weeks working with the emergency responders in downtown Sarajevo.

□ 2010

For the last year and a half we have worked with John Jordan, who is the United Nations special rep on the ground in Sarajevo. In fact, we sent over two plane loads of relief supplies including four fire trucks, doing it by volunteer fire companies throughout America. Mike Santillo went over to assist in repairing those trucks because they had been damaged, they had been shot up and because they were not able to be of service to the people. Mike went over as a volunteer. He came back. He is home now. I will insert an article that was in the times Herald dated Wednesday, July 27, documenting Mike's efforts in Sarajevo, and I will also be inserting at a later date an entire report from Mike about what he saw, what his impressions are and what kinds of things we should be dealing with in terms of helping the people of Sarajevo in this very unfortunate and difficult time.

The article referred to is as follows:

[From the Norristown, PA, Times Herald, July 27, 1994]

LOCAL MAN PITCHES IN WITH RELIEF—UPPER MERION'S SANTILLO BOLSTERS U.N. IN SARAJEVO

(By Bob Carville)

Fighting fires is a risky proposition anywhere, but an Upper Merion Township firefighter who returned last week from Sarajevo says it's another level of hell over there.

Michael Santillo of Valleywyck Drive serves with the King of Prussia Volunteer Fire Company and has expertise in large service vehicle repair.

Last fall, he attended a ceremony of the Congressional Fire Services Institute in Washington, D.C., and volunteered for a two-week stint aiding United Nations' humanitarian efforts in war-torn Bosnia-Herzegovina.

The U.N. sponsors a group of emergency-trained professionals called GOFRS (Global Operations Fire and Rescue Services) and it called on Santillo to assist in repairs to fire vehicles sabotaged in the Sarajevo conflict.

"The saboteurs worked overtime destroying these trucks," Santillo said this week.

"They all had dirt in the fuel tanks. One had a .30 caliber round go through it. The electrical systems were short-circuited and sabotaged, and all the hose connections were stolen."

Santillo has been active on local government transportation committees for many years and works as an insurance agent specializing in large vehicle claims for the Reliance Insurance Co. of Philadelphia.

His longtime love of fire trucks and his professional experience assessing damages qualified him for the duty, he said.

Arriving in Sarajevo the first week of July via a U.N. paid flight, Santillo and a team of volunteers with various specialties toiled to restore the U.N.'s local fire company. But efforts to repair the U.N.'s trucks were severely hampered by a shortage of replacement parts, Santillo said.

The volunteers lived in the fire house and ate military rations, which Santillo said were "great for losing weight."

"There are no shops to order these parts in Sarajevo like there are here," Santillo reported. "The U.N. had a kind of makeshift SEPTA garage converted from an old marketplace.

"They didn't have much of what we needed, but we got the trucks running. You just kind of have to find what you need."

And just in time, as it turned out.

After rigging repairs to two American-built LaFrance pumper trucks, Santillo said the firefighters were called to battle a blaze burning out of control for 15 hours at an old Volkswagen factory in Serbian territory.

"It was a tough fight, very tough," he said. "The crews worked without air packs or even a steady water supply of their own, but we brought the fire down after several more hours. It was very, very dark in there.

"We were told through an interpreter after the battle about how brave the Serbian firefighters thought we were," Santillo said. "It was then we learned there was about 80,000 pounds of explosive materials about 10 to 30 meters from where we were standing inside the factory."

But fire, smoke and explosives weren't the only enemies.

"We also found out that while we were inside snipers had fired on us three times," Santillo said.

He said the area is blighted from the constant warring between ethnic factions there.

"An area near the Olympic stadium has been turned into a mass cemetery from the war casualties," Santillo said. "You say to yourself, My God, how many thousands have died here.' "

Although it would probably rank as a major motion picture script, his experience will be recounted in a report to U.S. Rep. Curt Weldon, R-7th Dist., a founder of the Congressional Fire Services Institute and current co-chairman.

"I'm honored to have the opportunity to give my report for the congressman," Santillo said. "I understand he'll share the information with his colleagues as they oversee relief efforts in Sarajevo."

Santillo said he plans to return to Sarajevo in September and he pledged to serve on the international scene "whenever and wherever I'm needed. We're not taking sides; if anyone needs us, we're there."

In the meantime, he has issued a plea for areas fire departments or other sources to contribute spare tools, extra fittings, nozzles, hoses or accessories to the U.N. fire relief forces.

For information on contributions, Santillo recommended contacting him at (610) 992-9063 or 768-8600 or King of Prussia fire chief Gary Touchton at (610) 265-1063.

Mr. Speaker, in our search for real heroes in America we sometimes get lost. More often than not the real American heroes in this country are right in our backyard. The kind of people like the Mike Santillo's, and like those volunteers that are down in Georgia and Newton, and like those individuals who respond to the tornado in Montgomery County and Chester County, PA, these are the people that make our country so great. It is only appropriate that we properly recognize them.

END DEFENSIVE MEDICINE—ENACT TORT REFORM

The SPEAKER pro tempore (Mr. POSHARD). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, one of the most basic of health care reforms that this House should enact is that of malpractice, or tort, reform. Unfortunately, as we wait to see the text of the Clinton-Gephardt bill, the chance to enact malpractice/tort reform—one supported by a majority of Americans—has run aground in the House Committee on the Judiciary.

Although it will not cure all of our health care problems, malpractice reform will take us a long way toward eliminating much of the defensive and seemingly wasteful medicine that is practiced by doctors and other health professionals to avoid the risk of being sued for the mere application of professional judgment. When a doctor can tell by experience and an X-ray what is wrong with the patient, but also orders an MRI to be done at the cost of $1,000 in case he is taken to court by the patient, that is defensive medicine adding cost to the health care bill. This defensive medicine—at an annual cost of billions of dollars—is reflected in the average American's medical bill. Some estimate that 5 percent to 10 percent of our national health care bill is related to the practice of defensive medicine.

Tort reform ensures that when a person is injured through negligent medical care, it is the patient who receives the lion's share of the compensation, not his or her lawyer.

Malpractice reform is a proven success. For proof, one merely has to look at the California Medical Injury Compensation Act—known as MICRA. There is hardly a doctor in California who cannot tell how much his or her malpractice insurance premium has decreased since the implementation of MICRA. Statewide the premiums have fallen an average of 60 percent. That means the average patient's bills do not reflect those excess premiums.

Before the 1975 enactment of MICRA, malpractice premium payments by California physicians totalled more than 25 percent of total premium payments nationwide. After MICRA, premium payments by California physicians have fallen to little more than 10 percent of the national total. That is a stunning decline.

More important, caps on the percentage of a monetary award that can go to lawyers have meant more money for individuals in compensation for the harm they have actually suffered.

Some have argued that this cap will mean lawyers will not take smaller cases. But MICRA has a sliding scale on attorney contingency fees—40 percent of the first $50,000 of the award, 33⅓ percent of the next $50,000, 25 percent of the next $500,000 and 15 percent of any amount over $600,000.

Ironically, last week, the House Committee on the Judiciary took the unfortunate step of writing legislation that would roll back the proven California reform. Gone is any mandatory dispute resolution mechanism—a means to settle these disputes without having to go to court.

Under the committee's language, a lawyer's contingency fee would be capped at one-third of the total award—a provision that would directly undercut stricter caps which have been imposed in various States. The committee rejected on a near party-line vote the quite sensible proposal that damages for such items as pain and suffering or emotional distress be capped at $350,000. Frankly, even $350,000 is too high. Under the California MICRA law, non-economic damages are capped at $250,000. Again, these are caps on payments for emotional distress, they are not compensation for actual and real harm suffered.

Finally, the committee rejected an amendment which sought to restrict punitive damages to cases where it was clear that the act committed by the defendant was based on clear and convincing evidence that the behavior was malicious, wanton, willful, or excessively reckless. What we have instead is no standard and a total preemption of all State malpractice law. If we allow the Committee on the Judiciary's decision to stand, the California success story will be erased. So will the success stories in other States.

Supporters of the Clinton-Gephardt bill claim they want such lofty goals as change and reform. Of course they do right up to the point of addressing proposals that might offend the trial lawyers.

Hillary Clinton, a lawyer by profession, has been touring the country decrying the influence of special interests on health care costs—every interest, that is, but that of her own profession.

It is time to end the finger-pointing and get serious about health care reform. Any bill this House considers must include real malpractice reform that builds on the successful reform we have seen in the States.

THE IMPORTANT ROLE OF STATES IN NATIONAL HEALTH LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WYDEN] is recognized for 5 minutes.

Mr. WYDEN. Mr. Speaker, I would like to focus tonight on health issues, and I come to the debate as one who since my days as co-director of the Oregon Gray Panthers has really looked forward to this day when we would be debating national health care legislation on the floor of this body, and I come tonight especially to focus on the important role that the States have played in moving the health reform effort ahead during these long years when Congress has been unwilling to act. Fourteen State have now enacted major health reform laws or are in the process of enacting major health reforms. These reforms are as diverse as the States and the people who live in them, but the bottom line can really be distilled into four simple truths.

First, our States have cast the tough votes, enacted health reforms, and our States and the legislators who fought for these reforms have lived to tell about it.

Second, our States have found millions of citizens who are in crisis and in desperate need of health care reform.

And third, we know that our States can help more people get better health care sooner if Congress will create a fast track process for our States to get waivers from very complicated and burdensome Federal legislation such as the Employee Retirement Income and Security Act.

Mr. Speaker, what our States want and need from this Congress in national health legislation is an expedited process to be able to insure all their workers through these waivers under the Employee Retirement Income and Security Act. Our States want a program where they can go to one office at the Federal level which is authorized to help speed up these State health care reforms.

□ 2020

The States need a right to have quick and timely answers to their applications for these special waivers, so that they can insure all their citizens without delay.

I proposed such a waiver program in legislation in 1992, along with several of our colleagues in the other body, and I am especially pleased tonight that the majority leader of this body has largely included these provisions, that can help jump start State health care reform, in his legislation.

Now, in beginning this discussion about the important role of the States, I think we ought to first focus on the evidence that the States have shown with respect to how many people in our country are in crisis and want action on health care reform now.

So I am going to read just a few of the headlines that have come out on the first phase of the Oregon health plan. One of them begins, "Health Coverage Stampede. Uninsured Oregonians Inundate New Program."

It goes on to say while politicians in Washington, DC debate the question of whether there is a health care coverage crisis in our country, thousands of poor and uninsured Oregonians have been saying in no uncertain terms that there is one for them. The breadth and depth of the need have been driven home vividly at dozens of small informational meetings such as one at Portland's downtown YWCA.

Here is what our State's largest paper, the Oregonian, reported as well. The headline was "Oregon Health Care Plan Draws Massive Interest." In talking to several of those who participated, they reported, oh, thank God something like this has finally come. Some people say, I haven't had insurance in years. I have been going without. My children have been going without. And the Oregon health plan has been for them.

Now, one of the most striking aspects of what my State has found and so many of you other reform-minded States have found is that so many of those who desperately need health care are families with children, families who work, families with income. This notion that everybody that is uninsured is 20 or 21-years-old and is some sort of a physical fitness pro, or something like that, is belied by the reality of what we are seeing in my State and other States across the country. We are seeing adults, we are seeing families, we are seeing people who have put off desperately needed health care year after year, and now these two-parent families that are struggling are able to get access to decent care.

But the bottom line, Mr. Speaker, is to get health reform faster at the State level we need these ERISA reforms. I urge my colleagues to support the majority leader's bill.

CONGRESS SHOULD NOT RUSH LEGISLATION ON HEALTH CARE

The SPEAKER pro tempore (Mr. POSHARD). Under a previous order of the House, the gentlewoman from Washington [Ms. DUNN] is recognized for 5 minutes.

Ms. DUNN. Mr. Speaker, first I want to thank our freshman Republican class president, BUCK MCKEON, and my colleagues from Michigan, Congressmen KNOLLENBERG and HOEKSTRA, for organizing this special order to address our concerns about the process by which health reform is being considered.

Mr. Speaker, to be candid, President Clinton is right when he says passing real health care reform is the opportunity of a lifetime. The President is proposing a truly historic change to 15 percent of the economy, the 15 percent of the economy that at one time or another affects each and every American. So, this is my concern about the process: Before we can vote on legislation that affects every man, woman, and child, we need to see more than a vague outline of the new Clinton bill.

It took Mrs. Clinton and a committee of 500 over one entire year to devise the original Clinton Government-run health care bill. While I strongly disagreed with the original Clinton proposal, I do appreciate the fact that Mrs. Clinton recognized the complexity of the health care situation and spent a corresponding amount of time crafting a bill.

Our Democrat colleagues, like our Republican colleagues, thoroughly reviewed the first Clinton bill, listened to the American people and discarded the original Clinton bill because it was a terrible piece of legislation.

This is good news for the country. Because the process worked. Elected Members of Congress made a calculated decision based on an in-depth analysis of the information provided. I ask my colleagues to think about it. Mrs. Clinton spent a year developing this bill and Congress spent another 6 months analyzing this bill and making a determination as to its viability. That is how the process is supposed to work.

Now, according to a recent Washington Post report, at the last minute, we have a handful of staffers trying to flesh out the details of the new Clinton bill. I want the American people to think about this: Right now the fate of one-seventh of the economy and the medical care that is provided to your family is being decided by a frantic group locked in a room here in the Capitol. What it comes down to is this . . . President and Mrs. Clinton couldn't put together a viable health care plan in a year and a half, and now the Democrat leadership thinks that it can put one together in 2 weeks. Then, they expect me, you, and all of the other Members of Congress to make a decision on a 1,500 page bill after looking at it for 3 or 4 days. Doctor Clinton, this is prescription for disaster.

Washington, DC is awash with talk of a health care crisis. But, if we can't debate, if we can't deliberate, and if we can't even see the text of the new Clinton bill, we will create a health care crisis. We will create a crisis that will devastate the finest health care system in the world and threaten the health of every family and every American.

WASHINGTON STATE'S HEALTH CARE PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. KREIDLER] is recognized for 5 minutes.

Mr. KREIDLER. Mr. Speaker, I rise to talk a little bit this evening about the bill that passed in Washington State. It is a bill that deals with health care reform. It is health care reform, and it is a bill that will lead to universal coverage of the population in the State of Washington.

I do not come lightly to this issue. This is an issue that I have some familiarity with. For 2 years I was on the commission that studied the issue of health care reform in the State of Washington. As a product of that, we produced a report, and that report then became the basis of the bill that was passed by the Washington State Legislature in 1993, last year.

That legislation is comprehensive legislation. It is legislation that is going to guarantee to every person in the State of Washington that they cannot be denied health care, it cannot be taken away from them, that if things go poorly for them, they are going to be able to rely on their health insurance being there for them tomorrow.

This is not a complex issue. This is an issue that has been debated before this Congress. It was introduced by President Truman many years ago. This is an issue that back about 1970 and the early seventies was before this Congress by virtue of a bill that was submitted to the Congress by then President Richard Nixon.

In fact, in 1972, I earned a Master's in Public Health at UCLA in health administration, specifically with the idea that we were looking at a reformed health care system based on President Nixon's proposal before the Congress.

That, interestingly enough, employed an employer mandate in order to have employers have a shared responsibility with workers.

The legislation that passed in the State of Washington actually follows some of the same concepts that were employed or proposed at the time by then President Nixon. It guarantees universal coverage by 1999, and it starts out and has a requirement that as a minimum employers have a responsibility for shared responsibility with the employee of 50–50, at a minimum.

It also starts out by taking the largest employers first and having them come into the health care system and provide health care for their employees as a mandate, initially, being the first ones, starting with 500 employees or more. The others are phased in by the year 1999.

It guarantees that there be at least three choices of health care plans. Now, I worked as a clinical optometrist with Group Health Cooperative of Puget Sound, an HMO, for 20 years. Some plan that would be comparable to that would be one of the options.

□ 2030

I think it is a pretty good one, because I happened to work in it. But there would also be fee for service. There would be other types of nontraditional types of HMO's without walls and so forth, which would give individuals the chance to kind of pick their doctors from a whole panel, a minimum of three choices.

It also sets up what are called purchasing cooperatives on a voluntary basis so if you want to purchase health care and you have got money and you want to buy your health care, you could go to one of these and have the purchasing power that large corporations or a government would have, thereby giving you a much better rate on what it is going to cost you for health care.

It also expands a program that we had in the State of Washington called the Basic Health Care Plan. That is kind of a catchall for anybody who does not have access to another plan. This is a guaranteed plan that you would be able to purchase, that will guarantee you certain benefits. Most people probably wouldn't choose it as their first choice, but if they have another plan available to them or another choice, and particularly in the early stages, as we approach 1999 and universal coverage, would you have a chance then to actually get your health care through the Washington Basic Health Care Plan, not that dissimilar from the majority party's proposal here with the expansion of Medicare Plan C.

It also brings about the kinds of market reforms that are necessary for insurance that deal with issues like preexisting conditions. If you have a preexisting condition, you will still be able to get health insurance. It deals with portability, meaning if you leave one job or you are laid off or fired, you are going to have the chance then to keep your health insurance as you move on, either purchasing it yourself or carrying it to next employment situation.

You are also going to have community rating. That means that you as an individual are going to be able to see your rates are essentially averaged with all of the other people in your particular community. So that you do not see people coming in there, large employers or government, and being able to come in and essentially get preferential rates that you are not able to enjoy. Everybody has to pay the same rate in that particular community.

We are also going to reform Medicaid. I would just tell you that this is legislation that can be passed here in Congress. We have done it in the State of Washington, and I urge the Congress to step up and do what the States are already doing.

THE CRIME BILL

The SPEAKER pro tempore (Mr. POSHARD). Under a previous order of the House, the gentleman from New York [Mr. NADLER] is recognized for 5 minutes.

Mr. NADLER. Mr. Speaker, I rise today because one of the true achievements of this Congress, Federal passage of a comprehensive ban on military-style assault weapons, is in danger of being dropped from the crime bill conference report. I believe this would be a terrible mistake—one which would cost the lives of countless innocent Americans. The Members of this House must stand firm and not allow this important life-saving measure to be dropped on the altar of political accommodations.

There are, I realize, many in this body who have serious concerns about the report of the conference committee. Some members will, I know, vote against this bill on final passage. I myself served as a conferee. I declined to sign the final conference report because the Racial Justice Act, which would have provided defendants with the legal right to challenge the racist application of the death penalty—which is widespread and fully documented by our own Civil Rights Subcommittee, by the General Accounting Office, and by numerous scholars—was dropped by the majority of the conference committee despite its clear merit.

These defects notwithstanding, the deletion of the assault weapons ban would be an unforgivable last minute maneuver. Military-style weapons, like the Street Sweeper, the TEC–9 and the AK–47, are favorites of street gangs, drug dealers, cop killers, and the perpetrators of indiscriminate murder.

We must stand up for the police officers in Brooklyn who were outgunned by drug dealers armed with a TEC–9. In Buffalo, there were four assault weapons incidents and two assault weapons related killings in the first 4 months of 1994 alone.

Mr. Speaker, we must not allow the crime bill to come to a vote without this essential, life-saving provision. Children are being murdered on the streets of my city and in every other part of this Nation by weapons which have no business in private hands.

The time has come to put a stop to the killing. We will have, I am sure, a spirited debate on the merits of the crime bill, but we have an obligation to our constituents to ensure that the crime bill does not come to a vote without the assault weapons ban reported by the conferees.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Indiana [Mr. BURTON] is recognized for 20 minutes as the designee of the minority leader.

WHITEWATER INVESTIGATION

Mr. BURTON of Indiana. Mr. Speaker, first of all, I want to say tonight that there are three very courageous and patriotic people in this country who do not let political pressure dictate to them. Those three people are the three Federal judges who rose above partisan politics to appoint a new independent counsel to investigate Vincent Foster's death in the Whitewater investigation. And so tonight I would like to say, on behalf of the American people, to those three Federal judges who have been much maligned because of their choice, congratulations. I think you are very courageous people.

I also tonight want to congratulate Kenneth Starr, who was appointed the new independent counsel this past Friday. Mr. Starr, I have never met Mr. Starr, but I have, over the weekend, read a little bit about his background and looked into his credentials. And he appears to me to be a man of impeccable integrity and a man that I believe will do a good job in investigating everything pertaining to Whitewater. So my congratulations go out to Mr. Starr as well.

I would be remiss if I did not say that I am a little concerned about what some of my Democrat colleagues have said about Mr. Starr.

Mr. Bennett, Robert Bennett, who is President Clinton's personal attorney, has been very busy over the weekend criticizing Mr. Starr for some of the things he said in the past and urging him to recuse himself from being the independent counsel. I find this very strange because if Mr. Clinton and Hillary Clinton and the people in the administration that have connections to Vince Foster and the Whitewater affair, if they have nothing to hide, they should not mind whoever is the independent counsel, because all they have to do is answer the questions pertaining to Whitewater and Vince Foster and everything else. If there is nothing to hide, what difference does it make who the independent counsel is? I think they are concerned because they are afraid he may ask some very, very difficult questions.

Toward that end, I intend to send tonight to Mr. Starr, the new independent counsel, information that we have uncovered in our investigation, information that was not discussed during the Whitewater hearings or was not investigated or, if it was investigated by Mr. Fiske, it was not in his report. So we are going to send that information to Mr. Starr, along with a sworn deposition before a court reporter by the man who found Vince Foster's body, the confidential witness. That sworn statement contradicts much of the Fiske report concerning Vince Foster's death and the position of the body in the park, at Marcy Park. I am hopeful that Mr. Starr will review that along with his staff, along with the other issues that we are raising, and I am confident that he will do a thorough job of looking into it. If he feels like there is no need for further investigation of Mr. Foster's death and his connection to the Whitewater Development Corporation, then so be it. But at least now I am confident that we have somebody as independent counsel that will review all the facts, ask all the questions, and get to the bottom of it.

□ 2040

Tonight, Mr. Speaker, I would like to talk about another aspect of the Whitewater, Madison S&L, and other aspects of the entire investigation that should be looked into.

One of the things that we have found, Mr. Speaker, and I think it has been discussed in some detail previously on the floor, is an attempt to cover up part of the investigation involving a lady named Jean Lewis, who was an investigator with the Resolution Trust Corporation in Kansas City. The Resolution Trust Corporation is the Federal agency that supervises the failed savings and loan institutions around this country.

From 1991 to 1993, Jean Lewis investigated the failed Madison Guaranty Savings & Loan Association in Little Rock, AR. Mrs. Lewis made two different criminal referrals to the Justice Department involving Madison S&L, the Whitewater Development Corp., and Bill and Hillary Clinton, although neither referral directly accused the Clintons of violating the law.

She said that the FBI and the Justice Department officials reviewed her findings and concurred or agreed with them, so it was not just this lady saying these things. The FBI investigated it, as did the Justice Department, and they concurred in what she said.

Let us go into the first referral: September, 1992. She sent the first criminal referral to the U.S. Attorney in Little Rock, AR. President Bush was President. Charles Banks was the Republican U.S. attorney in Little Rock.

The September referral stated that over $100,000 in Madison funds were illegally, illegally, funneled into the Whitewater Development Corp. to pay the company's bills. This is taxpayers' money. It ended up being taxpayers' money, because we had to foot the bill later.

She identified at least a dozen companies that siphoned, siphoned Madison funds to Whitewater. The Clintons were identified as "potential beneficiaries" of the check kiting scheme. Her memos stated that James McDougal's outside partners in Whitewater, including the Clintons, were "intelligent individuals, the majority of them attorneys, who must have concluded," who must have concluded "that McDougal was making the payments for their benefit."

She went on to say "If you know that your mortgages are being paid, but you are not putting money into the venture, and you also know the venture is not cash flowing, wouldn't you question the source of the funds being used for your benefit?"

Another quote: "It was my belief," she said, "that the losses to Madison from the Whitewater account alone could easily exceed $100,000."

U.S. Attorney General Banks took no action on the referral before he was replaced by the new U.S. Attorney who was appointed by President Clinton, and her name was Paula Casey. The second referral took place in September of 1993. Remember, the new attorney down there was a Clinton appointee.

Mrs. Lewis' second criminal referral, filed a year later, charged that Madison Savings & Loan had illegally diverted $60,500 to Bill Clinton's 1984 campaign for Governor. Her referral charged that the campaign was an alleged participant in the illegal conspiracy.

She charged that Bill Clinton's campaign knew of the $60,500 transfer of funds that was illegal from the Madison Savings & Loan. The referral also contained additional information on the relationship between Madison S&L and the Whitewater Development Corp.

Now we go to October, 1993. Paula Casey, the U.S. Attorney in Little Rock, who was appointed by Bill Clinton, formally declined to investigate the first referral from a year earlier. Ms. Casey was appointed by Bill Clinton. She had worked on the Clinton campaign. Her husband was appointed to a State job by Governor Clinton. She decided not to investigate, because she was afraid, I believe, that it might implicate Mr. Clinton.

After Jean Lewis' second criminal referral had been reported in the press, Paula Casey recused herself from the case. She backed away and said she couldn't handle it because she wanted somebody else to, because of her connection to Clinton, but only after it was in the paper.

Justice Department officials in Washington then determined that an investigation had to be opened. Mr. Fiske took over the entire investigation in January of 1994.

Now we go to 1993, in November. On November 10, 1993, Jean Lewis was removed from the Whitewater case, allegedly because of a personality conflict with the attorney in the case. In a letter typed that day, she said she was ordered off the case by "the powers that be."

Now we go to February, 1994. On February 2, after both of her referrals were made public, Jean Lewis was visited by April Breslaw, an RTC attorney from Washington, DC.

According to Mrs. Lewis, April Breslaw pressured her to change her conclusions about Madison S&L and Whitewater, and the contributions to Bill Clinton's campaign, and the $100,000 that she said was illegally used to pay expenses for the Whitewater Development Corp.

Mrs. Lewis said that April Breslaw told her that "people at the top" would be happier if they had answers to the questions about Whitewater that would "get them off the hook".

Mrs. Lewis said that two of the head people April Breslaw was talking about were, No. 1, RTC Deputy Chief Executive Officer Jack Ryan, and RTC general counsel Ellen Kulka.

Jean Lewis recorded the meeting. This is very interesting. She recorded the meeting. Congressman JIM LEACH, ranking Republican on the Committee on Banking, Finance and Urban Affairs, heard the tape and said it substantiated her account of the meeting.

Both Kulka and Ryan work directly under Deputy Secretary Roger Altman, who was investigated last week by the Senate Committee on Banking, Finance and Urban Affairs and the House Committee on Banking, Finance and Urban Affairs. Roger Altman was the RTC's acting director and a close friend of President Clinton.

That very same day, that very same day, Roger Altman had a secret meeting at the White House with White House Counsel Bernie Nussbaum, to discuss the Whitewater-Madison investigation.

Jean Lewis refused to change her views or statements, and sought protection as a whistleblower under Federal law. I hope my colleagues get this.

They sent April Breslaw down there at the behest of Deputy Chief Executive Officer Jack Ryan at the RTC and General Counsel Ellen Kulka at the RTC to try to get her to lay off of the investigation, even though she had already had two referrals sent to the Justice Department accusing the Clintons and others of possible wrongdoing dealing with the Whitewater Development Corp. and Madison Guaranty.

Here are some questions that need to be answered during the Whitewater investigation. No. 1, why did Jean Lewis' first referral sit on Paula Casey's—

President Clinton's appointment as the district attorney down there—why did it sit on her desk down there for over a year without any action taken on it?

No. 2, why did Paula Casey refuse to open an investigation into Whitewater and Madison S&L? Could it be because her husband was appointed to a job by Bill Clinton, or she was a campaign worker for Bill Clinton in 1992?

No. 3, why didn't Paula Casey recuse herself from the first referral? She had a very serious conflict of interest, but she didn't recuse herself until there was an article in the paper that put her on the hot seat, and then she did recuse herself from the second investigation.

No. 4, why did Paula Casey recuse herself from the second referral only after it had been revealed in the press? I believe it was probably because of the pressure of the press.

No. 5, are Paula Casey's actions on this case being investigated by the Justice Department's ethics office? I think there should be an ethics investigation.

No. 6, who sent April Breslaw to Kansas City to meet with Jean Lewis? We know that RTC Deputy Chief Executive Officer Jack Ryan and RTC General Counsel Ellen Kulka, according to this young lady, asked her to tell them to take it easy, to tell Mrs. Lewis to take it easy.

No. 7, why would April Breslaw pressure Jean Lewis to change her statements on Whitewater and Madison S&L?

No. 8, is April Breslaw being investigated by the Resolution Trust Corporation's Inspector General, as I believe she should be?

Let me just say in closing, Mr. Speaker, there are many, many questions about the Whitewater-Madison Guaranty issue that need to be investigated very, very thoroughly. I am very confident now that we have an independent counsel, an independent counsel in Mr. Starr, who will get to the bottom of all of these things. I think the American people are going to be well served.

It is time for all of the questions to be asked, it is time for all of the questions to be answered regarding Vince Foster's death, his connection to Whitewater, these apparently illegal contributions to the gubernatorial campaign of Bill Clinton, and the American people, I think, will only be happy, and I know that I and many Members of Congress will only be happy when these questions are asked and they are answered.

Finally, let me just say to my Democrat colleagues, they should not be concerned, Mr. Bennett should not be concerned, about who the independent counsel is unless they do not want questions asked and they do not want to answer the questions.

All Mr. Starr can do is investigate and ask questions and get answers, and if there is nothing to hide, they should fear nothing. The questions should be answered.

Mr. LAROCCO. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am pleased to yield to the gentleman from Idaho.

Mr. LAROCCO. Mr. Speaker, how many of the gentleman's colleagues voted for the independent counsel when it was here?

Mr. BURTON of Indiana. I will be happy to answer that question.

Mr. LAROCCO. How many?

Mr. BURTON of Indiana. Many were very concerned because the Democrats on your side changed the law to allow not only Mr. Fiske to be special counsel, but independent counsel. Before that time, and the gentleman may recall this, before that time, there was a prohibition against anybody in government being appointed independent counsel.

□ 2050

But the Democrats on your side, apparently to try to keep a lid on Whitewater, decided to appoint Mr. Fiske, or asked that Mr. Fiske, the special counsel, also be appointed independent counsel and to change the law to that effect. And I and other people on my side of the aisle came down here into the well and debated very vigorously saying that would give the appearance of impropriety and the appearance of a coverup. Nevertheless, almost on a party line vote, your side voted to make Mr. Fiske, or allow Mr. Fiske to not only be the special counsel but the independent counsel. So that is why we voted against it.

Mr. LAROCCO. So how many were there? I did not hear your answer. How many voted for it?

Mr. BURTON of Indiana. I have no idea. I hope that none of us voted for it because I believe there was a deliberate attempt on the part of the Democrats to have the special counsel, Mr. Fiske, be the independent counsel, and the beauty of this thing is that the three-judge panel decided to turn down Mr. Clinton's Attorney General Janet Reno's recommendation that Mr. Fiske be the independent counsel.

God blessed those three judges because they have appointed a man who will, I believe, get to the bottom of it, will not be pressured by anybody, and is truly going to be an independent counsel. And many of us questioned, because of Mr. Fiske's ties to Bernie Nussbaum and other things, that he was truly independent.

I will be happy to answer any other questions.

Mr. LAROCCO. The gentleman did not answer my question, but basically the gentleman in the well said he was pleased with the appointment of Mr. Starr.

Mr. BURTON of Indiana. Right.

Mr. LAROCCO. But basically Mr. Starr would not have been appointed by the three-judge panel if the minority and the Republicans had gotten their way because they had not voted for the independent counsel. So we would not have had the independent counsel that the gentleman is so happy about if the Republicans had gotten their way. So really we have the independent counsel in Mr. Starr that you are so happy about because the Democrats voted for the independent counsel. Is that correct?

Mr. BURTON of Indiana. If I might reclaim my time, let me just say that we were for the independent counsel statute.

Mr. LAROCCO. But did not vote for it.

Mr. BURTON of Indiana. We were for the independent counsel statute, but we were not for a convoluted, manipulated independent counsel statute that the Democrats tried to ram through this place and did ram through in order to make Mr. Fiske not only the special counsel but the independent counsel so you could keep a lid on the Whitewater investigation. And the thing that really blows the mind of Mr. Bennett, and Democrats are complaining all across this town right now, the thing that blows their mind is they passed an independent counsel statute that they thought would keep a lid on this thing and it was changed by the three-judge panel who picked somebody else, and they are upset about that.

Mr. LAROCCO. If the gentleman would yield further to me, under the terms of the independent counsel resolution that was passed by the House of Representatives. That is how they came into play. If we had not passed the independent counsel resolution here, then Janet Reno would have had the authority that she always has to name an independent counsel or special prosecutor. But now because of the work that we did here in calling for an independent counsel, the three-judge panel was able to pick this qualified Republican that you are so happy about. Also Mr. Fiske had impeccable Republican credentials. Now Mr. Starr does as well.

Mr. BURTON of Indiana. If I may reclaim my time, let me just say that I have heard the Democrats on every talk show in this country from the White House on down talking about Mr. Fiske's impeccable "Republican credentials." And Janet Reno, the Democrat Attorney General, picked Mr. Fiske. Mr. Fiske was tied to Bernie Nussbaum. His law firm was tied to the Whitewater Development Corp., the Arkansas Development Financial Authority and everything else which we have laid out on this floor night in and night out for over a month. The bottom line is that you folks over there wanted to keep a lid on it. That is why the leadership insisted that the independent counsel statute be changed so that Mr.

Fiske, appointed by Bill Clinton's Attorney General, could not only be special prosecutor but independent counsel. And what chagrins the Democrats from the White House and Bill Clinton's personal attorney all the way down is now you have got a guy in there who is really going to ask the hard questions and really get to the bottom of this thing. That is why I say God blessed that three-judge Federal panel because they were not intimidated by the Attorney General's recommendation or by pressure from the White House or anybody else. They picked a guy who has no connection, none whatsoever, to anybody in the administration or anybody in the previous investigation.

Mr. LAROCCO. If the gentleman would yield one more time to me.

What the gentleman should say is God blessed the Democrats that passed a bill that gave this three-judge panel the authority to now name somebody that you are in agreement with.

Mr. BURTON of Indiana. Let me just give you a pat on the back, OK? Let me just say this. I think the pressure that was created by the people of this country, the media and everything else forced the three-judge Federal panel being incorporated into the legislation on the special counsel. I think that is fine. I think that is great. I would like to pat the Democrats on the back for passing the independent counsel statute even though they tried to fix it so Mr. Fiske would be the independent counsel. So congratulations on doing that, but I do not think, and I am confident the American people do not think you got what you really wanted because now we have got an independent counsel that is really going to do a job.

DON'T RUSH THE HEALTH CARE BILL

The SPEAKER pro tempore (Mr. POSHARD). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Michigan [Mr. KNOLLENBERG] is recognized for 40 minutes as the minority leader's designee.

Mr. KNOLLENBERG. Mr. Speaker, this evening I am joined by a number of my colleagues, all of whom are freshmen Republicans, to talk about and participate in some dialog over the sense of urgency that seems to have gripped the administration and the majority leadership in terms of the health care bill by providing very little time at all for any discussion or any kind of debate or dialog, and frankly for very little communication at all with our constituents back home.

Mr. Speaker, in less than 240 hours, or 9 days, the leadership will ask us to vote on a measure that will literally shape the lives of over a quarter of a million people, that is the American people, and help determine our economic vitality. With all this at stake, why should we rush?

The American people, by a margin of nearly 2 to 1, want a quality product, not a politically motivated measure. And in some districts, that can range as high as 9 to 1. The American public deserves to review all the measures that we will be voting on. These plans have long-term ramifications which should not be taken lightly or glossed over with political rhetoric.

Over 200 years ago, this country's founders decided that the lack of informed consent was more than worth the price of war with England. Today the congressional leadership failed to heed this lesson. Members of Congress are obligated to their constituents to be sure we maintain the nature and spirit of our representative democracy. Congressional leaders have already missed 2 of their own deadlines. Yet they balk at our opposition to the rush and the press of the process. We all need to slow things down, thoroughly examine the proposals and make sure that in our rush to solve our health care problems, we do not create economic disaster.

When communities make major economic decisions, these are communities back home, cities and towns that we all come from, decisions such as rezoning or bond offerings, the city leaders give the people several weeks to review the plan and then there is a public hearing. So when a measure that impacts one seventh of the American economy comes to a final decision, it is only logical for all Americans to want to read the fine print. We must give everyone time to review, discuss, and comment on these health care reform proposals.

With the flurry of health care reform measures introduced in this session of Congress, the CBO, the Congressional Budget Office, has certainly had its hands full in making sure that all the numbers were sound. Yet after nearly a year of health care reform that saw CBO producing reports on only 7 proposals, the congressional leadership now expects them to produce accurate numbers on three 1,000-plus-page bills in less than a 3-week period.

So I ask, why the rush? Why jump into this? Why slam-dunk it? Why not provide some time for Members of Congress and the constituents around the country to make some decisions about this bill?

Mr. Speaker, I yield to the gentleman from California [Mr. HORN].

Mr. HORN. I thank the gentleman from Michigan.

Mr. Speaker, when a family in Long Beach buys a car or a young man in Des Moines thinks about joining the Marines or a single mother in Tupelo decides to remarry, they know the choice they make will affect them for years to come.

□ 2100

Therefore, like most other Americans who face difficult decisions with long term ramifications, they follow a thoughtful, careful process, they study the options, they think through the consequences, maybe even they get advice from a few experts and talk it over with friends, or even everyone they run into. So when the Members of the House of Representatives, the people's House, are making a decision which will alter one-seventh of the American economy, should we not follow the same process?

Faced with a House Democratic leadership which appears to have forgotten the way most Americans live, the House Republican freshmen are asking that leadership to do what the people they represent do: apply a thoughtful, deliberate decisionmaking process to the health care debate. The House Republican freshmen urge that the Democratic leadership call a halt to its demands for a rapid, come hell or high water passage of the health care bill, a bill we have not even seen, that they cease their emotional exploitation of the fear of being uninsured, a fear that many of us can agree with and share, and stop ramming through health care legislation which as of now has not even been drafted, has certainly not been printed, and most certainly not carefully studied. We House Republican freshmen want the Congress to follow a simple but necessary process in deciding legislation which will affect most Americans for decades to come.

We seek three simple things. Time for adequate staff work by our own staff, the committee staff, particularly the House legislative counsel which is working all hours of the night now to draft some of the various options which we hope will be before us. And may I say at that point we hope we are not precluded from options by the House Committee on Rules which loves to limit our choices. Even when the American people that sent us here think we can make real choices, we cannot when the majority party stifles options and prevents us from acting as we really should act as legislators who have the range of options before them.

We also want time for the Congressional Budget Office to analyze each proposal, to make a recommendation, a statement if you will to the House by a professional staff as to what the impact of that proposal will be on the annual deficit, on the annual government revenue and expenditures. That is certainly the least that can be done to cast an intelligent vote.

We want time to understand exactly what we are voting upon, and with the bills, as my colleague from Michigan has noted, over a thousand pages apiece, the fact is, under the current schedule, that no one will have had time to read those bills, not even the people whose names are on them. Staff might have read portions, the paste pot and the stapling machine might have put the portions together, but certainly the average Member has not read them since we still do not have them.

But most important what we want, and why we are here tonight is we want time to discuss the options with the people that sent us here. The people have a right to hear from their representatives what faces them, what those options are, and we want to let them know so we can hear from them what they want us to do in particular cases. This cry for fairness and prudence by the House Republican freshmen is not based on partisan political gridlock. Indeed we do not have that gridlock. We notice recently there is quite a bit of it in the majority. But it is rather a desire to do the best job possible for the people who elected us. We want no hidden surprises, as we have in many bills that come before us. We want a chance to look at the citations to the code so that we can see what is being slipped in that no one ever says. We want no unintended consequences. We want no last-minute insertions by the special interests. We simply want to make the right decision. Is that unreasonable?

The House Republican freshmen urge all Americans who want a fair and deliberate process in the health care debate to contact the House Democratic leadership, call Speaker THOMAS S. FOLEY, say you think the people have a right to hear from the Representatives in their districts after a few weeks of debate of the health care bill and before the final vote are cast. Tell him that the Representatives ought to be given enough time to study the options, to read the bills and to make the best choice.

Whatever decisions are made about health care for Americans will be with us for a very long time. Those decisions deserve the best judgment, the judgments that caused us to be sent here and others not to be sent here. Our people expect no less.

The request we make is reasonable. We simply want to take a little more time to read the 1,000-page bills which will be before us and to discuss them intelligently with our constituents before we vote. We simply want to make the best decision.

Mr. LAROCCO. Mr. Speaker, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from Idaho.

Mr. LAROCCO. Mr. Speaker, are the Republican freshmen supporting any bill? Are you endorsing any bill, and if so when are you considering that bill, and have you had any town meetings like the gentleman from Hawaii [Mr. ABERCROMBIE], and I have had when we were new Members all during our term?

Mr. HORN. I will be glad to respond, and each of my colleagues would be glad I am sure.

No. 1, we have held town meetings. Health care has been a part of those. We are sponsors of different bills. I happen to be involved with the two bipartisan bills. I am not on the so-called Republican bill or the so-called Democratic bill or the single-payer bill. I happen to have been on the Medicare drafting committee 30 years ago as a Senate staff member. A lot of us have spent a lot of time on this issue.

What we want to see are the specifics before we vote.

Mr. KNOLLENBERG. I want to reclaim the time, and I want to suggest to the gentleman from California that I thank him very kindly for those comments. Certainly in speaking to that question we all support some concepts and we do support a bill.

I think tonight in order to give everybody a chance in the Republican freshman group to respond from their particular point of view, from their constituency and from their district, I am going to turn, as I mentioned previously, to a number of Members on this issue that, by the way, more than any other issue that has probably come before Congress in the last two or three decades affects every man, woman and child. So to continue that process, I am now going to turn to the gentleman from Savannah, GA, Mr. JACK KINGSTON.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Michigan. I want to thank also our Democrat colleague for bringing that up. I think it is important to say there is no reluctance by the group of freshmen Republicans to act. We are not afraid of it. We have, many of us have cosponsored the bipartisan Rowland-Bilirakis bill, which I think is excellent. I am ready right now to vote on either one of them.

The Rowland-Bilirakis bill probably, if we put all of the health care bills up on the screen tomorrow, the Rowland-Bilirakis bill would pass with the most votes, and probably have just as many votes from the Democrat side of the aisle as the Republican side of the aisle. I think it is important for us to know that.

I am holding here the original Clinton bill. This bill was introduced last year, and we have had many, many town meetings on that, on the Clinton bill, and at the same time bringing up the Michel alternative, which is the Republican alternative, and then the bipartisan Rowland-Bilirakis alternative. I in my own district had three debates with designated hitters sent down from Washington, the Clinton plan, who were on the health care task force, who came down to actually debate the Clinton's first version of the bill. So we had that time, and it was a healthy time, it was a good debate for the American people.

Here is the new bill which Clinton has introduced in the other body. This one Mr. MITCHELL is carrying for Mr. Clinton, himself, and Mr. KENNEDY. This one is actually fatter than the original bill by maybe 100 pages, but this is the bill our Senators and the gentlemen and gentlewomen in the other body have to be working on in the next 10 days. Tonight they went into session at 6 p.m. for an 8-hour debate on this.

It is ridiculous that the people in the other body think that they are supermen and superwomen anyhow, but to think that they are going to be able to read this, on top of crime, on top of GATT, on top of everything else they have to do is absurd. But they have a bill. We in the House do not even have a bill yet. I understand there is a drum roll that keeps getting louder and louder in the background, but I understand we are going to have a bill tomorrow. Well, I hope we do. That gives us I guess 10 days, and we are going to all say then forget the crime bill, which has not been printed yet, as we all know because there are deals still being cut on that. And in my area crime is a very important issue. I want to be able to read that crime bill, but we have this bill.

Let me say this: I am not afraid of the debate whatsoever. I am afraid of a time limit for the American people, to let the American people, the doctors and the nurses, the health care providers, everyone back home, I think they have just as much of a right to read this bill and the other Clinton-Gephardt bill that is coming out as we do as Members of Congress, and I look forward to that.

□ 2110

Mr. KNOLLENBERG. I thank the gentleman from Georgia [Mr. KINGSTON].

Just, for example, in dealing with things that we all ran on, the business of taxes, this whole thing about spending, Government spending and regulations, and all three of those ingredients are wrapped into all of these various bills that we are going to have to deal with. That takes time. It takes discussion, and it takes debate.

Frankly, the American people should have a right for us to communicate what we know here so they can make some judgments and inform us about what they would like to see in a health care product.

I next want to swing across the country to California and bring on the President of the freshman class, the Republican side of the freshman class, from canyon country, Santa Clarita, CA [Mr. MCKEON].

Mr. MCKEON. I thank the gentleman for yielding.

I want to thank my colleagues here tonight for taking the leadership to bring this effort to the floor.

You know, 2 years ago I was a business man, as you said, from canyon country, from Santa Clarita, CA, and really knew nothing about the political process. I had served for a number of years on a school board. I had served as mayor of a new city and a member of the city council for a number of years, but that is a totally different process when you are working with five people trying to resolve something versus coming here to this great body and trying to work something through with 435 people.

I went through the campaign process and was elected and came here and began to learn how legislation works. I was appointed to the Committee on Education and Labor, and I was appointed to the Labor Management Subcommittee, and right away we began to hold hearings on different bills, and somewhere, oh, maybe 6 to 8 months ago, I do not remember the exact time now, the President gave a speech on health care, and Mrs. Clinton, Secretary Reich, Secretary Shalala came and testified before our Committee on Education and Labor, and we did not have the bill. The bill that the gentleman from Georgia [Mr. KINGSTON] referred to had not yet come out.

So it was different than the normal process. You normally have somebody who comes up with an idea. They go to legislative counsel. They write it up. They try to go out and get cosponsors, try to develop support for their bill. Then they come here and they drop it in the box over there, and it gets appointed to a committee. Then the committee chairman appoints it to a subcommittee, and then somewhere down the line it gets appointed to hearings, and then people come in and testify on that bill, on that measure. Somewhere down the line it is brought to the committee for what we call markup where we each get a chance to amend and change that bill, and then finally to a final vote in the subcommittee.

This, for health care in our subcommittee, took over a month, with the really extensive process of markup. Then it went to the full committee. We worked long hours. We have good leadership that really tried to let us debate the process. I did not agree with the other side most of the time, but at least we did have a full, open process, and finally, after a few weeks, voted out our bill.

Then the process is it goes to the Committee on Rules, undergoes changes there, and then finally, at some point, arrives at the floor of the House where we can, the full House, debate that bill.

Well, health care has not followed that process, and understand now that, I guess, the bill that we did in Education and Labor and the bill that was done in the Committee on Ways and Means have been kind of set aside, and the majority leader is now writing a bill. We have heard that it was going to be presented Monday, and now we understand that that has slid to possibly Wednesday, and then that bill, when it gets here, I am sure, it will have some things that we worked on in other committees, but it will have some new things none of us have had a chance to study. Then it goes to the Committee on Rules, and we understand it is supposed to come to us next Monday, and that, plus a Republican bill plus 1 or 2 bipartisan bills, plus the single-payer bill, and I add those up to probably 5,000 or 6,000 pages will be dropped in our laps, and we have a couple of days to finally vote on that.

I hope the people in America that are listening understand how this process works better than I did when I first came here, and I hope they want to participate. I think they do. I think they have the opportunity. They should have it to do.

I ask the gentleman from Michigan [Mr. HOEKSTRA], you know, we worked together on this Committee on Education and Labor, and I know you came from a background similar to mine, a business background, not having been in a legislative body before, how has this process seemed to you?

Mr. HOEKSTRA. If the gentleman will yield, it is kind of interesting. I had the opportunity Monday morning to go back to my former employer. We did a press conference, and perhaps on the last piece of legislation that was passed without the Members of this body having read it, which was the Clean Air Act, which is now wreaking havoc on a number of different parts of the country. But, you know, here is the process we are looking at: Comparing the 8 weeks that we spent on markup in our subcommittee and in full committee, that is 8 weeks of, I think, in full committee, we went through, what, 99 amendments, something like 99 amendments. There were 44 amendments, Democratic amendments, that were accepted. There were 11 Republican amendments that were accepted, so 55 improvements to the President's bill were accepted through that process, and now, you know, it was laid out by the Democratic leadership, what, 3 weeks ago, they said, "On August 3 we are going to have the new bills ready."

Let us take a look at why having the bills available is so critical. Of course, we missed that deadline. We said August 3, and we missed that deadline, and yesterday at 6 o'clock, we were waiting to see if the bills would be ready. They were not ready, because the legislative counsel is writing all of these bills. Now, maybe tomorrow, August 10 at 6 o'clock, we are going to have these bills.

Why is this important? What are we talking about literally? I borrowed by colleagues' examples. Remember, right now as our other colleague from Michigan has described it, we have a vapor bill. There is no bill. This is the bill right here. This is all that we have to look at, the vapor bill. But this is what we are waiting for. Remember, these are just kind of a symbol for what we hope to get sometime soon. This is the Clinton-Gephardt bill, or a facsimile thereof, 1,300–1,400 pages. Who knows what the single-payer system is going to look like? That is 1,400 pages.

Then if we go on, we are looking at another 1,400 pages perhaps of a bipartisan bill, and I will be a little fair. I also ran out of bills. But, you know, the Republicans, we are going for less bureaucracy and less new taxes, so ours is only half as thick. Ours is only 720 pages.

But one of these days we are going to be handed this much paper and say, "Here is health care reform, four different versions," and by the way, that is, if we get these, if these bills are turned in tomorrow, then the Government Printing Office is going to go busily to work, and maybe we will have these on Thursday morning, and they are going to say, "Here they are."

I think it would be great if the American people called the Capitol on Thursday morning and asked for their own copies to see if they are actually available. They can do that. All they have to do is call (202) 224–3121, and they can ask a simple question: Can I have a copy of the bill? Or, "Do you have copies of these bills available for my Congressman to read today and to go through?"

Mr. KNOLLENBERG. I just wanted to go back over some things that you said.

It occurs to me that you mentioned that you spent 8 weeks in committee, in your own committee, Labor and Ed, just coming up with one of those bills that came out of the House, your committee, not to mention the full committee, but the subcommittee, which spent a period of time, the full committee spent obviously the balance of that time which totaled 8 weeks. It took 8 weeks, is that what you are saying, to get a bill out of the committee?

Mr. HOEKSTRA. It took exactly 8 weeks. That is after we had had the bill, after we had had hearings, OK, and after we had had an understanding of the bill, it took 8 weeks to mark it up and improve it. Now, we are going to go and start from scratch with four new bills, and we are going to be given 8 days.

Mr. KINGSTON. If the gentleman will yield, could you hold that up a minute, please, so I could see it?

Mr. HOEKSTRA. I have to hold it again? It is kind of heavy.

Mr. KINGSTON. You might join the gentleman from Ohio [Mr. OXLEY] with another broken arm. That really represents 4,000 to 6,000 pages which has to be done in 8 days. No doubt it is fascinating reading, a Tom Clancy type of gripping novel or Michael Crichton that we do not want to put down, but in all reality, how many Members on either side of the aisle will be able to read that on top of the other duties of being a Representative?

Mr. HOEKSTRA. I think with my staff, as we were talking about this, talking about health care reform and reading the health care legislation, it would be like reading "War and Peace" four or five times in 1 week. It is physically, literally not possible to go through all of this legislation in the time that we have been given, and, you know, that is just to read it. That does not talk about comprehension, because this is legalese.

Mr. KINGSTON. It would be like reading "War and Peace" without the war?

Mr. HOEKSTRA. Without the war.

□ 2120

No comprehension and with all the legalese. We have 8 days. Unbelievable.

Mr. McKEON. The gentleman mentioned you have 8 days, but as the gentleman mentioned, you still have the crime bill. Remember that was passed a few months ago. I did not go into one more process.

After we pass a bill here in this House, there also has to be a bill passed in the Senate, and then assuming they are not exactly the same—which they will not be—a conference must be called, and they will have to work out the details. You remember, how many months ago did we pass a crime bill? The conference has been meeting, and they have not finished that bill. We have been told that in a couple of weeks it will be brought to the floor for a vote. We have not had a chance to look at that to see that final bill presented.

So we have to work that into that 8 days too. We are also trying to work this. There are still some other things on the calendar.

So it is not just reading that. If we had the time to spend just reading that, we probably could do it. But there are other things. I am not even sure, but that probably will not be done tomorrow. From the latest thing I have heard, it is that because of the legislative counsel being so busy they have not had time to get these done plus get it to the printer. So they probably will slip that date tomorrow.

Mr. HORN. May I ask you gentleman, can any of you think of any, remember any other situation in the year and a half that we have been here where we have had suddenly a bill drafted in the back rooms of the majority leader of the majority party, dumped on the Chamber, and we have to go from scratch as opposed to extensive committee hearings, as all of you have described? Can you think of one other example of where something has been dumped on us, where something has been completely rewritten and we know not what is in it or out of it?

Mr. McKEON. Not only do I not think of any instance like that, but I cannot think of any instance of anything that we have been involved in—we have been told that NAFTA would be our toughest vote. We have been told the budget would be a tough vote. But there is probably not a vote that we have made or will make probably in the time we are in the House that has as much importance, that reaches every citizen of this country, that has as great an importance as this does, and we are having it shoved down.

Mr. KINGSTON. Is it not true that that huge volume, if it does get printed tomorrow, if it is so good, most Members of Congress would want to go home and brag about it? They would really want to tell the people how great it is, how great a bill it is, how great the crime bill is, and so forth?

So I do not see why we are rushing that particular piece of legislation when, in my opinion, and I think the majority of Democrats and Republicans, the Rowland/Bilirakis bill addresses the emergencies. We can pass health care peacefully with a bipartisan bill, just in the spirit of some of the other bills that did pass by a bipartisan basis around here.

Mr. HORN. It seems to me, listening to you gentlemen, not only has the fact of the voters being insulted by not being consulted because we still do not know what the choices are here—and as my colleague said, one-seventh of the American economy is involved in this decision—this will affect the Nation for a century, perhaps, if it is passed. But the House has been insulted because its normal processes of considering legislation have been violated. We have had no hearings, as the gentleman from Michigan noted, we have had no extensive consultation. We are operating in the blind, we are being told, "Take it or leave it. If you don't like it, that is tough. We have got the votes, and we will override you."

Mr. KNOLLENBERG. Reclaiming my time, I will not yield because we have an order that we would like to continue and only have so many minutes.

I would like to at this point bring on somebody from the heartland who is, additionally, a Persian war veteran, STEVE BUYER, who would like to comment on the process.

Mr. BUYER. Let me just comment on the process. The process, ladies and gentlemen of America, is that this Congress, this body, has become an undemocratic institution. That is the simple fact. So you are talking about here tonight why is it being rushed?

You know, I remember sitting on the Armed Services Committee, going through the "don't ask, don't tell" gay policy. That is what I think is about to be applied to this one.

We are sending the message out to the American people, "Don't ask," and to the Democrats, "Don't tell," because we want to bring this bill in and we want to rush it through and cram it down the throats of everyone because if we had hearings, if we let everybody know what is in these six bills, the American people will not like it." To quote Senator JAY ROCKEFELLER, "We are going to give the American people health care reform whether they want it or not," which means, "Sit back, here it comes."

There are some of us who do not believe that that is the right path.

I respect other Members in this body that come forward and say, "I believe what America needs is a single-payer system."

I respect you because you are honest, you stand up, you step right up and stand up and say, "We need that for America." The ones in America who should scare you to death are those who finesse it, who wiggle it, who wobble it and who will not come out and say it.

And what they want is they want to build America, turn to the left, into a malaise where by the year 2002 they can then say, "See, we couldn't achieve the 95-percent universal coverage. We must now have Government control or a Government takeover of medicine."

As long as I am in this body, I will fight that process. I applaud the leadership of the freshmen here tonight to step up against the leadership in this body who want to cram it down the throats of America. You are serving all your constituents justly and well.

Mr. KNOLLENBERG. I want to thank the gentleman for his comments. I would like to come across town to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. We need to make it extremely clear we are not against health care reform. We want to go through a good process and solve the problems of health care. That is why last Friday we got together as a group of freshmen and we laid out a rational process that says if we go through this process we will feel better about the end result.

It is very, very possible to have health care reform this year and to do it in a rational way if only some other Members would actually listen to freshmen. We do have some good ideas.

If we would have met the deadline for introducing the bills, we would have had them yesterday. We could have spent the balance of this week going through a walkthrough of each of the bills, having the sponsors outline the bill segment by segment what they did. We could have done it Tuesday, Wednesday, and Thursday. We could have debated a rule and said this will be the process by which we will debate and decide this issue when we come back.

We then could have gone back to our constituents for 2½ to 3 weeks and walked them through each one of the 4 bills because we would have been walked through it here on the floor of the House. We could have explained it to them very clearly. We could have gotten their input and we could have then come back, we could have been here September 6, September 8, we could have had our amendments prepared, and 3 weeks to prepare amendments.

Now the bills are going to be due Wednesday noon, and by Thursday—Wednesday at 6 at night the bills are going to be done, and we may not have a copy. Thursday at noon we have to have our amendments in place. Unbelievable.

Mr. KINGSTON. What occurs to me as I am listening to this is that since people will be voting on the bill which most people have not read, then will they be voting not on the merits of the bill but perhaps on a deal like the many deals that were passed on NAFTA? Will they vote on health care because of a road in their district, because of a bridge, because of a judgeship or a major contributor? Is that what you think will happen? I have that cynical suspicion.

Mr. HOEKSTRA. I am not sure why they are going to be voting on the bill, but I know one thing: It will not be informed consent that they really understand.

Let me finish the process. September 6 to 8 we could be back here with amendments, we could begin debate on September 9.

We could debate the bill for more than a week, 8 to 10 days, debating the bill, debating the amendments, have a final vote somewhere around September 19. The other body could finish their work, allow a week to 10 days for a conference report, and that would still allow us another week to come back here for final passage. If we are going to stay in session extra, let us stay at the end of the process in October.

□ 2130

There is plenty of time to do this right. There is no reason why we have to wait to struggle through this much material in 8 days, and that is only true if by Thursday morning this stuff is actually printed. I bet we will not have this stuff in our offices until Monday or Tuesday of next week.

Mr. KNOLLENBERG. Reclaiming my time for a moment, Mr. Speaker, I want to refer to something that has, I do not think, been spoken of yet. Mr. HOEKSTRA, even you mentioned amendments. It occurs to me that there may or may not be amendments, and, if there are amendments, they will be very limited, and we are talking about something that the American people probably have very little knowledge of or any understanding of, and that is the proposed rule, and I know that the gentleman from California [Mr. HORN] has written, and talked about and debated this for any number of times.

I ask, "Why don't you give us a little quick picture in the closing moments we have here of what is a closed rule? How does it limit the process? How does it limit our——

Mr. HORN. The word the gentleman forgot to use is I have suffered under a closed rule.

I mentioned 30 years ago I had been involved with Medicare on the Senate side. As I looked over at the House, I swore I would never run for this place. They had many problems. But one problem they did not have that we have now is in those days only 15 percent of the bills came through the Committee on Rules to the floor with a closed rule, and what that means is none of us can get up and offer an amendment unless it has been precleared by the Committee on Rules where the majority, the Democratic Party, has nine appointees, personal appointees of the Speaker. The Republican Party has four appointees.

Now, what is worse of the last few years is we have gone from 15 percent closed rules to last year between January and May 100 percent closed rules, and they average 79 percent for the year, which means hundreds of amendments that people have creatively worked on, would like to offer to improve legislation, we cannot vote them up or down.

I think all any of us ask is, if we have a good idea, let us get it voted up or down, but we cannot even have it considered in this Chamber.

Over the crime bill there were 109 Members that testified before the Committee on Rules. I can tell my colleagues there were not 109 amendments offered on this floor, and a lot of things just went on what we call the cutting room floor.

So, the Committee on Rules at the direction of the leadership of this House simply limits the freedom of the House to function.

Mr. KNOLLENBERG. I yield to the gentleman from Indiana.

Mr. BUYER. The closed rules stifle exchange of ideas in the betterment of legislation?

Mr. HORN. Absolutely.

Mr. BUYER. The creation of state craft must be based upon the intellect. That is why the gentleman from Michigan [Mr. HOEKSTRA] is asking to read the bill. That is all we want to do, is the opportunity for us to take this and to be responsive to those that sent us here, to take these bills back to our districts and say:

"What do you think?"

"How do you feel?"

We are not going to have that opportunity. That is what is sad.

So, when the gentleman talked about the closed rules, he is absolutely right. The Committee on Rules, that is right up here, is going to stack the deck against us.

When we talked about the Rowland-Bilirakis, the bipartisan bill, they may allow us to vote on it, but they stack the deck in such a way that, whatever bill in whatever order they vote on, which is last will pass, so they are trying to structure this in such a way that they cram this down America.

Mr. HORN. On the point that the gentleman makes Rowland-Bilirakis can pass 435 to nothing, all the votes in this Chamber, and the way they stack it with, I swear, unconstitutional process, but nobody has challenged it yet, is the so-called king-of-the-hill rule. Kids played the game: "If you are the last one on the hill, you win." So, whatever proposal, as the gentleman said, comes last, even if it wins 217 to 215 or whatever, that wins.

Mr. BUYER. What it is we crave here——

Mr. HORN. Sheer power, not intellect——

Mr. BUYER. Is this for the exchange of ideas in the open debate of this arena, and that is what should be done, and I salute the gentleman from Michigan [Mr. KNOLLENBERG] for this special order.

Mr. KNOLLENBERG. If I could just interrupt at this point, I thank the gentleman from Indiana at this point, and I thank the entire group here this evening.

The gentleman from Georgia [Mr. KINGSTON] has about 15 seconds before we close down.

Mr. KINGSTON. Today we gave a medal to the gentleman from Illinois [Mr. MICHEL], or the President did. We did that in the name, or the President did, of bipartisan spirit of cooperation.

The gentleman from Illinois [Mr. MICHEL] challenged us all, said there were so many good things that can become of Democrats and Republicans working together. Let us do that. Let us try it out on health care.

Mr. KNOLLENBERG. I think the bipartisan idea is great, and I think it is something that has not been explored although in this Chamber.

I would conclude this night's special order again. I want to thank everybody for their participation. We have a long way to go, and, if my colleagues look at those four bills totaling some 1,200 pages each or thereabouts. I believe we are at a point where we can, with the American people's judgment and with the American people behind us on this thing, we just give them a opportunity to hear what it is Congress is talking about, and that takes time. It does not have to be in a hurry. There is no sense of urgency here.

Mr. Speaker, let us do it right. Let us fix what is wrong with what is right, and I think that is what all America wants.

THE SUCCESS OF HAWAII'S HEALTH CARE PLAN

The SPEAKER pro tempore (Mr. POSHARD). Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes as the designee of the majority leader.

Mr. ABERCROMBIE. Mr. Speaker, at this time I would like to yield to the gentleman from Idaho [Mr. LAROCCO].

Mr. LAROCCO. Mr. Speaker, I thank the gentleman from Hawaii for yielding. I had asked the gentleman from Michigan if he would yield during this special order. I did not have my own time tonight, and the gentleman from Michigan would not yield to me, and I am very happy that the gentleman from Hawaii [Mr. ABERCROMBIE] yielded to me.

I was going to raise the issue during the prior discussion on the floor here when the gentleman from California said that the majority party had violated rules. I was simply going to ask the question: What rules? Instead of coming to the well of the House and saying the rules have been violated, I simply was going to clear the record, but there was no citation of any rules, and that was sort of the tenor of the debate and the discussion we heard before.

Let me simply say to my colleagues from Hawaii that I came to the floor tonight to listen to a new group of Members of the House, to hear some fresh ideas, to hear something that might be imparted to us as fellow Members of the House and fellow legislators about some enthusiasm for solving the problems in the United States, for responding to the needs of the country, and what I heard was embracing the status quo, obfuscation, obstructionism and just plain old emotional appeals about what is going on here in the House of Representatives, and I was absolutely astounded, I might say, to hear the——

Mr. KINGSTON. Will the gentleman yield?

Mr. ABERCROMBIE. Mr. Speaker, I believe the time is mine and not the gentleman in the well's opportunity or obligation to yield, and, given the fact that we were unable to get time previously, I think we ought to take the time now. So, I do not think it proper to yield at the present time.

The SPEAKER pro tempore. The gentleman from Hawaii [Mr. ABERCROMBIE] has yielded to the gentleman from Idaho [Mr. LAROCCO].

Mr. LAROCCO. Mr. Speaker, I thank the gentleman from Hawaii for continuing to yield to me.

But I heard this emotional appeal, both toward the Members on the floor and, I guess, to the American people, that something is going to be ramrodded down someone's throat here.

I looked at a clipping from the Washington Post from 1992 saying that the Bush administration did not want to deal with the question of health care. It was absolutely astounding to me, and I think that is one of the reasons why President Bush, then-President Bush, was not re-elected, because he did not want to come to grips with the problems, and the gentleman from Hawaii and I, we held town meetings in 1991–92.

I remember in Napa, ID, 300 people came out to talk to me about health care. Two hundred fifty people came out to talk to me in Lewiston because they had concerns. I had truck drivers who were out of work who cried at those town meetings because they lost their health care benefits, and now I listen to so-called fresh ideas that were supposed to come to the floor of the House tonight, and all I hear is that we do not want to deal with preexisting conditions, we do not want to deal with pharmaceuticals and drugs for senior citizens, we do not want to deal with long-term health care, we do not want to deal with choice, we do not want to deal with cost containment, and we do not want to deal with deficit reduction. We just want to come to the floor and say, as my colleagues know, something is going on here that is not right.

Well, what is going on here is hard work, and I thought that what I would hear from our colleagues who recently joined us in the House of Representatives, that I came here to work, I came here to work hard, I came here to work double shifts, I came here to work weekends, and now what I hear is that people do not want to work on the bills that have gone to the committees of this House to deal with health care.

I do not know why there is not that kind of commitment to hard work when the work has been done in the committees, and all we see are the stacks of bills, so called—as my colleagues know, it is too tough to read. Well it is not too tough to work. It is not too tough to work.

Mr. ABERCROMBIE. I will yield time at the end of the gentleman's presentation if the other Members on the floor would kindly wait until the end of his presentation.

□ 2140

Mr. LAROCCO. I remember the gentleman from Michigan would not yield to me when I had a question about what they meant about the majority breaking the rules of the House. I have had a question about what rule and if I could get a citation. I could not get anybody to yield to me. I thank the gentleman for yielding.

I am going to conclude by saying I came to this body to work, to resolve the problems that are facing the American people. We have a head start on this issue because we are in our third year of deficit reduction. The economy is in a "go" mode, consumer confidence is up, inflation is down. We have seen 5 million people in America in the first year refinance their homes. They have embraced this economic recovery, and the second stage in economic recovery and deficit reduction is the health care reform plan. I hope that we can come together here and resolve this issue.

I thank the gentleman for yielding to me. I thought I would hear some new ideas, but I heard that some people do not want to work and they do not want to come together and help us resolve this issue. I thank the gentleman from Hawaii for yielding to me.

Mr. BUYER. Will the gentleman yield to me?

Mr. ABERCROMBIE. Certainly.

Mr. BUYER. The gentleman from Hawaii [Mr. ABERCROMBIE] is one of the gentleman I respect in this body in the health care debate.

Mr. ABERCROMBIE. We have some short-term debates ourselves.

Mr. BUYER. To the gentleman from Idaho [Mr. LAROCCO] on the characterization on how he spun this, I think I must award you the spin master of the year award. Those of us that came to this body as freshmen are greatly upset right now with how health care is trying to be rammed down without having the opportunity for us to actually jump into the Gephardt bill. That is our disappointment that is expressed here. Many of us support the Rowland-Bilirakis bill. For you to stand here and say that we do not support preexisting conditions, that we don't want to address the access, we don't want to address cost containment, is a complete farce and is false. When we stand here and say we support the Rowland-Bilirakis, we want to reform preexisting conditions, address the issue of portability and job lock, and have greater integration in health care, both vertically and horizontally, to address greater risk pooling of businesses out there so that businesses can provide affordable health care to the employees, have the Medisave accounts, specifically address the issues of tort reform and medical malpractice reform, fraud abuse. The list is endless. We just want that opportunity to have substantive incremental reforms in the present system without having the government take over.

Mr. ABERCROMBIE. I will be happy to add to the list, if I can reclaim my time.

Mr. BUYER. I appreciate your opportunity to yield to me, and I thank you.

Mr. ABERCROMBIE. When I reclaim my time, I promise you I will address the questions you raised in the previous hour. I hope I will address them in a straightforward manner.

Mr. BUYER. I thank the gentleman.

Mr. HORN. If the gentleman will yield 30 seconds, I thank the gentleman. As he knows, I have been on his side in a few of these rights. He is one of the most eloquent speakers in the House.

Mr. ABERCROMBIE. I understand you have been forgiven by your colleagues for that on more than one occasion.

Mr. HORN. I would say to the gentleman and his colleague from Idaho, you made a mistake when you said this group of freshman don't want to work. I know who has been in the subcommittees and the committees of this Congress. There has usually been plenty of us as freshmen on committees of 25-plus, the chairman and ranking Republican member, on a few committees on which I serve, and we put in our time. I see a lot of absentees. I see them in both parties.

I think you picked on the wrong group. We didn't talk about not wanting to read, not wanting to do the work. We talked about wanting to read, wanting to go through those thousands of pages, wanting to know what is in them. And if one of you can tell me what is in the Clinton-Gephardt bill that has not yet printed, I will be grateful to hear it, because you are the only person that knows that I have talked to in the majority party.

What we object to is the process. We are not talking substance right now. I happen to have been for universal health care coverage since 1951. I don't know if you were born then or not. But I was for it as of 1951.

Mr. ABERCROMBIE. Are you addressing me?

Mr. HORN. I know you were, Neil. But the fact is, a lot of us have spent a lot of time in different roles on these particular issues. And what we do not like is the violation of representative government when people design these things in the back rooms, don't share, no bipartisan cooperation. In the Senate, 30 years ago, we had constant bipartisan cooperation on Medicare, civil rights, voting rights, you name it.

Mr. LAROCCO. If the gentleman would yield, I wanted to get some time so I could ask you what rule the majority has violated. You said they violated a rule. Could you cite that rule to the House? You said they violated a rule.

Mr. HORN. What I have said is they not only insulted our constituents by not permitting time for consultation, as far as I am concerned they insulted this House. And I am amazed that more of you are not upset about it, because we do have an orderly process.

Mr. LAROCCO. They didn't violate a rule; you don't have a citation of a rule then?

Mr. HORN. Where is the reference to this new bill nobody knows about?

Mr. ABERCROMBIE. I think I will reclaim the time and try to address the principal question, if it is all right with everyone, about the sense of urgency.

I think if I was to hopefully summarize and characterize the previous discussion, it was that of the Democrats in general, although if there is to be a bipartisan approach on this, it obviously would involve not only the Democrats, but the Republican and our Independent Member, perhaps are exhibiting what might be characterized, in fact was characterized in context as the Democrats are displaying a sense of urgency that is perhaps not quite appropriate to the weight of the bill in one instance, the literal weight of the bill, and the substance of the bill.

I would like to take issue with that, and I am going to be joined in that by my colleague, the gentlewoman from Hawaii [Mrs. MINK] who preceded me in this body and was instrumental in the passage of some of the previous legislation, including Medicare.

I would like to bring before those who remain here in the House, and before the country and the rest of the Congress who may be watching us and listening at this time, a bit of the history, so that we can understand that the reason we have this sense of urgency is that this is not a new question, and that the elements of the Gephardt bill, again hopefully characterizing and summarizing what was said by our Republican colleagues previously, that the substance of the Gephardt proposal, the Democratic proposal to come before us, has in fact been discussed at length, has in fact had numerous hearings over the better part of half a century.

As my good friend, the gentleman from California [Mr. HORN] indicated, he had an involvement here as a member of the staff of the Congress as far back as 1951, if I remember——

Mr. HORN. Not 1951, 1965.

Mr. ABERCROMBIE. I beg your pardon—1951 was the proposition of universal coverage. I might say that in Hawaii, the question first arose in 1947.

I am going to be using for my reference, Mr. Speaker, and for those who remain, a book that was printed published under the auspices of the Hawaii Medical Services Foundation, a book called "The Aloha Way: Health Care Structure and Finance in Hawaii." It is written by the well-known health policy analyst and advocate, Emily Friedman, of Chicago, IL.

I think, Mr. Speaker, that those who would examine Ms. Friedman's credentials will find that there are very few, if any, individuals in the country better prepared to write this history of the health care structure and finance system in Hawaii.

Let me move most directly then, given the time that we have, and hopefully to bring down the level of rhetoric, if you will, on this issue, to the actualities.

In this instance I ask my colleagues and people across the country to take a deep breath, sit back for a minute, listen to some of the history in a State that has already had prepaid health care, universal coverage, based on employer participation with the employees, for 20 years. This information has been routinely made available, not only to Members of this Congress, but as my colleague, the gentlewoman from Hawaii [Mrs. MINK] will attest, to individuals and groups all across the country.

□ 2150

This is not a new proposition. In the next few minutes, I will explain that this agenda of universal health coverage had its origins in Hawaii just about the time that Harry Truman first proposed national health care for the whole country. So if there is a sense of urgency in trying to get this passed, it has to do with two very simple things.

We are approaching the end of this Congress and it would seem to me entirely suitable and entirely appropriate that after a discussion that has taken place since at least 1948, that we should, as responsible individuals, certainly as responsible legislators in a national body such as the House of Representatives, be prepared to finally conclude this debate.

We had what is termed in Ms. Friedman's history, and I will be quoting both directly and paraphrasing Ms. Friedman as I move along in the next few minutes, that two statutes, and I want to indicate, as I go along, and I will enter into the record at the appropriate point, Mr. Speaker, that our bill, far from being 1,400 pages long and maybe over the passage of all these past 20 years it needs to be that long, I do not know, but I am concerned about the principles that are involved.

Our bill is only 10 pages long, approximately, only 10 pages long. The study upon which the law was based is only about 95 pages long. So we need not complicate this process.

I am here as the beneficiary of those who have come before me in our lifetime, the people who put this plan together 20 years ago are still participating in the political process, still contributing to the well-being of our citizenry.

We had two plans: the Prepaid Health Care Act, very simple concept, very simple proposition, Prepaid Health Care Act; and the State health insurance program, which has since been improved into our Health Quest program.

In other words, we have gone from 1974 with the Prepaid Health Care Act 20 years ago to 1994, and our Health Quest Act, which brings our health coverage in Hawaii up to date literally up to the minute. The Health Quest program will be completed September 9, 6 weeks after its inauguration.

In the 1970s, Hawaii had pursued four goals: workers compensation, unemployment compensation, temporary disability insurance, and universal health coverage. Workers compensation had been passed in 1915 and expanded in 1963. Unemployment compensation in 1939, later also amended. Temporary disability insurance in 1969. What remained in the early 1970's then was to accomplish universal health care insurance for all.

This set the stage for the passing of the Prepaid Health Care Act of 1934. I know there are lots of names for what we are trying to do right now, universal coverage, Health Security Act.

Mr. Speaker, for all the people of the United States, all the taxpayers, all the citizens out there in the United States, this is prepaid health care. That is all it is. No more, but certainly no less. This is not some strange idea.

Mr. Speaker, $124 million has been spent on advertising, eagerly seized by the networks, I might add, all of which blurs, masks, and creates a fog of fear, suspicion and disinformation in the body public and in the body politic here in our country.

When you see, Mr. Speaker, advertisements where you have people pretending to have health insurance, worrying about government programs or government rationing of health care or government taking over the health care system, remember, just as there was an ad, an advertisement that many of us know about, "I am not a doctor, but I play one on TV," well, we have people on television now saying, "I do not really have health insurance. I do not really have health insurance that I can count on being there every day, but I pretend that I do on television."

There are actors. And most actors do not have health care insurance beyond the job possibly that they have that day. The second that they are off the set, they are out of the health care picture. Do not be fooled by all of the corporate/private interests that are on television today, spending an unprecedented amount of money to try to pretend that a health care system that covers every one, that meets some fundamental principles, all of which the President has addressed in his bill, all of which Mr. GEPHARDT has addressed in the Democratic bill that will be coming forward, all of which are addressed in the single-payer bill, for that matter, all of these principles are embodied, all of them exist already in Hawaii, all of them have existed for 20 years.

Two studies were done in the late 1960's. One resulted in the passage of that which I previously mentioned, temporary disability insurance. The second study was on the health insurance plan.

The author of the principle study was Prof. Stefan Riesenfeld of the University of California at Berkeley. He had drafted workers compensation legislation in Hawaii. We were familiar with him in Hawaii. He had done a lot of work. He was familiar with our political, our legislative leaders in Hawaii and had done good work on the temporary disability system and so he was asked to do the study.

Very, very interestingly, Professor Riesenfeld concurred with the funding of the Hawaii Medical Service Association, which is, for purposes of reference, is the equivalent of the Blue Cross-Blue Shield that you may be familiar with here on the mainland. They found, Professor Riesenfeld and the Hawaii Medical Services Association found Hawaii an ideal experimental site for universal employee coverage because we already had out there at that time the Kaiser Permanente system, the health maintenance organization, and the Blue Cross-Blue Shield in the institution of the Hawaii Medical Services Association.

The only people who objected vociferously, as Professor Riesenfeld says, "the commercial insurers hated me." I will repeat that again, "the commercial insurers hated me."

There was a very good reason. He was not there operating on behalf of the commercial insurance companies whose business it is to take the maximum amount of premiums away from you as an individual, away from us, and to retain the maximum profit and return as little as possible in services. That second Riesenfeld report was called the "Prepaid Health Care in Hawaii" report. It was submitted to the legislature, the Hawaii legislature in January 1971.

Professor Riesenfeld concluded, and I am quoting "at present voluntary prepayment plan coverage does not extend to a substantial portion of the population."

The report, Mr. Speaker, discussed a full spectrum of options from no action at all on to a health care system based on the British model.

The report, however, settled on two alternatives: expanding Medicaid to cover more of the population or, and I am quoting, "extension of the existing system of prepayment plan coverage to additional categories of employees on a contributory basis, with or without a premium supplementation scheme."

The report recommended that last. Mr. Speaker, the essence of the plan, Democratic plan is coming forward incorporates that same principle, that same underlying foundation principle. That principle is in President Clinton's plan. That principle is in the Democratic plan.

Basic principles were added then to that foundation, and they are as follows.

Every regular employee in private employment should be protected by a prepaid plan providing for hospital, surgical, and medical benefits. The level of benefits should conform with the prevailing community standards. Unless a collective bargaining agreement or self-initiated employer's policy provided for an allocation of the costs should be shared equally by the employer and the employee. The prescribed coverage was to be provided to any of the existing prepayment plan operators regardless of whether they provided services such as the Kaiser system or other medical group plans as the Kaiser system or other medical group plans such as the Hawaii Medical Services Association, either on a nonprofit principle, like HMSA, or a similar organization or the profit principle such as the commercial carriers.

□ 2200

They had their chance. The scheme and the plan was not intended to interfere with the collective bargaining process or interfere with any agreements that had already been made, or any collective bargaining agreements that might be achieved in the future. The free choice of physician was protected.

Finally, Mr. Speaker, in order to avoid any oppressive burden on low-wage earners or their employers, the mandatory plan in Hawaii was coupled with a plan for premium supplementation from general revenues. This was to enable the small employer, the employer of a small number of employees, to be able to afford the insurance 20 years ago.

If there is a sense of urgency on our part, I think it is well founded. I assure you my colleague, the gentlewoman from Hawaii [Mrs. MINK] and I find it passing strange that we should have to explain over and over and over again to our colleagues that what is being proposed has already been in existence for all intents and purposes in Hawaii for 20 years, 20 years; that the coverage of those who are not otherwise eligible for participation with their employers—because they may be unemployed, because they may be on general assistance, because they may have other difficulties or disability which prevent them from working and otherwise be eligible, perhaps they are in a gap group where they earn a certain amount of money and their eligibility under Medicare is not quite clear—all those particular factors that may affect an individual or a group of people or a family we have now taken care of with our Health Quest program, which grew out of our State insurance plan that we put into effect in the late 1980's. So that we have, again, contrary to the propaganda that comes forward, whether intentionally or on the basis of misinformation or uninformed opinion or judgment, both in this body and in newspapers of general circulation and elsewhere, that somehow we do not have 100-percent coverage in Hawaii, we have 100-percent coverage in Hawaii. We have had it for the past 20 years.

Mr. Speaker, those principles that I have just enunciated have been put forward in our plan. It was not easy to pass. Again, if we have a sense of urgency, we have been through this already. We are happy to make available to anyone here in the Congress the benefit of our experience in these reports, and I have here from the Journal of the State of Hawaii the actual discussion and passage of the bills; again, not very lengthy, because we had done the homework. We have been doing the homework for a number of years.

Mr. WALKER. Will the gentleman yield?

Mr. ABERCROMBIE. Yes, of course, I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just wanted to ascertain, Mr. Speaker, based upon the discussion that I was hearing from the gentleman, whether or not the reasons that he is giving for the Hawaii bill or for the Hawaii program are the reasons why Hawaii chose to opt out of the national health care plan that we are in the process of developing.

Mr. ABERCROMBIE. I would be happy to answer that, but I yield to my colleague, the gentlewoman from Hawaii [Mrs. MINK], because I am afraid the gentleman has mischaracterized the Hawaii position. We will be happy to elucidate the issue for you, because I know you are eager to have the proper information.

Mrs. MINK of Hawaii. If the gentleman will yield, that issue has been raised a number of times by not only Members on the gentleman's side but by the general public that has heard that statement repeated in talk shows and other television programs.

As the author of the provision in the bill that came out of the Committee on Education and Labor with respect to the opportunity for my State to obtain an exemption, that is not properly characterized as an automatic opt out.

As a matter of fact, what is required under the amendment which I presented to the committee, which was adopted, is that the five basic elements of the legislation—and I hope those elements will be retained upon final enactment—must first be secured by the State of Hawaii before it can even apply for an exemption. There is not an automatic opt out. There must be an application which asks the Secretary to determine whether those things which we would like to be released from, because of 20 years of experience, are appropriate.

Mr. WALKER. Would my State be eligible?

Mrs. MINK of Hawaii. Before we can do that, we have to have the same benefit package, we have to have the same cost containment, we have to have the same data collection, we have to have the same quality control, and we have to have the same employer mandate.

Mr. WALKER. Would my State be eligible?

Mrs. MINK of Hawaii. I don't know whether your State would be interested in such a requirement.

Mr. WALKER. Mr. Speaker, I am asking the question, if we were, would we be eligible under your amendment?

Mrs. MINK of Hawaii. Under my amendment, I only sought the opportunity for my State to make such an application.

Mr. WALKER. It was only for one?

Mr. ABERCROMBIE. Reclaiming my time, if the gentleman will give me the opportunity to continue with my presentation, I will point out why Hawaii is in this position. I will get to the ERISA waivers.

Mr. WALKER. I just had one more question, if I could, Mr. Speaker.

Mr. ABERCROMBIE. I would answer the gentleman's question about whether he would be eligible or not. If you would help us pass national health care, it would be a moot point.

Mr. WALKER. If the gentleman would just answer one more question.

Mr. ABERCROMBIE. Certainly.

Mr. WALKER. Is the same exemption provision likely to be part of the Gephardt bill?

Mr. ABERCROMBIE. When you say "exemption provision", I'm not sure what you are talking about.

Mr. WALKER. The gentlewoman has just explained that she had an exemption provision, but in the Committee on Education and Labor bill.

Mrs. MINK of Hawaii. It is an application to the Secretary to ask for exemptions for certain——

Mr. WALKER. It only applies to Hawaii.

Mrs. MINK of Hawaii. For certain procedural aspects where it would be redundant and unfair to apply to a State that has already had 20 years of experience in a prepaid plan.

Mr. WALKER. I understand that, but it only applies to Hawaii.

Mr. ABERCROMBIE. Yes.

Mrs. MINK of Hawaii. Because no other State has such an employer mandate.

Mr. ABERCROMBIE. The answer, of course, is to the degree it does apply to Hawaii, I wish it would apply to Pennsylvania. If you would enact a health care plan in Pennsylvania that at least meets the minimum standards of Hawaii, you would not have to ask the question.

Mr. WALKER. We are reasonably proud of our health care plan in Pennsylvania, too.

Mr. ABERCROMBIE. We are very proud of ours.

Mr. WALKER. I understand that. We would like the same kind of treatment, the same kind of ability to go for an exemption.

Mr. ABERCROMBIE. You need only, I assure the gentleman, pass the Democratic plan and you will have it. That is true bipartisan cooperation.

Mr. WALKER. I would say to the gentleman, that is not the case. We do not know what the Democratic health plan is. We have yet to see it.

Mr. ABERCROMBIE. Reclaiming my time, I will be happy to explain it to you.

Mr. WALKER. Has the gentleman had a chance to see it?

Mr. ABERCROMBIE. Yes, of course I have.

Mr. WALKER. You have had a chance to read the Gephardt plan?

Mr. ABERCROMBIE. I have had a chance to understand completely what is in the Gephardt plan.

Mr. WALKER. You have actually seen the Gephardt plan and have had a chance to read it?

Mr. ABERCROMBIE. I have had an opportunity to see all of the elements, as you have, Mr. WALKER.

Mr. WALKER. No, have you seen the Gephardt plan? Have you had a chance to read it, and does it contain the Hawaii exemption?

Mr. ABERCROMBIE. I will reclaim my time and answer the question, Mr. Speaker.

The answer to the gentleman's question is that we will be able to provide, with the Gephardt plan, a health care system equal to that of Hawaii for Pennsylvania as well. I realize that the gentleman——

Mr. WALKER. That does not answer the question.

Mr. ABERCROMBIE. I have reclaimed my time, and I am sure the gentleman has had ample opportunity in other times during special orders to make his points known. If you will give me the opportunity, kindly cede me the opportunity to more fully answer your question, I will, and so will the gentlewoman from Hawaii.

Mr. WALKER. Yes, Mr. Speaker.

Mr. ABERCROMBIE. Thank you. The principles enunciated in the Democratic plan, which will be forthcoming, in detail; you cannot have, after all, the printing of the Ten Commandments before they are brought down from the mountain by Moses.

I do not think the gentleman from Missouri [Mr. GEPHARDT] would claim the mantle of Moses. He does not resemble Mr. Heston very much in that regard, but the process is the same.

Mr. Speaker, every essence, everything associated with the plan, has been discussed in great detail. The actual embodiment of those principles, proposals, and plans in bill form I understand will be available as early as tomorrow.

Mrs. MINK of Hawaii. Will my colleague yield?

Mr. ABERCROMBIE. Yes, of course, I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. In listening to the discussion that preceded ours, I am sure the audience is left with an impression that Members of the Congress have not had an opportunity to study and deliberate and consider all the various ramifications of the health reform plan.

As a matter of fact, the Congress has had almost a year to deal with all of the essential features that are still on the table, that are still up for discussion, and will obviously be a part of the leadership presentation which we hope to get tomorrow.

□ 2210

My own Committee on Education and Labor has had the bill in our committee for almost 4 months. Every day we went to the committee meetings, and page by page that bill was read and it was discussed. We had experts there to explain all of the provisions. We did that not only once in the subcommittee but again in the full committee. Besides all the deliberations of dozens and dozens of amendments that were proposed and debated, certainly the members of that committee had an ample opportunity to understand all the features not only of the Clinton plan but also the ultimate mark that our chairman, the gentleman from Montana [Mr. WILLIAMS] produced, which was quite different. The Committee on Ways and Means did essentially the same thing. I watched much of it on television, where the gentleman from California [Mr. STARK] was presiding as the chair of the subcommittee and they read the bill page by page. It was a tedious process, but I defy Members who are interested in the process, why were they not watching? If they were not members of the subcommittee, they could have done what I did. I stayed up and I watched the discussion that went on in the Committee on Ways and Means. Because I was interested to hear all the different points that were being made with respect to all of these different provisions.

I submit that the Committee on Energy and Commerce probably did the same thing. We had opportunities to hear some of the debate over on the Senate side. We have had an ample opportunity, and we should have taken those opportunities to study the legislation as it were being presented to us, first the Clinton bill, then the bill that came out of Education and Labor, then the bill that came out of Ways and Means. And it is the leadership's responsibility now to produce the 218 votes. I cannot do that. I do not have that magic wand that can suddenly produce a compromise piece of legislation that is going to be able to garner the majority votes of this body. That is a complicated thing. But certainly we are not starting from scratch, Mr. Speaker. We have had this bill here for consideration for over a year, and those of us who have taken the time to study the various issues, employer mandates and alliances and all these other features, have been able to understand how this process has finally brought us to the point where we are.

We are here tonight, my colleague the gentleman from Hawaii [Mr. ABERCROMBIE] and myself, because basically I am thrilled that over the last month and a half or so on television, nightly, sometimes 4 or 5 times a night on television, the major networks, I see the floating palm trees of Hawaii and a discussion about our Hawaii plan. "If Hawaii can do it, why can't the Nation?" That is really why we are here tonight, to try to explain to those who are interested, to find out that yes, indeed, the State of Hawaii 20 years ago did enact an employer mandate legislation.

Admittedly, a lot of the materials that we have disseminated and distributed come from our State. I have heard Members of the opposite side disparage the fact that I am constantly talking about the Hawaii plan, constantly using it as an illustration. But the point of fact is, is that my State is the only one thus far that has enacted an employer mandate program, and, therefore, it is important to know what happened. We do not need to just listen to the agonies and despairing comments about what would happen if we had an employer mandate? We have had one for 20 years in the State of Hawaii and it has worked.

Members do not have to take my word for it. If my colleague will yield further, because there was such an interest in the Hawaii prepaid health plan in Hawaii, the GAO was summoned to do a study. Certainly I had nothing to do with the conclusions the GAO report found, I had no part in writing it. I did not know what conclusions were going to come out of such a study in advance, but the GAO was requested by the gentleman from Michigan [Mr. DINGELL] to conduct a study. The conclusions there are dramatic. It says, "Hawaii has the highest level of insurance coverage of any State." And it comes out with a percentage, of something like 3.75 percent only are not covered.

If we listened to what my colleague said, since this study was taken from the 1991 figures, since then, with the implementation of SHIP and QUEST, we now can very comfortably say 100 percent of the people of my State are in some program or another if not in the employer mandate part which is private insurance.

Mr. WALKER. Will the gentlewoman yield for a question on the study?

Mrs. MINK of Hawaii. I would be happy to yield.

Mr. WALKER. Could you tell me what the study said in terms of your coverage?

Mrs. MINK of Hawaii. The coverage, it says here, I will read exactly. "Estimates of the percentage of Hawaii's residents lacking health insurance in 1991 ranged from 3.75 to 7 percent in comparison to the national average of about 14 percent."

Mr. WALKER. That is still less than the 100 percent that the gentleman talked about.

Mrs. MINK of Hawaii. If you had listened to what I had said, you will hear that what has happened subsequent to 1991 is the collaborative agreement which was permitted to take Medicaid funds and to incorporate it into a program that covered everybody.

Mr. WALKER. So this study is only as good as the portions of it which you happen to agree with?

Mrs. MINK of Hawaii. No.

Mr. ABERCROMBIE. Mr. Speaker, I will reclaim the time, I will answer the question, and I think that we should move on from this.

If the gentleman persists in mischaracterizing the answers, we are not going to really accomplish anything here, other than to demonstrate to the people of this Nation and to our colleagues who are watching that there is less interest in achieving a bipartisan resolution of this issue than there is in trying to score points, points which I may tell the gentleman can be easily refuted.

The General Accounting Office report states very, very clearly that this is a result of the employer mandate bill which we have had in effect since 1974. It was never expected that this passage of the prepaid health care bill would be able to cover everyone in the State who was not eligible under the original law. The fact that we have achieved this incredibly high ratio on a law 20 years old which did not apply as I indicated to those who were not otherwise eligible under it I think is absolutely remarkable.

What it shows is that 100 percent of those who were eligible to be covered under our law in the first place were covered. Those who are not otherwise eligible have been covered, either by Medicaid or by other such plans that were federally imposed. What we are saying is that we have as a result of the Medicaid waiver been given the flexibility to put together a State plan which operates complimentarily with those already in existence, and they are private insurers. The same companies, the same health providers, the same insurers that operate with our employers and our employees rushed eagerly to bid for and be appointed those who would implement the rest of the plan to cover 100 percent of all the people, regardless of those who would otherwise be ineligible under the prepaid health care plan of 1974. We never amended the bill, except for certain benefits that were put in other than for administrative purposes.

There is no bureaucracy. As a matter of fact, I will pursue at this time, then, the rest of my presentation. There is no Government bureaucracy. In fact, the bill itself, as I said, less than 10 pages long, the bill itself indicates that the act is meant to be for the most part self-administering. And that is what it has been.

Mrs. MINK of Hawaii. Will my colleague yield on that point, which I think is really the telling point on the success of the Hawaii plan.

In the 20 years, and my colleague will agree, in the 20 years of the existence of this prepaid health plan, the State of Hawaii has had to add only 2 employees in the Department of Labor to administer this program. Two positions. That is it. So to talk about employer mandates and the enactment of a health reform bill is going to create a huge, monstrous bureaucracy is absolutely not so.

We have been able to accomplish our universal coverage literally without the addition of any Government personnel whatsoever, just two, to handle the routine paperwork.

Mr. ABERCROMBIE. All of the opposition, Mr. Speaker, at that time, in 1974, the tenor of the opposition, the origin of the opposition, has all manifested itself again in this debate.

□ 2220

The same business entities and institutions, sometimes using the same words almost exactly, some of those of the major employers, the major industrial employers, what were known as the Big Five, the great companies that controlled the plantations, that controlled the importing and exporting business in Hawaii, who were already offering some form of insurance to their employees at that time, they opposed it, as they said, and I will quote here, "Even though they covered their own they were opposed to it ideologically."

This comes down not to a question of practicality it comes down not to a question of whether something is being presented too quickly. It comes down to a matter of ideology. Either you are in favor of universal coverage that cannot be taken away from people, or you are not. And if you are in favor of it, you have to go through a process that enables us to fund it, and to move it forward, and to make it fair, and that is what we have done. This study again written by someone who lives in Chicago, IL., who is self-employed, as a matter of fact, who has to have her own insurance, and I have talked with Ms. Friedman on several occasions, she was the contract employee. By the way, the study that I am citing I want to point out is from the Blue Cross/Blue Shield Hawaii Medical Association, the Health Care Association of Hawaii, Kaiser Permanente Foundation, Hawaii Medical Association made of up the medical doctors in Hawaii, the Hawaii department of health of the State of Hawaii and the Hawaii Community Private Foundation. So the publication and the hiring of Ms. Friedman to do this analysis and history of the Hawaii plan comes from a broad spectrum of State, private, and nonprofit organizations and individuals.

Her study indicates then to us that there was the opposition. The study also then indicates that one of the reasons that the Hawaii Medical Services Association, the Blue Cross/Blue Shield organization eventually supported the legislation in the legislature was, and I am quoting now as one observer says, "It's nice to have a law around that says people have to buy your product." That is what we are doing here. This is private insurance that is being offered, not whether there can be an argument for other forms of insurance. I do not know. One of the litmus tests, if you will, of whether or not we can move forward with health insurance at this time for everyone in America has been whether we can incorporate the private system.

Now I will grant you, and as a matter of fact not only grant to you, Mr. Speaker, and grant to those who bring up the question, but in fact I invite them. There is competition for this, and what happens is that commercial insurers are the ones who opt out. The commercial insurers who are interested primarily in being able to extract premiums, high premiums, and pay back very little in the way of services, or perhaps even remove insurance from people. What happened was that upon the passage of this bill, and by the way, it did not take 6 months to implement it. It was 6 months from the signing of the bill, from June 1974 to January 1, 1975. January 1, 1975, we implemented the bill. We implemented universal care, universal insurance in Hawaii, in 6 months' time. That is all it took. Now, we did this. This is not a proposal. This is not something we dreamed up. It is not a novel. It is not fiction. It is history. This is the reality. This is what was done.

In that 6-month period what happened was very, very simple. Those insurance companies who had no real interest in actually providing insurance at the lowest possible rate to the maximum number of people, and actually engage in providing health insurance that worked, left the marketplace. They left the marketplace. They chose not to compete. And those that were left did of course compete. And what we have in Hawaii today, and I think this is very, very important for our colleagues to understand, and for the people across the Nation to understand, what we have now is competing private insurance in Hawaii that strives to give people the lowest possible price for the insurance.

Now Hawaii, as everyone knows, is a series of islands in the middle of the Pacific Ocean. We cannot get from island to island in our counties. Representative MINK represents, I represent urban Honolulu and she represents what could be called rural Honolulu, rural Oahu, the island of Oahu, all of the island of Oahu that is not constituted in the First District that I have the honor to represent, all of the neighboring islands. We cannot drive to the neighboring islands. Some of us are strong enough to swim, but not very many. But it takes crews of very strong paddlers to be able to get an outrigger canoe and get between some of the islands, so we have to fly. In other words, it is very, very difficult so our expenses are high in Hawaii, because we have to ship everything in either by air or by long distance in the sea, and then we have to transship by barges to what we call the neighbor islands, to our friends and neighbors on the neighbor islands. So our expenses are very high.

The one thing that is lower, in fact lower than all of the expenses of all of the rest of the Nation is health care, despite all of the difficulties in delivery. And I can assure you that Mrs. MINK spends a good deal of time in an airplane after she gets to Oahu, and a good deal more time after that in an automobile traveling around the hundreds and hundreds of miles that are required to get around the rest of the Second Congressional District of Hawaii.

So we have great distances to cover. We have great expenses to cover. Yet, the cost of our health care plans remains significantly lower than the rest of the United States, the rest of those States on the mainland.

So the opposition, which was quite vociferous at the time, indicated among other things, and this is an ironic note to add at this point, that the Hawaii Medical Association in the end was opposed to the bill because, as they said, the chairman of the Hawaii Medical Association Legislative Committee in the National Government, and this is of course 1973, said,

> The National Government is already moving in the direction of a national health insurance program which seems likely to become law within the next year or two. It would seem foolish for the State of Hawaii to embark on a program that perhaps would be superseded by Federal regulations within a short period of time.

So you see, as far back as 1973 the Medical Association, the Association of Physicians was anticipating the passage of this legislation, saying that we would not have to have this program. So when we are asked well, why is Hawaii in the position of trying to make certain that the national bill that we are proposing is going to incorporate that which Hawaii already has, you can see that we have anticipated again and again, and I will be able to give further quotes, Mr. Speaker, where it was anticipated when we made some changes in our health care approach that again that the Congress would be passing national health care legislation, and so it was not necessary for us to move in this direction.

After a while we got the message that it was going to take perhaps the experience of a demonstration project to show that it was possible to have national health care. So if anything, we do not stand here tonight in some superior attitude or in some patronizing kind of attitude towards the rest of the country and say look, did we not do a terrific job, and why do you not just follow in our wake. On the contrary, what we think is that to the degree as happens often in the Congress a demonstration project is commanded or is needed or is found to be useful that please, look upon the Hawaii experience and experiment, because that is what it has been, both an experience and an experiment, look upon it as a demonstration project that has worked and, as a result, perhaps then we can utilize this experience and the result of this experiment in a way that manifests itself in the bill that will be coming forward.

□ 2230

Mr. WALKER. If the gentleman will yield, I thank the gentleman for yielding. He has been very generous. I appreciate that.

Did Hawaii, in their demonstration project, have any experience with people who wanted to opt out of the plan for religious reasons?

Mrs. MINK of Hawaii. No. Not that I am aware of.

Mr. ABERCROMBIE. Not that I am aware of. I will tell you who was exempted at the beginning if you will give me a moment to find it.

Mr. WALKER. The reason why I raised the question is that——

Mr. ABERCROMBIE. There were some Federal employees and others were exempted.

Mr. WALKER. Because they had a plan. But let me just give the gentleman a sense of experience from my State that probably would not apply in Hawaii. But it probably yet has some relevance to adopting universal coverage. I have a large group of Amish in my district. Amish, because of their religion, do not believe in insurance. To participate in an insurance program is a violation of their strongest religious beliefs. If, in fact, we are to pass a national health care plan that requires universal coverage, you would have to have the Amish coerced into the program against their religious principles. I would suggest, I am simply suggesting, that that is a difference out there that we will find a number of in the Nation that would not fit the demonstration.

Mr. ABERCROMBIE. I understand. Reclaiming my time, I say to the gentleman from Pennsylvania [Mr. WALKER], because I believe we only have 5 minutes left, and I would like to answer the question and yield, in turn, to the gentlewoman from Hawaii [Mrs. MINK] to provide an answer.

Mrs. MINK of Hawaii. The Committee on Education and Labor did provide an exclusion for the Amish because of their religious belief.

Mr. WALKER. Then you do not have universal coverage.

Mrs. MINK of Hawaii. Well, I think that is a matter of semantic debate at this point as to exactly what universal coverage is. If we make an exclusion for a certain group, that does not mean that we have not made an attempt to include everybody. Including of everybody, we decide that because of religious commitments and other kinds of reasons, that they should be excluded. It does not mean that we have failed to enact a bill that is universal. It is universal. It considers everybody, but in doing so, found for other reasons to leave out certain people.

Mr. WALKER. But they have to have some other access to the health care system, which means you have to design special exemptions, and there are going to be a lot of other people. The only point I was making was the demonstration in Hawaii does not exactly apply if you take all the rest of the experiences we have around the Nation.

Mr. ABERCROMBIE. If I can reclaim my time, I am certain there will be details to be discussed so we can properly respect the multicultural, multiethnic, multireligious, multiracial society we have. We have a rainbow of people in Hawaii, and we have a rainbow of people in the United States.

In that context, I assure the gentleman from Pennsylvania that I trust all of us will be sensitive to the special needs that might exist in that.

Let me conclude very quickly, Mr. Speaker.

In the remaining time then, for the moment, I would like to summarize then what it is that has been accomplished by the Prepaid Health Care Act in Hawaii.

It has set a floor below which no person in Hawaii will be allowed to fall. I think that is fundamental. After all the rhetoric is out of the way, we are taken care of in here. We find ourselves in a very good position.

I notice that many of the people who find themselves commenting on it and analyzing it on television, all of them are covered by health plans. All of them would be loath to see that health plan fall away from themselves.

All I am saying is, is it not good enough? I have heard the discussion here; let us not have a health care plan in America that is any less then what Members of Congress provide for themselves. Well, in the State of Hawaii, we provide for everyone. No one in this country should be allowed to fall. No one in this country should be uncovered. It defines a basic benefits package. Long before the idea was fashionable, we had it in Hawaii.

It enfranchised thousands of people. It gave them confidence. It gave them security. It gave them a sense of independence. It gave them dignity. Nothing in the world makes you feel more vulnerable than to think that you cannot provide for your own, that you are not able to provide those things that are necessary to sustain the basic dignity of the individual, and your health is the most fundamental element in that dignity. We enfranchised that, and it has not been misused. It has not been misused.

Government here has been the partner of the individual and the families of this State and of this country, and it can be with the passage of the national health care bill.

We have simple, predictable claims patterns. We have simple, predictable coverage. We have simple, predictable protection in Hawaii, and the health care bill that is coming forward on this floor tomorrow, as presented by the Democratic majority leader, is meant to provide exactly that kind of simple, predictable, certain coverage, and we implore and enjoin and request our colleagues on the Republican side of the aisle to join with us and pass national health care.

It will not be a situation in which anyone will be left out. It will be a situation in which we are all in this together. Failure to do this, as I conclude, Mr. Speaker, would be as follows: We have a fundamental choice, and this is what it is. Either we are going to say to the American people, "You are on your own," or we are going to say to the American people, "We are all in this together."

I implore my Republican colleagues to choose the latter. Let us all be in this together. Let us pass national health care.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. POSHARD). Visitors to our gallery are not allowed to display either affirmation or any other sense of pleasure or displeasure with the Members on the floor.

A VIEW OF THE CRIME BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Illinois [Mr. MANZULLO] is recognized for 30 minutes.

Mr. MANZULLO. Mr. Speaker, crime is a very serious problem in this country. But because a proposed law is termed a crime bill does not necessarily mean the bill fights crime.

That is why the Wall Street Journal, USA Today, the Chicago Tribune are all opposed to the so-called Clinton crime bill. The New York Times said, "Pull the plug on the crime bill."

We all want to fight crime. Yet why would these major newspapers come out against this bill? The answer is that this Clinton crime bill does little to fight crime, and it is expensive, too.

But Americans would not mind spending big dollars if they thought the money would, in fact, reduce crime, but the Clinton crime bill, which will cost $33 billion, simply will not do that.

Well, why is this crime bill so controversial? First, it still has not been printed up. I have here one of the few copies of the conference bill. It is over 1,000 pages. This conference bill is the result of the work of the Members of the House and Senate after each of those Houses of Congress passed its own bill.

I pored through most of that bill. Let me demonstrate to you how complicated the wording is. Listen to this, "For each payment period, the Secretary shall allocate to each State out of the amount appropriated for the period under the authority of section 6702(b), minus the amounts allocated to territorial governments under subsection (e) for the payment period, an amount bearing the same ratio to the amount appropriated, minus such amounts allocated under subsection (e) as the amount allocated to the State under the section bears to the total amount allocated to all States under this section." It goes on and on.

I have argued before the Committee on Rules that Members of Congress should be given the right to read the bill before they vote on it. Yet that probably will not happen. Imagine voting on a $33 billion bill without giving Members of Congress the chance to read it.

Well, let us look at some of the provisions of this bill. Cops on the beat: The bill States on its face there will be 100,000 new cops on the beat. We need cops. We need more cops. But what is wrong with this bill? First, it describes what the cops must be doing. They must be involved in "community policing," but community policing is nowhere defined in the bill.

Title I, part (q), section (f), technical assistance, subparagraph (2), model, states, "the Attorney General defines what community policing is and how it is to be implemented."

This means a Federal bureaucrat decides what a community needs as opposed to the community itself. For example, cities may use the funds in the following ways: "It can go to enhance police officers' conflict resolution, mediation, problem solving, service, and other skills needed to work in partnership with members of the community," to "develop new technologies to assist States and local law enforcement agencies in reorienting the emphasis of their activities from reacting to crime to preventing crime," and, "to develop and establish new administrative and managerial systems to facilitate the adoption of community oriented policing as an organization-wide philosophy."

□ 2240

This means the Federal bureaucrat will tell local police officers how to resolve conflicts and solve problems. It also means the Federal bureaucrat will tell a community that instead of apprehending criminals it should be preventing crimes from taking place. Granted, both are necessary, but why should the Federal Government be involved in telling a police force where its needs are?

Second, the bill sets up a quota system for hiring police.

Third, the Clinton crime bill provides only seed money for a community that wants to hire police officers. Here is the irony: For a community to get a grant to hire police officers, it must show a specific financial need. The grant runs out in equal stages over 5 years. However, a community in the grant must also show that as the grant runs out in steps, the community must be able to afford to keep the cops permanently. This does not make sense.

A community applies for a grant because it needs the money, but must show that as the money runs out it has the financial ability to continue the program. If the community has the money in the first place, then it could not receive the grant. Yet it has to show it has the money in order to continue the program.

Fourth, the actual amount of money allocated in the crime bill for cops will hire 20,000, not 100,000, cops. The reason is in the application.

It takes about $60,000 to $75,000 per year to hire one cop. Yet if you stretch out the money allocated for the program over 5 years of the grant, it comes out to $14,500 per cop per year.

Fifth, the application process to get a grant shows how little emphasis is placed on the crime rate in the community. Let me read to you some of the 11 mandatory requirements to get a grant:

The police department has to have a long-term strategy that is devised not by the police but by "community groups and appropriate private and public agencies."

What does that mean? It means the Federal Government is saying that sheriffs and chiefs of police do not know how to use their own police officers but "community groups and appropriate private and public agencies," which are never defined, do.

The police department has to identify "related governmental and community initiatives which complement or will be coordinated with the proposal." And "outline the initial and ongoing level of community support for implementing the program, including contributions of money toward the program."

Mr. Speaker, this is the United States Congress empowering the Attorney General and her bureaucrats to micromanage local police departments. This application process demonstrates the hoops through which a municipality must jump to get money that already belongs to the people. There is no Federal money; only money provided by the ordinary taxpayer that is sent to Washington, legally shrunk, and then waved by a Federal bureaucrat in the face of local officials who fight like heck to get that money that already belongs to them.

Sixth, to implement the cops on the beat, the bill states:

> The Attorney General shall have access for the purpose of audit and examination to any pertinent books, documents, papers or records of a grant recipient under this part and to the pertinent books, documents, papers or records of State and local Governments, persons, businesses and other entities that are involved in programs, projects or activities for which assistance is provided under this part.

Ostensibly a business, a business doing business with a local police department, would now be subject to an audit by the Attorney General.

And now the magic words, "The Attorney General may promulgate regulations and guidelines to carry out this part."

This is called redtape.

Let us take a look in this bill for the provisions for prisons. We all know that keeping people in prisons keeps out of circulation the 7 percent of the criminals who commit 70 percent of the crimes.

The Clinton crime bill claims that $10.9 billion will be spent on building prisons. However, a closer look shows that $2.2 billion is authorized but not funded. $8.7 billion would then be left allegedly for building prisons. However, $1.8 billion of that is going to go to refunding States incarcerating illegal aliens. So I have no problems with money to help States incarcerate illegal aliens.

That leaves the bill with a total of $6.5 billion for prison construction. Or is it really for prison construction?

Title II, called "Prisons," of the Clinton crime bill authorizes funding with the following language:

> The Attorney General may make grants to individual States and to States organized as multi-State compacts to develop, expand, operate or improve correctional facilities and programs, including boot camp facilities and programs and other alternative confinement facilities and programs that can free conventional prison space to the confinement of violent offenders to insure that prison cell space is available for the confinement of violent offenders and to implement truth in sentencing violent offenders.

At this point it appears the Clinton crime bill will allow the States to spend the prison money the best way the State sees fit.

However, further reading of the bill shows the Federal strings attached to this bill.

For example, if a State obtains money to build a prison—and please note the Federal Government provides 75 percent of the construction cost for the State providing the rest for construction of prisons and having the money to operate the prison—and yet the redtape involved means two things, two significant things.

First of all, under title II, "Prisons," listen to this requirement:

> The States must have a comprehensive correctional plan which represents an integrated approach to the management and operation of correctional facilities and programs which include diversion programs, particularly drug diversion programs, community correction programs, prison screening, * * *.

Mr. Speaker, this is saying that the Federal Government, once it gives money to a State to build that prison, will determine how that State prison is run. But there is more to it than that.

Listen to this:

> The task force on prison construction standardization and techniques states that the director of the Institute of Corrections shall establish a task force comprised of Federal bureaucrats and engineers, architects, construction experts, to come up with a performance requirement and the task force shall work to establish or recommend standardized construction plans of techniques for prisons and prison component construction.

And we ask ourselves why is the Federal Government now telling the States how the States can build their own prisons?

This becomes the federalization of all State prisons, not only as to the manner of operation but the construction materials, if the State opts to take the money with which to build a prison.

Many suggest that this bill is tough on crime because of the strict truth-in-sentencing provisions cut into receiving Federal funding for prisons. At this point let us take a look at this truth-in-sentencing.

From a Federal level, it is defined as requiring States to incarcerate violent offenders for at least 85 percent of their sentence in order to receive some 60 percent of the $6.5 billion, the so-called Chapman money. It sounds as if the Chapman truth-in-sentencing should be tough, if that is the way it will work. Think about it. This will supposedly close the revolving door that lets violent criminals out of prison early. However, a close look at the summaries of alleged crime conference report show differently. The Hughes money, 66 percent of the $6.5 billion in this bill, is not conditioned on any truth-in-sentencing provisions. The remaining 40 percent, the Chapman money, is based on a formula that requires some progress, some progress toward longer sentences.

The bottom line in truth-in-sentencing is that if the States do not work toward the goal of keeping people in prison longer or in enacting the 85 percent requirement, then there is a reverter provision which provides that the money allotted for the proposed truth-in-sentencing, or Chapman money, left at the end of each fiscal year will be dumped into the remaining 40 percent funding for the first year. So, basically, a State simply has to wait and then get all the money with no strings attached.

□ 2250

But there is more. This bill has what is called early release provision. Sounds good. What are we talking about?

Well, there is a reduction of mandatory minimum sentences for drug traffickers. That is correct. This bill reduces the number of years that a person convicted of drug trafficking has to spend in Federal prison. It is ostensibly to those who were arrested for the first time, probably caught for the first time. If they are nonviolent; that is, they do not have any guns, and they cooperate with the police, the authors of this bill say, well, because of their backgrounds, they should not have to serve such a long mandatory minimum, and this provision is retroactive and will result in the release of as much as 10,000 so-called nonviolent, convicted, felonious drug traffickers, return them to the streets.

And what kind of message does that send to our society?

In my county of Winnebago, IL, the statistics show that up to 75 percent of all crime in that county is somehow drug related, whether it be an individual taking drugs, trying to steal money to buy drugs or is, in fact, selling drugs. And yet this great crime bill looks upon these convicted drug traffickers, looks upon new drug traffickers, and says "We are going to reduce your mandatory minimum sentence." That is not the message to send to people involved in drugs in this country.

The Clinton administration says that they are nonviolent because they are simply passing drugs from one to another, answering phone calls, facilitating deliveries. The cops call them mules. Yet the violence that they do to America is they are killing our children.

Mr. Speaker, this crime bill protects the criminals. It does not protect the innocent people in this Nation, and that is why these major newspapers have come out vehemently against this crime bill in saying, "For goodness gracious sakes, at least protect the victims."

But there is more in this bill, almost $10 billion spent on what are called social welfare programs. Ten billion dollars. Let me go through just a few of them.

The Local Partnership Act: $1.8 billion to local governments goes to areas with high taxes—figure that one out, high unemployment, and high crime. The money is spent to augment existing Federal programs such as aid to the homeless or can be used for, quote, "education to prevent crime, substance abuse treatment to prevent crime, or job programs to prevent crime."

The Youth Employment Skills, YES, is $650 million, quote, "to test the proposition that crime can be reduced through a saturation jobs program." Six hundred fifty million dollars in a test program. It targets high crime areas. Participants can range in ages from 14 through 25 years.

Mr. Speaker, we already have 154 current job programs. But you may say, "Are these targeted to the youth?" Well, 16 of these current job programs are targeted to youth. Presently spending $4 billion, nine current job programs target the economically disadvantaged presently spending $2.6 billion, and the total amount of money spent on jobs programs in the United States is already $25 billion, and now we are adding some more.

But the list of social spending goes on: $1.3 billion to private entities, governments, and courts chosen by the Attorney General for, quote, "drug courts." The money can be used for a number of purposes such as benefits to criminals who are drug addicts. Benefits include child care, housing placement, job placement, vocational training, and health care, all supervised by a court, but there is no money that goes for the administration of justice. There is no money that can go to a State's attorney's office to hire prosecutors, or to a clerk's office in order to hire additional clerks in the criminal division of the court, or for probation officers, or for jail space.

The model intensive grants: Here is another one, $895 million to 15 high crime areas chosen by the Attorney General. This program has not specific requirements. It contains vague guidelines for funding. For example, money will go to programs that, "provide meaningful and lasting alternatives to crime"

The national community economic partnership: $630 million to community development corporations chosen by the HHS Secretary to upgrade the management and operating capacity of community development corporations and enhance the resources. Loans will be given to finance projects intended to provide business and employment opportunities for poor people.

Child center activities: $630 million to recipients chosen by the HHS Secretary handed out by grant, based on percentage of poor children in the State compared to percentage in other States.

Listen to this: Grants for community-based organizations to carry out a variety of activities including arts and crafts, dance programs, renovation of facilities, purchasing of sporting and recreational equipment and supplies.

The list continues.

Family and community endeavor schools called FACES: $270 million to local entities chosen by the Education Secretary and partly by the HHS Secretary. The purpose is, "to improve academic, and social development by instituting a collaborative structure that trains and coordinates the efforts of public schoolteachers, administrators, social workers, guidance counselors, and grants also go to community-based organizations to supervise various activities including sports, arts and crafts, social activities and dance programs."

Juvenile drug trafficking gang prevention grants: $125 million to private and nonprofit or State and local governments chosen by the administrator of the Office of Juvenile Justice and Delinquency Program. The grants are, "to reduce juvenile involvement in organized crime without describing how this should be done." Very few specific programs aside from sports activities, "and artistic enrichment."

The Ounce of Prevention Program: $100 million of grants to entities chosen by interagency council. No specific requirements, no guidelines.

The youth violence prevention: $50 million to States and public and private entities chosen by the OJJDP administrator. Grants are to develop, "programs in the area of juvenile violence." The program should include, "alternatives to school suspension and other innovative projects."

Midnight sports: $40 million to entities chosen by the HUD Secretary to fund midnight sports leagues. The bill states that there must be at least 80 people involved. Half of those have to come from low-income housing. What do they do if half do not come? What do they do if those that come are poor but do not live in low-income housing? Do they throw them off the basketball team? And these grants must have at least two of the following characteristics: high levels of HIV-infected people, high crime rates, high drug use, high pregnancy rates, high unemployment, and high dropout rates.

It does not stop there.

Community youth academies: $40 million to public or private and nonprofits chosen by the Attorney General to provide residential services to young dropouts and criminals. Among other things these services, "should increase the self-esteem of such youth," and provide them with life skills.

It goes on and on. I do not even have enough time to bring this up.

Gang prevention services for boys and girls: $20 million for funding a variety of programs including music, art, and drama activity, physical fitness training, and life skills training.

Hope and youth: $20 million.

Anticrime Youth Council. Listen to this: $5 million to public and private community-based organizations so kids sit around in groups of no more than five and discuss crime.

□ 2300

But the one that is really unbelievable is this: It is a program called the family unity demonstration project, $22 million to the States and Federal prisons chosen by the Attorney General. Grants are to put convicted criminals in residential facilities so the criminals can live with their children. The children must be 7 years of age and under, the criminals cannot be convicted of a violent crime against a person or sex offense, but they can be drug traffickers and burglars. And a district court can sentence a defendant directly to this residential facility.

Can you imagine that? Twenty-two million dollars, and have to worry about whether or not the Federal Bureau of Prisons is going to lease the home or apartment building next to you or the apartment next to you in which to house a convicted felon so he can live with his family.

It goes on and on. Olympic youth development centers, $50 million. The U.S. Olympic committee will develop at least six centers for sports activity for youth, $30 million to boys and girls clubs in public housing, $22 million for gang resistance education and training.

Mr. Speaker, I cannot even get through the list of social programs that are involved in all of this.

Now, the debate surrounding crime, prisons, and especially the truth in sentencing, it deals a lot with what we know as States rights. Let's think about that, States rights. Let's think about what President Johnson said until 1967. He said, and this is a quote, "the Federal Government must never assume the role of the Nation's policemen. True, the Federal Government has certain direct law enforcement responsibilities, but these are carefully limited to such matters as treason, espionage, counterfeiting, tax evasion, and certain interstate crimes."

Now, where does the Federal Government become involved, now, today? The big crime bill came in the appropriations to the Department of Justice, where we had to fight to add back money that had been stripped by the administration for DEA agents, FBI agents, INS agents, and the Byrne grant. We had to add back 150 percent because the Byrne grant goes to the States for the purpose of empowering local law enforcement agencies to work together on a multijurisdictional basis in order to fight drugs.

That is the biggest role the Federal Government has today, is the interdiction of drugs at the borders, and, of course, inside as the drugs come in, because that is something that is simply the local police departments cannot do.

Well, lots of programs. But we need a crime program. We need to pass something less complex, yet much more effective.

The crime program has to respect the States. It is called federalism. I am a cosponsor of H.R. 4592, introduced by our colleague, Representative SENSENBRENNER. This legislation is 5 pages long, as opposed to 1,100. It simply rebates 2 percent of the personal Federal income tax collected from each State back to each State. These funds would be earmarked for crime fighting. That is, the States could build or expand and operate prisons, add personnel to their court system, such as judges, prosecutors, public defenders, clerks, and any other support staff needed, hire more police, buy more equipment, or simply rebate the money back to the taxpayer.

This would truly bring the debate of crime fighting back to where crime is really fought, the State and local level. The local police chiefs and sheriffs know much more about fighting crime than 535 Members of Congress.

Let the local officials decide where to spend the resources to fight crime. Many will say this is a pie in the sky dream, that we could not get this kind of bill passed. Well, it would fund for 5 years $55 billion. That is far more than $32.7 over 6 years. And you know what? It is a continuing amount that goes back to the States.

Incredible. It is so simple. With the Sensenbrenner legislation, there is far less bureaucratic hoops the States need to jump through.

Mr. Speaker, we all need to fight crime, the State, the local, and the Federal level. We do not all agree on how to fight crime, but we do agree that the Clinton crime bill is not the way to do it.

THE GUAM WAR RESTITUTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and June 10, 1994, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 30 minutes as the designee of the majority leader.

Mr. UNDERWOOD. Mr. Speaker, tonight I will continue telling the Nation the story about the people of Guam and their unique experience in World War II, and I will continue telling the Nation of my efforts to bring closure to this story and justice to the people of Guam. This is not the first time I have spoken to this House and to the American people about the wartime atrocities that were endured during World War II by the people of Guam, and today is a most auspicious day to be telling this story—today is the anniversary of the dropping of the atomic bomb on Nagasaki.

But it is not to reopen old wounds that I raise this subject—rather it is to heal the wounds of a people, the people of Guam, who have a compelling case to make before their Federal Government, and of a government that seems unwilling to hear this story and unwilling to act to correct the injustices committed against the people of Guam in World War II.

I want to make it clear from the start that my chronicling of the atrocities committed on my people is not meant to justify the bombing of Hiroshima and Nagasaki—those events clearly stand apart from the experience of the people of Guam. But there is a parallel in that while some events in the tragic history of World War II—events etched in our collective memory from Pearl Harbor to Hiroshima—command attention, other equally important events suffer from the neglect of history. And if the neglect of history in and of itself is not a crime, the neglect of the Federal Government to right the wrongs committed on Guam by the enemy occupation of our island is as close to criminal neglect as a government can come.

The central point is that Guam was the only American territory occupied in World War II—not the Philippines, which although was an American territory at the time, was promised its independence before the outbreak of war, and in fact became independent in 1946; and not the Aleutian Islands, which were also occupied by the Japanese but whose inhabitants were evacuated by the U.S. Army prior to the start of hostilities.

So from the invasion day of December 10, 1941, to Liberation Day on July 21, 1944, Guam was the only American soil with American nationals occupied for 32 months by an enemy; something that has not happened on American soil since the War of 1812.

It is now 50 years since the Liberation of Guam in 1944, and if anything, time has not meant that all is forgotten and forgiven—not until there is national recognition of what happened to our fellow Americans on Guam and how their Federal Government failed to make them whole and to right the wrongs of the occupation.

The 50th anniversary of D-day in Normandy in June, and today's anniversary of the bombing of Nagasaki, as well as the 50th anniversary of the events of World War II being commemorated across Europe and the Pacific, have afforded an opportunity to reflect on the war experience. For the people of Guam, it has also focused attention on our own experience, and on the unfinished business of that war.

The occupation of Guam which lasted from December 1941 to July 1944 was especially brutal for two reasons—first, the Japanese were occupying American territory with American nationals whose loyalty to the United States would not bend; and second, the Chamorus, the indigenous people of Guam, dared to defy the occupiers by assisting American sailors who had evaded initial capture by the enemy by providing food and shelter to the escapees.

In the final months of the occupation, the brutalities increased. Thousands of Chamorus were made to perform forced labor by building defenses and runways for the enemy. Others were put to labor in rice paddies. The war in the Pacific turned for the worst for the Japanese occupiers, and in the final weeks, as the preinvasion bombardment by American planes and ships signalled the beginning of the end for the occupation army, the atrocities likewise escalated.

Forty-six Chamorus in the southern village of Malesso were herded into caves, and were summarily executed by the enemy throwing hand grenades into the caves and spraying the caves with rifle and machinegun fire. Miraculously, some survived by pulling the bodies of their fallen fellow villagers over themselves to protect against the rain of shrapnel and bullets. They survived as witnesses to the atrocities.

One elderly woman called on me during my campaign for Congress and asked me to never let this country forget what happened on Guam and to promise that I would do everything I could to bring justice and recognition to the people of Guam.

Mr. MANZULLO. Mr. Speaker, if the gentleman will yield, I wish to commend the gentleman from Guam, who is my next-door neighbor on the fifth floor of Cannon, for his tenacity, to bring home to the people of America what happened on that island. The gentleman is a historian, comes from the academic community in Guam, and has had many displays here in Congress, one of which was recently displayed in the rotunda of the Cannon Office Building.

I examined very closely what the gentleman had done, and I commend the gentleman for making history something that we should never forget, because we never want to repeat the errors and the punishment of it. I thus commend the gentleman for his devotion to the history of the area that he represents.

☐ 2310

Mr. UNDERWOOD. I appreciate those comments very much from my very distinguished neighbor on the fifth floor. It is neighbors like you that make sitting in this House worthwhile.

Continuing with the story, she survived the massacre in Malesso, and bore the scars of that massacre in the shrapnel in her back and in her feet, so that every time she walked, with every step, she was reminded of that nightmarish occurrence on Guam. Sadly, she died last year.

In the capital city of Agana, another group of Chamorus were rounded up, and one by one, executed by beheading and mutilation by swords. Again, miraculously, one survived, Mrs. Beatrice Flores Emsley, to bear witness to what happened on our island. Mrs. Emsley still bears the long scar down the side of her neck where a sword struck her. She fainted after being struck, and awoke 2 days later with maggots all over her neck, but thankful to be alive. Mrs. Emsley will, of course, never forget what happened on Guam.

Judge Joaquin Manibusan, a retired Judge on Guam, was a young man during the war. Again, in the last weeks before liberation, he was rounded up along with a large group of Chamorus to bear witness to another atrocity. Judge Manibusan was forced to help dig a shallow hole in front of a Chamoru man. Three men were then made to kneel in front of three freshly dug graves, and each man was in turn beheaded.

Judge Manibusan still lives to bear witness to this atrocity, [but if his bearing witness is not convincing enough, he was able to obtain a picture of that execution scene from the records of the war crimes trial on Guam. This picture depicts to the three Chamoru men kneeling in front of their shallow graves moments before they were struck down. I am thankful that he kept this picture for over 50 years, so] that even as all these brave Chamorus died from the passing of time, we, their sons and daughters, will be able to continue their fight and bear their witness until we achieve justice for the people of Guam.

Thousands of Chamorus, not hundreds, but thousands, were forced to march from their villages in northern and central Guam to internment camps in southern Guam in the weeks before liberation. Everyone marched, old men and women, newborn babies, children, and the sick. They were marched to internment camps at Maimai, Malojloj and Manengon, where they awaited their fate for the next few weeks—many did not live to see Liberation.

Many did not live, but their brothers and sisters survived, their children survived and the fellow Chamorus survived, again to bear witness to these atrocities.

In their final acts of retribution against the people of Guam, the Japanese occupiers inflicted a violence against our people that can not be easily forgotten. The Catholic High School for young men on Guam, Father Duenas Memorial School in Tai, bears witness to the courage of one young priest, who in the last days before Liberation, was also beheaded as revenge for the occupiers' frustration in not capturing the lone American sailor who had evaded their grasp with the aid of the Chamorus. The memory of this noble young priest lives on as the high school named in his honor stands witness to his courage.

Against this backdrop of terror, the Liberation of Guam began on July 21, 1944. On that fateful day, two groups of people came together—one was in uniform and the other was in rags; one used weapons of war and the other used tools for survival; one came in from the sea and the other came down from the hills; one left their families behind and the other tried to keep their families with them; one liberated the island from without and the other liberated the island from within.

In their meeting the great historical drama that Guam alone could play came to pass, as American soil was liberated from enemy hands, as American Marines and American soldiers were united with American civilians held captive in internment camps on American soil.

The battle-hardened American servicemen came to Guam concerned about meeting a determined enemy; but these men soon came to understand the special nature of this battle among all of those in the Pacific War—indeed among all the battles of World War II. This was a reoccupation, this was retaking what was once lost, what was once American.

And as the young Marines and soldiers saw our people come down from the hills, they broke down and openly wept, as the saw Guam's children emerge from the hills carrying hand made American flags; as they saw Guam's old men and women emerge from the internment camps clutching rosaries and thanking the young liberators for their deliverance from certain death.

The story of the people of Guam cries out for attention and understanding. And the story has a dimension of unfinished business, of an injustice that must be corrected, and of a legacy of loyalty that has been tarnished by the neglect of the Federal Government.

In the aftermath of liberation, a grave injustice occurred that to this day, 50 years later, has yet to be undone.

The Treaty of Peace with Japan, signed on September 8, 1951 by the United States and 47 allied powers, effectively precluded the just settlement of war reparations for the people of Guam against their former occupiers. In the treaty, the United States waived all claims of reparations against Japan by United States citizens.

Consider now how ironic it is that the people of Guam became American citizen just 1 year earlier, on August 1, 1950, by virtue of the Organic Act of Guam—a citizenship that was granted to the people of Guam largely because of their demonstrated loyalty to America during the occupation.

The historical events surrounding the signing of this Treaty of Peace creates a compelling argument that the Federal Government, including the United States Naval Government of Guam and the U.S. Congress, failed to address the circumstances of the Americans on Guam and allowed a situation to develop over the years where justice was delayed, and ultimately denied.

The bitter irony then is that the loyalty of the people of Guam to the United States has resulted in Guam being forsaken in war reparations.

Did the Federal Government simply forget what had happened on Guam? Unfortunately, the answer is not that Guam was forgotten at all, but that at critical historical moments, Guam's unique situation escaped the attention of lawmakers in Congress and government officials in the Naval Government of Guam.

In fact, the record shows a deliberate attempt by Congress and the Navy to address the reparations issue and to do right by the people of Guam for their wartime loyalty—that they fell short in their attempts is the cause for our efforts to seek redress 50 years later.

This is not a case of people belatedly asking for something that they are not entitled to by justice or by design—it is a case of the law falling short in the goal of making Guam whole after the war, and of Congress neglecting to address the issues that were raised by its own War Claims Commission and the recommendations made by the committee appointed by the Secretary of the Navy to investigate the war claims issue on Guam after the war.

Recognizing the immense devastation and the dramatic and urgent need for rehabilitation after the war, on November 15, 1945, scarcely 3 months after the end of hostilities against Japan, Congress passed the Guam Meritorious Claims Act, Public Law 79-224, "granting immediate relief to the residents of Guam by the prompt settlement of meritorious claims". The following year, 1946, Congress also passed the Guam Land Transfer Act, Public Law 79-225, and the Guam Rehabilitation Act, Public Law 79-583. While the Guam Meritorious Claims Act (Public Law 79-224) became the primary means of settling war claims for the people of Guam, the Guam Land Transfer Act provided a means of exchanging land for resettlement purposes and the Guam Rehabilitation Act (Public Law 79-583), which appropriated $6 million for construction, was the means for economic rehabilitation.

Unfortunately, conditions on Guam in 1945-46 did not lend themselves to the best of congressional intentions. During the battle to liberate Guam, over 80 percent of the buildings were destroyed. The capital city, Agana, and the second largest city, Sumay, were completely destroyed.

Once the island was secured, Guam became the forward operating base for the subsequent invasions of the Philippines, Iwo Jima, and Okinawa. Over 45 percent of the land mass was acquired for this wartime effort, and over 200,000 military personnel came to Guam to prosecute the war against Japan. The Chamorus, numbering about 20,000, were temporarily housed in refugee camps set up by the military—their former cities of Agana and Sumay were razed to make room for the new bases and the mass mobilization of troops.

To their great credit, the Chamorus did not complain; in fact, they helped the military in every way they could to help defeat their former oppressors.

The post war period brought more upheaval. The naval government of Guam, which governed the island during and after the war, used the authority of the Guam Land Transfer Act and the Guam Rehabilitation Act to first fulfill its priority of building permanent naval bases. The concerns of the civilian community were a distant second to the Navy, and in 1950, 6 years after liberation, the report of the War Claims Commission with respect to war claims arising out of World War II stated that, "no organized program for reconstruction of damaged or destroyed civilian facilities had been undertaken." (House document No. 580, 81st Congress, 2d Session, page 44.)

If the cities were not being rebuilt, and I must point out that the city of Sumay was never rebuilt and became a footnote of history because it had the misfortune of being located next to the new Naval Station at Apra Harbor, where were the Chamorus living? In makeshift houses, built largely with war scraps, in 21 villages scattered along the length of the island. It is in this atmosphere of liberation and displacement that the Navy attempted to administer a flawed war claims program.

In asking Congress in 1994 to revisit the Guam war reparations issue, I am not asking Congress to embark on anything new, or to create new precedents. I am simply asking Congress to correct the errors of the Federal Government's attempts in 1946 to resolve these issues.

I am also asking Congress to complete the task it set out to do in 1946; a task made all the more necessary because of the historical circumstances surrounding the Treaty of Peace with Japan. I am simply the latest elected leader from Guam, in an unbroken line from the first Speaker of the First Guam Legislature in 1951, to the first elected Governor of Guam in 1970, and the first elected Delegate to Congress in 1972, and all their successors, to ask Congress to address the injustice of the Guam war reparations on behalf of our people.

When Congress passed the Guam Meritorious Claims Act in 1945, the intent was to make Guam whole and to address the claims arising out of enemy occupation and damage caused in the battles to liberate Guam. Both the House and Senate reports on the Guam Meritorious Claims Act, Senate bill S. 1139, state that:

> The Japanese invasion and occupation resulted in extensive damage to private property on the island. Further damage resulted from our reconquest. As a result of the two periods of combat and the actions of the Japanese occupying force during the interim, the people of Guam have suffered extensively, and it is believed that immediate steps should be taken to alleviate their suffering. The fairest, most equitable, and most immediate method of achieving this end would be through the early settlement of claims for damages arising in the period since December 6, 1941, and caused by the activities of the Japanese and American military forces." (Senate report 442, 79th Congress, 1st session, page 1; House report 1135, 79th Congress, 1st Session, page 2).

Congress, in 1945, was concerned about conditions on Guam and the need to address the war claims of the Chamorus. In a hearing on March 14, 1945, just 8 months after the Liberation of Guam and before the war ended, Congressman Walter Ploeser testified on the Navy's appropriations bill for 1946, that:

> At the time we were there (on Guam) no one of the civilian group or the inhabitants of the island had ever made a complaint to our Government, or to our naval forces occupying the island about their claims for the destruction of their property.
>
> The story goes that these people stood on the hill and cheered every time we knocked a building down and did everything in their power to help us in our fight against the Japanese. That is quite unusual for an American national. Certainly it would be most unusual for an American citizen not to make a claim after the Government had destroyed his property, but these people have not done so. There has been no complaints whatsoever. They were waiting patiently, feeling confident that the Americans would do something about it.

I should mention that the record shows that Congressman JAMIE WHITTEN of Mississippi, a Member of the current Appropriations Committee, was present at this particular hearing.

Hearings were held in October 1945 to address the Guam war claims issue, and on November 15, 1945, the Guam Meritorious Claims Act became law (Public Law 79–224). Public Law 79–224 provided for a 1 year period to file claims to a Commission composed of Naval and Marine officers, who could authorize property settlements up to $5,000. Property settlements over $5,000 as well as all death and injury claims, must be forwarded to the Secretary of the Navy in Washington for certification, and then submitted to Congress for appropriation. In a bizarre twist of bureaucratic logic, death and injury claims were to be considered only as a basis for property damage; in other words, a claim could not be paid solely for a man executed for loyalty to the United States, but could be paid for a man who died if that claim was related to other property damage.

There are a number of significant flaws in the Guam Meritorious Claims Act, and the resolution of these issues that remain with us today is the reason I introduced on July 13 H.R. 4741, the Guam War Restitution Act, to complete the work that was never finished by Congress, and to bring closure to this issue.

The 1945 Guam Meritorious Claims Act allowed only 1 year for claimants to file with the Claims Commission. The deadline for all claims expired on December 1, 1946. Many Chamorus were not aware of the Claims Commission's work due to language barriers, displacement from their homes and misunderstanding of the procedures. However, due to the cumbersome procedures the Navy employed in processing the claims, the 1 year deadline did not speed up the processing of claims, and served no useful purpose except to deny valid claims filed after December 1, 1946.

The Guam Meritorious Claims Act required that claims be settled based on pre-war 1941 values. This meant that property claims were undervalued, and that residents of Guam were not able to replace structures destroyed during the war.

The Guam Meritorious Claims Act did not allow compensation for forced march, forced labor, and internment during the enemy occupation. This was a serious flaw in Public Law 79–224. Another law passed in this same time period for other war claims, the War Claims Act of 1948, Public Law 80–896, allowed for compensation for American citizens and American nationals for internment and forced labor. Only Guam was treated differently, yet Guam stood alone as the only American territory occupied in the war. In fact, while the War Claims Act of 1948 specifically excluded Guam, it allowed compensation for these atrocities for the Philippine citizens who were American nationals during the war, although the Philippines gained its independence from the United States in 1946.

The Guam Meritorious Claims Act allowed death and injury claims only as a basis for property claims. This was another provision unique to the Guam law, and an unexplainable stipulation. The Guam bill, Senate bill S. 1139, was actually modeled on a claims bill passed for other Americans in 1943, the Foreign Claims Act. The legislative history for the Foreign Claims Act emphasized the need to address these claims. In a floor statement on April 12, 1943 in support of passage of this bill, Senator Barkley noted that, "it is necessary to do this in order to avoid injustices in many cases, especially in cases of personal injury or death." (Senate Report 145, 78th Congress, 1st Session, pp. 2–3). The original language for S. 1139, following the Foreign Claims Act model language, allowed the Claims Commission to adjudicate claims for personal injury and death. But the language was amended by the Senate Naval Affairs Committee to ensure that the U.S. Government, and specifically the Navy, would not be setting a precedent or legal obligation for the Navy. (CONGRESSIONAL RECORD, 79th Congress, 1st session, pp. 9493–9499.) However, these types of concerns were not raised for the almost identical situation of the Philippines, or other American citizens or nationals when the War Claims Act of 1948 was passed by Congress.

The Guam Meritorious Claims Act encouraged Chamorus to settle claims for lesser amounts due to the time delay in having claims over $5,000 sent to Washington for congressional approval. Again, this was a procedure unique to the Guam law. No such requirement existed for those covered under the 1948 War Claims Act. The net effect on Guam was that Chamorus with property damage over $5,000 would lower their claims just so that they could be compensated in some fashion and get on with their lives.

The flaws in the Guam claims program were brought to the attention of Congress in 1947 by a committee formed by the Secretary of the Navy, James Forrestal, to assess the Naval administration of Guam. This committee included Mr. Ernest M. Hopkins, retired President of Dartmouth College, Mr. Maurice J. Tobin, former Governor of Massachusetts and Mr. Knowles A. Ryerson, dean of the College of Agriculture at the University of California. The Hopkins Committee, in its report, addressed the serious flaws and shortcomings of the Guam Meritorious Claims Act, and reported:

> The [Navy] regulations provide in rules 4a and 5b that the market value of damaged or destroyed real or personal property shall be determined as of December 6, 1941 . . . Replacement costs are far in excess of the 1941 value and so-called relief is apt to be only a hollow gesture when the amount received is a small fraction of what will be needed to acquire a new home, or furniture, or tools or of what is required for present day family support.

In reviewing the death and injury claims, the Hopkins Committee minced no words about the injustice they found:

> . . . under the [Navy] regulations, injury and death claims require an involved computation . . . When the calculation is finally computed, the amount awarded is often a mere pittance. Some simpler procedure should be devised and more latitude should be given to the [Claims] Commission to arrive at just and equitable figures in view of all circumstances.

I want to emphasize this point again—the Hopkins Committee found in 1947 that payments to Chamorus for death and injury claims paid by the Navy to be a "mere pittance".

Further, with respect to the Guam Meritorious Claims Act requirement that death and injury claims be allowed only incident to property damage, the Hopkins Committee recommended that:

> The regulations should be amended to eliminate values or standards as of December 1941, as the measure of damage and more liberality should be practiced in passing upon claims.

The Hopkins Committee report concluded that:

> . . . payment of war damage claims . . . has been proceeding much too slowly . . . Immediate steps should be taken to hasten this process and to remove unsound and unfair distinctions in the allowance of claims—Officials of the Claims Commission have testified to the basic honesty and fairness of the Guamanians in presenting their claims. Review in Washington of claims between $5,000 and $10,000 serves no useful purposes.

And the Hopkins Committee documented in 1947 what was happening with claims settlement process:

> When many claimants are advised that the local Claims Commission has power to settle

> and make immediate payment of claims not in excess of $5,000, but that claims above that amount must go to Washington for further action with an indefinite time required for payment, they offer or agree to reduce their claims to below $5,000 and accept the loss above that amount, so as to get some cash for much needed personal rehabilitation.

Incredibly, a member of the Hopkins Committee that visited Guam earlier in 1947, Mr. Tobin, testified on May 28, 1947 before the House Committee on Public Lands hearing on the Guam Organic Act legislation that:

> At the present time, not one settlement has been made to the people for personal injuries or death. (Organic Act of Guam Hearing Report p. 169)

A year and a half after the Guam Meritorious Claims Act was passed, and 3 years after Liberation, the Federal Government had not yet settled a single claim for injury or death.

Days later, on June 3, 1947, Secretary of the Interior Harold Ickes, testifying before a House Committee on Public Lands hearing on the Organic Act of Guam legislation, strongly criticized the Naval Government's handling of the Guam war claims. Secretary Ickes stated:

> I hope that the secretary and members of this committee have read carefully the report of the Special Civilian Committee appointed by Mr. Forrestal. That report fully supports the most important allegations . . . extreme dilatoriness in the disposal of war damage claims; laxity in performing the work of rehabilitation . . . the inefficient and even brutal handling, by the Navy, of the rehabilitation and compensation of the war damage tasks." (Organic Act of Guam Hearing report, pp 243–249.)

Secretary Ickes further chastised the claims process by testifying that:

> . . . only 5.8% of the estimated value of claims on file had been processed . . . At this rate, the settlement of claims will not be completed for more than twenty years . . . Such a pittance may be observed by referring to claim No. 21 transmitted to Congress on April 5 last; the life of the man who was beaten to death by the Japanese because of his loyalty to the United States was capitalized at precisely $665 [six hundred sixty five dollars], with .10 [ten cents] thrown in for good measure.
>
> Such procedures, and such shameful results as above, have not been forced upon the Navy by Congress or the President or the Budget or by anyone. They are exclusively the Navy's own and throw a strong light on the Navy's high regard for human life. (Organic Act report, pp. 247–249)

The Hopkins Committee transmittal letter of March 25, 1947, of its report to the Secretary of the Navy, likewise contained strong criticism of the Navy's handling of war claims on Guam. The transmittal letter states in part:

> In the case of Guam, the war brought wide spread destruction . . . But over and beyond this it brought deaths to many, brutalities to more, and ruthless oppression to all over a long period. Now months after cessation of hostilities they find themselves, because of the strategic position of their native island, outnumbered in population by military forces . . . in considerable number they are dispossessed of home and lands which have been destroyed or taken from them and they are without adequate understanding of the processes by which to secure replacement or compensation for these . . . There is no lack of knowledge on the part of Navy officials of what ought to be done or how to do it . . . Only so can justice be done to a valiant group of Americans who at great cost to themselves remained steadfastly loyal during the war but many of them still lack housing to replace that destroyed by our bombs and shells . . . It would seem to your committee that in so special a case as this our government could well be very generous in method of distributing its relief as well as generous in amount awarded, it has been neither. (Hopkins Committee Letter of Transmittal to Secretary Forrestal, dated March 25, 1947)

In spite of all these recommendations, in spite of the Hopkins Committee report, in spite of the testimony of Secretary of the Interior Harold Ickes, nothing happened.

In 1946 Congress passed the Philippine Restoration Act of 1946, Public Law 79–370, which resulted in the payment of over $390 million to the Philippines. In contrast, Guam's total war claims amounted to $8.1 million—$3.75 million for property claims under $5,000 and $4.3 million for death, injury and property claims over $5,000.

Congress then passed the War Claims Act of 1948, to address war claims of American prisoners of war, and other American citizens with claims for internment, forced labor, death, and injury. It included religious organizations and defense contract employees, and allowed for compensation for any American citizen interned by the Japanese.

Thus while American citizens who were captured on Guam and interned in Japan as prisoners were eligible for reparations under this law, the American nationals on Guam who were interned in camps on American soil were not eligible; and in another irony, American nationals from Guam who were captured on Wake Island and interned in Japan were eligible, but their families who were interned on Guam were not.

So while my grandfather, who was an American citizen on Guam was eligible for reparations because he was interned in Japan, my grandmother, and all her children, who were interned in camps on Guam were not eligible. The people of Guam tragically, were not included in this legislation in 1948.

The War Claims Act of 1948 also required a Commission to report on the progress of the settlement of claims. A preliminary report was issued in 1951, and a final report was issued in 1953. In the intervening years, the Treaty of Peace with Japan was signed in 1951 and implemented in 1952, waiving all claims of American citizens against Japan.

The Treaty of Peace with Japan also raised a number of questions concerning the issue of war reparations. In responding to a Senate request for clarification of this issue prior to ratification of the treaty, John Foster Dulles, who negotiated the treaty and later became the Secretary of State, in a memorandum of January 31, 1952, titled, "Compensation For Claims Of United States Nationals For Losses Incurred Outside Japan As A Result Of Japanese Military Operations And Occupation," wrote:

> Allied Powers in whose territory United States nationals sustained property losses may make such United States nationals eligible to receive such compensation as they are able to provide for war losses. It does not appear, however, that American nationals who sustained losses in the territories of any of the Allied Powers can expect to receive compensation commensurate with their losses. Accordingly, United States nationals whose claims are not covered by the treaty provisions or by the legislation of other Allied Powers, must look for relief to the Congress of the United States. (Report on the Hearings of the Senate Committee on Foreign Relations on the Japanese Peace Treaty, January 25, 1952, pp. 145–147)

Since the War Claims Act of 1948 was an interim measure, Congress began considering remedial legislation to address the shortcomings in this law.

In 1962, Congress passed Public Law 87–846, amending the War Claims Act of 1962, to, as this bill's preamble reads:

> provide more than sixteen years after the close of World War II, for determination of the amount and validity, and for the payment of claims of American nationals who suffered injury or death under circumstances specified in the legislation, or who suffered property losses as a result of military operations during World War II in certain European countries and in areas attacked by Japan.

Public Law 87–846 also extended the one year deadline for filing claims of the Philippine Restoration Act of 1946, but specifically excluded the island of Guam in section 202. Guam again was neglected, and it may be that Congress mistakenly thought that Guam's war claims were resolved long ago. Of course, this was simply not the case.

Not only were the rights of the people of Guam waived by the United States Government under the Treaty of Peace with Japan, but the United States also failed to seize Japanese property for payment of war claims, as was its right under article 14(a)2 of the treaty. The Philippine Government exercised this right and acquired over $9 million in Japanese assets, on top of war claims of over $390 million provided to the Philippines by the United States Congress in 1946.

During the war, the United States Government seized over $84 million in Japanese assets in the United States and turned these seized assets over to the Office of the Alien Property Custodian for disposal to pay for war claims of United States citizens. The United States Government could have seized additional assets from Japan, or entered into agreements with Japan, as some allied powers did, to use Japanese labor in public projects as a form of war reparations.

Significantly, while the United States Government failed to do any of these things on behalf of the people of Guam, this same government in 1969 negotiated a $10 million war reparations claim on behalf of the Trust Territory of the Pacific Islands, which the United States administered under authority of the United Nations. The reparations settlement agreement negotiated between Japan and the United States were for claims of the Micronesian islands that were under Japanese control during the war. In 1971, the United States Congress passed the Micronesian Claims Act implementing this negotiated agreement for the former Japanese subjects. And again, while the United States provided for the claims of former Japanese islands, the claims of the United States citizens of Guam against Japan were neglected.

And finally, it should be noted that while Guam's war reparations were neglected, the United States Congress appropriated over $2.0 billion in post war assistance to Japan from 1946 to 1951.

But the people of Guam, who themselves bore witness to the atrocities committed against them, have never forgotten that a bill remains due, that a debt must be paid. The First Guam Legislature, in its first session as a civilian government after the war, on August 10, 1951, passed as one of its first official acts, a resolution asking the President and the United States Congress to address war reparations for atrocities committed on Guam. Again, in 1954, in a meeting between Members of Congress and the Guam Legislature, the case was made to address Guam's war claims. And again, nothing happened.

Guam's political status has always worked against its efforts to achieve justice. Guam did not gain representation in Congress until its first Delegate was elected in 1972. Guam did not have civilian self-government in the years after World War II leading up to the treaty with Japan. So it is easy to see how one small island's claims for justice can be forgotten or neglected in Washington—it is understandable, but it must nevertheless be corrected.

I introduced H.R. 4741, the Guam War Restitution Act, on July 13, 1994, to resolve this longstanding injustice, an injustice spanning 50 years. I stand as a witness to what happened on my island, to what happened to my own father and mother, just as every Chamoru bears witness today to his family's ordeal during the occupation.

The sums of the restitution in H.R. 4741 are quite modest by today's standards, because for us, it is not a money issue, it is a justice issue. In the case of death, the compensation is $20,000 to be divided among surviving heirs. Injury is compensated at $7,000, based on the values allowed in the 1946 claims, and forced labor, forced march, and internment is compensated at $5,000, again comparable to the 1946 settlements. The total cost to the Federal Government will be between $20 million and $80 million, due to the fact that it is difficult to estimate the numbers of surviving Chamorus who still have valid claims to this day.

For the thousands of Chamorus whose claims were neglected by actions of the Federal Government, the issue will not go away just because 50 years have passed—if anything, the issue assumes more intensity.

Let me read for you some claims that were denied by the Naval Claims Commission in 1947:

Francisco Flores Crisostomo filed a claim on behalf of his son, Jesus Duenas Crisostomo. The young boy was killed in August 1944 when he risked his life to show American troops a hidden Japanese position. Although the boy's actions no doubt saved the lives of some American soldiers, the claim was denied because it was after the deadline.

Juan Santos Tenorio was beaten so severely on the back and head by the Japanese that he was bedridden for over 1 month. Although he was interviewed by Navy officers, this did not count as a filed claim. He later filed a written claim only to be denied because the claim again was filed late.

The Guam War Reparations Commission has on file 3,365 cases of filed claims that were never settled. Each claim is a story of brutality and unfortunately, a story of injustice by our own Government.

There must be a closure to this saga, there must be an effort by Congress to address the unfinished legacy of World War II. In closing, let me quote from the report of the Commission formed to review the War Claims Act of 1948:

> In the final analysis, compensation for war damages rests upon an oral obligation to see that the individual citizen does not bear more than a just part of the overall burden of war.* * * Had United States citizens suffered losses on American soil, no question would be raised as to their moral right to compensation. The good fortune which the United States as a whole enjoyed in having its own cities spared destruction by war should not, in the opinion of the commission, be converted into a misfortune to the citizen who has borne more than his burden of the cost of war.* * * No nation was ever injured by its justice nor impoverished by its benevolence.

Mr. Speaker, I urge my colleagues to cosponsor the bill, H.R. 4741, the Guam War Restitution Act.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. HORN, for 5 minutes, today and on August 10, 11, 12, 15, and 16.

Ms. ROS-LEHTINEN, for 5 minutes, on August 10.

Mr. GEKAS, for 5 minutes, today.

Mr. LEWIS of Kentucky, for 5 minutes, today.

Mr. DIAZ-BALART, for 5 minutes, on August 10.

Mr. CANADY, for 5 minutes, on August 10.

Mr. KOLBE, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. WELDON, for 5 minutes, today.

(The following Member (at the request of Mr. KREIDLER) to revise and extend his remarks and include extraneous material:)

Mr. DURBIN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. KREIDLER, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. NADLER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KOLBE) and to include extraneous matter:)

Mr. PACKARD.
Mr. WELDON.
Mr. WALSH.
Mr. KING.
Mr. GUNDERSON.
Mr. POMBO.
Mr. HUNTER.

(The following Members (at the request of Mr. KREIDLER) and to include extraneous matter:)

Mr. MINETA.
Mr. REED in two instances.
Ms. SHEPHERD.
Mr. STOKES.
Ms. EDDIE BERNICE JOHNSON of Texas.
Mr. COYNE in two instances.
Mr. HAMILTON in two instances.
Mr. RICHARDSON.
Mr. RAHALL.
Mrs. MALONEY.
Ms. WOOLSEY.
Mr. TOWNS.

(The following Members (at the request of Mr. UNDERWOOD) and to include extraneous matter:)

Mr. VALENTINE.
Mr. COSTELLO.
Mr. BARLOW.
Mr. STUPAK.
Ms. CANTWELL.
Mr. QUINN.
Mr. ROGERS.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 178. Joint resolution to proclaim the week of October 16 through October 22, 1994, as "National Character Counts Week."

ADJOURNMENT

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 10, 1994, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3659. A letter from the Administrator, Agency for International Development, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the Agency for International Development, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3660. A letter from the Comptroller of the Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act, in the U.S. Property and Fiscal Office [USP&FO], State Military Reservation, Havre de Grace, MD, pursuant to 31 U.S.C. 1351; to the Committee on Appropriations.

3661. A letter from the Assistant Secretary (Atomic Energy), Department of Defense, transmitting notification that the report on the management of the chemical and biological defense program will be submitted by September 1, 1994, pursuant to 50 U.S.C. 1522; to the Committee on Armed Services.

3662. A letter from the Principal Deputy Under Secretary of Defense, transmitting selected acquisition reports [SARS] for the quarter ending June 30, 1994, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

3663. A letter from the Acting Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1999 resulting from passage of H.R. 1873 and H.R. 572, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

3664. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to approve the location of a World War II memorial; to the Committee on Natural Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GIBBONS: Committee on Ways and Means. H.R. 3433. A bill to provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior; with amendments (Rept. 103–615, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. H.R. 4906. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation (Rept. 103–687). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. H.R. 4907. A bill to reform the concept of baseline budgeting; with an amendment (Rept. 103–688, Pt. 1). Ordered to be printed.

Mr. DERRICK: Committee on Rules. House Resolution 512. Resolution providing for consideration of the bill (H.R. 4907) to reform the concept of baseline budgeting (Rept. 103–689). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 513. Resolution providing for consideration of the bill (H.R. 4906) to amend the Congressional Budget and Impoundment Control Act of 1974 to limit consideration of nonemergency matters in emergency legislation (Rept. 103–690). Referred to the House Calendar.

Mr. DERRICK: Committee on Rule. House Resolution 514. A resolution providing for consideration of the bill (H.R. 4822) to make certain laws applicable to the legislative branch of the Federal Government (Rept. 103–691). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee on Government Operations discharged from the further consideration of H.R. 3433; H.R. 3433 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of California (for himself and Mr. HYDE):

H.R. 4922. A bill to amend title 18, United States Code, to make clear a telecommunications carrier's duty to cooperate in the interception of communications for law enforcement purposes, and for other purposes; to the Committee on the Judiciary.

By Mr. BARCA of Wisconsin:

H.R. 4923. A bill to equalize the minimum adjustments to prices for fluid milk under milk marketing orders and to require the Secretary of Agriculture to conduct a study regarding the solids content of beverage milk; to the Committee on Agriculture.

By Mr. FIELDS of Texas (for himself, Mr. STUDDS, and Mr. BEILENSON):

H.R. 4924. A bill to assist in the conservation of rhinoceros and tigers by supporting and providing financial resources for the conservation programs of nations whose activities directly or indirectly affect rhinoceros and tiger populations, and of the CITES Secretariat; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMBURG:

H.R. 4925. A bill to extend for 1 year the authority of the Bureau of Reclamation to sell certain loans to the Redwood Valley Water District; to the Committee on Natural Resources.

By Mr. SCHUMER:

H.R. 4926. A bill to require the Secretary of the Treasury to identify foreign countries which may be denying national treatment to U.S. banking organizations and to assess whether any such denial may be having a significant adverse effect on such organizations, and to require Federal banking agencies to take such assessments into account in considering applications by foreign banks under the International Banking Act of 1978 and the Bank Holding Company Act of 1956; to the Committee on Banking, Finance and Urban Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 127: Mr. REYNOLDS, Mr. LAROCCO, Mr. STUDDS, and Mr. BERMAN.

H.R. 417: Mr. LANTOS and Mr. SKEEN.

H.R. 846: Mrs. VUCANOVICH, Mr. HOCHBRUECKNER, Mr. BILBRAY, and Mr. CONDIT.

H.R. 1490: Ms. DUNN.

H.R. 1857: Mr. SCHIFF.

H.R. 2142: Mr. VENTO.

H.R. 2292: Mr. KNOLLENBERG.

H.R. 2467: Mr. BROWDER.

H.R. 2638: Mr. WYNN, Mr. LANTOS, Mr. BARCA of Wisconsin, Mr. FILNER, and Mr. GUTIERREZ.

H.R. 2646: Mr. DOOLITTLE.

H.R. 2717: Mr. SENSENBRENNER.

H.R. 2790: Mr. ANDREWS of Maine.

H.R. 2967: Mr. EVANS.

H.R. 3270: Mr. MCDADE, Mr. QUINN, Mr. DE LA GARZA, Mr. HALL of Texas, Mr. MAZZOLI, Ms. DANNER, Mr. FAZIO, Mr. GLICKMAN, Mr. CARDIN, and Mr. FARR.

H.R. 3328: Mr. STRICKLAND.

H.R. 3513: Mr. BARCA of Wisconsin.

H.R. 3546: Mr. MCCLOSKEY, Mr. BAESLER, Mr. LEWIS of Kentucky, and Mr. PARKER.

H.R. 3875: Ms. DUNN.

H.R. 3928: Mr. LEHMAN.

H.R. 4026: Mr. DICKS.

H.R. 4036: Mr. SHAW and Mr. BLILEY.

H.R. 4050: Ms. ENGLISH of Arizona and Mr. WAXMAN.

H.R. 4051: Mr. STUDDS and Mr. STUPAK.

H.R. 4074: Mr. CLEMENT, Mr. CHAPMAN, Mr. SHUSTER, Mr. DEUTSCH, Mr. CALVERT, and Mr. EMERSON.

H.R. 4114: Mr. RICHARDSON.

H.R. 4198: Mr. HANCOCK and Mr. BACHUS of Alabama.

H.R. 4260: Mr. BORSKI, Mr. JOHNSON of Georgia, and Mr. KLINK.

H.R. 4289: Mr. MANTON.

H.R. 4318: Mr. STUDDS.

H.R. 4345: Mr. MONTGOMERY.

H.R. 4371: Mr. BLILEY and Mr. FARR.

H.R. 4404: Mr. BEILENSON, Mr. WALSH, and Mr. YATES.

H.R. 4412: Mr. MCCLOSKEY, Mr. MANTON, Mr. PETERSON of Minnesota, and Mr. LEACH.

H.R. 4416: Mr. BREWSTER, Mr. OBERSTAR, Mr. LUCAS, Mr. COMBEST, Mr. ROSE, Mr. FROST, Mr. FINGERHUT, Mr. MINGE, Mr. MCHUGH, and Mr. KLUG.

H.R. 4507: Mr. NEAL of North Carolina.

H.R. 4514: Mr. CONDIT, Ms. FURSE, Mr. HEFNER, Mr. FOGLIETTA, Mr. FILNER, Mr. SWIFT, Mr. MORAN, and Mr. JEFFERSON.

H.R. 4560: Mr. BOUCHER.

H.R. 4570: Mr. DEUTSCH and Mr. FRANK of Massachusetts.

H.R. 4675: Mr. HILLIARD and Mr. MCCLOSKEY.

H.R. 4711: Mr. MEEHAN, Mr. JOHNSTON of Florida, Mrs. KENNELLY, and Mr. PARKER.

H.R. 4714: Mr. HOAGLAND and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 4734: Ms. FURSE.

H.R. 4805: Mrs. THURMAN, Mr. MINGE, Mr. FRANK of Massachusetts, and Mr. POSHARD.

H.R. 4824: Mr. LEVY.

H.R. 4830: Mr. LEVY, Mr. FIELDS of Texas, and Mr. DARDEN.

H.R. 4831: Mr. FARR and Mr. SCHIFF.

H.R. 4841: Ms. VELAZQUEZ.

H.R. 4861: Mrs. MEYERS of Kansas.

H.R. 4883: Mr. BLUTE, Mr. CALVERT, Mr. LEWIS of Florida, Mr. LEVY, Mr. PACKARD, and Mr. HERGER.

H.R. 4893: Mr. BACHUS of Alabama.

H.R. 4897: Mr. PETE GEREN of Texas and Mr. FROST.

H.R. 4898: Mr. PETE GEREN of Texas and Mr. FROST.

H.J. Res. 355: Mr. CRAPO, Mr. THOMPSON, Mr. SWIFT, Mrs. MALONEY, Ms. FURSE, Mr. KLINK, Ms. ROYBAL-ALLARD, Mr. SPENCE, Mr. KENNEDY, Mr. LEWIS of Florida, Mr. WASHINGTON, Mr. GALLO, Mr. ROMERO-BARCELO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. PETERSON of Minnesota, Mr. PICKETT, Mr. WHITTEN, Mr. SAWYER, Mr. BOEHLERT, Mr. HYDE, Mr. TRAFICANT, Mr. BROWN of California, Mr. FALEOMAVAEGA, Mr. SABO, Mr. KING, Mr. KILDEE, Mr. ORTON, Mrs. THURMAN, Mr. TEJEDA, Mr. OXLEY, Mr. TORRICELLI, Mr. GOODLING, Mr. BILIRAKIS, Mr. BALLENGER, Mr. WELDON, Mr. COX, Mr. DIAZ-BALART, Mr. PETE GEREN of Texas, Mr. BROWN of Ohio, Mr. BARRETT of Wisconsin, Mr. CASTLE, Mr. KIM, Mr. ROYCE, Mr. DOOLITTLE, Mr. GREENWOOD, Mr. KANJORSKI, Mr. BLUTE, Mr. GEKAS, Mrs. VUCANOVICH, Mr. LAROCCO, Mr. SHAYS, Mr. LEWIS of California, Mr. SANDERS, Mr. LEHMAN, Mr. MEEHAN, Mr. DARDEN, Ms. SCHENK, Mr. GUNDERSON, Mr. YOUNG of Alaska, Mr. HOEKSTRA, Mrs. BENTLEY, Mr. SERRANO, Mr. RANGEL, Mr. SANGMEISTER, Ms. PELOSI, Mr. TUCKER, Mrs. MINK of Hawaii, Mr. JOHNSON of South Dakota, Ms. VELAZQUEZ, Mr. HOCHBRUECKNER, Mr. RIDGE, Mr. CALLAHAN, Mr. BARTLETT of Maryland, Mr. MCCLOSKEY, Mr. PETRI, Mr. CARR, Mr. HOYER, Mr. TALENT, Mrs. BYRNE, Mr. GONZALEZ, Mr. MCCOLLUM, Mr. WOLF, Mr. WAXMAN, Mr. MENENDEZ, Mr. HOUGHTON, Mr. CAMP, and Mr. NEAL of North Carolina.

H.J. Res. 369: Mr. SCOTT, Mr. TORRICELLI, Mr. SANGMEISTER, Mr. DUNCAN, Mr. ENGEL, Mr. PICKLE, Mr. FINGERHUT, Mr. DURBIN. Mr. LEVIN, Mr. ABERCROMBIE, Mr. MATSUI, Mr. OLVER, Ms. NORTON, Mr. SYNAR, Mr. DICKS, Mr. HILLIARD, Mrs. VUCANOVICH, and Mr. SLATTERY.

H.J. Res. 382: Mr. BALLENGER, Mr. EVANS, Mr. ANDREWS of Maine, Mr. ACKERMAN, Mr. PARKER, and Mr. HALL of Ohio.

H.J. Res. 383: Mr. LIPINSKI and Mr. EMERSON.

H. Con. Res. 148: Mr. PALLONE.

H. Con. Res. 166: Mr. NEAL of North Carolina, Mr. BAESLER, Mr. PALLONE, and Mr. OBERSTAR.

H. Con. Res. 212: Mr. BROWN of Ohio, Mr. FAZIO, and Ms. NORTON.

H. Con. Res. 234: Mr. CARDIN, Mrs. ROUKEMA, Mr. SERRANO, and Mr. SLATTERY.

H. Con. Res. 243: Mr. LANTOS and Mr. POSHARD.

H. Con. Res. 256: Mr. ROTH.

H. Con. Res. 270: Mr. BAKER of California, Mr. PORTER, Mr. THOMAS of California, Mr. LINDER, Mr. BATEMAN, and Mr. CRANE.

H. Con. Res. 273: Mrs. MINK of Hawaii and Mr. HASTINGS.

H. Res. 21: Mr. DOOLITTLE.

H. Res. 255: Mr. SCHIFF and Mr. CASTLE.

H. Res. 270: Mr. SHAYS.

H. Res. 291: Mr. ROBERTS.

H. Res. 424: Mr. SLATTERY.

H. Res. 430: Mr. LEVIN, Mr. LEVY, and Mr. JOHNSON of Georgia.

H. Res. 434: Mr. CALVERT.

H. Res. 451: Mr. WILLIAMS and Mr. GOODLATTE.

EXTENSIONS OF REMARKS

HEALTH CARE REFORM

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. PACKARD. Mr. Speaker, as Congress rounds the final turn on the health care reform roller coaster, the liberal leadership is responsible for the scariest part of the ride with the creation of the largest entitlement program this country has ever seen—Medicare part C.

With costs estimated to run as high as $332 billion a year, this new entitlement program will take the Federal spending train to supersonic speeds. And if the accuracy of the CBO estimate for Medicare part C is anything like the accuracy of their estimate for the other parts of Medicare, we could be in for a heck of a ride.

In 1965 CBO projected hospital care to cost $9 billion in 1990; the actual figure was $67 billion. They were off by 750 percent. If they make the same mistake with Medicare part C we can look forward to spending more than $2½ trillion.

This program is about giving the Federal Government the power to control the way health care is obtained and medicine is practiced in this country. With more than half this country's population expected to enroll, the private sector will be driven out of the system, taking with it competition, choice, and the most important element of our health care system—quality.

Judging from the way the Federal Government handles our mail, our taxes and our immigration laws, I certainly don't want them to be responsible for our health care.

Mr. Speaker, I urge my colleagues to stop the health care roller coaster and ride the responsible road to reform. Give the American people the kinds of reforms they need, not another enormous entitlement program.

TRIBUTE TO STEPHEN N. REITER

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. COYNE. Mr. Speaker, I am pleased today to pay tribute to Stephen N. Reiter, a native of Pennsylvania, for his service to our Nation during World War II.

In October 1942, like many other young Americans, Stephen Reiter left his home in Pennsylvania to serve in the defense of the United States during World War II. At age 18, Stephen Reiter joined the U.S. Army Air Corps' Eighth Air Force, where he served as a radio operator and navigator aboard a B–24 Liberator.

On August 15, 1944, at 2 p.m., the B–24 carrying Stephen Reiter was shot down over Holland. Surviving this crash in Nazi occupied Europe, he was aided by local Dutch citizens who provided him with clothing to blend in among the local residents. After spending the first few days in a haystack, Stephen Reiter began moving among different homes of Dutch citizens who bravely risked their own safety to protect this American aviator.

For over 8 months, Stephen Reiter relied on various Dutch families to safeguard him from the German soldiers who searched local homes regularly for downed Allied aviators. For much of this time, he stayed in the home of Trudy Stuivers and her husband, with whom a close and lasting friendship was established. Stephen Reiter eluded capture by the German armed forces until April 1945 when a unit of Canadian soldiers liberated the area of Holland where he was in hiding. Shortly afterward, he was returned home to Pennsylvania to be welcomed by family and friends who had, I am sure, worried about this missing in action aviator.

Stephen Reiter joined millions of Americans returning from the war in attempting to put the war behind and build a future in post-World War II America. In June 1950, he was united in marriage to Margaret McCloskey, of Sharpsburg. Together, they are the proud parents of five children: Linda, Steve, Ken, Keith, and Chris.

While focusing on his work with Morton's Salt Co. and enjoying family life, Stephen Reiter never forgot his wartime experience, especially the help and sanctuary that was provided by the Stuivers and other Dutch citizens. He maintained a lifelong correspondence with Trudy Stuivers and, in 1975, Stephen Reiter and his family were able to repay in part the hospitality of the Dutch by welcoming Trudy Stuivers to their home in Pennsylvania for several weeks. The Reiters and Trudy Stuivers were to remain friends until Mrs. Stuivers passed away in her native Holland.

Stephen Reiter retired from Morton's Salt Co. in 1989 after 30 years of service. He and his wife, Margaret, currently reside in Glenshaw, PA.

Mr. Speaker, the people of the United States recently celebrated the anniversary of the Normandy invasion and paused to reflect on the struggle against fascism that involved so many brave Americans. Many stories of bravery, loss, and sacrifice were retold as our Nation remembered the men and women who served the United States of America in a time of need. I am proud to have this opportunity to share with the House the wartime experience of Stephen Reiter. It is fitting that the House should pay tribute to individuals like Stephen Reiter who risked their lives in war and worked to build a strong Nation in times of peace.

TRIBUTE TO MATTHEW J. TURNER

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Matthew J. Turner of Troop No. 1 Arnold Mills in Cumberland, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 Merit Badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Matthew installed a chainlink fence around a play area at a children's shelter in Pawtucket, RI.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Matthew J. Turner. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 84 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, 24 of whom now serve in the House.

It is my sincere belief that Matthew J. Turner will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

ARUN III DAM PROJECT IN NEPAL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. HAMILTON. Mr. Speaker, recently issues have been raised regarding a proposed World Bank loan for a dam project to develop the power sector in Nepal. Among them are environmental, social, economic, and equity aspects of the project. The over-arching concern is the long-term sustainability of the project and development of Nepal.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I wrote to the World Bank president, Lewis Preston, regarding these issues. A copy of my letter and Mr. Preston's response follow.

The project has both supporters and opponents within Nepal. A vote on the proposed loan, previously scheduled for July, has been postponed by the Bank to give time for further analysis and consideration of the project.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, July 18, 1994.

Mr. LEWIS PRESTON,
President, The World Bank,
Washington, DC.

DEAR LEW: I write regarding the proposed World Bank loan for the Arun III Dam Project in Nepal.

Several environmental, social, economic, and equity issues have been raised with respect to the project. I believe these issues warrant further scrutiny and consideration to ensure the long term sustainability of the project if it goes forward. Among the concerns are: The magnitude of this single project ($764 million), which exceeds the annual budget of Nepal, raises doubt about its sustainability. The proposed funding would finance phase one of the two-stage Arun III project; the scope of the Arun project would divert limited resources from Nepal's social sector which is already underfunded; the dam would result to an inequitable distribution of benefits because it would serve principally the urban capital, rather than the rural poor who comprise 90 percent of Nepal's population; environmental concerns have been raised about a proposed 120 kilometers road to be built. The road would cut through a virgin forest, considered a biodiversity "hot-spot," biologically rich, and containing at least a dozen species unique to the Arun valley. The road could induce migration to the valley and result in erosion, floods, and landslides; alternatives to a large dam may not have been fully addressed. Nepalese groups have recommended that small and medium hydro-power projects be pursued. Small and medium sized projects could be less costly, less environmentally damaging, bring benefit to rural populations, and utilize and strengthen local expertise and capacity.

Recent events in Nepal provide an important opportunity to reassess this project and consider its many and complex ramifications. I urge you to ensure that thorough and thoughtful analysis of the social, environmental, and economical viability of the Arun project and its alternatives be developed. At stake are both the long-term development of Nepal, and the credibility of the Bank's invigorated efforts to promote environmental considerations and sustainable development.

I appreciate your consideration of this matter.

With best regards,

Sincerely,

LEE H. HAMILTON,
Chairman.

THE WORLD BANK,
Washington, DC, July 28, 1994.

Hon. LEE H. HAMILTON,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR LEE: Thank you for your letter of July 18, 1994 on the approved Arun III Hydroelectric Project (AHP). I appreciate the interest you have taken in this project and welcome the opportunity to respond to some of the concerns raised.

While it is true that the Arun project is large in relation to the size of Nepal's economy, it will be implemented over several years. During the peak years the total power investment program will absorb an average of 36% of total development resources, a proportion which is not excessive for a country that is at Nepal's stage of development and that is working its way out from a severe shortage of power. Our analysis shows that Nepal can afford Arun as well as critically needed investments in health, education, family planning and rural infrastructure. Both are needed for a sound overall development strategy.

You will be interested to know that the AHP is a run-of-the-river project without a large storage facility and with most of its facilities underground. The project would divert part of the natural flow of the river through a tunnel to generate electricity before returning the water to a lower point in the river's natural course. An advantage of this design is that it does not require a large dam to generate power and thus does not involve any significant flooding or resettlement.

The alternative investment program which is being advocated by the critics of Arun has been given serious consideration by the Bank. The detailed assumptions used in our analysis are contained in a multi-volume report which we made public in early June. The key conclusion is that the alternative approach would, under most plausible assumptions about the future, actually be more costly to Nepal. The difference in cost is modest, however, and the critics advocate overriding the results of the analysis in the interest of promoting a more small-scale and diversified pattern of hydropower development.

In point of fact, the Government of Nepal is already promoting small-scale hydropower investment. The Arun project itself contains funds for strengthening this effort by encouraging the private sector. The small hydro projects advocated by Arun's critics are complementary rather than competitive with Arun. The real alternative to Arun is offered by other medium and large-scale projects which our analysis shows to be more costly, more risky environmentally, and much less advanced in terms of readiness for implementation.

A recent report that I commissioned on project implementation has rightly stressed the crucial importance of ownership and commitment to successful implementation. On this count, we have had repeated reaffirmations of the commitment of the democratically elected government of Nepal to this project. Moreover, evidence from a number of meetings in the Arun Valley is that the local population is overwhelmingly in favor of the project because of the potential benefits of the access road. The World Bank is trying to be as sensitive as possible to the views of the inhabitants of the Arun Valley so it was reassuring to me to receive, on the same day as I received your letter, a strongly supportive letter from the President of the District Development Committee of the Sunkhuwa Sabha district in which the project is located. A copy of that letter is attached.

While there are certainly environmental and social risks in the Arun project, they have been exhaustively analyzed in another multi-volume study which was published over a year ago. A comprehensive plan for mitigation of these risks has been developed and incorporated as an integral part of the project. Progress in road construction will be linked to the pace of implementation of these measures.

I hope these comments are responsive to your concerns. If you or your staff would like additional information or further elaboration of the points made, staff in the South Asia Region would be happy to respond. Attached is a note prepared by our staff which addresses in greater detail, the topics raised in your letter.

Sincerely,

LEWIS T. PRESTON,
President.

THE ARUN III HYDROELECTRIC PROJECT—NOTES

Nepal's economic growth has been hampered by its remote land-locked location and limited natural resources. However, the country possesses abundant, unused hydroelectric power resources estimated at 25,000 MW. At present, it has developed only 241 MW of this potential, which is accessible to barely 10% of the population. To help overcome acute power shortages which impede economic and social development, an increase in the supply of power is crucial. Almost a decade of review indicates that a sequence of power investments including nine projects over the next ten years, is the way to address this at least cost. Because Nepal is one of the world's poorest countries, concerns have been raised about the affordability of the proposed investment program. To minimize the risk that these investments will crowd out high-priority investments in other sectors of the economy, especially the social sectors, the Government of Nepal has embarked on a macro-fiscal reform program under which it will increase revenues through fiscal measures, and adopt a three-year rolling investment program, including a core program which will protect investments in other high-priority sectors. Although it is sometimes claimed that the cost of the Arun project (US$797 million) exceeds Nepal's annual budget of (both around US$800 million equivalent), this is misleading. Project expenditures will be spread out over eight years and will be financed largely through concessional and grant assistance. Once in operation, the project is expected to generate around US$100 million in revenue annually for fifty years.

The benefits of the AHP will be distributed equitably both in Nepal and the Arun valley. In the broadest context, the AHP is part of the strategy to increase power supply which is necessary for accelerated growth which, in turn, will reduce poverty. The AHP itself includes a rural electrification program for the Arun valley and the establishment of a private sector hydro facility which will study, finance, and implement viable micro/mini hydroelectric schemes. The AHP also includes a Regional Action Plan which has been designed to maximize the economic benefits of the project through complementary investments in agriculture, livestock development, tourism, and small business. The rural poor of the Arun Valley will be the direct beneficiaries of these projects.

The AHP will bring about far-reaching changes to the Arun Valley. The World Bank and the Government of Nepal have extensively studied the environmental and socioeconomic issues and impacts associated with the AHP, and this has culminated in a comprehensive Environmental Action Plan. This plan includes an Environmental Mitigation Plan which deals with the direct impact of construction activities, and the aforementioned Regional Action Plan (RAP) which addresses the induced impacts. The RAP covers the following program areas: conservation, income generation, institutional strengthening, extension and training, infrastructure and energy development, and environmental monitoring. The key objectives of the RAP, which is an integral part of the project, are to generate sustainable economic development within the Arun basin and enhance the otherwise deteriorating environmental and socio-economic conditions presently found there. The access road has been located to reduce unnecessary direct environmental and socio-economic effects, and would not affect forest "hot spots" such as the Chichila Forest, an area of high biodiversity value. A new conservation area, Milke Danda, will also be set up under the project. The road was also designed, and the alignment chosen, to minimize landslides and erosion. However, the risks of landslides and erosion can never be entirely eliminated from any road in Nepal due to indigenous geography. The risk of increased migration to the valley is minimal as it is a marginal food deficit area. Out-migration is a much more likely possibility.

The World Bank has seriously considered smaller scale hydropower alternatives. After the AHP and several other hydropower projects were identified as part of the least cost generation expansion plan, concerns about the risks associated with the AHP led to an analysis of an alternative development strategy. This strategy relies on a series of smaller hydropower projects, primarily in the 30–80 MW range. The conclusions reached from a comparison of the plans indicate relatively little difference in costs between them. Several considerations, other than cost, were also important to the section of the least cost plan. It entails for Nepal, less environmental risk, both because fewer sites need to be developed, and because its plans for mitigating environmental and socio-economic impacts are relatively well developed. The alternative plan would require managing the construction and implementation of a large number of projects in parallel. While these implementation risks could be managed with substantial expatriate technical skills, the objective of developing institutional capacity in Nepal would not be advanced. It is not even obvious that all of the alternative projects are technically feasible, due to the preliminary nature of the information available on them. Developing this information will proceed over time, of course, as the Government has done with some 19 projects for which engineering studies have been prepared.

"HILLARY'S SWEET LEMON MINT"

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. COSTELLO. Mr. Speaker, I rise today to bring to my colleagues' attention the achievements of Mr. Jim Westerfield, a constituent of mine from Freeburg, IL, who runs the Westerfield House Bed and Breakfast Inn.

Jim and his wife Marilyn have an herb garden and for several years have tried to create new herb hybrids in an effort to find ways to improve on the basic herb. Last year, Jim created an herb called Hillary's Sweet Lemon Mint, which I personally delivered to the White House for the personal use of the First Lady.

Since that time, the popularity of Hillary's Sweet Lemon Mint has grown spectacularly. Newspapers across the country have written praise for Jim Westerfield's sweet lemon mint, and the herb's reputation in southern Illinois has become widespread.

Jim recently returned from the International Herb Conference, where he and his wife Marilyn well represented herb growers in Illinois. Much acclaim was accorded to Jim's new "Hillary's Sweet Lemon Mint," and I expect its popularity will continue to grow. I ask my colleagues to join me in wishing Jim and Marilyn Westerfield well in their efforts to promote herbs in southern Illinois and across the Nation.

TRIBUTE TO WALTER JAMES PHILLIPS

HON. GENE TAYLOR

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. TAYLOR of Mississippi. Mr. Speaker, on Sunday, July 31, 1994, an outstanding citizen, State lawmaker, veteran, family man, and attorney passed away to be with our heavenly Father.

Walter James Phillips served the great State of Mississippi with all of his being and this great country with utmost respect and honor. Throughout all of his adult life he was a leader, unafraid to let his convictions be known or to champion a cause for the underdog.

As a young World War II foot-soldier, Squirrel, as he was affectionately known, fought gallantly to defeat Hitler's army in Europe, having received numerous honors, including two Purple Hearts.

Upon his victorious return home after the war, he did what most GI's did. He packed up his bags and went back to school getting a law degree at the University of Mississippi. His keen insight into the law and sincere desire to serve the public good eventually took him to the State capital in Jackson. As a State representative, he left a legacy of good works and good deeds. My memory of him is of a man who was true to his word and fair-minded.

For two decades he dutifully oversaw the State's business, unafraid to catch flak for doing what was right, or just. And while most great men and women are judged by their successes, it is sometimes appropriate to judge them equally by their failures.

During the 1950's, Mississippi lawmakers did all they could to stifle, stonewall, and sandbag equal education initiatives. Even thought Brown versus the Board of Education had been issued by the Supreme Court, a majority of State lawmakers blocked anyone's attempt to integrate Mississippi schools.

However, in 1953, Walter was one of only a handful of State lawmakers who pioneered an equal education bill, called the "Minimum Education Act." The bill was passed in 1953, and funded 2 years later. Little did they know at the time that it would become the cornerstone of an integrated educational system in Mississippi.

In the 1960's, instead of following Federal law and abolishing the State's dual public school system, State lawmakers threatened to shut every public school down in the State before opening the doors to integration. However, Walter rallied State lawmakers and won the tug-of-war to keep public schools open.

But later that decade, when State lawmakers pushed to abolish compulsory education in the State, Walter faced a battle he could not possibly win. Against unsurmountable pressure, Walter and a few of his colleagues cast the only votes to continue compulsory education throughout the State of Mississippi. Unfortunately, State lawmakers crushed their opposition and abolished compulsory education. The legislature's mistake still haunts Mississippi today, even though compulsory education was reinstated more than decade ago.

During Walter's funeral, his friends called him courageous, progressive, and brilliant. Back in the 1950's and 1960's, many people called him foolish.

For you see, he was one of only a handful of State lawmakers who fought to keep public schools open at all cost, and open to everyone. And as most of us in this body are aware, it took more than 15 shameful years and Government intervention before Walter saw the fruits of his labor.

After retiring as a State lawmaker, he focused all his energies on his family, successful law firm, and as a municipal judge for the city of Waveland. His wisdom and strength was an invaluable resource to not only my community of Hancock County, but for the entire State for nearly half a century.

I assure you, he will be sorely missed.

H.R. 4913, SMITHSONIAN INSTITUTION COMMEMORATIVE COIN ACT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. MINETA. Mr. Speaker, on August 5, I introduced, with Mr. MCDADE, the Smithsonian Institution Commemorative Coin Act of 1996. Mr. MCDADE, Speaker FOLEY, and I are privileged to be members of the Smithsonian's Board of Regents and to be involved in the planning process for the Institution's sesquicentennial commemoration.

1996 will mark the 150th anniversary of the founding of the Smithsonian Institution. Created as a Federal trusteeship by act of Congress, the Smithsonian Institution is today the largest research and museum complex in the world. The various museums of the Smithsonian were visited more than 26 million times last year while thousands more utilized the vast repository of knowledge and artifacts to assist in myriad research and scholarly activities.

As a preeminent national cultural institution, the Smithsonian is charged with preserving and interpreting human culture and the physical and biological worlds through conservation of the national collections that represent our cultural heritage, active presentation of exhibitions and public programs, and scholarship in the arts, science, and history.

ESTABLISHMENT AND HISTORY

James Smithson (1765–1829), a British scientist who never visited the United States, drew up his will in 1826 naming his nephew, Henry James Hungerford, as beneficiary.

Smithson stipulated that should the nephew die without heirs—as he did in 1835—the estate would go to the United States to found "at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men."

On July 1, 1836, Congress accepted the legacy bequeathed to the Nation by James Smithson and pledged the faith of the United States to the charitable trust. In 1838, following approval of the bequest by the British courts, the United States received Smithson's estate—105 bags of gold sovereigns, then the equivalent of $515,169. On August 10, 1846, an act of Congress signed by President James K. Polk established the Smithsonian Institution in its present form and provided for the administration of the trust, independent of the Government itself, by a Board of Regents and the Secretary of the Institution. The Board of Regents is comprised of the Vice President of the United States, the Chief Justice of the United States, 3 Members of the Senate, 3 Members of the House of Representatives, and 9 citizen members appointed by a joint resolution to Congress.

SIZE AND SCOPE OF THE SMITHSONIAN COLLECTIONS

From that initial bequest an open-ended mandate of James Smithson, the Smithsonian has grown to include 14 museums, the National Zoological Park, and research facilities located in 8 States and the Republic of Panama.

The total number of objects, works of art, and specimens at the Smithsonian is estimated at 140 million, most of which are in the National Museum of Natural History—about 120 million specimens. Another significant portion of the Institution's collections is the National Postal Museum's philatelic collection which comprises more than 16 million objects.

Many artifacts are donated to the Smithsonian by individuals, private collectors, and Federal agencies; others come to the collections through field expeditions, bequests, exchanges with other museums and organizations, and purchases. More than 480,000 objects and specimens were acquired in 1993.

Artifacts not on display are stored in collection study areas in the museums and are either loaned to other museums or used for research. Air and spacecraft are conserved and stored in the Paul E. Garber Facility in Suitland, MD, about 6 miles from the National Mall. Suitland is also home to the Smithsonian's Museum Support Center which houses research collections and will also be the site of the National Museum of the American Indian's research and collections center.

THE SESQUICENTENNIAL ANNIVERSARY

The Smithsonian's sesquicentennial commemoration in 1996 provides the opportunity to both celebrate the past great accomplishments of the Institution while also looking to its future role and mission as it prepares for the next millennium. The central goal of the 150th anniversary year commemoration, however, will be to increase the sense of ownership and participation in the Smithsonian by all Americans. The Smithsonian is truly an institution of the people as the Nation's designated steward for the preservation and exhibition of the national collections. The 150th anniversary activities will focus on forging a stronger relationship between the Institution and its benefactors and beneficiaries—the American people.

During 1996, the Smithsonian will undertake a series of programs and stage a number of events that will commemorate its founding and explore new ways in which it can serve the public in the future. These activities, while extensions of the existing framework of Smithsonian programs, will require significant financial resources. Recognizing the existing budget constraints under which the Federal Government must operate, the Smithsonian's Board of Regents concluded it would not seek any additional appropriated funds in support of sesquicentennial programming. Rather, turning to the private component of the public-private partnership, the Smithsonian will concentrate its efforts to raise support and funding for the anniversary programming from non-Federal sources.

COMMEMORATIVE COINS

One avenue available to the Institution in raising a significant amount of the necessary funds is through the issuance of coins commemorative of the anniversary year. The coins would be issued on August 10, 1996, exactly 150 years from the actual date of the act of Congress which established the Smithsonian Institution. The issue of Smithsonian sesquicentennial commemorative coins will provide an opportunity for the American public to obtain a valued memento while at the same time supporting the Institution mandated to preserve its cultural and historical patrimony. Just as importantly, the funds derived from the issuance and sale of these commemorative coins would transfer the financial responsibility for sesquicentennial activities from the American taxpayer to voluntary collectors.

Funds raised through the coin sale will enable Smithsonian to showcase its 150-year service to the Nation and will also, hopefully, help the Institution meet the anticipated budgetary challenges which could threaten the current level of service to the public. It will assist in continuing education programs that reach all strata of our society. In addition, the legislation would authorize that 15 percent of the total proceeds remitted to the Institution would be designated to support the National Numismatic Collection at the National Museum of American History. This component of the legislation is strongly supported by the numismatic community and in a very tangible way demonstrates appreciation for their support of all congressionally-authorized commemorative coin programs.

Without exception, we all have constituents who visit, communicate with, and otherwise benefit from the Smithsonian every day. From eager first-graders to learned scholars and researchers to our senior citizens, the public is consistently served by the vast resources and expertise of the Smithsonian and its staff. Successful enactment of this legislation will guarantee the American people the benefits and wonder of, as well as continued free access to, this multifaceted institution.

I urge all my colleagues to join me in sponsoring this critically important piece of legislation which will truly benefit all of our citizens.

THE SITUATION IN ANGOLA

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. RICHARDSON. Mr. Speaker, I rise to call the attention of the House to the plight of Angola—another country in Africa where conflict and fighting have taken an awful toll, but where peace is at hand if the United States and the international community act now to prevent another Rwanda.

Despite an election that produced a clear winner and full recognition of the government of President José Eduardo dos Santos by the United States and other sovereign governments, Angola remains divided because forces headed by Joseph Savimbi defiantly refuse to accept the election results. Savimbi's forces have resorted to guerrilla warfare to achieve by bullets what they could not accomplish at the ballot box.

The United States has a special obligation to Angola because our policies over the past 18 years have contributed to prolonging the war. When Portugal abruptly left Angola in 1977, the CIA immediately pledged covert military assistance to the FNLA, the least desirable of the three emerging factions. Congress promptly adopted the Clark amendment to suspend arms shipments through Zaire to the discredited Holdan Roberto and the FNLA. Then, in the 1980's, the Reagan and Bush administrations promoted policies to assist Savimbi's guerrilla political and military forces.

America must now right the wrongs of the past. We have done so in part through our belated recognition of the dos Santos government. The next step is to see that both parties sign the Lusaka Peace Accords and that the agreement be properly implemented and enforced. We cannot allow another African country to be torn apart by civil strife and indiscriminate bloodshed. The United States can help by acting decisively to support the dos Santos government and applying pressure on all sides to support the Lusaka Accords. We should also take the lead in developing an international commitment to meet the security, humanitarian, and economic needs of the country.

Angola is a country abundant in natural resources with regional significance to the security of southern Africa. Yet the future of it's legitimately-elected government is threatened by forces who refuse to abide by the results of the democratic election.

Securing a peaceful resolution in Angola is especially significant given the triumph of democracy in neighboring South Africa and will provide further evidence and hope that democracy is on the move in Africa.

THE UNVEILING OF THE DEAD SEA SCROLLS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. STOKES. Mr. Speaker, I am honored to rise today to commemorate the unveiling of the Dead Sea Scrolls. It was on June 30, 1994, at the Vatican that the Scrolls of the Dead Sea were placed on display. The emotions were very high on this memorable occasion, which represented a historic victory for all mankind. The exhibit opened amidst a newly established diplomatic relationship between the Vatican and Israel. It is the first time that an official exhibition from Israel has been shown at the Vatican.

If it had not been for sincere and dedicated organizers who dared to glimpse beyond the past history of their Jewish-Catholic relations, then this event would have not been possible. One of those dreamers who helped this vision come to fruition was Mark E. Talisman, a former resident of Cleveland. As president of the Project Judaica Foundation of Washington, this unique individual had a significant role in working toward the establishment of improved Jewish-Catholic relations. Mr. Talisman was responsible, along with Antiquities Authority, the Vatican Library and countless others, for bringing the Dead Sea Scrolls to the Vatican.

Mr. Speaker, the memorable unveiling of the Dead Sea Scrolls will be forever etched into the pages of history. I offer my personal congratulations to those who helped to create an exhibition that each of us can treasure. I want to share with my colleagues and the Nation an article written by Mr. Talisman which recently appeared in the Cleveland Jewish News recounting the events of this historical undertaking.

AN HISTORIC NEW ERA IN JEWISH/CATHOLIC RELATIONS BEGINS WITH ANCIENT FRAGMENTS

(Mark E. Talisman)

THE VATICAN.—On June 30, some 500 people representing the Vatican's religious and political hierarchy, high-level representatives of the Israeli government and a large delegation from the Rome and U.S. Jewish communities, witnessed the unveiling of the Dead Sea Scrolls. This marked the first time the scrolls have been exhibited in Europe, and the first time that an official Israeli exhibition has been shown at the Vatican.

The exhibit opened just two weeks after Israel and the Vatican formalized full diplomatic relations and ushered in a new era of relations between the Jewish state and the Holy See.

Included in the exhibit are fragments of a dozen 2,000-year-old manuscripts discovered at Qumran on the Dead Sea in the late 1940s and early 1950s. Written on leather in Hebrew, Greek and Aramaic, the scrolls are the earliest known biblical manuscripts. They include portions of all the Five Books of Moses as well as writings by the Essencs sect.

Nearly 100 archaeological artifacts associated with the scrolls, including cups, pitchers, sandals, combs and lamps, are also displayed in the exhibit, along with photographs of the excavation sites and interactive video presentations on the history of the scrolls.

In addition, the Vatican is displaying several pieces from its own priceless collection of more than 300 Hebrew manuscripts dating from the ninth to the 17th centuries.

The exhibition was a joint project of the Israel Antiquities Authority, the Vatican Library, and Project Judaica of Washington. Mr. and Mrs. Bernard Osher of San Francisco, who wore the chief sponsors of the U.S. exhibition of the Dead Sea Scrolls through the Project Judaica Foundation of Washington, also sponsored the Vatican exhibit, which will remain on display until Oct. 2.

At the late afternoon ceremony, Israel's minister of education, Amnon Rubenstein, read in both English and Hebrew from one of the largest fragments of the Dead Sea Scrolls, citing the timelessness of the words.

Another speaker was Gen. Amir Drori, director of the Israel Antiquities Authority, who spearheaded negotiations with the Vatican to allow the exhibition. Drori's deputy, Jacob Fisch, also worked with Drori and me on the project.

The hard work which led to the breakthrough in relations between Israel and the Holy See was forged by Avi Pazner.

Pazner, the longtime Israel Embassy spokesman in Washington, spent nearly three years carefully searching for every opportunity to pry open the great doors to the Vatican. And a week ago, they were literally flung open, receiving Pazner's colleague, Shmuel Hadas, as the Israeli ambassador-designate.

The opening of the Dead Sea Scrolls exhibition became Hadas's first official function, but without the presence of the pope, who fell several weeks ago, requiring surgery and a hospital convalescence. Representing the Vatican, however, were the top eight cardinals and 28 archbishops. Also present was the chief rabbi of Italy, Eliahu Toaff, who has led this community through very difficult political times over the past 50 years, including the present with political victories by so-called post-fascist parties.

The historic moment we were marking brought together in one room the fragments of highly relevant religious writings which predate the very church hosting their presence. The new order, which continues to unfold dramatically from East to West, now can provide a means for the Catholic Church and the Jewish people to begin to understand and abide each other. This first attempt in nearly 2,000 years dawns with the opening of an exhibit of religious scrolls more than 2,000 years old.

Vatican Secretary of State Angelo Sodano, resplendent in his cardinal's robes of crimson, called for "expanded relations with the state of Israel which will surely lead to the eradication of the intolerance and ignorance which long blocked true understanding of our peoples."

Following the reception, the American delegation, including Dr. Harry and Caren Lever of Cleveland, and representatives of the Vatican hierarchy joined in a festive dinner to celebrate the events of this incredible day.

The next day, we discussed with Monsignor Tommaso Caputo the need to allow greater access to the vast holdings of the Vatican Library and Museum of Judaica and Hebraica. A similar discussion was begun with Monsignor Guiseppe Poggi, who heads the entire Vatican and Catholic library system. This system includes Judaic holdings which are believed to be among the largest and most complete in the entire world.

With JTA reports. Former Clevelander Mark Talisman is president of Project Judaica, sponsor of the Dead Sea Scrolls exhibit.

THE SETTING

Museum designers from the Israel Antiquities Authority faced the daunting challenge of placing the fragile Dead Sea Scrolls fragments, along with Israeli artifacts and remarkable hand-printed and very early texts from the Vatican library, in the ornate setting of the Salone Sistina of the Vatican Apostolic Library, which was filled to overflowing with rare Renaissance paintings.

Remarkably, Israeli designers succeeded in allowing these two vastly different artistic and historical presentations to coexist happily. As one visitor remarked at the opening, it "was a miracle in curatorial achievement."

Before the Dead Sea Scrolls could be transported to Rome, or anywhere else for that matter, the Israeli team had to develop a self-contained air-conditioning system for the display cases in which the fragile documents were housed. The value of this was obvious in the Vatican, where temperatures inside the gallery during the opening hit over 100 degrees Fahrenheit!

The exhibitions of the Dead Sea Scrolls in the U.S. broke all attendance records at each site. The prospects are the same at the Vatican, where the average daily visitor traffic in the area of the exhibition near the Sistine chapel is already 25,000 per day.

FLOYD COUNTY NURSE HONORED

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. ROGERS. Mr. Speaker, I am very pleased to rise today to honor a special hero in the minds of many in Floyd County, KY. I speak of a helping hand all of Floyd County knows—Jane Wallace.

Last week, Jane joined an elite group of nurses in the United States—those honored by the U.S. Chief Nurse Officer of the U.S. Public Health Service for their service.

I cannot think of any person more deserving of the high honor of the Chief Nurse Officer Award.

Although she retired from nursing in 1976, her contribution to nursing has never been or ever could be forgotten. She committed 35 years to nursing and has touched so many people during those years. In her 19 years as the Floyd County Public Health nurse, her work took her into the small outlying communities and hollows of the county when no other people were going to help. That meant a lot to the people she helped.

In 1934, she became a nursing supervisor at Berea Hospital. It was the first of her many supervisor jobs that capitalized on her best asset—her organizational skills.

After moving to Prestonsburg General and working as a private duty nurse, Jane joined the ranks of the U.S. Public Health Service.

Today at 83, she still serves on the county board of health and according to reports, she's never missed a meeting. And, she still takes care of her neighbors when they are sick.

Mr. Speaker, I am delighted and honored to speak out about this modern-day, Kentucky-version of Clara Barton. We, in eastern Kentucky, are fortunate to have her making our lives better.

The ability to help one heal is very powerful and moving. Jane Wallace has that power.

Now the rest of America knows what Floyd County has known for a long time. Jane Wallace is a dedicated, important part of keeping people healthy, and her service certainly deserves this national honor.

Congratulations Jane Wallace, you have always been an integral part of life in Floyd

County. Thanks for your advice and help when we needed it most.

HEALTH CARE NOW

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, as we move toward consideration of health care reform, I was reminded yet again of the importance of this issue while reading my hometown paper, the Dallas Morning News. In the August 7, 1994, edition, the Morning News reported that 55 percent of Americans believe that health care should be the Government's top priority.

The American people have been focused on the issue of health care reform. Unfortunately, through various campaigns from special interests, the information which has been disseminated has been inaccurate.

Many Americans, in a longstanding tradition of fierce independence, want to make sure that the Government is not running the health care system. The Guaranteed Health Insurance Act of 1994, crafted by the House leadership, provides for private health insurance for all Americans. That which Americans value most, freedom of choice, will be maintained under the act, by making sure that employees have the ability to choose their own doctor.

All Americans will have private insurance, which is the most important part of the package. Only by generating a pool large enough to end the cost shifting that currently exists in the system can small businesses be helped. When the Republicans claim that only insurance reform to do away with preexisting condition exclusions is necessary to fix what is broken, ask yourself who will pay for these reforms. If only insurance reform is enacted, what will be the result? Those with preexisting conditions are excluded by insurance companies because those companies cannot make a profit by providing them with coverage. Why? Because, very often, those individuals use more medical services than others. Who will pay if exclusions are eliminated? Not, you can be sure, the insurance companies. Instead, those companies will raise their premiums to compensate for the new, often sick, individuals that will be covered. What will a relatively healthy young person of 25 do? Of course, that person will simply get out of the system, leaving those of us in the middle class, with families and children, to pick up the tab. Should the 25-year-old then become ill, without insurance, once again those of us in the middle class foot the bill. Reforms on the margin can often inflict harm on the middle, and a plan that only reforms the insurance industry will do just that. The cycle of higher and higher costs will continue.

The alternative presented by the Guaranteed Health Insurance Act would give everyone the right and the obligation to have health insurance. The plan provides a wide range of choices of plans for individuals, and every American will have the ability to choose their own doctor. Like all other phases of life, with choice comes responsibility. Everyone will be responsible for their own health insurance as well. No one wants to have to pay for the health care of others, but that is exactly what the present system forces us to do. Small businesses who provide insurance to their workers pay for those businesses that don't, in the form of higher premiums and higher hospital costs. The Guaranteed Health Insurance Act would end this unfairness.

In the end, as they always have, the American people want two things: quality and fairness. The Guaranteed Health Insurance Act gives both. Everyone being responsible for themselves is fair. The act, by setting aside money for continuing research and for academic health centers, assures us that we will continue to have the highest quality of health care in the world.

We in this Congress have the opportunity to make effective change to the health care delivery system. With health care now constituting about 15 percent of our gross domestic product, it should be obvious to everyone that the process of reforming the health care system is a never-ending struggle. Nevertheless, when something is fair and right, it should be done. This Congress should pass the Guaranteed Health Insurance Act now. The American people, our reason for being here, are watching. Quality and fairness are what is demanded, and quality and fairness are what we can deliver.

TRIBUTE TO RADNOR HIGH SCHOOL CLASS OF 1997 AND TO RADNOR TOWNSHIP, PA

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. WELDON. Mr. Speaker, I rise today to recognize the outstanding generosity of the Radnor High School Class of 1997 and the citizens of Radnor Township in Pennsylvania. Through their charity, the citizens of Radnor have enabled a baseball Little League for inner-city Camden, NJ youths to become a reality.

It began this past April when 15-year-old Matt Main of Radnor read a Philadelphia Inquirer article about the plight of some Camden youths. These children loved baseball so much that they were playing pickup games in abandoned lots, throwing lopsided balls, and catching with gloves so battered that they had to be held together with old shoe string. After reading this newspaper article, Matt knew that he had to do something to help these kids.

Matt showed the article to his two friends, Mike Barry and Rob Forster. They agreed that they should do something to help. Together, the three organized a baseball equipment drive as a freshman class project at Radnor High School. Working after school and on weekends, these Radnor students passed out fliers and collected used baseball equipment. The response of the citizens of Radnor was phenomenal. The students soon collected bags of bats and several boxes filled with baseballs, gloves, and catchers' equipment.

Because of these boys' hard work, the children of Camden were able to establish a successful Little League. Today, the league is flourishing with over 150 kids and 10 different teams. Not only do the weekly games allow the kids to take part in America's greatest pastime, but more importantly, they help keep them off the streets.

These three teenagers and the entire Radnor High School Class of 1997 have set a fine example for our youth today. Their deeds show the generosity and compassion that many of the young people in our Nation possess. These hard-working and compassionate youngsters demonstrate, through their actions, that we can all do our part to help others. Whether we give up our free time or donate used toys and clothes, we can all do something to make life a little better for those who are less fortunate.

I thank and salute Matt Main, Mike Barry, Rob Forster, and the entire Radnor Class of 1997 for giving so unselfishly of themselves to help others. It makes me proud to have these find students in my district, and I am very pleased to recognize them here today.

SALUTE TO THOSE IN SERVICE TO OUR NATION

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. VALENTINE. Mr. Speaker, centuries ago, a group of native Americans on the western end of this continent dwelled high on the barren face of a mountain, among the wind and eagles. They went about the business of living in an environment where one careless step on a steep path meant death in the gorge below.

These ancient cliff dwellers long ago vanished into the dust of history, only to be replaced by a modern breed.

Members who are not directly involved at the committee level with either authorizing or appropriating funds for the armed services have limited opportunities to observe up close the men, women, and machinery of the Nation's defense establishment. Nevertheless, several opportunities have been afforded to me over these 11½ years, each of which left me awestruck, proud, and frankly relieved by what I saw.

Several years ago, I took a trip to Antarctica in the belly of a naval aircraft, a sturdy old C–130 crowded with supplies and scientists, along with a handful of Congressmen and staffers tucked in here and there. The airplanes used on trips like this are older than the men and women who fly them. Yet they land on the bright, white nothingness of that continent at the bottom of the world and return safely to Christchurch, New Zealand.

More recently, I took an overnight trip on the Trident submarine *Kentucky*, observing firsthand the skill and dedication of men performing tedious and very complicated tasks, while packed like sardines in the innards of that modern leviathan.

On the weekend of June 24 and 25, 1994, five Congressmen and others flew onto the deck of the nuclear carrier *Teddy Roosevelt*, passed the night, and were catapulted back to civilian life the next day. Images of this experience will be with me for the remainder of my life—the naked danger, the heat, noise, mist, and motion of jets landing against the stress of mighty cables jerking them back to the deck like giant rubber bands. Simultaneously, steaming, roaring catapults flung other jets from the deck of the mighty ship into the air and out over the sea. The men and women who pilot these craft are staring into the face of death and accepting this as a way of life, going about their work with discipline and skill. Whether in the clouds over Antarctica, under the Atlantic Ocean next to a nuclear warhead, or landing on a cold, dark night on the deck of the *Teddy Roosevelt*, they are the modern cliff dwellers. May God bless and keep them.

TRIBUTE TO GEORGE O'HANLON

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. COYNE. Mr. Speaker, I am pleased today to pay tribute to George O'Hanlon who recently celebrated his retirement from the Internal Revenue Service after 33 years of public service.

George O'Hanlon has long been a prominent leader in the professional tax community. Throughout his distinguished career with the Internal Revenue Service, George has served with the highest degree of professionalism. He pioneered several innovative techniques which improved the working relationship between the professional tax community and the media and the public at large. His efforts in this area promoted a greater public awareness of Internal Revenue Service programs and the efforts of Internal Revenue Service employees to serve all taxpayers effectively. George O'Hanlon's efforts have been recognized publicly on several occasions. He has received the highest levels of awards given to Internal Revenue Service personnel or Federal executives for outstanding service and achievements. He was honored with the Internal Revenue Service Commissioners Award in 1986 and 1988. George received the Meritorious Rank Award for extraordinary executive accomplishments from the President of the United States in 1992. Most recently, he was presented with the 1994 Albert Gallatin Award by the Secretary of the Treasury for his outstanding public service throughout his career with the Department of the Treasury.

George O'Hanlon is a native of New York and received his bachelor's degree in accounting from Utica College of Syracuse University. In 1961, he began his career with the Internal Revenue Service as a revenue agent in Albany, NY. After working his way through mid- and top-level management positions, he was chosen for Internal Revenue Service's Executive Selection and Development Program in 1980.

Upon completion of the program, he was appointed Assistant to the Director of the Internal Revenue Service's Hartford, CT district and subsequently moved to become Assistant Director in Cincinnati, OH. In 1983, George became the taxpayer ombudsman in Washington, DC, where he developed several programs which enhanced the ability of the Internal Revenue Service employees to respond more quickly to the special needs of taxpayers. From 1985 to November 1986, Mr. O'Hanlon served as executive secretary to several Internal Revenue Service Commissioners.

In November 1986, George O'Hanlon was appointed Director of the Pittsburgh District. During his tenure as Pittsburgh District Director, he established the Internal Revenue Service's Congressional Affairs Program, which has significantly improved the working relationships with Members of Congress and their field office staff to better serve the taxpayers. It was through George's efforts that this program was implemented nationwide.

After spending an additional 2 years in Washington, DC, from 1991 to 1993, Mr. O'Hanlon resumed his former position of District Director of the Pittsburgh Office of the Internal Revenue Service, until his retirement from the Internal Revenue Service in June 1994. Today, George O'Hanlon is working for a national accounting firm.

Mr. Speaker, it is fitting that the assembled Members of the U.S. House of Representatives should have this opportunity to reflect on the lifelong service of an individual like George O'Hanlon. His life in public service as a civil servant is an inspiration to everyone who seeks to serve the public.

TRIBUTE TO J. KYLE HECKER

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. REED. Mr. Speaker, I rise today, to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is J. Kyle Hecker of Troop No. 2 in East Greenwich, RI and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the area of leadership, service, and outdoor skills. He must earn 21 Merit Badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Kyle cleared various trails at Frenchtown Park and constructed a new sign for the park entrance.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout J. Kyle Hecker. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 84 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, 24 of whom now serve in the House.

It is my sincere belief that J. Kyle Hecker will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. HAMILTON. Mr. Speaker, as Members are aware, Congress passed and the President signed into law H.R. 2333, the Foreign Relations Authorization Act, fiscal years 1994 and 1995, earlier this spring.

On April 30, 1994, the President issued a statement accompanying the signing of that act into law. I had several concerns about that statement, particularly with respect to several broad assertions of the constitutional power of the executive branch in the conduct of foreign affairs. I have detailed those concerns in a letter to the President which, along with the President's signing statement, follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, August 8, 1994.
Hon. WILLIAM J. CLINTON,
The President. The White House,
Washington, DC.

DEAR MR. PRESIDENT. Before the Committee on Foreign Affairs considers the Administration's request for a technical corrections bill for the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, (Public Law No. 103–236), I wanted to take this opportunity to respond to your statement of April 30, 1994, which accompanied your signing the act into law.

I want to bring to your attention concern aspects of your signing statement that cause me and several of my colleagues concern. First, I do not agree with the broad assertions of the constitutional power of the executive in the conduct of foreign affairs which are expressed in your letter. Second, I note some inaccuracies and inconsistencies in the administration's position as reflected by points raised in your signing statement.

I. CONSTITUTIONAL QUESTIONS

A. General concerns

You state that "Article II of the Constitution confers Executive power of the United States on the President alone" and that this power "includes special authority in the area of foreign affairs." I am concerned that you view certain provisions in the legislation as somehow undercutting the authority of the executive. It is my view that these provisions accurately reflect the powers that the Constitution provides to the Congress.

While on a practical level the executive branch handles day-to-day implementation of U.S. relations with foreign countries, the Constitution is explicit on the role of the Congress in foreign affairs. The President's authority to make international agreements without the consent of the Senate or the approval of Congress is limited. The President is commander-in-chief of the armed forces, but Congress has the constitutional responsibility to decide what forces the President commands and whether the United States will go to war. The President may not act contrary to congressional action, expressed by law in the exercise of the legislature's broad powers over war and commerce with foreign nations, and Congress' power to spend for the common defense and general welfare. The President does not have constitutional power to expend funds to transfer U.S. property contrary to congressional instructions.

Given its constitutional responsibilities, the Congress must be as protective as the executive branch of its institutional prerogatives. It is in this context that several elements of your signing statement cause concern.

B. United Nations reform provisions

(1) Constitutional separation of powers

As you note, section 407 sets forth new reporting and notification requirements with respect to U.S. assistance to the United Nations. You state that you will "construe these reporting and notification requirements consistent with [your] constitutional prerogatives and responsibilities as Commander in Chief and head of the Executive branch."

I would disagree with any assertion that the section 407 requirements for monthly Congressional consultations and written interim reports on Security Council resolutions impinge on the constitutional prerogatives of the executive.

(2) Treaty obligations

Sections 401 and 404 mandate certain withholdings from U.S. contributions to the U.N. regular budget and peacekeeping assessments. You state that these provisions "could place the United States in violation of its international treaty obligations if reform is not achieved within the stated time."

I do not understand why these particular sections would raise problems unless you also would contend that any appropriations law which fails to fund fully U.S. contributions to the United Nations constitutes a potential treaty violation. Under this reasoning, if the executive branch fails to request sufficient funds for U.S. contributions to the United Nations, either for the regular budget, peacekeeping assessments, or arrearages, it also would violate U.S. international treaty obligations through its budget request. Additionally, the executive branch would violate treaty obligations when it withholds U.S. contributions for policy reasons, as has occurred with respect to contributions for programs for the Palestinian Liberation Organization, the South-West Africa People's Organization, Libya, Iran, and Cuba.

It does not seem to me that a treaty, such as the U.N. Charter, can take from the House of Representatives its constitutional power of the purse. It that were possible, the President and the Senate could use the treaty process to undercut the constitutional powers of the House.

C. Nuclear proliferation sanctions

You also note "significant constitutional concerns" with various provisions in title VIII, most specifically with section 824, which authorizes sanctions to be imposed against U.S. and foreign persons engaged in activities in the United States that provide financing to assist nuclear proliferation.

Since the contemplated sanctions in section 824 include deprivation of property, that section requires that persons have the opportunity for a hearing on the record before sanctions are imposed. The section also provides that any determination about the imposition of sections is subject to judicial review. The Constitution guarantees U.S. citizens such minimum procedural and substantive due process rights, so the committee of conference did not view these procedural requirements as inappropriate. The fact that section 824 has an impact on foreign policy and may create an inconvenience does not lessen the constitutional due process protections afforded U.S. citizens and their property.

You state that it is not "clear how these procedures could function in view of the classified nature of much of the material involved." The protection afforded by this section, however, would go to procedural rather than substantive due process rights. The federal courts have lengthy experience in making the necessary determinations while minimizing the need for consideration of classified material.

II. INCONSISTENCIES AND INACCURACIES

You state that the administration interprets section 134 as not waiving the scoring rules governing lease purchases under the Budget Enforcement Act of 1990. It is my understanding that section 134, which provides for particular accounting procedures whenever the Department of State enters in a lease-purchase agreement involving foreign countries, was added by conferees solely at the request of the Department of State, and was intended precisely to waive certain scoring rules. I had assumed, apparently inaccurately, that such as request represented a cleared administration position.

At the conclusion of your detailing of the problems you find in section 824, you state that you "have been assured that this provision will be corrected in a manner acceptable to the Administration at the earliest possible date." I want to be very clear that in my letter of April 27, 1994, I made a commitment to work with the administration, the Senate, and the other House committees of jurisdiction to draft a mutually satisfactory revision.

I appreciate your attention to these concerns, and I look forward to working with you and your administration on these and other matters of mutual interest in the coming months.

With best regards.

Sincerely,

LEE H. HAMILTON,
Chairman.

STATEMENT ON SIGNING THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995, APRIL 30, 1994

Today I have signed into law H.R. 2333, the "Foreign Relations Authorization Act, Fiscal Years 1994 and 1995." This Act authorizes critically needed appropriations and provides important authorities for the Department of State, the United States Information Agency (USIA), the Peace Corps, and the United States Arms Control and Disarmament Agency (USACDA). I appreciate the Congress' cooperation in passing a bill that maintains many of the Administration's requests and provides management authorities that will improve the operations of the Department of State and related agencies during a period of fiscal constraint.

I am especially pleased that this legislation includes language authorizing implementation of the Administration's international broadcasting reorganization plan. The plan, to be implemented over 2 fiscal years, will achieve projected savings of approximately $400 million over 4 years, while preserving and enhancing the program quality, effectiveness, and professional integrity of U.S.-funded broadcast services. These services include the Voice of America, Radio Free Europe, Radio Liberty, Radio and Television Marti, WorldNet, and a new Radio Free Asia operation.

I very much appreciate that the funding authorizations for the Department of State, USIA, and other agencies are sufficient to cover appropriations for this fiscal year, and for the levels requested by the Administration for fiscal year 1995. I also appreciate the authorizations for Contributions to International Organizations and Contributions for International Peacekeeping Activities, which are at the Administration's request level, plus an additional $670 million in authorization provided for a portion of the anticipated shortfall in fiscal year 1994 peacekeeping funds.

However, earmarks in the Department of State's main operating accounts for activities not requested by the Administration will severely restrict the Department's ability to meet planned levels for critical investments in its information system and other infrastructure improvements. As part of the Department's streamlining efforts, and with a constrained budget, the Secretary of State needs the flexibility to allocate scarce resources where they are needed most.

I am pleased at the inclusion of authorities necessary to implement the Department of State's reorganization plan. I regret, however, the provision that interferes with the Secretary's plan to merge the Office of the Coordinator for Counter-Terrorism into the proposed Bureau of Narcotics, Terrorism, and Crime, where this activity would receive the coordinated, high-level attention that I believe would be the most effective in fighting terrorism.

The bill also contains many useful authorities that will assist the Department in improving the efficiency of its operations both domestically and overseas. These include a new visa fee to be used for upgrading consular systems and expanded authority to hire U.S. citizens at posts abroad. Despite these and many other useful authorities contained in this bill, I have serious reservations concerning a number of its provisions.

Section 141 would require the Department of State to allow local guard contracts awarded to U.S. firms to be paid in U.S. dollars in certain countries. Because many countries require that payment for services rendered locally be paid in local currency, this provision could force the United States to violate both host country law and its obligations under the Vienna Convention on Diplomatic Relations. I will seek to implement this section in the manner most consistent with U.S. obligations under international law.

Other provisions raise constitutional concerns. Article II of the Constitution confers the executive power of the United States on the President alone. Executive power includes special authority in the area of foreign affairs. Certain provisions in H.R. 2333, however, could be construed so as to interfere with the discharge of my constitutional responsibilities.

For example, section 412 (reforms in the World Health Organization), section 501 (protection of refugee women and children), section 527(b) (loans by international financial institutions to governments that have expropriated property of U.S. citizens), and section 823 (loans or other payments by international financial institutions for the purpose of acquiring nuclear materials by nonnuclear states), purport specifically to direct the President on how to proceed in negotiations with international organizations. These provisions might be construed to require the Executive branch to espouse certain substantive positions regarding specific issues. I support the policies undertaking these sections. My constitutional authority over foreign affairs, however, necessarily entails direction over these matters. Accordingly, I shall construe these provisions to be precatory.

Section 221 (the establishment of an office in Lhasa, Tibet), section 236 (an exchange program with the people of Tibet), and section 573 (an Office of Cambodian Genocide Investigation, the activities of which are to be carried out primarily in Cambodia), could also interfere with the President's constitutional prerogatives. I am sympathetic to the goals of these provisions. However, they could be construed to require the President to negotiate with foreign countries or to take actions in those countries without their consent. I will, therefore, implement them to the extent consistent with my constitutional responsibilities.

As with the resources allocated to the Department of State, I appreciate the appropriations authorizations provided for USIA for fiscal years 1994 and 1995. There are however, certain earmarks, particularly in the exchange programs, that inhibit the flexibility that USIA needs to meet changing priorities. In addition, I understand that the 1994 appropriations authorizations provided for USIA for salaries and expenses includes the authorization for administrative and staff cost for the "Educational and Cultural Exchange Programs."

I regret the repeal of the Voice of America broadcast charter language (P.L. 94—350). My Administration will work with the Congress to address this issue further.

Section 401 requires certain withholdings from U.S. assessed contributions for the United Nations (U.N.) regular budget, and from the fiscal year 1994 supplemental until the President makes the requisite certification that the U.N. has established an office of and appointed an Inspector General, empowered with specified authorities. Section 404 also sets forth ceilings on assessments on the United States for peacekeeping contributions. Although I share the Congress' goal of encouraging U.N. reform and broader cost sharing, I cannot endorse the method proposed by these provisions because they could place the United States in violation of its international treaty obligations if reform is not achieved within the stated time.

Section 407 sets forth new reporting and notification requirements, including a requirement for 15-day advance notification (with no waiver provision) before the United States provides certain in-kind assistance to support U.N. peacekeeping operations. It is understood that the Congress, however, does not consider this provision to be subject to the regular procedures on reprogramming notifications. It is imperative at times to provide such assistance on an urgent basis to further U.S. foreign policy interests. I will, therefore, construe these reporting and notification requirements consistent with my constitutional prerogatives and responsibilities as Commander in Chief and head of the Executive branch. I also note the understanding reached with the Congress that this notification process will not include congressional "holds" on assistance when notification does occur.

The conference report accompanying H.R. 2333, with respect to section 525(a). Free Trade in Ideas, purports to describe the Administration's policy with respect to restrictions on travel or exchanges in the context of economic embargoes. We will carefully consider the sense of the Congress as we complete our review of the standards for general and specific licenses under embargo programs. We have not, however, committed as a matter of policy to broad regulatory or administrative changes to remove restrictions affecting travel or exchanges for informational, educational, religious, cultural, or humanitarian purposes or for public performance or exhibitions. Nor have we initiated any action with respect to visa or currency restrictions.

Title VII, the Arms Control and Nonproliferation Act of 1994, reflects the principle that the USACDA must be a key participant on arms control and nonproliferation matters. The conference report accompanying H.R. 2333 calls for a presumption that the President should direct the USACDA to have primary responsibility for nonproliferation matters absent compelling reasons to do otherwise. It also suggests specific areas of responsibility in the nonproliferation field that should be shifted to the USACDA. I do not accept either the stated presumption or the suggested shift, since such limitations would infringe on the discretion of the President in carrying out foreign affairs.

Title VIII contains provisions that raise significant constitutional concerns. Section 824 would require an "opportunity for a hearing on the record" prior to a Presidential determination to impose sanctions on any person contributing to nuclear proliferation through financial transactions. It would also subject this determination to judicial review under the Administrative Procedures Act. These are extraordinary and unwarranted procedural requirements for a Presidential determination in the area of foreign affairs, and they raise serious constitutional concerns. The delay in holding hearings and the possibility of delay pending judicial review would severely undermine the effectiveness of these sanctions. They would also eliminate the flexibility needed to impose sanctions quickly to address urgent foreign policy problems and interfere with our nonproliferation efforts. Nor is it clear how these procedures could function in view of the classified nature of much of the material involved. In addition, the broad reach of section 824 (which covers any person, not just financial entities) would complicate Federal enforcement of the proposed sanctions and raises additional constitutional questions when coupled with the extent of the specified sanctions (i.e., a complete prohibition on the conduct of any new business activities).

The juxtaposition of these elements in section 824 makes the provision essentially unworkable. I have been assured that this provision will be corrected in a manner acceptable to the Administration at the earliest possible date. Pending these corrections, and particularly in light of the constitutional problems, I will interpret the statute as providing me discretion to make the determinations provided for in this section.

Finally, section 134 provides that whenever the Department of State enters into a lease-purchase agreement involving foreign countries, the Department shall account for such transactions "in accordance with fiscal year obligations." The Administration's interpretation is that this provision does not waive the scoring rules governing lease-purchases under the Budget Enforcement Act of 1990.

WILLIAM J. CLINTON.

TRIBUTE TO MARY FEINDT

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to Mary C. Feindt for her 50 years of dedication and service to the Charlevoix Abstract & Engineering Co. and to the State of Michigan. The first woman surveyor in Michigan, Mary Feindt exemplifies all the qualities of a business leader and first class citizen.

The Charlevoix Abstract & Engineering Co. was founded by D.C. Nettleton in the late 1800's as an abstract and survey company. In 1916, the business was reorganized by R.F. Sloan and officially became known as the Charlevoix Abstract Engineering Company. Mary Feindt began working for the company in 1938. In 1944, Mary became the owner of the company as an abstracter and registered land surveyor. On September 1, 1965, Charlevoix Abstract & Engineering Company became incorporated. Mary is the company's current president.

The Charlevoix Abstract & Engineering Company is an active Women's Business Enterprise which performs a variety of related professional services. These services include land surveying, construction surveying, land title abstracting, title insurance, and escrow closings.

The company's workhorse and leader, Mary Feindt, knew she wanted to be an engineer at an early age. Surging ahead into uncharted territory, she attended the University of Michigan where she obtained her B.S. degree in geodesy and surveying in 1938 and her MS degree in Civil Engineering in 1944. In 1944, Mary was elected as the Charlevoix County Surveyor, the first woman surveyor in Michigan. She continues to hold this position today. Mary served on the Michigan State Board of Land Surveyors from 1979 through 1984. In 1991, she was appointed by the Governor to the State Survey and Remonumentation Commission.

Along with her company and her career. Mary has advanced the rights of women. Admonished at first because she was a woman, Mary has set a standard of excellence within her field that others now strive to attain. Demonstrating fortitude and courage, her name has become synonymous with hard work and dedication. An accomplished scholar, shrewd businesswoman, devoted wife, and loving mother, Mary Feindt has managed to balance it all.

Mr. Speaker, I would like to thank Mary Feindt for her 50 years of dedication and service to her trade and to Michigan. I am proud to count Mary as one of my constituents. In addition, I extend my sincere congratulations to the rest of the staff of the Charlevoix Abstract & Engineering Co., including those who deserve recognition for their numerous years of tireless service: Arthur E. Emmons, 48 years; Lawrence J. Feindt, 29 years; Nancy A.

Dixon, 25 years; Faye A. Feindt, 25 years; and Gordon T. Russell, 16 years. Congratulations, and best wishes.

TRIBUTE TO NARENDRA N. GUNAJI

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. HUNTER. Mr. Speaker, I rise today to recognize the retirement from Federal service of an outstanding public servant, Narendra N. Gunaji. During his distinguished career as the U.S. Commissioner of the International Boundary and Water Commission, Mr. Guanaji admirably represented the interest of the border States.

Appointed to this position by President Ronald Reagan in 1987, Narendra Gunaji devoted himself to solving the many border sanitation problems that exists. He worked tirelessly to solve the Tijuana river sewage crisis—efforts that were finally realized in the official groundbreaking of the Tijuana wastewater treatment plant last month.

I had the privilege of working closely with Mr. Gunaji over the years, both on the Tijuana issue and on the cleanup of the New River. Considered the most polluted river in North America, the New River was a prime focus on the Commissioner. After decades of stalled talks with Mexican officials over this problem, Gunaji was able to secure key international agreements as the foundation for a long-term cleanup solution. His efforts in my district will not soon be forgotten by my constituents, and I am hopeful that the new Commissioner continue Gunaji's dedication to the needs of the people.

Looking forward to the life of a private citizen, Narendra Gunaji now owns a consulting company with his wife, Grace, in their home State of New Mexico. I wish them both all the best in their future endeavors.

CONGRATULATIONS TO AMBASSADOR MOHAMED FALL AININA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. TOWNS. Mr. Speaker, I am pleased to bring to the Members of the House a joint success story for the United States of America and for the Republic of Mauritania in northwest Africa.

In 1980 the African-American Institute sponsored a graduate student from the Republic of Mauritania at Ball State University in Muncie, IN to do graduate work for the master's degree in business administration. That graduate student—Mohamed Fall Ainina—not only completed his M.B.A. but went on to Arizona State University to complete his Ph.D. in finance. While at Arizona State, he worked as a computer programmer for the college of business, and was a teaching assistant in the field of finance, real estate, and insurance.

Mr. Speaker, that graduate student—Dr. Mohamed Fall Ainina—is now the Mauritanian Ambassador to the United States. If ever there was a case where foreign assistance worked to the benefit of both the donor country—the United States, and the recipient country—Mauritania is that example.

But there is more to this story. Mohamed Fall Ainina was born in the town of Atar, Mauritania. He attended the Lycee de Nouakchott where he completed work in the baccalaureate sciences in 1973. He then attended the University of Tunis, Tunisia where he received the diplome de hautes etudes commerciales, in 1977. In 1982, he went to Guadalajara to learn Spanish. After completing work on his Ph.D., he was offered several positions but went to Dayton, OH, where he served as professor of finance at Wright State University from 1986 to 1991. While at Wright State University, he co-authored a book: "Managerial Finance for Use with Lotus 123." He has written over a dozen articles on managerial finance, financial planning, taxation, investment, and the Occupational Safety and Health Administration. He presented papers for and participated in, more than a dozen conferences while at Wright State University.

In July 1991, he was called back to Mauritania where he became adviser to the President of Mauritania until February 1992. On April 2, 1992, he presented his credentials as Mauritania's Ambassador to the United States. He is fluent in serial language including French, Arabic, English, and Spanish.

Mr. Speaker, because education is his first interest, Dr. Ainina is returning to the classroom at Wright State University this fall. While his department will be a great loss to the ambassadorial corps in Washington, DC, he will make a significant contribution to the field of finance at Wright State University.

During his tenure as Ambassador, he made significant contributions to developing closer ties between the United States and Mauritania. He has spent a considerable amount of his time meeting with Senators, Members of the House, the U.S. administration and other Government officials to explain Mauritania's position on matters of mutual interest. He has engaged the human rights community in a productive dialog.

He participated in negotiations between Mauritania, and the World Bank and other financial institutions. He was very active as a member of the African Ambassadors Group. He was elected chairman of the economic committee of that organization. He has opened intensive dialog with Government bodies, donor and nongovernmental organizations, and banking institutions with economic decisionmaking power to determine what can be done to assure economic development and financial security for Africa.

In 1992 and 1993, Ambassador Ainina held a series of discussions with staff and Members of both the House and the Senate, and with the Department of State to create a better understanding of the problem in Mauritania. He was always accessible to answer questions on any subject pertaining to Mauritania.

Ambassador Ainina developed a close working relationship with Africa, World Vision, and other NGO's and he stayed in touch with his student sponsor, the African-American Institute. He was instrumental in promoting business between Africa and the United States through his work with the United States-Africa Chamber of Commerce in New York, by speaking at various conferences on economic and political problems in Africa, and through his attendance and active involvement in the African African-American Summit at Libreville, Gabon in 1993.

Our former colleague, Congressman Mervyn M. Dymally, chair of the Subcommittee on Africa, has this to say of him recently:

> Ambassador Ainina had the unique qualification of knowing both his country Mauritania, and his host country, the United States. He is a person who was always willing to listen and attempt to explain situations and reconcile differences. As a Member of the Committee on Foreign Affairs, I found him to be a person of profound intellect, as well as a warm and highly valued friend.

Mr. Speaker, as the Ambassador leaves to return to the classroom, I want to join with his friends and his colleagues in the Ambassadorial Corps in wishing him well in his new assignments.

FEDERAL AVIATION ADMINISTRATION AUTHORIZATION LEGISLATION

HON. MARIA CANTWELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Ms. CANTWELL. Mr. Speaker, yesterday the House approved a conference report with one section that may have far-reaching implications regarding trucking regulation. Section 211 of the Federal Aviation Administration authorization legislation was added by the Senate without an opportunity for amendment in any House committee or on the House floor. The State preemption language of the conference report is contained in section 601.

H.R. 2739—see conference report on the Federal Aviation Administration authorization—contains provisions that preempt State trucking regulations pertaining to prices, routes, and services. I commend Chairman MINETA of the Public Works and Transportation Committee and Chairman RAHALL of the Surface Transportation Subcommittee for holding a hearing on the trucking provision added by the Senate to the FAA bill. However, I am concerned that all Members of the House were not afforded the usual opportunities for input, discussion, and votes on this critical issue. This trucking deregulation section was not marked up by the House subcommittee, or full committee, nor was it specifically considered and open to amendment on the House floor. Yesterday, the House had one vote on a wide-ranging aviation bill which contained the trucking deregulation provision.

At the July 20 hearing, Washington State Gov. Mike Lowry submitted a statement for the record that reflects my concern, as well. In his statement, the Governor said:

> * * * Section 211 was added in the Senate as an amendment. It did not go through the hearing process. There has been little, if any opportunity for public discussion on this issue. There have been no studies done on economic impact, impact of safety and other issues associated with deregulation. We

should not be enacting deregulation legislation on such a piecemeal basis without understanding the impact on this important industry.

This is not to say that the State of Washington opposes deregulation of this or other industries. As Governor, I have launched a major effort to review and reform the regulatory structure in our State. Any reform must strike a balance between protecting the public and insuring a competitive economic environment. The State of Washington would like to work with the Congress and the administration on a comprehensive approach to these regulatory issues. At this point, it may be premature to enact section 211 without proper analysis and debate.

Mr. Speaker, our democratic system is designed to allow public participation and debate. I have supported legislation that promotes sunshine in congressional proceedings. I believe that legislation of this magnitude should have been subjected to our full legislative process.

THE NEED TO ADDRESS DIABETES IN HEALTH CARE REFORM

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. RAHALL. Mr. Speaker, today I call attention to diabetes, a very serious health problem in West Virginia as well as the entire United States.

My home State of West Virginia has the sixth highest percentage of patients suffering from diabetes in the country. Of the 1.8 million residents of West Virginia, approximately 173,000 suffer from diabetes. This is 10 percent of the population over 40 years of age and 6 percent of those over 18. West Virginia has the highest diabetic mortality rate in the Nation. Diabetes is the leading cause of nontraumatic amputations, blindness, kidney failure, nerve damage, and birth defects. Nationwide, 14,000,000 Americans suffer from this disease which has no cure. These statistics represent the emphatic need we, as Americans, feel for health care reform.

Preexisting condition clauses in insurance policies present a tremendous burden to diabetic patients when they are seeking coverage. If proper care to manage diabetes is not made available, the health care system will be forced to pay for the costly treatment of the many complications of diabetes. With adequate health care treatment in the early stages of diabetes the chance that the patient will become blind is reduced by 70 percent, the risk of kidney failure is reduced by 70 percent, and diabetic related birth defects are reduced by 70 percent as well. Today, diabetic patients will not receive proper care until after they suffer from one of these abhorrent complications. The expenses of treating many of these complications such as amputations, nerve damage, and patients on dialysis are far greater than the costs of early diabetic treatments that can prevent most of these complications.

Mr. Speaker, as we begin debating health care reform, we must remember Americans suffering from diabetic like diseases for they are the ones who most need universal coverage and suffer from the consequences of preexisting condition clauses. People have a right to receive adequate treatment for their illnesses and avoid outrageous medical expenses. By not providing adequate treatment to those who need it, we infringe upon the basic right to live healthy productive lives. I urge my colleagues to remember these Americans during the debate on health care reform.

INDIA IMPOSES CENSORSHIP ORDER AGAINST SIKH NATION

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. KING. Mr. Speaker, India's repression of the Sikh nation, Khalistan, continues. Indian newspapers have recently reported a top-secret order by the Indian Government which censors incoming or outgoing mail of all Sikh activist organizations. Included in this are the Akali Dal, the largest Sikh political party in Indian-occupied Khalistan, and the Council of Khalistan.

The order states that "the Administrator [UT] Chandigarh is pleased to direct that all postal articles and telegraphic messages of any description whatsoever addressed to or emanating from" any of these organizations "shall be detained." The order also orders the seizure of any mail to or from all "persons residing in Pakistan."

This news was first reported by Sukhbir Singh Osan, Chandirgarh correspondent for the Hitavada News, and English-language newspaper in central India. Now the Indian regime is preparing to bug Mr. Osan's telephone.

According to a report in the July 17 issue of The Statesman, a major Indian newspaper, in addition to the Sikh organizations, "10 senior journalists have been targeted for censorship." The Statesman reported that "an Amritsar-based journalist, Mr. Shammi Sarin of the Sunday Mail, said today that he had received a threat." This threat stemmed from his story reporting the beating of two sportswriters by the Punjab police. The sportswriters had written stories questioning the credentials of the Punjab police director K.P.S. Gill to be head of the Indian Hockey Federation. According to the Statesman article, the anonymous caller told Mr. Sarin that "writing against Mr. Gill and the Punjab police will cost you dearly."

Another reporter, Monimoy Dasgupta of the Telegraph, also received a threatening phone call. "Don't think that you can get away with writing anything you want," the caller said. "There is such a thing as a road accident."

Mr. Speaker, this kind of repression is all the worse in the face of India's claim that there is peace in Punjab, Khalistan. If there is peace, then why does India need to resort to censorship and brutality?

On October 7, 1987, the Sikh nation declared its independence, forming the separate and sovereign country of Khalistan. The Sikh movement for independence is legitimate and justified. Yet India resorts to tactics like this censorship order. India is a polyglot of many peoples. For example, it has 18 official languages. On July 4, Afghanistan recognized Khalistan's independence. Liberty for the Sikh nation will be restored when Khalistan is free. By 1999, the Sikh nation will celebrate the liberation of Khalistan. It is time for India to recognize reality. It is time for India to end its occupation of Khalistan.

I am including a copy of this top-secret censorship order for the RECORD.

ORDER

Whereas the Administrator (UT) Chandigarh, is satisfied that this measure is necessary in the interest of public safety and tranquility.

Now, therefore, in exercise of the powers conferred by Subsection (1) of Section 26 of the Indian Post Office Act 1898 for censorship of Postal articles and by Section 5(2) of the Indian Telegraph Act, 1885 for censorship of telegraphic messages the Administrator (UT) Chandigarh, is pleased to direct that all Postal articles and telegraphic messages of any description whatsoever addressed to or emanating from the:

(1) Office bearers, important members and important workers of:

1) Akali Dals, Dal Khalsa, Khalsa Raj Party. National Council of Khalistan and their front organizations;

ii) Central Coordination Committee of Local Gurdwaras & Sikh Institutions, Chandigarh;

iii) A.I.S.S.F.;

iv) Sikh Lawyers Forum:

v) Punjab Bachao Morcha;

(2) Office bearers, important members and important workers of Anand Marg and its branches;

(3) Any organization/person from whom danger to the security of the State/VIP:

(4) Person residing in Pakistan;

shall be detained and forwarded to the Dy.Supdt, of Police (CID) UT/Chandigarh and to authorize the Dy.Supdt. of Police (CID), UT/Chandigarh to return to the Postal/Telegraph Authorities direct for delivery such Postal articles/telegraphic messages as are intercepted in accordance with this Office Order which it is not necessary to contain permanently in the interest of public safety.

This Order is to remain in force for a period of six months with effect from the date of issue.

Home Secretary,
Chandigarh Administration.

HONORING HEARTS AND VOICES, MICHAEL ENG AND BILL DITFORT

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring the attention of my colleagues to the efforts of two very special New Yorkers. Michael Eng and Bill Ditfort have worked tirelessly for years to ease the pain and suffering of those afflicted with AIDS. On Monday, August 15, they will reaffirm their commitment to this goal by hosting an event at the Pegasus Cafe to support an organization known as Hearts and Voices.

Hearts and Voices is a group of extremely talented musicians and entertainers started several years ago in an effort to provide a little diversion to those afflicted with AIDS. All too often people with AIDS are suddenly unable to continue to go to the movies, plays, or concerts. By going into hospitals and hospices, Hearts and Voices provides a much needed smile to hundreds of individuals who are bravely fighting this terrible disease.

Mr. Speaker, I urge my colleagues, as well as my fellow New Yorkers, to take this opportunity to salute Michael Eng and Bill Ditfort for their work on behalf of Hearts and Voices. Together, these men and women bring a little joy to an otherwise joyless situation, and in the process, make New York a better place for all of us.

SAVING FOR OUR CHILDREN'S EDUCATION

HON. THOMAS J. BARLOW III

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. BARLOW. Mr. Speaker, America's colleges and universities, our institutions of higher learning, are vital to maintaining the intellectual strength of the United States in the decades ahead. In recent decades, we have come to finance the tuitions of our students in our institutions of higher learning more and more through loans and grants. Many of these loans have been backed by Federal guarantees and with troubling statistics of rising defaults on these loans, the direct budget costs to taxpayers have been steadily increasing.

We, as a nation, are moving to reduce the heavy deficits in our national accounts that have been pushing the national debt higher and higher every year. In coming years every Federal expense account will be put under continuing pressure to reduce outlays. State treasuries, which State universities look to for the largest portion of their budgets, are feeling the effects of reductions in Federal education allocations such as cutbacks in Pell grants. In my State of Kentucky alone, 50,000 applications for student financial aid were turned down last year because Federal money for educational assistance simply was not available. I believe the bill that I have introduced, H.R. 3722, now cosponsored by eight Members of the House, addresses remedies for the growing limitations of Federal aid in meeting higher education costs for our students.

For all national spending accounts, it is time to be moving our Nation from the borrowing side of the ledger to the investment side of the ledger. The best investors and guides for our children as they map out their future are parents, grandparents, and relatives—their families. The legislation that I have introduced encourages parents and grandparents to be saving ahead for children's education. I hope this legislation will continue to secure bipartisan support from Members of Congress.

Currently, 34 States administer post-secondary educational savings programs for their residents seeking to finance their children's education. We must support States, educational institutions, and the broadening of opportunities for our children by developing at the Federal level an Individual Retirement Account-type approach to education in conjunction with State educational savings agencies. It is vital that we take firm and positive steps toward increasing educational opportunities for our youth in coming decades. We will be serving our children, our families and our Nation.

TRIBUTE TO COPPER PEAK INTERNATIONAL SKI FLYING HILL

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 9, 1994

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to the Copper Peak International Ski Flying Hill which resides in the First Congressional District of Michigan, which I represent. Not only is Copper Peak the only ski-flying facility in the United States, it is the only facility in the Western Hemisphere.

The majestic ski hill stands as a testament to America's ingenuity, courage, and skill. Built in the late 1960's, the 469-foot ski hill sends skiers hurtling through the air at speeds exceeding 70 miles per hour. Over the years, the hill has witnessed history as the finest jumpers from around the world have soared to record-breaking jumps. The hard work and dedication of the staff have ensured the reputation of the hill and America's ski program as one of the best in the world.

The Copper Peak International Ski Flying Hill started as a dream, but has now developed into a year-round, multifaceted sport and recreation facility. Beyond the mammoth spectator hill, the facility is home to a vast network of Nordic skiing trails and hosts summer and fall tours of the structure.

Mr. Speaker, the Copper Peak Ski Flying Hill's existence is as unique as its contribution to Michigan and to America. The hill is an essential part of the heritage and pride of the citizens of the Upper Peninsula as well as the United States' ski program. I would like to take this time to honor and congratulate the many workers, volunteers, and participants of the Copper Peak International Ski Flying Hill. Congratulations, and best wishes.